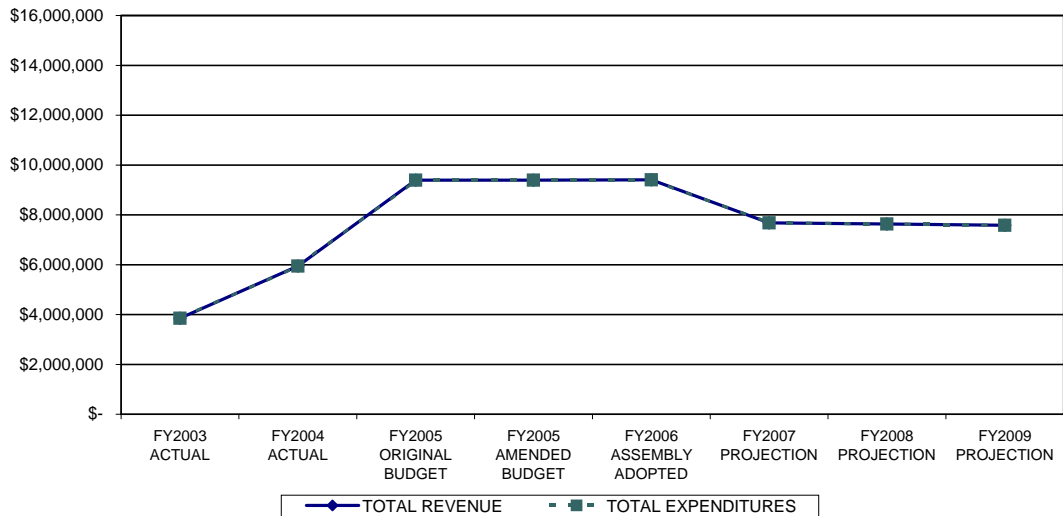


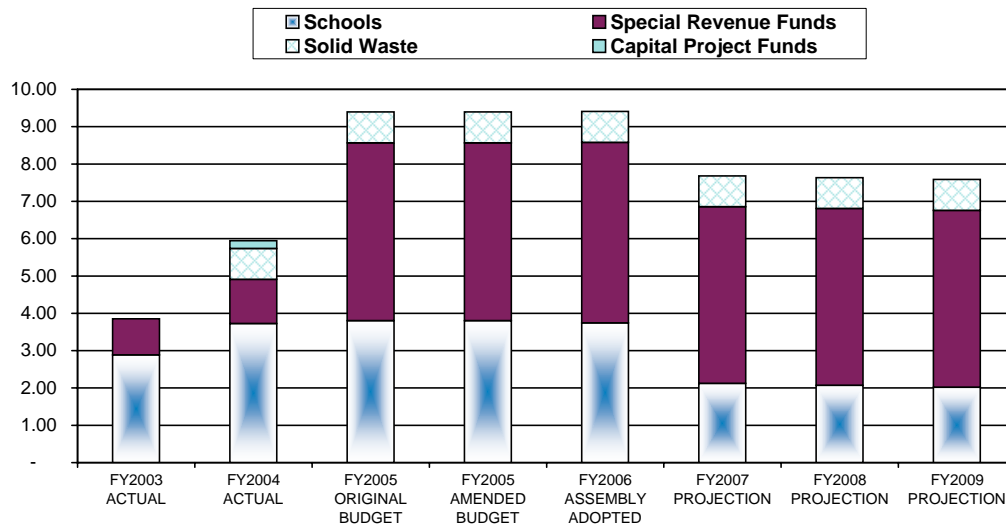
DEBT SERVICE FUNDS

FUND BUDGET:	FY2003	FY2004	FY2005	FY2005	FY2006	FY2007	FY2008	FY2009
	ACTUAL	ACTUAL	ORIGINAL	AMENDED	ASSEMBLY	PROJECTION	PROJECTION	PROJECTION
			BUDGET	BUDGET	ADOPTED			
OPERATING TRANSFERS FROM:								
GENERAL FUND	\$ 2,884,520	\$ 3,724,544	\$ 3,802,966	\$ 3,802,966	\$ 3,743,837	\$ 2,122,238	\$ 2,072,162	\$ 2,020,413
SPECIAL REVENUE FUND	970,926	2,010,829	5,591,205	5,591,205	5,665,295	5,558,197	5,561,934	5,565,427
CAPITAL PROJECT FUND	-	210,971	-	-	-	-	-	-
TOTAL OPERATING TRANSFERS	3,855,446	5,946,344	9,394,171	9,394,171	9,409,132	7,680,435	7,634,096	7,585,840
EXPENDITURES:								
SERVICES	3,855,446	5,946,344	9,394,171	9,394,171	9,409,132	7,680,435	7,634,096	7,585,840
TOTAL EXPENDITURES	3,855,446	5,946,344	9,394,171	9,394,171	9,409,132	7,680,435	7,634,096	7,585,840
EXCESS/(DEFICIT)	-	-	-	-	-	-	-	-
BEGINNING FUND BALANCE	-	-	-	-	-	-	-	-
FUND BALANCE APPROPRIATED	-	-	-	-	-	-	-	-
SURPLUS FROM OPERATIONS	-	-	-	-	-	-	-	-
ENDING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

REVENUES AND EXPENDITURES



GENERAL GOVERNMENT DEBT REQUIREMENTS FISCAL YEARS 2003 TO 2009



**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: On 12/10/2003 \$47,985,000 in general obligation bonds were issued. 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:

On 9/30/2003 \$10,290,000 in general obligation bonds were issued. 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.

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.

PROJECTED FUTURE NEEDS:

Central Emergency Service Area: In FY2007, upon approval of the voters, Central Emergency Service Area bonds will be issued for approximately \$2,000,000. The bonds will finance the construction of two new fire stations, one in Kasilof and one in the Funny River area.

**KENAI PENINSULA BOROUGH
BUDGET DETAIL**

DEBT SERVICE FUNDS

ACCT	DESCRIPTION	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 ORIGINAL BUDGET	FY2005 AMENDED BUDGET	FY2006 MAYOR PROPOSED	FY2006 ASSEMBLY ADOPTED	DIFFERENCE BETWEEN ASSEMBLY ADOPTED & AMENDED BUDGET %	
308.79000	SCHOOL DEBT SERVICE 2000 ISSUE	\$ 1,066,125	\$ 1,030,975	\$ 995,825	\$ 995,825	\$ 960,675	\$ 960,675	\$ (35,150)	-3.53%
308.79000	SCHOOL DEBT SERVICE 2004 ISSUE	-	1,100,670	1,202,713	1,202,713	1,184,962	1,184,962	(17,751)	-1.48%
309.79000	SCHOOL DEBT SERVICE 1994 ISSUE	210,870	210,800	-	-	-	-	-	-
310.79000	SCHOOL DEBT SERVICE 1995 ISSUE	1,582,525	1,578,155	1,579,428	1,579,428	1,573,200	1,573,200	(6,228)	-0.39%
349.94910	BOND ISSUE EXPENSE	25,000	14,915	25,000	25,000	25,000	25,000	-	0.00%
340.32000	SOLID WASTE 2003 ISSUE	-	825,964	828,563	828,563	830,662	830,662	2,099	0.25%
355.69001	NORTH PENINSULA RECREATION DEBT SERVICE 1993 ISSUE	377,075	379,250	-	-	-	-	-	-
360.81110	CPGH MRI	325,306	243,979	-	-	-	-	-	-
360.81110	CPGH CT SCANNER	268,545	268,545	268,545	268,545	268,545	268,545	-	0.00%
360.81110	CPGH DEBT SERVICE 2004 ISSUE	-	-	3,769,184	3,769,184	3,762,825	3,762,825	(6,359)	-0.17%
361.81110	SPH DEBT SERVICE 2004 ISSUE	-	293,091	724,913	724,913	803,263	803,263	78,350	10.81%
	TOTAL CURRENT DEBT SERVICE	\$ 3,855,446	\$ 5,946,344	\$ 9,394,171	\$ 9,394,171	\$ 9,409,132	\$ 9,409,132	\$ 14,961	0.16%

Summary By Issuance Date

<u>Date of Issue</u>	<u>Amount Issued</u>	Amount Reimbursable from the State of Alaska Department of Education	Interest Rate	Maturity Dates	Annual Principal Installments	Outstanding 6/30/05
School Bonds:						
08/07/03	\$ 14,700,000	70%	4.00 - 6.00	2004-2023	\$545,000 to \$1,020,000	\$ 13,600,000
12/12/00	7,429,000	70%	4.75 - 5.00	2002-2011	\$740,000 to \$769,000	4,469,000
05/01/95	<u>11,735,000</u>	70%	4.50 - 7.00	1996-2005	\$565,000 to \$1,520,000	<u>1,520,000</u>
	<u>33,864,000</u>					<u>19,589,000</u>
Solid Waste Bonds:						
05/22/03	<u>7,040,000</u>		2.00-3.625	2003-2013	\$625,000 to \$800,000	<u>5,770,000</u>
Central Peninsula Hospital Debt:						
05/30/01	1,200,000		4.380	2001-2006	\$268,545	261,351
12/10/03	<u>47,985,000</u>		2.50 - 5.00	2005-2024	\$1,330,000 to \$3,670,000	<u>46,655,000</u>
	<u>49,185,000</u>					<u>46,916,351</u>
South Peninsula Hospital Debt:						
09/30/03	<u>10,290,000</u>		2.00 - 5.25	2004-2024	\$290,000 to \$770,000	<u>10,000,000</u>
	\$ <u>10,290,000</u>					\$ <u>10,000,000</u>