





**BOARD OF COUNTY COMMISSIONERS**

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To: Board of County Commissioners

From: Tina Boan

Budget Manager 

Date: 10/29/2007

Re: New Capital Wastewater Project Funds

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The basic concept and standard for Capital Projects Funds in accordance with Governmental Generally Accepted Accounting Principals (GAAP) states that acquisition or construction of capital projects other than those financed by Enterprise, Internal Service, or Trust Funds may be accounted for in a Capital Projects Fund.

GAAP goes on to state that "A separate Capital Projects Fund is usually established when the acquisition or construction of the capital project extends beyond a single fiscal year and the financing sources are provided by more than one fund, or the capital asset is financed by specifically designated resources. Specifically designated resources may arise from the issuance of general governmental bonds, receipts of grants from other governmental units, designation of a portion of tax receipts, or a combination of these and other financing sources. A Capital Projects Fund must be used when mandated by law or stipulated by regulations or covenants related to the financing source. For control purposes, it also may be advantageous to use a separate Capital Projects Fund even though one is not technically required. As with all funds in a governmental entity, the purpose of establishing a specific fund is to establish a basis of accountability for resources provided for a particular purpose".

Staff feels that the establishment of separate Capital Projects Funds for wastewater is appropriate based on this criteria and recommends that the Board approve the request.

Please feel free to contact me if you have any additional questions at extension 4472.