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GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions

Applied to OCBOA and Regulatory Basis Financial Statements

Presented by:
Local Government Services
Northeast Region

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GASB Statement No. 54

- Issued March 11, 2009
- Effective for periods beginning after June 15, 2010
 - Villages and townships financial statements for the year ending December 31, 2011, completed in 2012, will incorporate these requirements.
 - This GASB will be for both OCBOA and Regulatory Basis filers.
- Technical Bulletin 2011-004



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GASB Statement No. 54

The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints (restrictions or limitations) imposed upon the use of the resources reported in governmental funds.



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GASB Statement No. 54

- New fund balance classifications are:
 - Non-spendable
 - Restricted
 - Committed
 - Assigned
 - Unassigned



Non-Spendable Fund Balance

- Legally or Contractually Required to be maintained. Examples include:
 - Principal of Permanent Funds
 - Unclaimed moneys fund
 - Cemetery Endowment
- This classification does not include reserve balance accounts/budget stabilization under Section 5705.13 and 5705.132, Revised Code



Restricted Fund Balance

Fund balance should be reported as restricted when constraints placed on the use of resources are either:

- Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or
- Imposed by law through constitutional provisions (Charters) or enabling legislation.



Restricted Fund Balance

- *Enabling legislation*, authorizes a government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a *legally enforceable* requirement that those resources be used only for the specific purposes stipulated in the legislation.
- *Legal enforceability*, means that a government can be compelled by an external party-such as citizens, public interest groups, or the judiciary-to use resources created by enabling legislation only for the purposes specified by the legislation. Legal enforcement exists upon receipt of resources.



Enabling Legislation

Example

- Village council passes an ordinance that enacts a \$1,000 fee per lot (impact fee) in a new subdivision to be used for the development of parks. There is no State statute that allows for this fee. The Village's legal Counsel stated that "Home Rule" provides the authority to enact this fee.
- The source of the constraint is the enabling legislation.



Enabling Legislation

Example

- Village council passes legislation that places a proposition on the ballot to install parking meters in village-owned parking lots and utilize the proceeds only for repairing and maintaining those lots. The ballot proposition is approved by a majority vote at a public election.
- The source of the constraint is externally imposed by voter approval. There is no enabling legislation for the local government.



Enabling Legislation

Example

- A state passes a law allowing local governments to pass legislation placing a special levy before the voters, the proceeds of which can only be used for recreation programs. The local government's voters approve the levy at a general election.
- The local government would have a constraint imposed by state law and voter approval. There is no enabling legislation for the local government.



Restricted Fund Balance

Examples of Restricted Fund Balance include resources provided from:

- Voted property tax levy not for General Fund operations
- Permissive Motor Vehicle License fees
- Gas taxes and motor vehicle licenses fees
- Most grant proceeds
- Voted income tax levy for a specific purpose (see separate sheet for income tax discussion)



Income Tax Scenarios

Type of Income Tax	Source of Constraint	Type of Constraint	Classification	Fund Type
Up to 1 Percent without voter approval	Section 718.01, ORC	None	Unassigned	General
Up to 1 Percent for a specific purpose without voter approval	Section 718.01, ORC <i>Restriction must be part of the original ordinance</i>	Imposed through enabling legislation	Restricted	Special Revenue or Capital Projects
Voted tax, unrestricted	Section 718.01, ORC	None	Unassigned	General
Voted tax, specific purpose	Section 718.01(C), ORC	Externally imposed by Voters	Restricted	Special Revenue or Capital Projects
Voted or unvoted tax	Section 718.01, ORC	None	Unassigned	General
Annual ordinance allocating tax	Ordinance No. _____	Imposed by Ordinance	Committed	Special Revenue or Capital Projects

Committed Fund Balance

- Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action at the government's highest level - council or board of trustees - of decision-making authority
- Constraints are imposed by the government separate from the authorization to raise the revenue
- Committed resources/amounts are not considered to be legally enforceable as with restricted.
- Committed fund balance also includes contractual obligations to the extent that existing resources in the fund have been specifically committed (encumbered) for use in satisfying those contractual requirements.

Committed Fund Balance

- Constraint can be removed or changed only by taking the same highest level action
- Action to constrain resources should occur prior to end of year, though the exact amount may be determined subsequently
- Ability to transfer resources by court order is not the same action of the governing body that created the constraint.

Committed Fund Balance

Committed resources are generally unrestricted revenues authorized by state statute, ordinance, or resolution for which the government may commit the use of the revenue for a specific purpose. Examples of committed fund balance/resources include:

- Membership or entrance fees to a swimming pool to be used for swimming pool operations
- Recreation program fees to be used to recreation program expenses
- Cemetery charges for grave openings, burials, foundations, etc. To be used for cemetery operations.

Committed Fund Balance

Court fines, forfeitures, and costs cannot be committed by governing board as those revenues are directed to specific funds or the general fund by State statute.

Assigned Fund Balance

- Amounts intended to be used for specific purposes
- Intent is expressed by
 - Governing body, or
 - High-level body or individual authorized by the governing body (Service Director - Cemeteries)
- Lowest classification for all governmental funds, except general fund and funds with deficits
- Funds created under Section 5705.13(C), R.C.
- Ordinance creating the fund but there is not a constraint on the revenue received

Unassigned Fund Balance

- Unassigned fund balance is the residual classification for the general fund
- General fund should be the only fund that reports a positive unassigned fund balance
- Negative fund balances in other governmental funds are report as negative unassigned fund balance

Can I have more than one Classification?

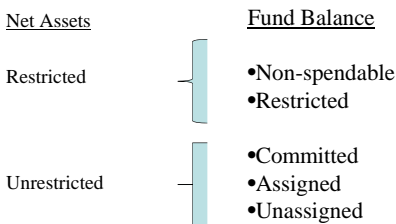
- Can there be more than one fund balance classification in a fund other than general fund?
 - For example:
 - Charges for services in SCM&R fund.
- Same question as above, but consider Section 5705.10(H), Revised Code, which states "Money paid into any fund shall be used only for the purposes for which such fund is established".

Steps to determining the fund balance classification

- What is the main revenue source of the fund?
- Is there an external restriction?
 - Examples:
 - Grant Agreements
 - ORC
 - Ballot Language
- Does State law allow me to assess the fee?
- Has the governing body passed an ordinance/resolution placing a constraint on the revenue?
 - Ordinance/Resolution Language

Relationship of Net Assets to Fund Balance

Net assets reported on the statement of net assets modified cash basis (GAAP Lookalikes)



Fund Definitions

General Fund

- NCGA Statement No. 1
 - General Fund - to account for all financial resources except those required to be accounted for in another fund.
- GASB Statement No. 54
 - General fund should be used to account for and report all financial resources not accounted for and reported in another fund.

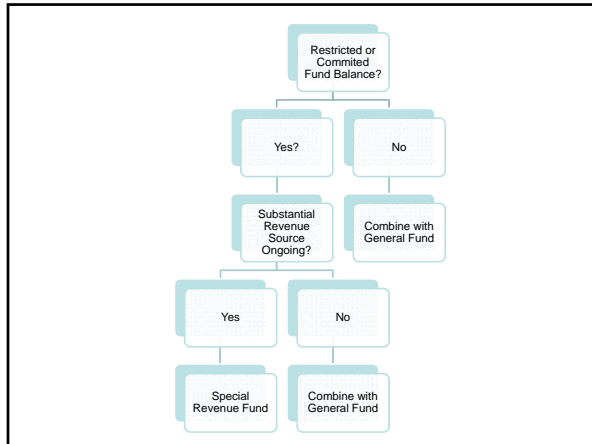
Fund Definitions

Special Revenue Funds

- NCGA Statement No. 1
 - To account for the proceeds of specific revenue sources (other than trusts for individuals, private organizations, or other governments or for major capital projects) that are *legally restricted* to expenditure for *specified purposes*.
- GASB Statement No. 54
 - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are *restricted or committed to expenditures* for specified purposes other than debt service or capital projects. *The term "proceeds of specific revenue sources" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.*

Fund Definitions

- Special revenue funds must have a specific restricted or committed revenue source which comprises a **substantial** portion of fund's resources on an **ongoing** basis
 - Fund also may include other revenue resources but the main thing to keep in mind is what is the most substantial revenue source.
- Discontinue reporting the fund as SR when the restricted or committed resource is not longer expected to be the substantial portion of the inflows to the fund.
- Combine with general fund with the appropriate fund balance classification.



Fund Definitions

Debt Service Funds

- NCGA Statement No. 1
 - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.
- GASB Statement No. 54
 - Debt service funds are used to account for and report financial resources that are *restricted, committed, or assigned* to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds.

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Fund Definitions

Capital Projects Funds

- NCGA Statement No. 1
 - Capital Projects Funds - to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds, Special Assessment Funds, and Trust Funds .)
- GASB Statement No. 54
 - Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure *for capital outlays*, including the acquisition or construction of capital facilities *and other capital assets*. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

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Fund Definitions

Permanent Funds

- Permanent funds should be used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs—that is, for the benefit of the government or its citizenry.
- Permanent funds do not include private-purpose trust funds, which should be used to report situations in which the government is required to use the principal or earnings for the benefit of individuals, private organizations, or other governments.
 - Permanent funds should have fund balances that are non-spendable and restricted.



Fund Definitions

- GASB 54 is only for governmental funds
 - Does not effect enterprise, internal service or trust funds.



Budget Stabilization Arrangements

Stabilization amounts should be reported in the general fund as restricted or committed if:

- they meet the criteria set forth restricted or committed based on the source of the constraint on their use.
- Stabilization arrangements that do not meet the criteria to be reported within the restricted or committed should be reported as *unassigned* in the general fund.
- A stabilization arrangement would satisfy the criteria to be reported as a separate special revenue fund only if the resources derived are from a specific restricted or committed *revenue* source.



Ohio's Local Government Budget Stabilization

- Authorized by Section 5705.13(A), Revised Code
- Budget reserve is created from the unencumbered fund balance – no specific revenue source
- Limit is 5 percent of the prior year revenue
- May exist in other operating funds
- Ohio's budget stabilization should be reported as unassigned fund balance in the general fund and NO budget stabilization should be reported in other funds.

Encumbrances

- Encumbrances are now part of your restricted, committed, and assigned categories. They no longer have their own line item.
- Capital projects funds with an assigned balance
 - Look for Council/Trustee action approving the contract that generated the purchase order.
 - If so, move the encumbrance to committed fund balance.
 - If not, leave in assigned fund balance.
- General Fund
 - Look for Council/Trustee action approving the contract that generated the purchase order.
 - If so, move the encumbrance to committed fund balance.
 - If not, move the encumbrance to assigned fund balance.

Change in Fund Classification

- Funds maintained for day-to-day accounting purposes may no longer meet the fund type criteria for reporting in the year-end external financial statements.

Cities/Villages

GASB 54 Fund Balance Classification Analysis

GASB 54 Fund Classification	Prior Fund Classification	Fund Name	Revenue Source	Foundation Revenue (SR only)/ Inflow	Source of Constraint	Type of Constraint	Fund Balance Classification
General	General	General	Various sources		None	None	Unassigned
General	SR	Compensated Absences	Transfers +		ORC Section 5705.13(B), transferred from other funds	City's intent - pmt of sick/vacation/comp at termination	Committed
General	SR	Underground Storage Tanks	Transfers from other funds +		AOS Bulletin 94-04	Remediation deductible; no specific source, transfers	Committed
General	General	Unclaimed Monies Fund	Various unclaimed funds		ORC Section 9.39	Externally imposed by State Statute	Nonspendable
General	General	General	Hotel/Motel Tax - 50% for municipality		ORC Section 5739.09(B)	None	Unassigned
SR	SR	Police Pension	3/10 mill Property Taxes		ORC Sections 5705.06(G) & 742.33(B)	Externally imposed by State Statute	Restricted
SR	SR	Fire Pension	3/10 mill Property Taxes		ORC Sections 5705.06(G) & 742.34(B)	Externally imposed by State Statute	Restricted
SR	SR	Special Levy	Property Taxes		ORC Section 5705.19	Externally imposed by voters	Restricted
SR	SR	Hotel/Motel Tax	Hotel/Motel Tax - 50% for municipality		ORC Section 5739.09(B)	Internally imposed by City Ordinance	Committed
SR	SR	Hotel/Motel Tax	Hotel/Motel Tax - 50% for convention and visitors' bureau		ORC Section 5739.09(B)	Externally imposed by State Statute	Restricted
SR + a	SR	Tax Increment	Increment Taxes		ORC Sections 5709.40 - 5709.43	Externally imposed by State Statute	Restricted
SR	SR	Service Assessments	Special Assessments		ORC Chapters 727 & 729	Externally imposed by State Statute	Restricted
SR + b	SR	CDBG	Intergovernmental-Grant Monies		Grant Award/Agreement	Externally imposed by Grantor	Restricted
SR	SR	CDBG Revolving Loan	Intergovernmental		Grant Award/Agreement	Externally imposed by Grantor +	Restricted +
SR	SR	Cops	Intergovernmental-Grant Monies		Grant Award/Agreement	Externally imposed by Grantor	Restricted
SR	SR	FEMA	Intergovernmental		ORC Section 131.35	Externally imposed by State Statute/grant award	Restricted
SR	SR	HUD Housing	Intergovernmental-Grant Monies		Grant Award/Agreement	Externally imposed by Grantor	Restricted
SR	SR	Joint Economic Develop District	Intergovernmental - City's share of JEDD income tax collections		ORC Sections 715.72-715.83	Externally imposed by State Statute	Restricted
SR	SR	Street Maintenance (SCMR)	Intergovernmental			Externally imposed by State Statute	Restricted
SR	SR	State Highway	- Gas Tax		ORC Section 5728.06 & ORC Chapter 5735	Externally imposed by State Statute	Restricted
SR	SR	State Highway	- Motor Vehicle License Fees		ORC Chapter 4503	Externally imposed by State Statute	Restricted
SR	SR	State Highway	- Gas Tax		ORC Section 5728.06 & ORC Chapter 5735	Externally imposed by State Statute	Restricted
SR	SR	State Highway	- Motor Vehicle License Fees		ORC Chapter 4503	Externally imposed by State Statute	Restricted
SR	SR	Permissive Motor Vehicle License	Intergov't - Permissive MVL		ORC Chapter 4504	Externally imposed by State Statute	Restricted
SR	SR	Drug Law Enforcement	Fines and Forfeitures		ORC Section 2925.03, AOS Bulletin 86-16	Externally imposed by State Statute	Restricted
SR	SR	Enforcement and Education	Fines and Forfeitures		AOS Bulletin 90-25	Externally imposed by State Statute	Restricted
SR	SR	Federal Equitable	Fines and Forfeitures		US Treasury & Justice Departments	Externally imposed by Federal Law	Restricted
SR	SR	Indigent Alcohol	Fines and Forfeitures		ORC Sections 4511.191(H)(1) & 2949.094(A)	Externally imposed by State Statute	Restricted
SR	SR	Law Enforcement Trust	Fines and Forfeitures		ORC Section 2981.13 (C)(1)	Externally imposed by State Statute	Restricted
SR	SR	Mandatory Drug Fines	Fines and Forfeitures		ORC Section 2925.03, AOS Bulletin 86-16	Externally imposed by State Statute	Restricted
SR + c	SR	Municipal Court Special Programs	Fines and Forfeitures		ORC Section 1901.26 (B)(1)	Externally imposed by State Statute	Restricted
SR	SR	Cemetery	Charges for Services-Sale of Lots		ORC Section 759.13	Externally imposed by State Statute	Restricted
SR + d	SR	City Donation Fund	Donations		External resource providers	Externally imposed by contributor	Restricted
DS	DS	G.O. Bond Retirement	Donations		External resource providers	Implied by donor, internally imposed by ordinance	Committed
DS	DS	G.O. Bond Retirement	Property Taxes		ORC Sections 5705.19; 133.10 & 133.25	Externally imposed by State Statutes	Restricted
DS	DS	G.O. Bond Retirement	Income Taxes		ORC Sections 5705.09; 133.10 & 718.01	Externally imposed by State Statutes	Restricted
DS	DS	Special Assessment Bond Retirement	Transfers +		Transfers from General Fund	City intends to use for specific purpose	Assigned
CP	CP	Capital Grants	Special Assessments		ORC Sections 133.17 & 6115.50	Externally imposed by State Statutes	Restricted
CP	CP	Federal Stimulus	Intergovernmental		Grant Award/Agreement	Externally imposed by Grantor	Restricted
CP	CP	Issue II Improvements	Intergovernmental		Grant Award Letter	Externally imposed by Grantor	Restricted
CP	CP	Municipal Court Improvements	Fines and Forfeitures		OPWC Money	Externally imposed by grantor/OPWC	Restricted
CP	CP	Capital Improvement Assessment Fund	Special Assessments		ORC Section 1901.26 (B)(1)	Externally imposed by State Statute	Restricted
CP	CP	Capital Improvement Assessment Fund	Special Assessments		ORC Chapters 727 & 729	Externally imposed by State Statute	Restricted

Cities/Villages

GASB 54 Fund Balance Classification Analysis

GASB 54 Fund Classification	Prior Fund Classification	Fund Name	Revenue Source Foundation Revenue (SR only)/ Inflow	Source of Constraint	Type of Constraint	Fund Balance Classification
CP	CP	Construction/Improvement Fund	Specific source TBD by City Transfers +	ORC Section 5705.13 (C) & City Ordinance	Internally imposed by City ordinance	Committed
CP	CP	Construction Fund	Transfers +	ORC Section 5705.13 (C) & City Ordinance	City has identified a specific purpose by ordinance	Committed
Perm	Perm	Cemetery Investment/Perpetual Care	Initial Debt Proceeds + Charges for Services	ORC Section 5705.13 (C)	City has not identified a specific purpose	Assigned
Perm + e	Perm	Endowment	Donations-Corpus can't be spent Earnings on corpus	ORC Sections 133.15. & .32 ORC Sections 759.12 & .15 ORC Section 5705.09 (F), Trust Law ORC Section 5705.09 (F), Trust Law	Externally imposed by debt covenants Imposed by State Statute Externally imposed by donor Externally imposed by donor	Restricted

Cities/Villages Explanatory Notes

The preceding chart shows the “prior fund classification” and the “GASB 54 fund classification” to illustrate situations necessitating the change in fund classification resulting from the implementation of GASB 54. If the two columns are the same, then no change in fund classification resulted.

The preceding chart does not include all possible grant funds: however, if a special revenue fund or capital projects fund has been properly established to account for a grant, the fund balance would be restricted based on the language in the grant agreement.

+ GASB 54 Fund Classification

- a AOS Bulletin 2010-003 addresses the appropriate fund classification to account for Tax Increment Financing (TIF) and other funds that maybe necessary for external reporting. Regardless of fund classification, the fund balance related to TIF’s would be restricted.
- b Some of the grant funds that are presented as special revenue funds could also be capital projects funds based on the use of the award; however, the fund balance classification will still be restricted.
- c The municipal court computerization funds could be classified as special revenue or capital projects funds based on the use of the dollars; however, the fund balance classification will still be restricted.
- d Some of the donation funds could be capital projects funds based on the use of the dollars; however, the fund balance classification will not change.
- e The use of a permanent fund requires an evaluation of each individual circumstance, and the chart is illustrating the GASB 54 fund balance classification for those situations when a permanent fund is appropriate.

+ Foundation Revenue/Inflow

Transfers and debt proceeds represent an inflow not a revenue.

+ Type of Constraint

Review grant agreement for constraints on use of interest payments and collection of receivable.

+ Fund Balance Classification

The fund balance classification related to the loan receivable may be presented as restricted if the proceeds from the collection of the receivable are restricted.

Townships

GASB 54 Fund Balance Classification Analysis

Fund Classification		Fund Name		Revenue Source		Source of Constraint		Type of Constraint		Fund Balance Classification	
	Prior Fund Classification			Foundation Revenue (SR only)/ Inflow							
General	General	General (1000)	General	Various sources	None	None	None	None	None	Unassigned	Unassigned
General	SR	Compensated Absences	SR	Transfers +	ORC Section 5705.13(B) Cash transferred from other funds	ORC Section 5705.13(B) Cash transferred from other funds	ORC Section 5705.13(B) Cash transferred from other funds	Township's intent--payment of sick/vacation/comp-time at termination	Township's intent--payment of sick/vacation/comp-time at termination	Committed	Committed
General	SR	Underground Storage Tank (2291 - 2339)	SR	Transfers +	AOS Bulletin 94-04	AOS Bulletin 94-04	AOS Bulletin 94-04	Remediation deductible; however, no specific source, transfers	Remediation deductible; however, no specific source, transfers	Committed	Committed
General	General	Unclaimed Monies Fund	General	Various unclaimed funds	ORC Section 9.39	ORC Section 9.39	ORC Section 9.39	Externally imposed by State Statute	Externally imposed by State Statute	N unspendable	N unspendable
General	SR	Zoning	SR	None	ORC Chapter 519	ORC Chapter 519	ORC Chapter 519	None	None	Unassigned	Unassigned
General	SR	Various	SR	Charges for Services	No resolution establishing funding source	No resolution establishing funding source	No resolution establishing funding source	Resolution establishing intent of fund	Resolution establishing intent of fund	Assigned	Assigned
General	General	General	General	Hotel/Motel Tax - 50% for general fund	ORC Section 5739.09(B)	ORC Section 5739.09(B)	ORC Section 5739.09(B)	None	None	Unassigned	Unassigned
SR	SR	Motor Vehicle License Tax Fund (2011)	SR	Motor Vehicle License Fees	ORC Chapter 4503	ORC Chapter 4503	ORC Chapter 4503	Externally imposed by State Statute	Externally imposed by State Statute	Restricted	Restricted
SR	SR	Gasoline Tax Fund (2021)	SR	Gas Tax	ORC Section 5728.06 & Chapter 5735	ORC Section 5728.06 & Chapter 5735	ORC Section 5728.06 & Chapter 5735	Externally imposed by State Statute	Externally imposed by State Statute	Restricted	Restricted
SR	SR	Road and Bridge Fund (2031)	SR	Property Taxes	ORC Section 5705.19 (G)	ORC Section 5705.19 (G)	ORC Section 5705.19 (G)	Externally imposed by State Statute	Externally imposed by State Statute	Restricted	Restricted
SR	SR	Road and Bridge Fund (2031)	SR	Property Taxes--inside millage	ORC Section 5705.06 (F)	ORC Section 5705.06 (F)	ORC Section 5705.06 (F)	Internally Imposed by Trustees	Internally Imposed by Trustees	Committed	Committed
SR	SR	Cemetery (2041 -2069)	SR	Property Taxes	ORC Sections 517.03 & 5705.19 (T)	ORC Sections 517.03 & 5705.19 (T)	ORC Sections 517.03 & 5705.19 (T)	Externally imposed by State Statute	Externally imposed by State Statute	Restricted	Restricted
SR	SR	Cemetery (2041 -2069)	SR	Charges for Services	ORC Section 517.15 A, C	ORC Section 517.15 A, C	ORC Section 517.15 A, C	Externally imposed by State Statute	Externally imposed by State Statute	Restricted	Restricted
SR	SR	Cemetery (2041 -2069)	SR	Charges for Services	ORC Sections 517.07 & 517.08	ORC Sections 517.07 & 517.08	ORC Sections 517.07 & 517.08	Externally imposed by State Statute	Externally imposed by State Statute	Restricted	Restricted
SR	SR	Garbage and Waste Disposal District (2071 - 2079)	SR	Property Taxes--inside millage	ORC Section 505.29,	ORC Section 505.29,	ORC Section 505.29,	Internally Imposed by Trustees	Internally Imposed by Trustees	Committed	Committed
SR	SR	Garbage and Waste Disposal District (2071 - 2079)	SR	Property Taxes	ORC Section 5705.19 (V)	ORC Section 5705.19 (V)	ORC Section 5705.19 (V)	Externally imposed by State Statute	Externally imposed by State Statute	Restricted	Restricted
SR	SR	Garbage and Waste Disposal District (2071 - 2079)	SR	Charges for Services	ORC Section 505.29 - no separate fund req'd - Resolution establishing funding source	ORC Section 505.29 - no separate fund req'd - Resolution establishing funding source	ORC Section 505.29 - no separate fund req'd - Resolution establishing funding source	Internally imposed by township resolution	Internally imposed by township resolution	Committed	Committed
SR	SR	Police District (2081 -2109)	SR	Property Taxes	ORC Sections 505.48, 505.51, & 5705.19 (J)	ORC Sections 505.48, 505.51, & 5705.19 (J)	ORC Sections 505.48, 505.51, & 5705.19 (J)	Externally imposed by State Statute	Externally imposed by State Statute	Restricted	Restricted
SR	SR	Police District (2081 - 2109)	SR	Charges for Services	ORC Section 505.431 - no separate fund req'd - Resolution establishing funding source	ORC Section 505.431 - no separate fund req'd - Resolution establishing funding source	ORC Section 505.431 - no separate fund req'd - Resolution establishing funding source	Internally imposed by township resolution	Internally imposed by township resolution	Committed	Committed
SR	SR	Fire District (2111-2139)	SR	Taxes	ORC Sections 505.39 & 5705.19 (J)	ORC Sections 505.39 & 5705.19 (J)	ORC Sections 505.39 & 5705.19 (J)	Externally Imposed by State Statute	Externally Imposed by State Statute	Restricted	Restricted
SR	SR	Fire District (2111 - 2139)	SR	Charges for Services	ORC Sections 505.371 & 505.375 - separate fund - rate set by fire district board	ORC Sections 505.371 & 505.375 - separate fund - rate set by fire district board	ORC Sections 505.371 & 505.375 - separate fund - rate set by fire district board	Externally imposed by State Statute	Externally imposed by State Statute	Restricted	Restricted
SR	SR	Road District (2141 -2169)	SR	Property Taxes	ORC Section 5573.211	ORC Section 5573.211	ORC Section 5573.211	Externally Imposed by State Statute	Externally Imposed by State Statute	Restricted	Restricted
SR	SR	Park Levy (2171 - 2179)	SR	Property Taxes--inside millage	ORC Section 511.27	ORC Section 511.27	ORC Section 511.27	Internally Imposed by Trustees	Internally Imposed by Trustees	Committed	Committed
SR	SR	Park Levy (2171 - 2179)	SR	Property Taxes	ORC Section 5705.19 (H)	ORC Section 5705.19 (H)	ORC Section 5705.19 (H)	Externally imposed by State Statute	Externally imposed by State Statute	Restricted	Restricted
SR	SR	Special Levy (2191--2219)	SR	Property Taxes	ORC Sections 5705.19, 505.46 & 47	ORC Sections 5705.19, 505.46 & 47	ORC Sections 5705.19, 505.46 & 47	Externally imposed by voters	Externally imposed by voters	Restricted	Restricted
SR	SR	Drug Law Enforcement (2221)	SR	Fines and Forfeitures	ORC Section 2925.03, Technical Bulletin 86-16	ORC Section 2925.03, Technical Bulletin 86-16	ORC Section 2925.03, Technical Bulletin 86-16	Externally imposed by State Statute	Externally imposed by State Statute	Restricted	Restricted
SR	SR	Permissive Motor Vehicle License (2231)	SR	Intergovernmental				Externally imposed by State Statute	Externally imposed by State Statute	Restricted	Restricted
SR	SR	Permissive MVL	SR	- Permissive MVL	ORC Chapter 4504	ORC Chapter 4504	ORC Chapter 4504	Externally imposed by State Statute	Externally imposed by State Statute	Restricted	Restricted
SR	SR	Permissive Sales Tax (2241)	SR	Hotel/Motel Tax - 50% for convention and visitors' bureau	ORC Section 5739.09(B)	ORC Section 5739.09(B)	ORC Section 5739.09(B)	Externally imposed by State Statute	Externally imposed by State Statute	Restricted	Restricted
SR	SR	Federal Law Enforcement (2251)	SR	Fines and Forfeitures	AOS Bulletin 88-18	AOS Bulletin 88-18	AOS Bulletin 88-18	Externally imposed by State Statute	Externally imposed by State Statute	Restricted	Restricted
SR	SR	Law Enforcement Trust (2261)	SR	Fines and Forfeitures	ORC Section 2981.13 (C)(1)	ORC Section 2981.13 (C)(1)	ORC Section 2981.13 (C)(1)	Externally imposed by State Statute	Externally imposed by State Statute	Restricted	Restricted
SR	SR	Enforcement and Education (2271)	SR	Fines and Forfeitures	AOS Bulletin 90-28	AOS Bulletin 90-28	AOS Bulletin 90-28	Externally imposed by State Statute	Externally imposed by State Statute	Restricted	Restricted
SR	SR	Fire and Rescue, Ambulance and Emergency Medical Services (2281 - 2289)	SR	Charges for Services	ORC Section 505.84 - separate fund - rate set by township trustees	ORC Section 505.84 - separate fund - rate set by township trustees	ORC Section 505.84 - separate fund - rate set by township trustees	Externally imposed by State Statute	Externally imposed by State Statute	Restricted	Restricted
SR	SR	Service Assessments (2401 - 2599)	SR	Special Assessments	ORC Section 515.11 - lighting	ORC Section 515.11 - lighting	ORC Section 515.11 - lighting	Externally imposed by State Statute	Externally imposed by State Statute	Restricted	Restricted
SR	SR	Miscellaneous Special Revenue (2901 - 2999)	SR	TBD by township	TBD by township	TBD by township	TBD by township	TBD by township	TBD by township	TBD by township	TBD by township
DS	DS	General Retirement Fund (2101 - 3199)	DS	Property Taxes	ORC Sections 5705.19; 133.10 & 133.25	ORC Sections 5705.19; 133.10 & 133.25	ORC Sections 5705.19; 133.10 & 133.25	Externally imposed by State Statutes	Externally imposed by State Statutes	Assigned	Assigned
DS	DS	Special Assessment Bond Retirement (3301 -3399)	DS	Transfers + Special Assessments	Transfers from General Fund	Transfers from General Fund	Transfers from General Fund	Externally imposed by State Statutes	Externally imposed by State Statutes	Restricted	Restricted

Townships

GASB 54 Fund Balance Classification Analysis

GASB 54 Fund Classification		Prior Fund Classification	Fund Name	Revenue Source Foundation Revenue (SR only)/ Inflow	Source of Constraint	Type of Constraint	Fund Balance Classification
DS		DS	Miscellaneous Debt Service (3901 - 3999)	TBD by Township	TBD by township	TBD by township	TBD by township
CP		CP	Bond Fund (4101 - 4999)	Initial Debt Proceeds +	ORC Sections 133.15, .32, & 504.20	Externally imposed by debt covenants	Restricted
CP		CP	Permanent Improvement (4301 - 4399)	TBD by Township	TBD by township	TBD by township	TBD by township
CP		CP	Public Works Commission Project (4401 - 4499)	Intergovernmental	OPWC Money	Externally imposed by grantor/OPWC	Restricted
CP		CP	Capital Improvement Assessment Fund (4501 - 4599)	Special Assessments	ORC Sections 504.18, 515.16 & 521.06 - water and sewer	Externally imposed by State statute	Restricted
CP		CP	Miscellaneous Capital Projects (4901 - 4949)	TBD by township	TBD by township	TBD by township	TBD by township
Perm +		Perm	Cemetery (2041 - 2069)	Charges for Services	ORC Section 517.15 B - endowment	Externally imposed by State Statute	Nonspendable
		Perm	Permanent (4951 - 4999)	Donations-Corpus can't be spent	ORC Section 5705.09(F)	Externally imposed by donor	Nonspendable
				Earnings on corpus	ORC Section 5705.09(F)	Externally imposed by donor	Restricted

Townships Explanatory Notes

The chart shows the “prior fund classification” and the “GASB 54 fund classification” to illustrate situations necessitating the change in fund classification resulting from the implementation of GASB 54. If the two columns are the same, then no change in fund classification resulted.

The preceding chart does not include all possible grant funds; however, if a special revenue fund or capital projects fund has been properly established to account for a grant, the fund balance would be restricted based on the language in the grant agreement.

+ GASB 54 Fund Classification

The use of a permanent fund requires an evaluation of each individual circumstance, and the chart is illustrating the GASB 54 fund balance classification for those situations when a permanent fund is appropriate.

+ Foundation Revenue/Inflow

Transfers and debt proceeds represent an inflow not a revenue.

Libraries

GASB 54 Fund Balance Classification Analysis

GASB 54 Fund Classification		Prior Fund Classification	Fund Name	Foundation Revenue (SR only)/ Inflow	Revenue Source	Source of Constraint	Type of Constraint	Fund Balance Classification
General	General	General	General Unclaimed Monies Fund	Various sources Various unclaimed funds	None	None	None	Unassigned
General	General	General	Miscellaneous Special Revenue	Intergovernmental - Grants	ORC Section 9.39	Externally imposed by State Statute	Externally imposed by State Statute	Nonspendable
SR	SR	SR	General Retirement Fund	General Retirement Fund	Federal/State Grantors	Externally Imposed by Grantor	Externally Imposed by Grantor	Restricted
DS	DS	DS	Capital Projects	TBD by Library	TBD by Library	TBD by Library	TBD by Library	TBD by Library
CP	CP	CP	Building and Repair Fund	TBD by Library	TBD by Library	TBD by Library	TBD by Library	TBD by Library
CP	CP	CP		TBD by Library	TBD by Library	TBD by Library	TBD by Library	TBD by Library
Perm +	Perm	Perm	Permanent	Donations-Corpus can't be spent	ORC Section 5705.09(F)	Externally imposed by donor	Externally imposed by donor	Nonspendable
Perm +	Perm	Perm	Permanent	Earnings on corpus	ORC Section 5705.09(F)	Externally imposed by donor	Externally imposed by donor	Restricted

Libraries Explanatory Notes

The chart shows the “prior fund classification” and the “GASB 54 fund classification” to illustrate situations necessitating the change in fund classification resulting from the implementation of GASB 54. If the two columns are the same, then no change in fund classification resulted.

The preceding chart does not include all possible grant funds; however, if a special revenue fund or capital projects fund has been properly established to account for a grant, the fund balance would be restricted based on the language in the grant agreement.

+ GASB 54 Fund Classification

The use of a permanent fund requires an evaluation of each individual circumstance, and the chart is illustrating the GASB 54 fund balance classification for those situations when a permanent fund is appropriate.

+ Foundation Revenue/Inflow

Transfers and debt proceeds represent an inflow not a revenue.

Note Disclosures

Governments should disclose the following about their fund balance classification policies and procedures:

- For *committed* fund balance:
 - the government's highest level of decision-making authority and
 - the formal action that is required to be taken to establish (and modify or rescind) a fund balance commitment
- For *assigned* fund balance:
 - the body or official authorized to assign amounts to a specific purpose and
 - the policy established by the governing body pursuant to which that authorization is given

Note Disclosures

Government's policy regarding order of spending for:

- Restricted and unrestricted fund balance
 - Should be consistent with net asset policy
- Committed, assigned, and unassigned fund balance (new)
- Presentation in the notes of the detailed constraints within the classifications of fund balance

Effective Date and Transition

- Periods beginning after June 15, 2010
- Fund balance classifications should be applied retroactively by restating fund balance for all prior periods presented

Last Bit of Helpful Advice

- Document all conclusions!!

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