

DEBT SERVICE FUNDS

The Borough's Debt Service Funds, pages 285- 287, are used to accumulate monies for payment of general obligation bonds issued for construction, improvements, and equipping of public facilities throughout the Borough and for debt issued for the purchase of equipment. The following debt service funds have activity:

School Debt Service Fund

This fund was set up to account for debt issued for construction and capital improvement to various schools located in the Borough. Bond payments are paid from the Borough's General Fund tax levy and from the State of Alaska, which reimburses the Borough for up to 70% of debt service expenditures on school bonds approved after June 30, 1983. The current outstanding issues are as follows:

- Bonds issued December 2000 for capital improvements, including re-roofing of various schools, in the amount of \$7,429,000. The outstanding balance as of July 1, 2008 is \$2,249,000.
- Bonds issued August 2003 for the construction of a new middle school in Seward, in the amount of \$14,700,000. The outstanding balance as of July 1, 2008 is \$11,860,000.
- Bonds issued January 2007, for capital improvements, including arsenic removal at various schools, in the amount of \$2,515,000. The outstanding balance as of July 1, 2008 is \$2,310,000.

Solid Waste Debt Service Fund

This fund was set up to account for debt issued for construction, capital improvement, and equipment at Borough landfill sites. The bond payments are paid from the General Fund tax levy. Voters in October 2002 authorized the issuance of \$12,000,000 in bonds, of which \$7,040,000 was issued. The unissued balance of \$4,960,000 is expected to be issued in 2010. The current outstanding issue is as follows:

- Bonds issued May 2003 in the amount of \$7,040,000. The outstanding balance as of July 1, 2008 is \$3,755,000.

Central Emergency Services Debt Service Fund

This fund was set up to account for debt issued for construction, capital improvement, and equipment for the Central Emergency Service (CES) Area. Bond payments are paid from the CES tax levy. The current outstanding issue is as follows:

- Bonds issued June 2006, for constructing and equipping a station in Kasilof and upgrading the Funny River station in the amount of \$2,500,000. The outstanding balance as of July 1, 2008 is \$2,345,000.

Central Kenai Peninsula General Hospital Service Area Debt Service Fund

This fund was set up to account for debt issued for construction, capital improvement, and equipment at the Central Peninsula Hospital. Bond payments are paid from the Central Kenai Peninsula General Hospital Service Area tax levy and from operating revenues of the hospital. The current outstanding issue is as follows:

- Bonds issued December 2003, for expansion and remodel of the current hospital in the amount of \$47,985,000. The outstanding balance as of July 1, 2008 is \$41,580,000.

South Kenai Peninsula General Hospital Service Area Debt Service Fund

This fund was set up to account for debt issued for construction, capital improvement, and equipment at the South Peninsula Hospital. Bond payments are paid from the South Kenai Peninsula General Hospital Service Area tax levy. The current outstanding issues are as follows:

- Bonds issued September 2003, for Phase II expansion of the hospital in the amount of \$10,290,000. The outstanding balance as of July 1, 2008 is \$9,065,000.
- Bonds issued August 2007, for Phase III expansion of the hospital in the amount of \$14,555,000. The outstanding balance as of July 1, 2008 is \$14,555,000.
- Debt issued June 2006, for the lease-purchase of a CT Scanner and Picture Archiving System in the amount of \$2,000,000. The outstanding balance as of July 1, 2008 is \$1,109,570.

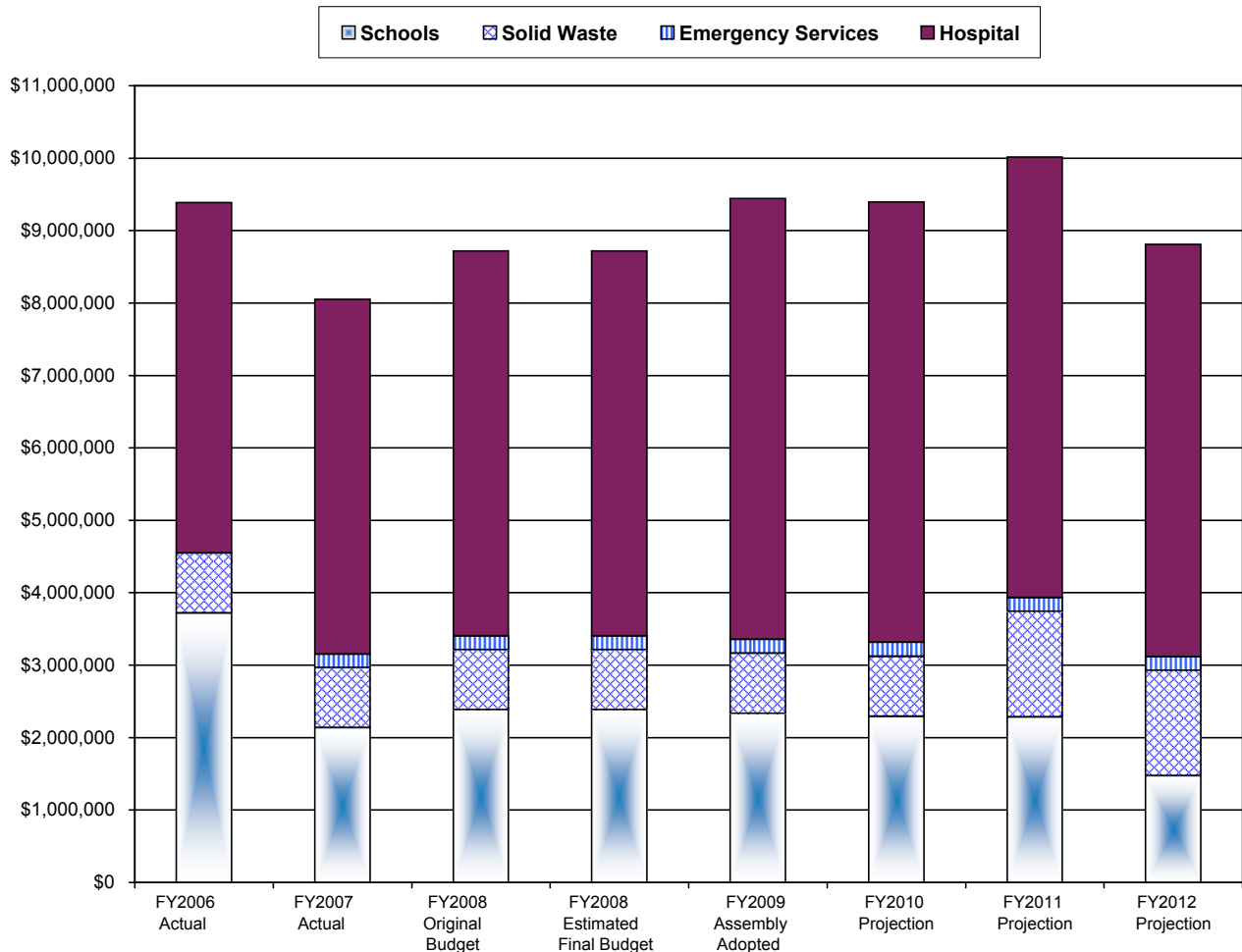
Other Debt - Bear Creek Fire Service Area Public Safety Building

During the October 2007 regular election, voters of the Bear Creek Fire Service Area approved the issuance of \$1,400,000 of General Obligation Bonds for the purpose of planning and design, property acquisition, construction, capital improvement, and equipping of the Bear Creek Fire Service Area Public Safety Building. Issuance of this debt is contingent upon receipt of \$2,100,000 in grant funding.

Debt Service Funds

Fund Budget:	FY2006 Actual	FY2007 Actual	FY2008 Original Budget	FY2008 Estimated Final Budget	FY2009 Assembly Adopted	FY2010 Projection	FY2011 Projection	FY2012 Projection
Operating Transfer From:								
General Fund	\$ 3,719,707	\$ 2,139,423	\$ 2,384,887	\$ 2,384,887	\$ 2,334,738	\$ 2,294,537	\$ 2,287,138	\$ 1,473,887
Special Revenue Fund	5,665,295	5,913,394	6,334,337	6,334,337	7,109,275	7,103,174	7,727,675	7,335,192
Total Operating Transfer	9,385,002	8,052,817	8,719,224	8,719,224	9,444,013	9,397,711	10,014,813	8,809,079
Expenditures:								
Services	9,385,002	8,052,817	8,719,224	8,719,224	9,444,013	9,397,711	10,014,813	8,809,079
Total Expenditures	9,385,002	8,052,817	8,719,224	8,719,224	9,444,013	9,397,711	10,014,813	8,809,079
Net Results from Operations	-	-	-	-	-	-	-	-
Beginning Fund Balance	-	-	-	-	-	-	-	-
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

GENERAL GOVERNMENT DEBT REQUIREMENTS FISCAL YEARS 2006 TO 2012



Kenai Peninsula Borough

Summary of Debt Service Requirements FY2009 - FY2028

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014-2018	FY 2019-2023	FY 2024-2028	TOTAL
School Debt									
Principal	1,565,000	1,595,000	1,659,000	920,000	950,000	5,030,000	4,700,000	-	16,419,000
Interest	744,738	674,538	603,138	528,888	491,988	1,800,000	715,235	-	5,558,524
Total School Debt	\$2,309,738	\$2,269,538	\$2,262,138	\$1,448,888	\$1,441,988	\$6,830,000	\$5,415,235	0	\$21,977,524
Solid Waste Debt *									
Principal	705,000	725,000	1,156,771	1,199,400	1,242,792	2,518,987	1,167,050	-	8,715,000
Interest	125,244	104,094	296,393	253,451	207,934	589,642	76,402		1,653,159
Total Solid Waste Debt	\$830,244	\$829,094	\$1,453,164	\$1,452,851	\$1,450,726	3,108,629	1,243,452	0	\$10,368,159
Central Peninsula Hospital Debt									
Principal	1,805,000	1,855,000	1,930,000	2,025,000	2,125,000	12,325,000	15,845,000	3,670,000	41,580,000
Interest	1,962,125	1,905,581	1,827,188	1,734,719	1,638,125	6,477,500	2,978,625	91,750	18,615,613
Total Central Peninsula Hospital Debt	\$3,767,125	\$3,760,581	\$3,757,188	\$3,759,719	\$3,763,125	\$18,802,500	\$18,823,625	\$3,761,750	\$60,195,613
South Peninsula Hospital Debt									
Principal	1,229,840	1,279,650	1,335,079	990,000	1,025,000	5,820,000	7,305,000	5,745,001	24,729,570
Interest	1,089,488	1,041,371	990,167	941,244	899,613	3,789,469	2,243,763	629,956	11,625,071
Total South Peninsula Hospital Debt	\$2,319,328	\$2,321,021	\$2,325,246	\$1,931,244	\$1,924,613	\$9,609,469	\$9,548,763	\$6,374,957	\$36,354,641
Central Emergency Services Debt									
Principal	85,000	90,000	95,000	100,000	105,000	600,000	740,000	530,000	2,345,000
Interest	107,578	102,478	97,077	91,378	85,378	354,481	218,563	48,375	1,105,306
Total Central Emergency Services Debt	\$192,578	\$192,478	\$192,077	\$191,378	\$190,378	\$954,481	\$958,563	\$578,375	\$3,450,306
Authorized but Not-Issued Debt as of June 30, 2008									
Solid Waste			Principal					Anticipated Issue Date	Anticipated Payment Date
Bear Creek Fire Service Area Public Safety Building			\$4,960,000					Fiscal Year 2010	Fiscal Year 2011
			\$1,400,000						

*Solid Waste Debt includes estimated payments for unissued authorized debt of \$4,960,000 expected to be issued in FY2011

**Kenai Peninsula Borough
Debt Service Funds Budget Detail**

Acct	Description	FY2006 Actual	FY2007 Actual	FY2008 Original Budget	FY2008 Amended Budget	FY2009 Assembly Adopted	Difference Between Assembly Adopted & Amended Budget %	
308.79000	School Debt Service 2000 Issue	\$ 960,675	\$ 925,525	\$ 889,450	\$ 889,450	\$ 852,450	\$ (37,000)	-4.16%
308.79000	School Debt Service 2004 Issue	1,184,962	1,171,713	1,157,712	1,157,712	1,142,963	(14,749)	-1.27%
309.79000	School Debt Service 2007 Issue	-	37,586	312,725	312,725	314,325	1,600	0.51%
310.79000	School Debt Service 1995 Issue	1,573,200	-	-	-	-	-	-
349.94910	Bond Issue Expense	870	4,599	25,000	25,000	25,000	-	0.00%
340.32000	Solid Waste 2006 Issue	830,662	827,463	828,225	828,225	830,244	2,019	0.24%
358.51610	CES Debt Service Fund	-	185,384	192,378	192,378	192,578	200	0.10%
360.81110	CPGH CT Scanner	268,545	-	-	-	-	-	-
360.81110	CPGH Debt Service 2004 Issue	3,762,825	3,758,075	3,764,775	3,764,775	3,767,125	2,350	0.06%
361.81210	SPH Debt Service 2004 Issue	803,263	727,430	801,938	801,938	794,663	(7,275)	-0.91%
361.81210	SPH Debt Service 2007 Issue	-	-	352,000	352,000	1,129,644	777,644	220.92%
361.81210	SPH CT Scanner	-	415,042	395,021	395,021	395,021	-	0.00%
Total Current Debt Service		\$ 9,385,002	\$ 8,052,817	\$ 8,719,224	\$ 8,719,224	\$ 9,444,013	\$ 724,789	8.31%

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 Installments</u>	<u>Outstanding 6/30/08</u>
School Bonds:						
12/12/00	\$ 7,429,000	70%	4.75 - 5.00	2002-2011	\$807,450 to \$1,177,544	\$ 2,249,000
08/07/03	14,700,000	70%	4.00 - 6.00	2004-2023	\$1,071,000 to \$1,202,712	11,860,000
01/31/07	2,515,000	70%	3.95 - 5.50	2007-2016	\$311,825 to \$316,725	2,310,000
	<u>24,644,000</u>					<u>16,419,000</u>
Solid Waste Bonds:						
05/22/03	<u>7,040,000</u>		2.50 - 4.25	2003-2013	\$825,964 to \$831,438	<u>3,755,000</u>
Central Emergency Service Area:						
06/21/06	<u>2,500,000</u>		4.00 - 6.00	2006-2026	\$185,380 to \$194,125	<u>2,345,000</u>
Central Kenai Peninsula Hospital Debt:						
12/10/03	<u>47,985,000</u>		2.50 - 5.00	2005-2024	\$3,757,187 to \$3,771,000	<u>41,580,000</u>
	<u>47,985,000</u>					<u>41,580,000</u>
South Kenai Peninsula Hospital Debt:						
09/30/03	10,290,000		2.00 - 5.125	2004-2024	\$784,350 to \$801,806	9,065,000
06/27/06	2,000,000		4.110	2006-2011	\$395,021	1,109,570
08/28/07	<u>14,555,000</u>		4.25 - 5.00	2008-2027	\$1,114,687 to \$1,131,425	<u>14,555,000</u>
	<u>\$ 26,845,000</u>					<u>\$ 24,729,570</u>

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