

# Kenai Peninsula Borough

## Finance Department

### MEMORANDUM

**TO:** KPB Assembly President  
Members, KPB Assembly

**THRU:** Peter A. Micciche, Mayor *PM*

**FROM:** Brandi Harbaugh, Finance Director *BH*

**DATE:** October 10, 2024

**RE:** Ordinance 2024-19-17, Appropriating Supplemental Funds for Required Audit Fees Due to Additional Single Audit Programs that Have Met the Major Program Thresholds (Mayor)

As part of the required annual audit, the Kenai Peninsula Borough (KPB) and each of its component units often require Federal and State Single Audits. The current contract between the KPB and our external independent auditors, BDO has annual allowances for these Single Audits based on historical averages on the number of programs that reach the threshold. The current program threshold is \$750,000 for both the State and Federal Single Audit Programs. The Federal Major Program Threshold is increasing from \$750,000 to \$1 million in FY2025.

This year's audit required audit services associated with additional Single Audit Program fees due to having more major programs than originally budgeted for:

Auditee	Funding Source	Additional Federal and State Single Audit Program Fees
Kenai Peninsula Borough	Borough	\$ 3,349
Kenai Peninsula Borough School District	Kenai Peninsula Borough School District	6,598
South Peninsula Hospital, Inc.	South Kenai Peninsula Hospital Service Area	9,947
Central Peninsula Hospital, Inc.	Central Kenai Peninsula Hospital Service Area	9,947
<b>Total</b>		<b>\$ 29,841</b>

Your consideration is appreciated.

FINANCE DEPARTMENT FUNDS VERIFIED	
Acct. No. <u>100.27910</u>	Amount: <u>\$3,349</u>
Acct. No. <u>241.27910</u>	Amount: <u>\$6,598</u>
Acct. No. <u>600.27910</u>	Amount: <u>\$9,947</u>
Acct. No. <u>602.27910</u>	Amount: <u>\$9,947</u>
By: <i>BH</i>	Date: <u>10/9/2024</u>