



KENAI PENINSULA BOROUGH

144 North Binkley Street • Soldotna, Alaska 99669-7520

Toll-free within the Borough: 1-800-478-4441

PHONE: (907) 262-4441 • FAX: (907) 262-1892

www.borough.kenai.ak.us

DAVID R. CAREY
BOROUGH MAYOR

MEMORANDUM

TO: Pete Sprague, Assembly President
Members, Kenai Borough Assembly

THRU: David R. Carey, Borough Mayor *DR Carey*

FROM: Craig Chapman, Finance Director *C Chapman*

DATE: April 22, 2010

SUBJECT: Ordinance 2009-19- 33, transferring fund balances to comply with new Government Accounting Standards Board requirements

As mentioned during my budget presentation to the Assembly last spring, the Government Accounting Standards Board (GASB) is implementing a number of changes that will impact the Borough. Changes to GASB 54, which take effect in FY2011 are as follows:

The borough will include in the general fund section of the FY2011 Comprehensive Annual Financial Report (CAFR), the Solid Waste Department, the Disaster Relief Fund, and the Kenai River Center. For budgetary purposes, the borough will continue to have separate funds for these programs; however, for the CAFR, these costs will have to be combined with the General Fund.

To implement this change, it is necessary to transfer the fund balances that are expected to be in these funds as of June 30, 2010 to the General Fund in the current year. The estimated fund balances that will be transferred are as follows:

Solid Waste Special Revenue Fund	\$665,204
Kenai River Center Special Revenue Fund	\$ 42,923
Disaster Relief Special Revenue Fund	\$ 40,088

An additional change required by GASB 54 will be to change how we account for the Underground Storage Tank Removal and Upgrade Fund. The Borough currently accounts for this fund as a special revenue fund; it will now need to be accounted for as a capital project fund. The attached ordinance would transfer the \$43,156.51 that is in the Underground Storage Tank Removal and Upgrade Fund, fund balance to the School Capital Project Fund.

Additionally, this ordinance amends KPB 5.20.030, special revenue funds, to delete the Underground Storage Tank Removal and Upgrade Fund and to add three funds that may be required to be reported as part of the General Fund for financial statement reporting.