

FY 2002-2003 Budget
Fairbanks North Star Borough

**Solid Waste Disposal
Enterprise Fund
Estimated Retained Earnings (Accumulated Deficit)**

This fund is used to account for all solid waste disposal activities, including operations of the landfill. It excludes the collection of solid waste, which is accounted for in the Solide Waste Collection District fund. The Disposal fund's operations and financing are similar to a private business. It has secured low-interest governmental loans for expanding the landfill on a cell-by-cell basis. In accordance with U.S. Environmental Protection Agency and Alaska Department of Environmental Conservation laws and regulations, the right to operate the landfill is contingent upon the Borough's obligation to perform certain closing functions and postclosure monitoring and maintenance functions. Generally accepted accounting principles for governments require the Borough to recognize these closure and postclosure care costs throughout the life of the landfill based on the amount of the landfill "used up" each year.

	1999/00 Actual	2000/01 Actual	2001/02 Approved	2001/02 Revised	2002/03 Recommended	2002/03 Approved
BEGINNING ACCUMULATED DEFICIT	-	-	(10,537,304)	(10,537,304)	(10,021,784)	(10,021,784)
RESOURCES/REVENUES						
Landfill Disposal Fees	-	4,842,837	4,200,000	4,200,000	4,300,000	4,300,000
Recycling Revenue	-	18	1,000	1,000	-	-
Household Hazardous Waste Fees	-	79,683	40,000	40,000	60,000	60,000
Misc. Rev. & Sale of Fixed Assets	-	34,137	-	-	-	-
Interest Earnings	-	314,146	116,810	116,810	147,870	147,870
TOTAL REVENUES	-	5,270,821	4,357,810	4,357,810	4,507,870	4,507,870
Transfers In	-	-	-	-	-	-
TOTAL AVAILABLE	-	5,270,821	(6,179,494)	(6,179,494)	(5,513,914)	(5,513,914)
REQUIREMENTS/EXPENDITURES						
Personnel Services	-	980,112	1,048,080	1,048,080	1,078,710	1,078,710
Commodities	-	160,997	163,150	165,896	178,150	178,150
Contractual Services	-	882,210	1,180,670	1,173,694	3,294,390	3,294,390
Grants Local Match & Indirect Costs	-	-	-	-	-	-
Capital Outlay	-	-	1,600	5,830	5,000	5,000
Interfund Charges	-	466,654	438,850	438,850	492,890	492,890
Landfill Closure & Post Closure Cost	-	197,170	-	-	-	-
TOTAL EXPENDITURES	-	2,687,143	2,832,350	2,832,350	5,049,140	5,049,140
Depreciation	-	2,091,529	-	-	-	-
Transfers Out	-	3,140,000	1,009,940	1,009,940	440,000	440,000
Adjustments to GAAP Basis	-	(508,131)	-	-	-	-
Residual Equity Transfers	-	8,397,584	-	-	-	-
TOTAL REQUIREMENTS		15,808,125	3,842,290	3,842,290	5,489,140	5,489,140
Reserve Adjustment	-	-	-	-	-	-
ENDING ACCUMULATED DEFICIT		(10,537,304)	(10,021,784)	(10,021,784)	(11,003,054)	(11,003,054)
Claim on Cash in the Central Treasury		<u>2,908,417</u>				
Contributed Capital		<u>12,832,995</u>				

Note: Prior to FY 2001, Solid Waste Disposal was a Special Revenue Fund.

As a result of the accounting methods described above, this fund currently has accumulated a deficit in earnings. However, it still maintains a positive equity balance due to its large amount of contributed capital. It also has significant cash balances which remain sufficient for ongoing operational needs. The Borough has met the requirements of the U.S. Environmental Protection Agency's financial assurance regulations. In addition, the Borough has adopted a long-range solid waste management plan. The plan includes the establishment of disposal fees sufficient to cover both current and future operating, capital, closure, and postclosure needs.