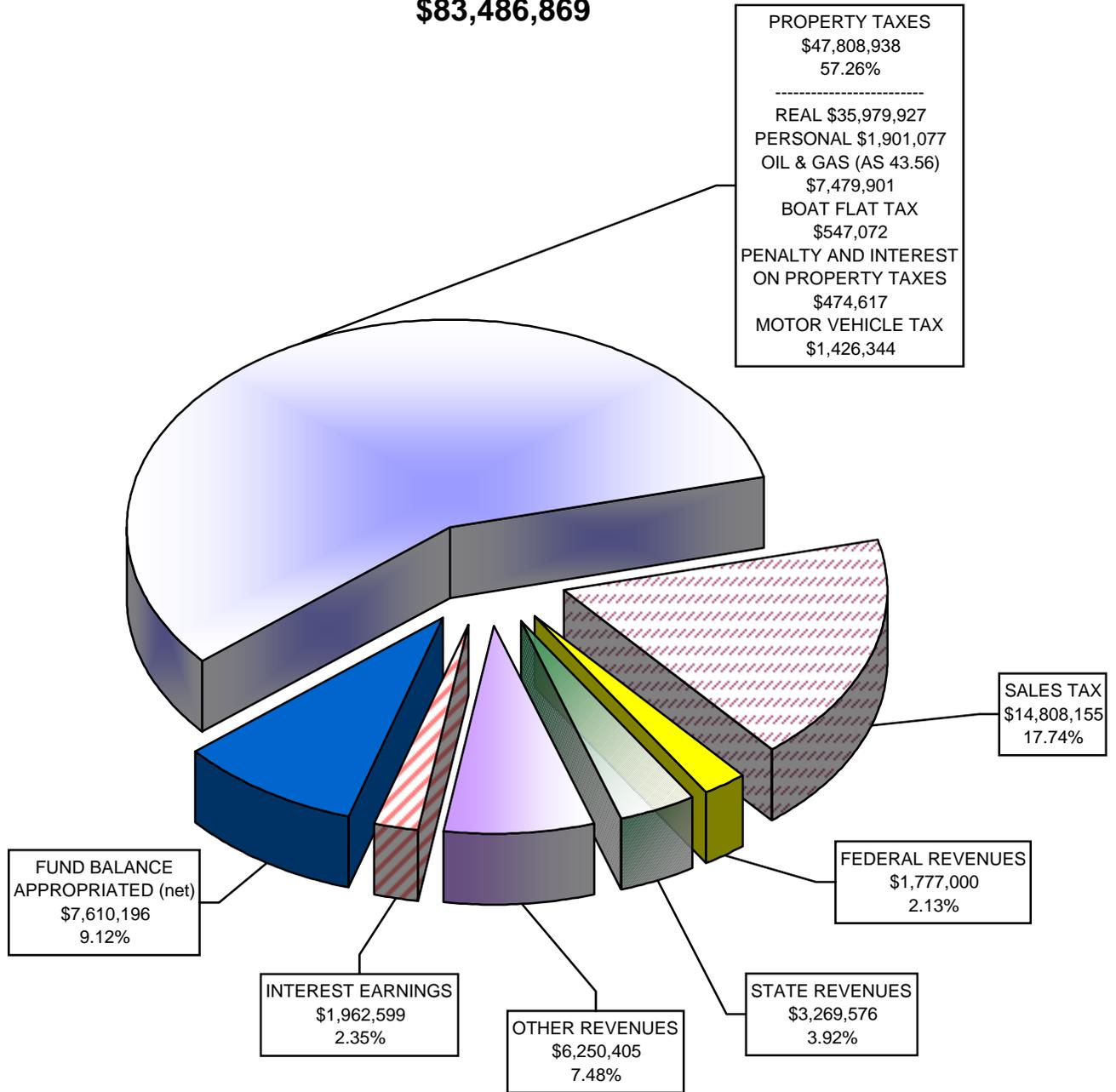
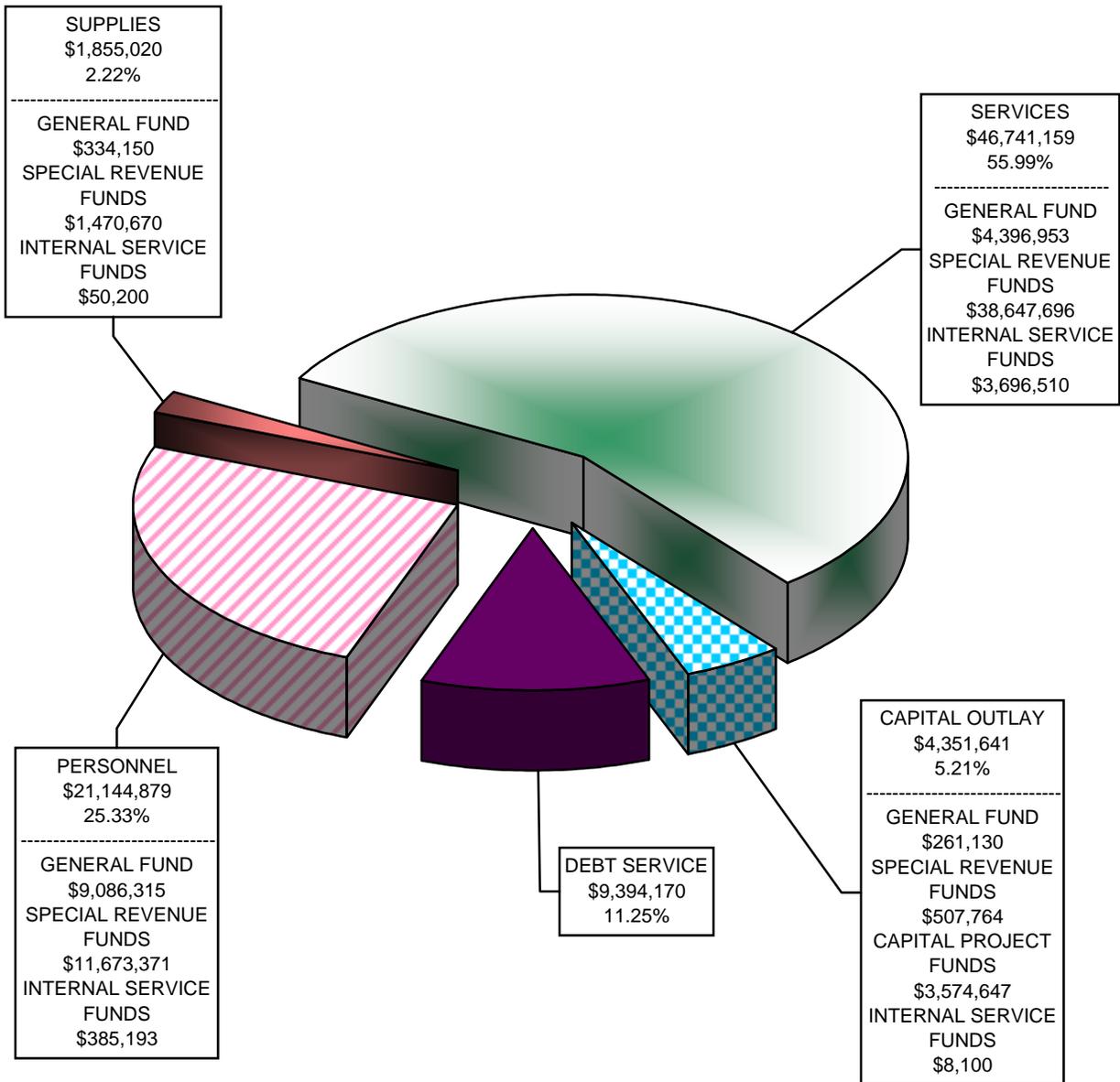


TOTAL PROJECTED GOVERNMENT REVENUE SOURCES AND USAGE OF FUND BALANCE - FY2005

\$83,486,869



**TOTAL GOVERNMENT ESTIMATED EXPENDITURES
FY2005 - BY OBJECT
\$83,486,869**

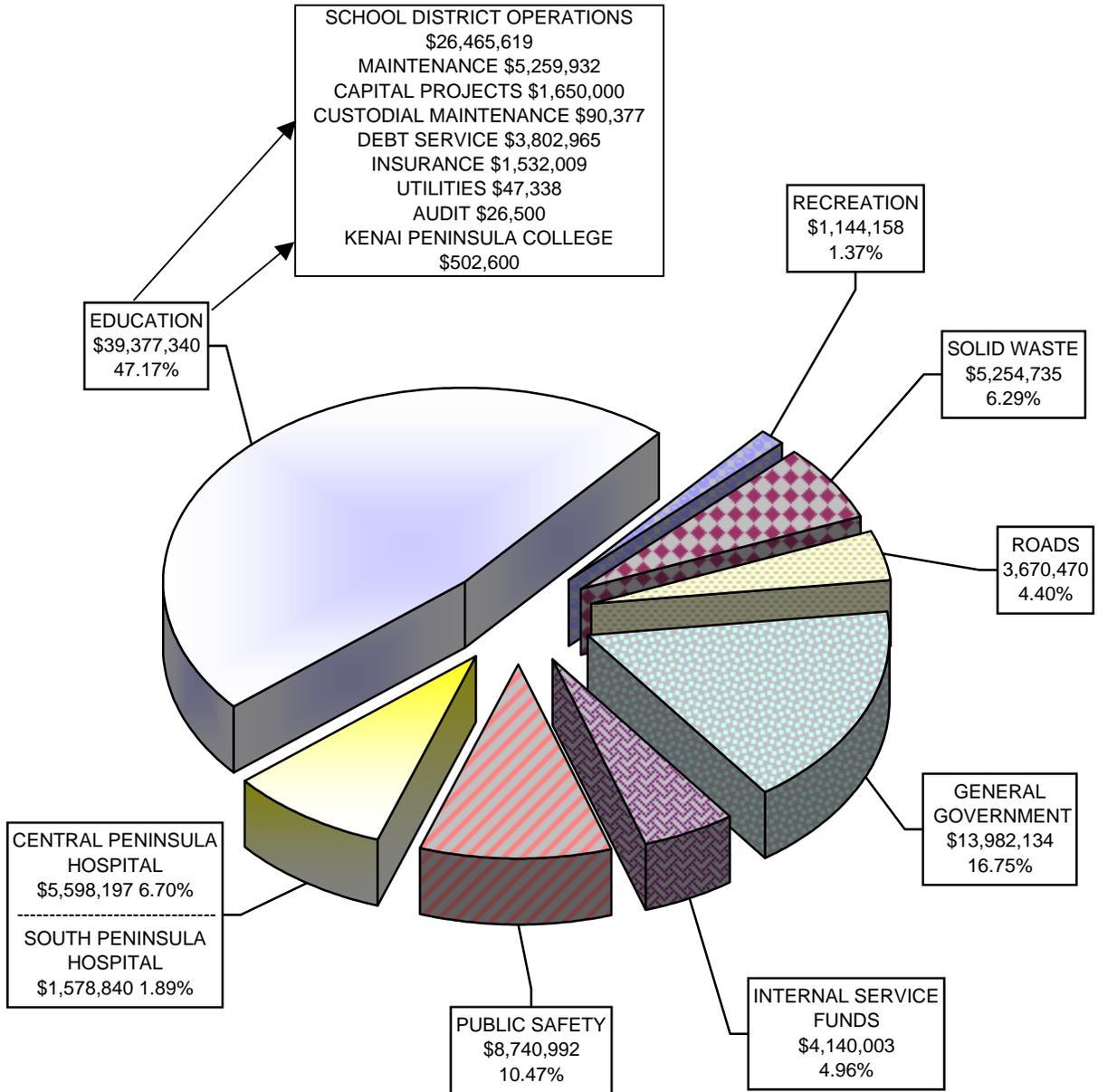


Note: The above graph reflects the following Interdepartmental Appropriations:
 General Fund: (\$585,693)
 Special Revenue Funds: (\$551,106)
 Capital Project Funds: \$1,136,799

**COMBINED REVENUES AND APPROPRIATIONS
ALL FUND TYPES
FISCAL YEAR 2005**

	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECT FUNDS	INTERNAL SERVICE FUNDS	TOTAL (MEMORANDUM ONLY)
REVENUES:						
PROPERTY TAXES:						
REAL	\$ 22,710,604	\$ 13,269,323	\$ -	\$ -	\$ -	\$ 35,979,927
PERSONAL	1,234,003	667,074	-	-	-	1,901,077
OIL & GAS (AS 43.56)	3,973,470	3,506,431	-	-	-	7,479,901
BOAT FLAT TAX	432,495	114,577	-	-	-	547,072
PENALTY AND INTEREST	427,075	47,542	-	-	-	474,617
MOTOR VEHICLE TAX	975,000	451,344	-	-	-	1,426,344
TOTAL PROPERTY TAXES	29,752,647	18,056,291	-	-	-	47,808,938
SALES TAX	14,808,155	-	-	-	-	14,808,155
FEDERAL REVENUE	1,777,000	-	-	-	-	1,777,000
STATE REVENUE	3,269,576	-	-	-	-	3,269,576
INTEREST EARNINGS	1,400,000	206,836	-	144,363	211,400	1,962,599
OTHER REVENUE	795,000	2,746,287	-	-	2,709,118	6,250,405
TOTAL REVENUES	51,802,378	21,009,414	-	144,363	2,920,518	75,876,673
OTHER FINANCING SOURCES	105,783	38,745,696	9,394,170	5,959,961	-	54,205,610
TOTAL REVENUE AND OTHER FINANCING SOURCES	51,908,161	59,755,110	9,394,170	6,104,324	2,920,518	130,082,283
APPROPRIATIONS:						
EXPENDITURES/EXPENSES						
PERSONNEL	9,086,315	11,673,371	-	-	385,193	21,144,879
SUPPLIES	334,150	1,470,670	-	-	50,200	1,855,020
SERVICES	4,396,953	38,647,696	-	-	3,696,510	46,741,159
DEBT SERVICE	-	-	9,394,170	-	-	9,394,170
CAPITAL OUTLAY	261,130	507,764	-	3,574,647	8,100	4,351,641
INTERDEPARTMENTAL CHARGES	(585,693)	(551,106)	-	1,136,799	-	-
TOTAL EXPENDITURES/EXPENSES	13,492,855	51,748,395	9,394,170	4,711,446	4,140,003	83,486,869
OTHER FINANCING USES	43,756,125	10,449,485	-	-	-	54,205,610
TOTAL APPROPRIATIONS AND OTHER FINANCING USES	57,248,980	62,197,880	9,394,170	4,711,446	4,140,003	137,692,479
NET RESULTS FROM OPERATIONS	(5,340,819)	(2,442,770)	-	1,392,878	(1,219,485)	(7,610,196)
FUND BALANCE/RETAINED EARNINGS APPROPRIATED	5,340,819	2,570,255	-	-	1,317,892	9,228,966
EXCESS/(DEFICIT)	-	127,485	-	1,392,878	98,407	1,618,770
BEGINNING FUND BALANCE/ RETAINED EARNINGS	20,379,476	20,380,082	-	3,145,906	7,517,466	51,422,930
FUND BALANCE/RETAINED EARNINGS APPROPRIATED	(5,340,819)	(2,570,255)	-	-	(1,317,892)	(9,228,966)
SURPLUS (DEFICIT) FROM OPERATIONS	-	127,485	-	1,392,878	98,407	1,618,770
ENDING FUND BALANCE/ RETAINED EARNINGS	15,038,657	17,937,312	-	4,538,784	6,297,981	43,812,734
RESERVED FUND BALANCE/ RETAINED EARNINGS	-	460,891	-	4,538,784	-	4,999,675
UNRESERVED FUND BALANCE/ RETAINED EARNINGS	15,038,657	17,476,421	-	-	6,297,981	38,813,059
TOTAL FUND BALANCE/ RETAINED EARNINGS	\$ 15,038,657	\$ 17,937,312	\$ -	\$ 4,538,784	\$ 6,297,981	\$ 43,812,734

**TOTAL GOVERNMENT ESTIMATED EXPENDITURES
FY2005 - BY FUNCTION
\$83,486,869**



**COMBINED APPROPRIATIONS
ALL FUND TYPES
FISCAL YEAR 2005**

	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECT FUNDS	INTERNAL SERVICE FUNDS	TOTAL (MEMORANDUM ONLY)
PERSONNEL	\$ 9,086,315	\$ 11,673,371	\$ -	\$ -	\$ 385,193	\$ 21,144,879
SUPPLIES	334,150	1,470,670	-	-	50,200	1,855,020
SERVICES	4,396,953	38,647,696	-	-	3,696,510	46,741,159
DEBT SERVICE	-	-	9,394,170	-	-	9,394,170
CAPITAL OUTLAY	261,130	507,764	-	3,574,647	8,100	4,351,641
INTERDEPARTMENTAL	(585,693)	(551,106)	-	1,136,799	-	-
TOTAL OPERATIONS	13,492,855	51,748,395	9,394,170	4,711,446	4,140,003	83,486,869
TRANSFERS	43,756,125	10,449,485	-	-	-	54,205,610
TOTAL APPROPRIATIONS	<u>\$ 57,248,980</u>	<u>\$ 62,197,880</u>	<u>\$ 9,394,170</u>	<u>\$ 4,711,446</u>	<u>\$ 4,140,003</u>	<u>\$ 137,692,479</u>

REVENUE SOURCES

PROPERTY TAXES

Real, Personal and Oil Property Taxes: A.S. Title 29.45.010-29.45.500 determines the procedure for assessment and levy of property taxes. The certified assessed valuation for the Borough as of January 1 each tax year is determined June 1. The mill rate for the Borough and each of the cities within the Borough is established by June 15, and tax bills are mailed July 1. The total taxable assessed value for the Borough for fiscal year 2005 is \$4,378,312,000. The Borough collects property taxes on behalf of the cities within the Borough and remits them to the cities monthly.

Penalty and Interest on Taxes Receivable: A.S. Title 29.45.250 and Kenai Peninsula Borough Code of Ordinances 05.12.080 outline the deadlines for payment and the rates of penalty and interest for late or nonpayment of taxes. Each service area of the Borough earns the interest on delinquent payments due its service area; however, the General Fund retains all penalties to offset costs involved with collections.

Motor Vehicle Tax: A.S. Title 28.10.431 and Kenai Peninsula Borough Code of Ordinances 05.12.245 authorize the State of Alaska to collect personal property tax on registered motor vehicles based on a schedule outlined within A.S. 28.10.431, or an amount imposed by the municipality through passage of an ordinance. The tax is collected at the time of vehicle registration by the Department of Public Safety Motor Vehicle Division and remitted to the Borough monthly, less an administrative fee.

SALES TAX

A.S. Title 29.45.650 - 29.45.710 and Kenai Peninsula Borough Code of Ordinances 05.18.100 - 05.18.900 authorize the Borough and each of the five cities within the Borough to levy and collect sales tax on all retail sales, rents, and services made or rendered within the Borough based on the gross sales of the seller. The Borough rate is 2% and is dedicated to school operations. The Borough collects the sales tax on behalf of the cities within the Borough, which have various rates from 3% - 4.5%, and remits it to them monthly. Interest and penalty are assessed on delinquent sales taxes. The interest rate is set at 15% per annum; and penalty is assessed at 5% of the taxes due per month, up to a maximum of 25%.

FEDERAL REVENUES

Payment in Lieu of Taxes: A pro rata payment for federally-owned entitlement land is authorized by Chapter 69, 31 USC, Section 6902, based on the number of acres of federal lands within the Borough and the Borough population. However, the payment may not exceed a statutory limit. Funds received may be used for any governmental purpose. Estimated amount for FY2005 is \$1,700,000.

Civil Defense: A.S. Title 26.20.030 authorizes reciprocal aid agreements between the State of Alaska and other governments. In cooperation with the Federal government, the State and the Borough have established procedures to provide protection should a disaster occur. Reimbursement up to \$38,500 for operations is received from the Federal government through the Alaska Department of Military and Veterans Affairs.

National Forest Receipts: In accordance with 43 CFR 1881.1-2, funds flow from the Federal government through the State of Alaska to municipalities for in-lieu-of-taxes on national forest lands. Payments are allocated on the basis of a formula. The estimated amount for FY2005 is \$29,000.

STATE REVENUES

School Debt Reimbursement: A.S. Title 14.11.100, State Aid for Retirement of School Construction Debt, outlines the procedure by which the Alaska Department of Education will reimburse the Borough for expenditures on school debt. For Borough bonds issued after April 30, 1993, the reimbursement rate is 70%. If the amount appropriated by the Legislature is insufficient for providing entitled amount, those funds that are available shall be distributed on a pro

rata basis. In addition to school debt that is reimbursable, the Kenai Peninsula Borough also has school debt that was used for the local share of a matching grant. This debt is not reimbursable. For FY2005 the Borough's entitlement for debt reimbursement is \$2,644,576.

State Revenue Sharing: Funding for this program ended in FY2003. The average revenue provided by the State under this program for the last 10 year was approximately \$1.5 million.

Safe Communities Program: Funding for this program ended in FY2003. The average revenue provided by the State under this program for the last 10 year was approximately \$1.2 million.

Fisheries Taxes: A.S. Title 43.75.015 refunds to local governments a portion of the taxes levied on the fishing industry. Fishery businesses are those which take, purchase or otherwise acquire a fishery resource. This revenue sharing is based on 50% of the amount of taxes collected in the Kenai Peninsula Borough outside cities and 25% of the taxes collected within the cities of the Borough., the Borough's projected share for FY2005 is \$475,000.

Other State Revenue includes:

Electric and Telephone Cooperative--A.S. Title 10.25.570 refunds to the Borough the gross revenue taxes collected from the electric and telephone cooperatives of the Borough for activities outside cities of the Borough, less an administrative fee for collection.

OTHER REVENUES

Other revenues include service charges and fees for foreclosure, recording fees, election judge services, data processing charges, plat filing fees, fire service training seminars, ambulance service fees, recreation program admissions, and land sales and leases. In the internal service funds, other revenue includes amounts received from other funds for insurance premiums and repayment for equipment purchases. **E911 service charges** are authorized by the Alaska legislature as a surcharge on local telephone exchange lines for operation of the enhanced 911 system. **Emergency dispatch service charges** include a payment by the City of Soldotna for joint facilities usage. **Solid waste disposal fees** are those fees collected at each of the Borough landfill sites for certain commercial/business waste.

Miscellaneous revenues are those that may be nonrecurring receipts for cash received, and are generally insignificant amounts. **Interest** is primarily interest on investments and land sales. Kenai Peninsula Borough Code of Ordinances 5.10.010 - 5.10.120 established the investment policies of the Borough; and through the use of pooled funds, the interest earned from those investments is allocated on an equity basis to special revenue capital projects funds, enterprise funds, and internal service funds.

OTHER FINANCING SOURCES

Sale of Fixed Assets: This revenue is derived from the sale of fixed assets by sealed bid or at public auction.

Transfers from Other Funds: This source of funding includes interfund transfers for services provided by one fund to another fund and transfers from special revenue operating funds to capital projects and debt service funds. Major transfers from the General Fund include those made for school operations, debt service, solid waste operations, and capital improvements.

TOTAL TAXABLE VALUATION AND TAX RATES
TAXABLE ASSESSED VALUATION IN \$1,000s

	REAL	PERSONAL	OIL	TOTAL TAXABLE VALUATION	TAX RATE (MILLS)	TAX REVENUES PENALTIES, INTEREST
Borough	\$ 3,493,939	\$ 193,721	\$ 611,303	\$4,298,963	6.50	\$ 29,752,647
Nikiski Fire	658,835	36,209	541,868	1,236,912	2.30	2,885,417
Bear Creek Fire	88,197	1,098	-	89,295	2.25	213,992
Anchor Point Fire & Emergency Medical	127,579	1,893	4,473	133,945	2.00	282,221
Central Emergency Services	1,121,689	74,431	38,030	1,234,150	2.35	3,046,145
Kachemak Emergency	192,722	553	-	193,275	1.75	361,213
Lowell Point Emergency	6,861	-	-	6,861	1.75	12,481
Central Peninsula Emergency Medical	165,554	2,248	7,060	174,862	1.00	186,123
North Peninsula Recreation	658,835	36,574	546,832	1,242,241	1.00	1,259,319
Road Service Area	2,305,671	105,334	602,503	3,013,508	1.40	4,371,678
Post Secondary Education	3,493,940	193,722	611,303	4,298,965	0.10	450,450
Seward Bear Creek Flood	254,193	14,439	-	268,632	0.50	134,172
Nikiski Senior	617,819	34,032	533,886	1,185,737	0.15	179,871
Central Peninsula Hospital	2,291,112	136,924	595,758	3,023,794	1.00	3,068,659
South Peninsula Hospital	801,598	34,491	15,546	851,635	1.75	1,604,550

Property Tax Exemptions - Fiscal Year 2005 (Applicable To 2004 Tax Year)
 Areawide Only - 6.5 MILLS

<u>Type</u>	<u>Exempt Assessed Value (\$1,000's)</u>	<u>Exempted Tax Revenue</u>
Community Purpose	\$ 34,784	\$ 226,098
Electrical Co-op	12,023	78,148
Fire Prevention Systems	8,751	56,881
Government	4,681,111	30,427,219
Housing	14,203	92,321
Native	537,360	3,492,837
\$10,000 Homeowner	107,990	701,936
\$10,000 Volunteer Fire/EMS	760	4,940
Religious	64,613	419,986
Senior Citizens	254,153	1,651,997
Armed Forces	1,627	10,574
Disabled Veterans	15,558	101,126
State Educational	57,254	372,149
University	16,800	109,201
Mental Health Trust	13,534	87,969
Habitat Protection	4,512	29,330
River Restoration	58	376
Conservation Easement	384	2,496
Cemetery	365	2,372
Farm	2,643	17,182
Infested Timber Harvest	2,282	14,834
\$100,000 Personal Property	30,387	197,516
Totals	<u>\$ 5,861,152</u>	<u>\$ 38,097,488</u>

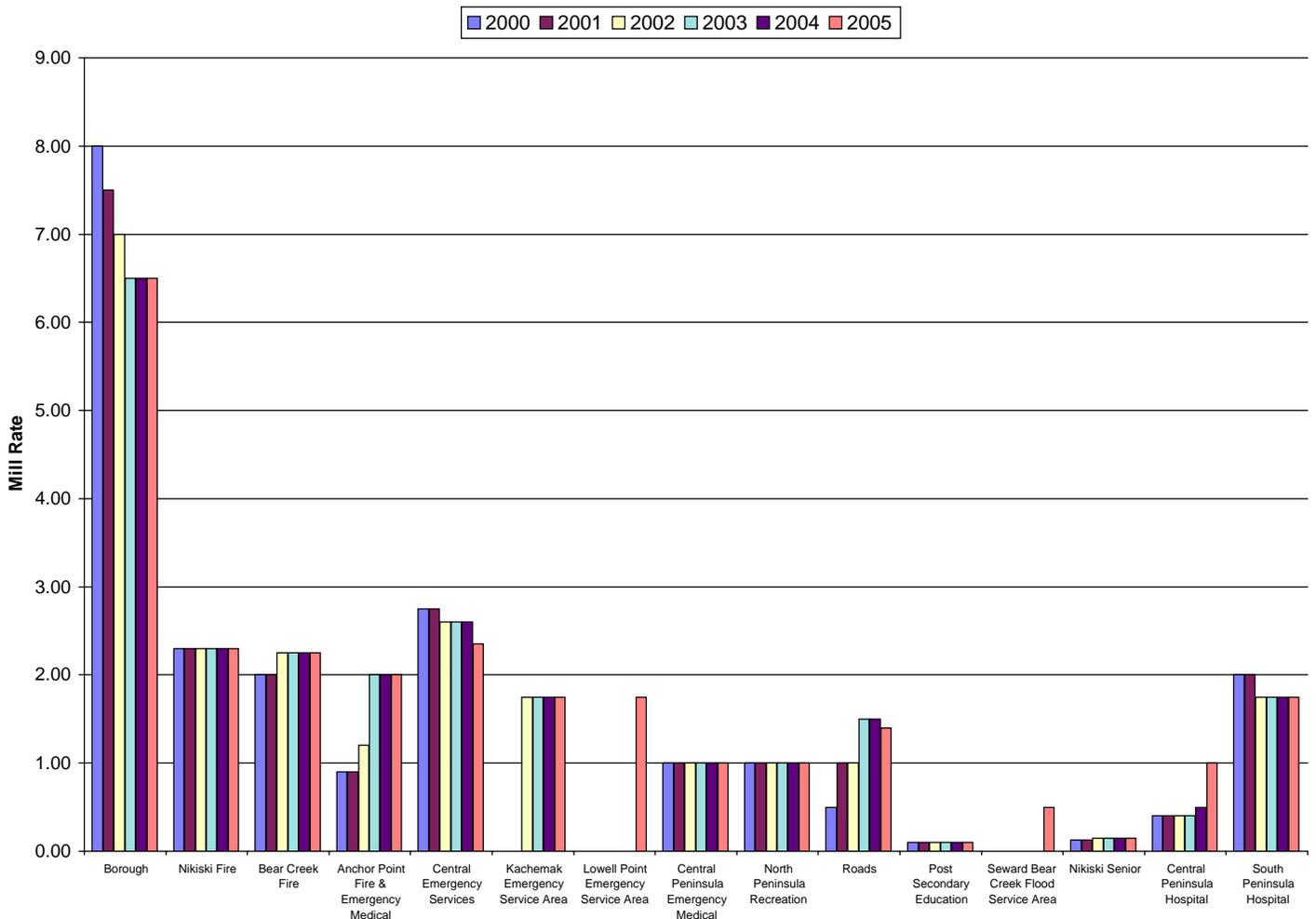
OVERLAPPING MILL RATES

TCA	Tax Code Area	Service Area	Borough	Post-Secondary KPC	Nikiski Fire	CES	CPEMS	NPR	SBCF	CPH	SPH	Road Service Area	Total FY2005	Total FY2004	Difference FY2004 MILL/ FY2005 MILL
53	Nikiski Fire	2.30	6.50	0.10				1.00		1.00		1.40	12.30	11.90	0.40
57	Bear Creek Fire	2.25	6.50	0.10					0.50			1.40	10.75	10.35	0.40
68	Anchor Point Fire and Emergency Medical	2.00	6.50	0.10							1.75	1.40	11.75	11.85	-0.10
58	Central Emergency Services (CES)	2.35	6.50	0.10						1.00		1.40	11.35	11.20	0.15
81	Kachemak Emergency Services (KES)	1.75	6.50	0.10							1.75	1.40	11.50	11.60	-0.10
42	Lowell Point Emergency	1.75	6.50	0.10					0.50			1.40	10.25	8.10	2.15
64	Central Peninsula Emergency Medical (CPEMS)	1.00	6.50	0.10							1.75	1.40	10.75	10.85	-0.10
54	North Peninsula Recreation (NPR)	1.00	6.50	0.10		2.35				1.00		1.40	12.35	12.20	0.15
67	Road Service Area	1.40	6.50	0.10									8.00	8.10	-0.10
43	Seward Bear Creek Flood (SBCF)	0.50	6.50	0.10								1.40	8.50	8.10	0.40
55	Nikiski Senior	0.15	6.50	0.10	2.30			1.00		1.00		1.40	12.45	12.05	0.40
61	Central Peninsula Hospital (WEST) (CPH)	1.00	6.50	0.10								1.40	9.00	8.60	0.40
63	Central Peninsula Hospital (EAST) (CPH)	1.00	6.50	0.10			1.00					1.40	10.00	9.60	0.40
52	South Peninsula Hospital (SPH)	1.75	6.50	0.10									8.35	8.35	0.00
65	South Peninsula Hospital (Roads) / (SPH)	1.75	6.50	0.10								1.40	9.75	9.85	-0.10
20	City of Homer	5.00	6.50	0.10							1.75		13.35	13.35	0.00
80	City of Kachemak	2.00	6.50	0.10							1.75		10.35	9.35	1.00
30	City of Kenai	4.50	6.50	0.10						1.00			12.10	12.10	0.00
10	City of Seldovia	7.25	6.50	0.10									13.85	13.85	0.00
40	City of Seward	3.12	6.50	0.10					0.50				10.22	9.72	0.50
41	City of Seward Special	3.12	6.50	0.10					0.50				10.22	9.72	0.50
70	City of Soldotna	1.65	6.50	0.10		2.35				1.00			11.60	11.35	0.25

MILL RATE HISTORY

	Fiscal Year					
	2000	2001	2002	2003	2004	2005
Borough	8.00	7.50	7.00	6.50	6.50	6.50
Nikiski Fire	2.30	2.30	2.30	2.30	2.30	2.30
Bear Creek Fire	2.00	2.00	2.25	2.25	2.25	2.25
Anchor Point Fire & Emergency Medical	0.90	0.90	1.20	2.00	2.00	2.00
Central Emergency Services	2.75	2.75	2.60	2.60	2.60	2.35
Kachemak Emergency Service Area	-	-	1.75	1.75	1.75	1.75
Lowell Point Emergency Service Area	-	-	-	-	-	1.75
Central Peninsula Emergency Medical	1.00	1.00	1.00	1.00	1.00	1.00
North Peninsula Recreation	1.00	1.00	1.00	1.00	1.00	1.00
Roads	0.50	1.00	1.00	1.50	1.50	1.40
Post Secondary Education	0.10	0.10	0.10	0.10	0.10	0.10
Seward Bear Creek Flood Service Area	-	-	-	-	-	0.50
Nikiski Senior	0.13	0.13	0.15	0.15	0.15	0.15
Central Peninsula Hospital	0.40	0.40	0.40	0.40	0.50	1.00
South Peninsula Hospital	2.00	2.00	1.75	1.75	1.75	1.75

FISCAL YEAR



**INTERFUND TRANSFERS
FISCAL YEAR 2005**

TRANSFERS IN

SPECIAL REVENUE FUNDS

	TRANSFERS OUT	GENERAL FUND	Central Emergency	School Fund	Kenai River Center	Disaster Relief	Nikiski Seniors	Solid Waste	DEBT SERVICE	CAPITAL PROJECTS
General Fund	\$ 43,756,125			\$ 33,421,775	\$ 407,496	\$ 14,800	\$ 30,200	\$ 4,678,889	\$ 3,802,965	\$ 1,400,000
Special Revenue Funds:										
Nikiski Fire	137,966	62,966								75,000
Bear Creek Fire	160,000									160,000
Anchor Point Fire & Emergency Medical	62,500									62,500
Central Emergency Services	367,817	42,817								325,000
Kachemak Emergency Services	100,000									100,000
Central Peninsula Emergency Medical	192,536		192,536							
North Peninsula Recreation	550,000									550,000
Roads	1,400,000									1,400,000
Solid Waste	868,563							828,563		40,000
Central Peninsula Hospital	5,090,729							4,037,729		1,053,000
South Peninsula Hospital	1,519,374							724,913		794,461
	<u>\$ 54,205,610</u>	<u>\$ 105,783</u>	<u>\$ 192,536</u>	<u>\$ 33,421,775</u>	<u>\$ 407,496</u>	<u>\$ 14,800</u>	<u>\$ 30,200</u>	<u>\$ 4,678,889</u>	<u>\$ 9,394,170</u>	<u>\$ 5,959,961</u>

**INTERDEPARTMENTAL CHARGES
FISCAL YEAR 2005**

	TRANSFERS OUT	TRANSFERS IN		
		GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS
General Fund:				
Purchasing	\$ 200,891	\$ -	\$ 200,891	\$ -
Major Projects	734,802	-	-	734,802
Special Revenue Funds				
Solid Waste	26,229	-	-	26,229
School Fund-maintenance	725,768	350,000	-	375,768
	<u>\$ 1,687,690</u>	<u>\$ 350,000</u>	<u>\$ 200,891</u>	<u>\$ 1,136,799</u>

Interdepartmental charges represent the cost of services provided by a department or division to another department or division. The Borough's policy is to budget 100% of staff time within each oversight department and then charge/allocate the cost of work done, to the respective department receiving the service.