

## DEBT SERVICE FUNDS

Debt Service Funds are used to accumulate monies for payment of general obligation bonds issued for construction and equipping of area schools, for payment of general obligation bonds issued for construction and equipping solid waste disposal facilities, for general obligation bonds issued for North Peninsula recreational facilities, and construction of two new fire stations. The information for the amounts Authorized but Non-Issued Debt are projections only, there is currently no debt issued for these projects.

### Issued Debt

#### Summary of School Debt Service Requirements to Maturity

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004-05	\$ 2,730,000	\$ 1,047,965	\$ 3,777,965
2005-06	2,825,000	893,838	3,718,838
2006-07	1,320,000	777,237	2,097,237
2007-08	1,335,000	712,163	2,047,163
2008-09	1,350,000	645,412	1,995,412
Out Years	<u>12,759,000</u>	<u>4,365,773</u>	<u>17,124,773</u>
	\$ <u>22,319,000</u>	\$ <u>8,442,388</u>	\$ <u>30,761,388</u>

#### Summary of Solid Waste Debt Service Requirements to Maturity

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004-05	\$ 645,000	\$ 183,563	\$ 828,563
2005-06	660,000	170,662	830,662
2006-07	670,000	157,463	827,463
2007-08	685,000	143,225	828,225
2008-09	705,000	125,244	830,244
Out Years	<u>3,050,000</u>	<u>270,656</u>	<u>3,320,656</u>
	\$ <u>6,415,000</u>	\$ <u>1,050,813</u>	\$ <u>7,465,813</u>

#### Summary of Central Peninsula Hospital Debt Service Requirements to Maturity

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004-05	\$ 1,580,211	\$ 2,457,518	\$ 4,037,729
2005-06	1,896,351	2,135,018	4,031,369
2006-07	1,690,000	2,068,075	3,758,075
2007-08	1,750,000	2,014,775	3,764,775
2008-09	1,805,000	1,962,125	3,767,125
Out Years	<u>39,775,000</u>	<u>16,653,488</u>	<u>56,428,488</u>
	\$ <u>48,496,562</u>	\$ <u>27,290,999</u>	\$ <u>75,787,561</u>

#### Summary of South Peninsula Hospital Debt Service Requirements to Maturity

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004-05	\$ 290,000	\$ 434,913	\$ 724,913
2005-06	375,000	428,262	803,262
2006-07	385,000	420,663	805,663
2007-08	390,000	411,937	801,937
2008-09	400,000	401,063	801,063
Out Years	<u>8,450,000</u>	<u>3,509,731</u>	<u>11,959,731</u>
	\$ <u>10,290,000</u>	\$ <u>5,606,569</u>	\$ <u>15,896,569</u>

### Authorized but Non-Issued Debt as of June 30, 2004

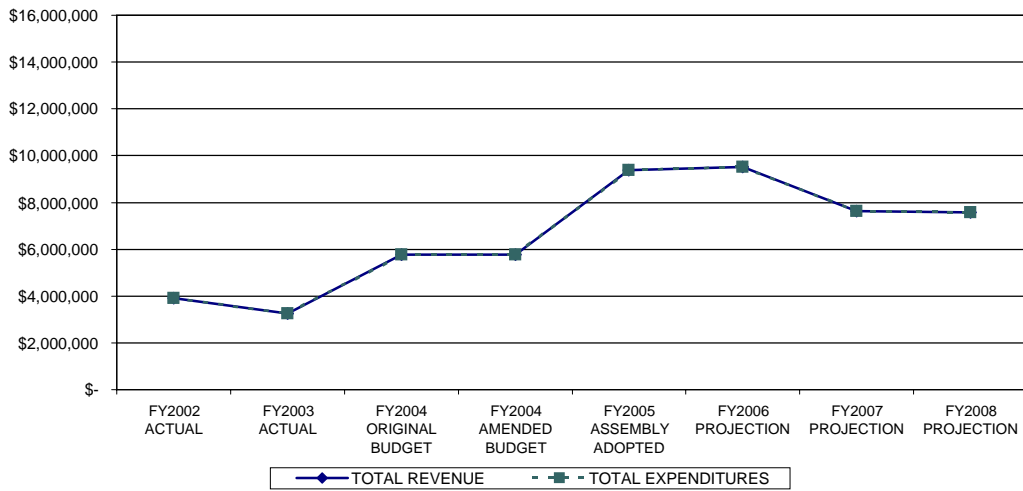
#### Summary of Solid Waste Debt Service Requirements to Maturity (Projected to be issued in 2009)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008-09	\$ 406,771	\$ 208,361	\$ 615,132
Out Years	<u>4,553,229</u>	<u>982,961</u>	<u>5,536,190</u>
	\$ <u>4,960,000</u>	\$ <u>1,191,322</u>	\$ <u>6,151,322</u>

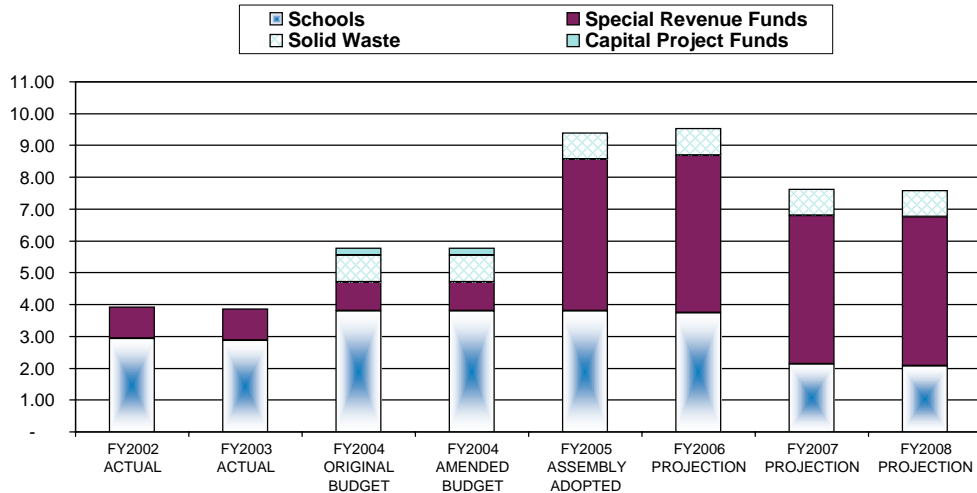
## DEBT SERVICE FUNDS

FUND BUDGET:	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 ORIGINAL BUDGET	FY2004 AMENDED BUDGET	FY2005 ASSEMBLY ADOPTED	FY2006 PROJECTION	FY2007 PROJECTION	FY2008 PROJECTION
OPERATING TRANSFERS FROM:								
GENERAL FUND	\$ 2,940,414	\$ 2,884,520	\$ 3,808,727	\$ 3,808,727	\$ 3,802,965	\$ 3,743,838	\$ 2,122,237	\$ 2,072,163
SPECIAL REVENUE FUND	972,541	377,075	1,747,159	1,747,159	5,591,205	5,782,630	5,508,536	5,512,273
CAPITAL PROJECT FUND	-	-	210,971	210,971	-	-	-	-
TOTAL OPERATING TRANSFERS	3,912,955	3,261,595	5,766,857	5,766,857	9,394,170	9,526,468	7,630,773	7,584,436
EXPENDITURES:								
SERVICES	3,912,955	3,261,595	5,766,857	5,766,857	9,394,170	9,526,468	7,630,773	7,584,436
TOTAL EXPENDITURES	3,912,955	3,261,595	5,766,857	5,766,857	9,394,170	9,526,468	7,630,773	7,584,436
EXCESS/(DEFICIT)	-	-	-	-	-	-	-	-
BEGINNING FUND BALANCE	-	-	-	-	-	-	-	-
FUND BALANCE APPROPRIATED	-	-	-	-	-	-	-	-
SURPLUS FROM OPERATIONS	-	-	-	-	-	-	-	-
ENDING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

### REVENUES AND EXPENDITURES



### GENERAL GOVERNMENT DEBT REQUIREMENTS FISCAL YEARS 2002 TO 2008



**KENAI PENINSULA BOROUGH  
PROGRAM DESCRIPTION**

**DEBT SERVICE GENERAL OBLIGATION BONDS**

**DEPARTMENT FUNCTION**

**ISSUED SCHOOL BONDS:** School bonds were issued for the construction of public schools in the Borough. Bonds are paid from the General Fund through the levy of property taxes, plus funding from the State of Alaska, which reimburses the Borough for up to 70% of debt service expenditures for school bonds approved by the voters after June 30, 1983.

The October 1994 election authorized the issuance of general obligation bonds to be issued in the amount of \$11,735,000 for construction of the West Homer Elementary School. Bonds dated 5/1/95 were issued through an agreement with the Alaska Municipal Bond Bank Authority. The 1994 school bond issue is non-reimbursable by the State of Alaska as it is to be used as matching funds for a state grant. In FY2004 the final debt payment was made on the 1994 school bonds. The debt has been satisfied in full.

The October 2000 election authorized the issuance of general obligation bonds to be issued in the amount of \$7,429,000. The bonds will finance educational capital improvements in the Kenai Peninsula Borough. Bonds dated 12/12/00 were issued through an agreement with the Alaska Municipal Bond Bank Authority.

The October 2002 election authorized the issuance of general obligation bonds to be issued in the amount of \$14,700,000. The bonds will finance educational capital improvements in the Kenai Peninsula Borough. Bonds dated 8/7/03 were issued through an agreement with the Alaska Municipal Bond Bank Authority.

**OTHER ISSUED DEBT:**

**North Peninsula Recreation Bonds:** In a May 1993 election, voters in the North Peninsula Recreation Service Area approved general obligation bond debt to be issued in the amount of \$3,000,000 for the planning, designing, acquiring property for, equipping, and constructing renovations to the Nikiski Pool facility. Bonds were issued through an agreement with the Alaska Municipal Bond Bank Authority. In FY2004 the final debt payment was made on the North Peninsula Recreation GO bonds. The debt has been satisfied in full.

**Solid Waste Bonds:** The October 2002 election authorized the issuance of solid waste GO bonds in the amount of \$12,000,000. The bonds will finance the construction and equipping of solid waste disposal facilities. \$7,040,000 of the authorized amount was issued in May 2003 through an agreement with the Alaska Municipal Bond Bank Authority.

**Central Peninsula Hospital Service Area Debt:**

The October 2003 election authorized the issuance of Central Peninsula Hospital Service Area general obligation bonds to be issued in the amount of \$49,900,000. The bonds will finance repairs, improvements, upgrades, and expansion of Central Peninsula General Hospital facility. Bonds were issued 12/10/03.

On 5/01/2001, Ordinance 2001-09 authorized the execution and delivery of an equipment lease-purchase agreement for acquiring and installing a CT Scanner for CPGH not to exceed \$1,400,000. On May 30, 2001, the Kenai Peninsula Borough entered into a five-year lease-purchase agreement with SunTrust Leasing Corporation in the amount of \$1,200,000 for the purchase of a Siemens CT Scanner.

On 1/05/1999, Ordinance 98-75 authorized the lease-purchase of a Magnetic Resonance Imaging (MRI) System for CPGH at a cost not to exceed \$1,450,000. On May 17, 2000, the Kenai Peninsula Borough entered into a five-year lease-purchase agreement with National Bank of Alaska, now Wells Fargo Bank for the purchase of the MRI. In FY2004 the final payment was made on the MRI lease. The debt has been satisfied in full.

**South Peninsula Hospital Service Area:**

The July 1, 2003 election authorized the issuance of South Peninsula Service Area general obligation bonds to be issued in the amount of \$10,500,000. The bonds will finance a portion of the \$17,000,000 South Peninsula Hospital expansion project, with the remaining \$6,500,000 to be funded with South Peninsula Hospital revenues. Bonds dated 9/30/03 were issued through an agreement with the Alaska Municipal Bond Bank Authority.

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**AUTHORIZED BUT NOT ISSUED DEBT:**

**Solid Waste Bonds:** Of the \$12,000,000 in authorized Solid Waste GO bonds \$7,040,000 was issued in May 2003, it is anticipated that the remaining authorized amount of \$4,960,000 will be issued in approximately 2009.

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**PROJECTED FUTURE NEEDS:**

**Nikiski Fire Service Area:** In FY2006, upon approval of the voters, Nikiski Fire Service Area bonds will be issued for approximately \$1,600,000. The bonds will finance the construction of a new fire station.

**KENAI PENINSULA BOROUGH  
BUDGET DETAIL**

**DEBT SERVICE FUNDS**

ACCT	DESCRIPTION	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 ORIGINAL BUDGET	FY2004 AMENDED BUDGET	FY2005 MAYOR PROPOSED	FY2005 ASSEMBLY ADOPTED	DIFFERENCE BETWEEN ASSEMBLY ADOPTED & CURRENT BUDGET %	
308.79000	SCHOOL DEBT SERVICE 2000 ISSUE	\$ 1,150,448	\$ 1,066,125	\$ 1,030,975	\$ 1,030,975	\$ 995,825	\$ 995,825	\$ (35,150)	-3.41%
308.79000	SCHOOL DEBT SERVICE 2004 ISSUE	-	-	1,174,768	1,174,768	1,202,712	1,202,712	27,944	2.38%
309.79000	SCHOOL DEBT SERVICE 1994 ISSUE	210,230	210,870	210,800	210,800	-	-	(210,800)	-100.00%
310.79000	SCHOOL DEBT SERVICE 1995 ISSUE	1,577,433	1,582,525	1,578,155	1,578,155	1,579,428	1,579,428	1,273	0.08%
349.94910	BOND ISSUE EXPENSE	2,303	25,000	25,000	25,000	25,000	25,000	-	0.00%
340.32000	SOLID WASTE 2003 ISSUE	-	-	855,385	855,385	828,563	828,563	(26,822)	-3.14%
355.69001	NORTH PENINSULA RECREATION DEBT SERVICE 1993 ISSUE	378,690	377,075	379,250	379,250	-	-	(379,250)	-100.00%
360.81110	CPGH MRI	325,306	306,000	243,979	243,979	-	-	(243,979)	-100.00%
360.81110	CPGH CT SCANNER	268,545	229,334	268,545	268,545	268,545	268,545	-	0.00%
360.81110	CPGH DEBT SERVICE 2004 ISSUE	-	-	-	-	3,769,184	3,769,184	3,769,184	100.00%
361.81110	SPH DEBT SERVICE 2004 ISSUE	-	-	-	-	724,913	724,913	724,913	100.00%
	<b>TOTAL CURRENT DEBT SERVICE</b>	<u>\$ 3,912,955</u>	<u>\$ 3,796,929</u>	<u>\$ 5,766,857</u>	<u>\$ 5,766,857</u>	<u>\$ 9,394,170</u>	<u>\$ 9,394,170</u>	<u>\$ 3,627,313</u>	<u>62.90%</u>

**Summary By Issuance Date**

<u>Date of Issue</u>	<u>Amount Issued</u>	<u>Amount Reimbursable from the State of Alaska Department of Education</u>	<u>Interest Rate</u>	<u>Maturity Dates</u>	<u>Annual Principal Installments</u>	<u>Outstanding 6/30/04</u>
<b>School Bonds:</b>						
08/07/03	\$14,700,000	70%	4.00 - 6.00	2004-2023	\$545,000 to \$1,020,000	\$14,155,000
12/12/00	\$7,429,000	70%	4.75 - 5.00	2002-2011	\$740,000 to \$769,000	5,209,000
05/01/95	<u>11,735,000</u>	70%	4.50 - 7.00	1996-2005	\$565,000 to \$1,520,000	<u>2,955,000</u>
	<u>\$33,864,000</u>					<u>\$22,319,000</u>
<b>Solid Waste Bonds:</b>						
05/22/03	<u>\$7,040,000</u>		2.00-3.625	2003-2013	\$625,000 to \$800,000	<u>\$6,415,000</u>
<b>Central Peninsula Hospital Debt:</b>						
05/30/01	1,200,000		4.380	2001-2006	\$268,545	\$511,562
12/10/03	<u>47,985,000</u>		2.50 - 5.00	2005-2024	\$1,330,000 to \$3,670,000	<u>47,985,000</u>
	<u>\$49,185,000</u>					<u>\$48,496,562</u>
<b>South Peninsula Hospital Debt:</b>						
09/30/03	<u>10,290,000</u>		2.00 - 5.25	2004-2024	\$290,000 to \$770,000	<u>10,290,000</u>
	<u>\$10,290,000</u>					<u>\$10,290,000</u>