

Introduced by: Mayor
Date: 5/19/98
Action: Adopted
Vote: Unanimous

**KENAI PENINSULA BOROUGH
RESOLUTION 98-037**

**A RESOLUTION ASSIGNING THE INTEREST EARNINGS OF CERTAIN FUNDS
AND SERVICE AREAS TO THE GENERAL FUND**

WHEREAS, The Governmental Accounting Standards Board Statement Number 31 (GASB 31) established new accounting requirements for governmental entities that utilize investment pools effective with the current fiscal year; and

WHEREAS, the borough utilizes an internal investment pool and is subject to these changes; and

WHEREAS, GASB 31 provides that interest earnings of a fund or service area participating in an internal investment pool may be recorded and retained in the general fund only when there is a legal or contractual basis to do so; and

WHEREAS, it has been the historical practice of the borough to retain and record such interest in the General Fund as compensation for services provided by the General Fund; and

WHEREAS, an analysis conducted by the Finance Department estimates that the total cost-based value of the services currently provided by the General Fund exceeds the amount of interest earnings retained as compensation; and

WHEREAS, it has also been the historical practice of the borough to retain and record such interest in the General Fund when a fund otherwise entitled to record the interest earnings derives all of its revenue in the form of transfers from the General Fund, or when state statutes require that the amount of the transfer from the General Fund be reduced by the amount of the interest earnings otherwise allocated.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. That interest earned from the equity in the borough's internal investment pool owned by the following funds or service areas shall be retained and recorded in the General Fund as compensation for intragovernmental services provided by the General Fund:

Fund Number and Description

206 Nikiski Fire Service Area
207 Bear Creek Fire Service Area
209 Anchor Point Fire & Emergency Medical Service Area
211 Central Emergency Service Area
220 Central Peninsula Emergency Medical Service Area
225 North Peninsula Recreation Service Area
236 KPB Road Service Area
242 Post Secondary Education Fund
243 Tobacco Tax
250 Land Trust Fund
251 Kenai River Fund
260 Disaster Relief Fund
262 Environmental Protection Fund
280 Nikiski Senior Service Area

SECTION 2. That interest earned from the equity in the borough's internal investment pool owned by the following funds or service areas shall be retained and recorded in the general Fund because these funds derive all of their revenue in the form of transfers from the General Fund:

Fund Number and Description

265 Underground Storage Tanks
400 School Capital Projects Fund
407 General Government Capital Projects Fund
411 Solid Waste Capital Projects Fund

SECTION 3. That interest earned from the equity in the borough's internal investment pool owned by the following funds shall be retained and recorded in the General Fund because, under current circumstances, state statutes require that the amount of funding annually provided by the General Fund be reduced by the amount of the interest earnings otherwise allocated:

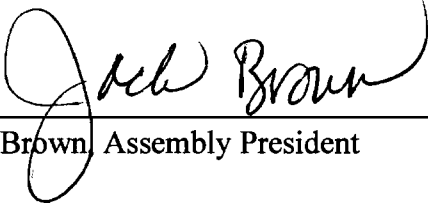
Fund Number and Description

241 School Fund

SECTION 4. That interest earned from the equity in the borough's internal investment pool owned by all other funds or service areas shall be recorded as interest income in those funds or service areas.

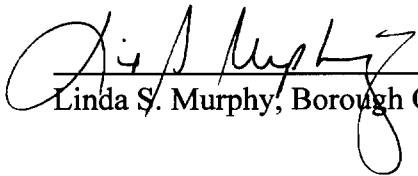
SECTION 5. That this resolution shall be applied to all interest earned by the Kenai Peninsula Borough internal investment pool after June 30, 1997.

**ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 19th
DAY OF MAY, 1998.**



Jack Brown, Assembly President

ATTEST:



Linda S. Murphy, Borough Clerk

