REPORTING

Note X – Restricted Component of Net Position

The government-wide statement of net position reports $_____ of restricted component of net position, of which $_____ is restricted by enabling legislation.

INSTRUCTIONS TO PREPARER

The governments should evaluate the legal enforceability of the enabling legal restrictions on an annual basis.

If the restrictions were determined to be replaced by new ones, the net position should be reported as *restricted* for the new purpose from the period of change forward.

If the restrictions were determined not to be legally enforceable, then they should be reported as *unrestricted* from the time of such determination forward.

If the net position is used for purposes not specified by enabling legislation, the reporting will vary depending if such restrictions are enforceable or not. If the restrictions are determined to be legally enforceable, the net position should continue to be reported as *restricted*; otherwise, as *unrestricted*.

For more details see the GASB Statement 46, *Net Assets Restricted by Enabling Legislation*.