



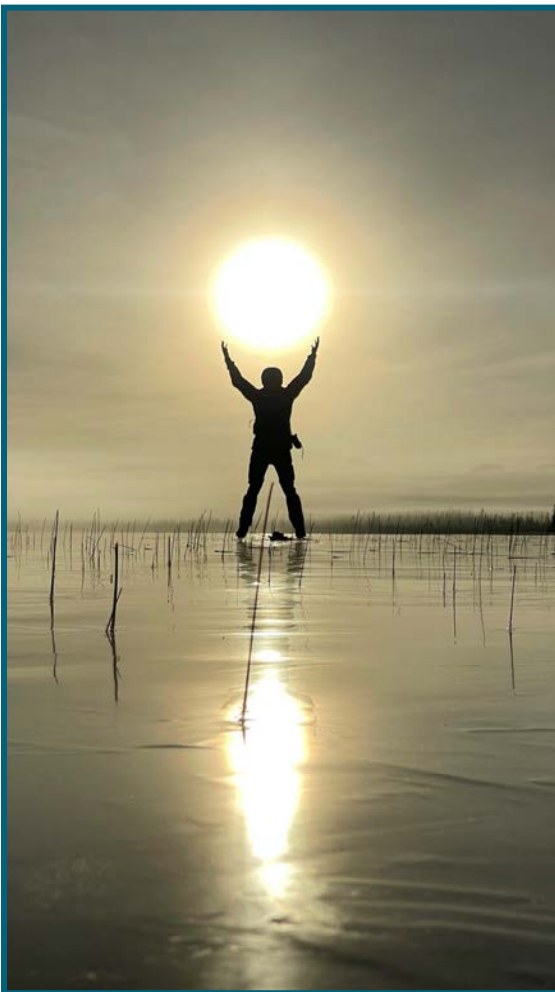
Kenai Peninsula Borough Alaska

Popular Annual Financial Report
Fiscal year ended June 30, 2023





TABLE OF CONTENTS



About our Borough	3
Message to Kenai Peninsula Borough Residents	4
Assembly Members	5
Quick Facts	6
Organizational Chart	7
Property Tax Dollars; Navigating Your Tax Bill	8
Functional Government Spending	9
Dollars In Governmental Fund Revenues	10
Where the Money Comes From	11
Dollars Out Governmental Fund Expenditures	12
Where the Money Goes	13
Government Wide - Net Position	14
Analysis of Government Wide Statements	14
Government Wide - Statement of Activities	15
Debt: What We Owe	16
Glossary	17

Photos courtesy of :

Todd Sherwood, Adeena Wilcox, Jon Marsh, Lee Hartman, Sarah Hostetter
 Central Emergency Service Area, Western Emergency Service Area, Road Service Area



About our Borough

The Kenai Peninsula Borough lies directly south of Anchorage, the State's principal population center. The waters of the Gulf of Alaska and Prince William Sound border the borough on the south and east with the dramatic Chigmit Mountains of the Alaska Range bordering the borough to the west. The Cook Inlet divides the borough into two land masses. The Kenai Mountains run north and south through the peninsula, contrasting to the lowlands lying to their west. The west side of the Inlet is sparsely inhabited, with the village of Tyonek being the largest populated settlement. The boundaries of the borough encompass a total of 24,750 square miles, of which 16,000 square miles are land and fresh water. In comparison, the total land mass of the borough equals that of Massachusetts and New Jersey combined. However, the total borough population is just less than 1/260th of that same area. There is a Borough-wide government based in Soldotna, consisting of a strong mayor and an assembly of representatives from all areas of the Borough. The Borough collects sales and property taxes and provides services such as road maintenance, waste collection facilities, emergency services and major funding for public schools.



Government Finance Officers Association

Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting

Presented to

**Kenai Peninsula Borough
Alaska**

For its Annual Financial Report
For the Fiscal Year Ended

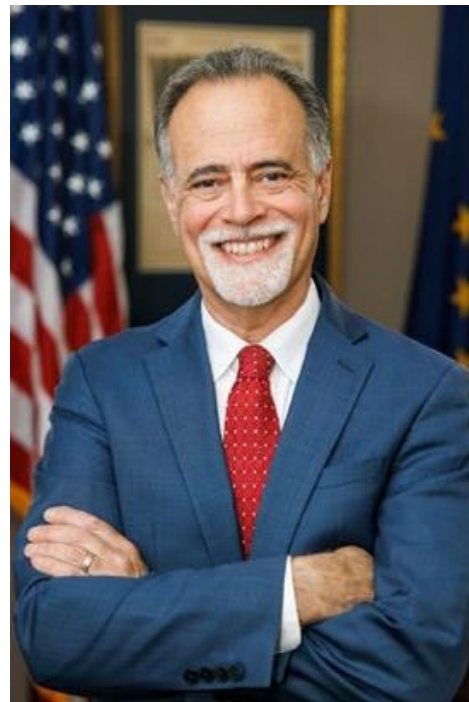
June 30, 2022

Christopher P. Morill

Executive Director/CEO



Message to the Residents of the Kenai Peninsula Borough



Dear Kenai Peninsula Borough Residents,

In our ongoing efforts to enhance the Kenai Peninsula Borough's ("KPB") fiscal accountability and keep the public well-informed about the financial condition of their borough, we are pleased to offer the KPB's *Popular Annual Financial Report (PAFR)* for the 2023 fiscal year. This report is designed to present a succinct, user-friendly overview of the Borough's financial position, financial practices, and additional details outlining how KPB revenues were generated and responsibly spent over the last fiscal year. The financial information in this report is from the independently-audited financial statements that are part of the KPB's 2023 Annual Comprehensive Financial Report, required by Alaska statutes and Borough Code.

We extend a special thank-you to the dedicated staff of the KPB's Finance Department. Their hard work and diligence were instrumental in preparing this condensed financial report. The Kenai Peninsula Borough has been awarded a Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association for the last 44 years, an accomplishment we're rightly proud of achieving and that is, again, due to the extraordinary work of our Finance Department and Borough-wide staff.

Detailed information, current and historical budgets, and annual financial reports are available on the KPB website at <https://www.kpb.us/finance-dept>.

As you review the 2023 *PAFR*, please feel free to contact us with questions, concerns, opinions or recommendations. We'll use your feedback to improve future reports so that you can better understand our commitment to keeping you informed and involved in what we strive to do every day: serve you with excellence, transparency, accountability and affordability. This report is just one small piece of our work to clearly demonstrate our commitment to those we serve. We work for you.

Respectfully,

A handwritten signature in black ink, appearing to read "Peter A. Micciche".

Peter A. Micciche
Borough Mayor

Brandi Harbaugh

Brandi Harbaugh, CPA, CPFO
Finance Director





Brent Hibbert
Phone: 907-398-3234
Email: bhibbert@kpb.us
District: 1- Kalifornsky
Term Expires: 2024



Ryan Tunseth
Phone: 907-398-1233
Email: rtunseth@kb.us
District: 2- Kenai
Term Expires: 2026



Peter Ribbens
Phone: 907-398-1828
Email: pribbens@kpb.us
District: 3 - Nikiski
Term Expires: 2025



Tyson Cox
Phone: 907-252-4814
Email: tysoncox@kpb.us
District 4 - Soldotna
Term Expires 2025



Bill Elam
Phone: 907-690-4339
Email: belam@kpb.us
District: 5- Sterling/ Funny River
Term Expires: 2026



Cindy Ecklund
Phone: 907-362-2276
Email: cecklund@kpb.us
District 6 - East Peninsula
Term Expires 2024



Brent Johnson
Phone: 907-262-4763
Email: bjohnson@kpb.us
District 7 - Central
Term Expires 2025



Kelly Cooper
Phone: 907-299-1519
Email: kcooper@kpb.us
District: 8- Homer
Term Expires: 2026



Mike Tupper
Phone: 907-435-7843
Email: mtupper@kpb.us
District: 9- South Peninsula
Term Expires: 2024

Assembly Members 2023-2024



Quick Facts

The Kenai Peninsula Borough was incorporated in 1964 as a second-class borough under the authority of the State of Alaska Borough Act of 1963. The Borough's governmental responsibilities are comparable to those of a county. The five first-class and home-rule cities in the borough are Kenai, Soldotna, Homer, Seldovia, and Seward. Other locally governed communities include Kachemak City and the native villages of Tyonek, Port Graham, and Nanwalek.


Geography

Land	16,000 square miles
Water	8,750 square miles

Government

Mayor

9 member assembly



Community Development

River Center

Demographics

Residents	60,017
Median Age	42.3
Median Household Income	59,041

Human Services (Component Units)

South Peninsula Hospital

Central Peninsula Hospital

Fire Stations

Nikiski	5
Bear Creek	1
Western Emergency Services	3
Kachemak	2
Central Emergency Services	8
Calls Responded to by KPB Services	5,445
911 Calls Answered	21,526

Recreation

Major Programs	9
----------------	---

Roads

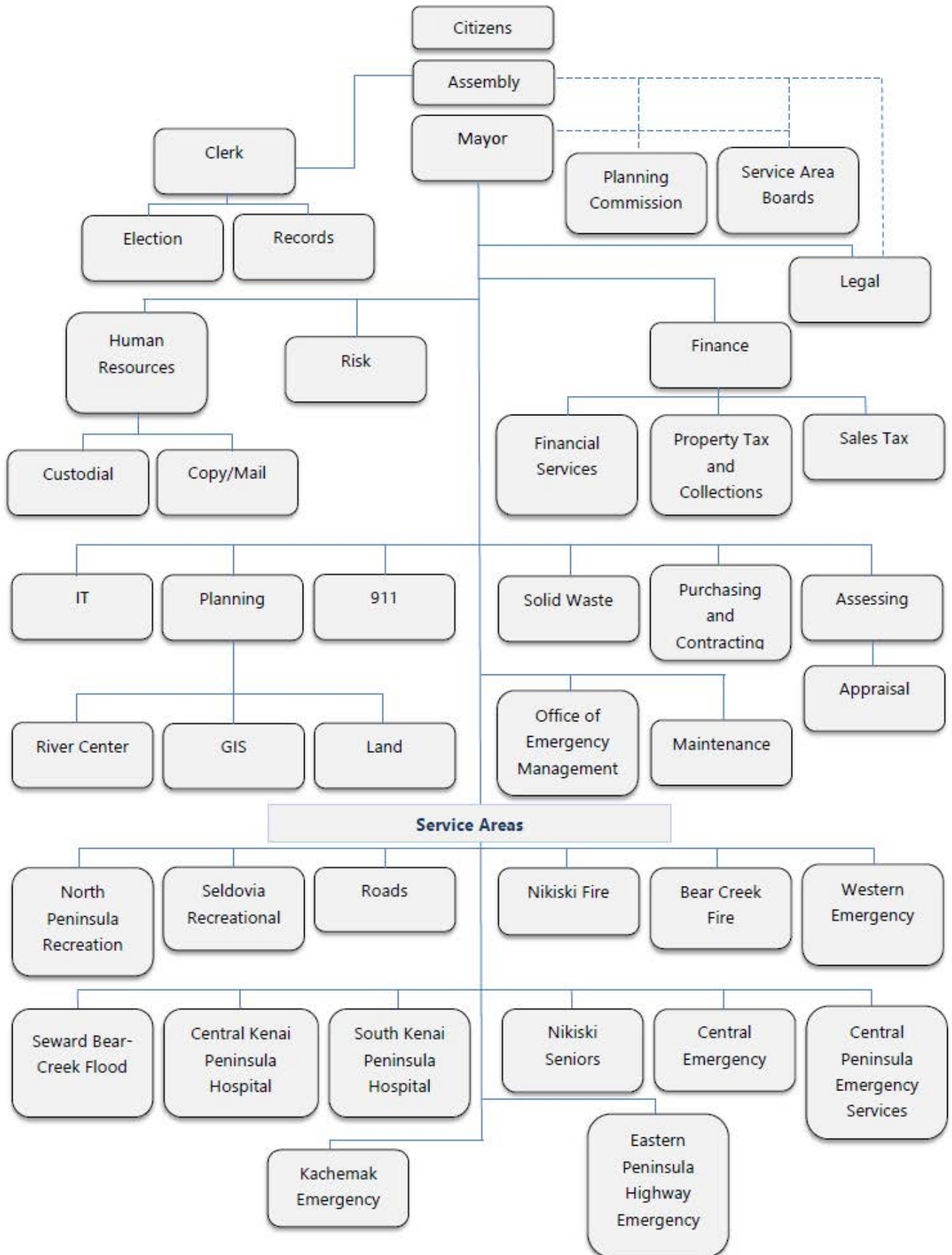
Maintained Miles	650
------------------	-----

Solid Waste

Landfills	8
Transfer Sites	13
Refuse Collected ~ tons	61,418



Kenai Peninsula Borough - Organizational Chart



Property Taxes... The Borough bills and collects its own property taxes as well as those of the 5 incorporated cities within the Borough. **Navigating your tax bill:**

Kenai Peninsula Borough
144 N. Binkley Street
Soldotna, AK 99669

907-262-4441
 800-478-4441 - Toll Free Within Borough
www.kpb.us

Year: 20XX PIN: 01234567
TAG: 58 - CENTRAL EMERGENCY SERVICES
 Revenue ID: 08765 Bill Number: 20XX012345

#XXXXXXXX
 #A000000012345678#

LEGAL DESCRIPTION

This is your assessed value, broken down by property feature

These are your exemptions, which are subtracted from your assessed value

Value Type	Value	Exemption Type	Amount
LAND	84,600	BOROUGH EXEMPTION VALUE	50,000
IMPROVEMENT	215,300		

Taxes, Credits, and Other Charges

Charge Description	Total Value	Exemption	Taxable	Rate/1000	Tax Dist	Boats	Air
BOROUGH	299,900	50,000	249,900	4.500000	1,124.55	0.00	
CENTRAL EMG SVS	299,900	50,000	249,900	2.720000	679.73	0.00	
CENTRAL HOSP	299,900	50,000	249,900	0.010000	2.50	0.00	
KPB ROAD MAINT	299,900	50,000	249,900	1.400000	349.86	0.00	
2016 Total				8.63	2,156.64	0.00	0.00
Bill Summary	2,156.64	0.00			0.00	0.00	2,156.64

These are your tax charges, broken down by tax authority or service area. Mill rates are set yearly

Mill rates are shown here. Mill rate divided by 1000, multiplied by taxable value gives your tax amount per tax authority
 Example:
 (.0045 x 249,900 = 1,124.55)

This is your Total Due, including all outstanding charges

ON THE PROPERTY AND MAY BE PAYING THE TAXES. RESPONSIBILITY OF THE PROPERTY OWNER TO ENSURE THAT THE PROPERTY IS TAXED CORRECTLY. PLEASE CONTACT YOUR LENDER, THE BOROUGH CLERK, OR THE BOROUGH ENGINEER FOR MORE INFORMATION. **WWW.KPB.US**

Second Inland Revenue Tax (SIRT) will be mailed

Due Date: 11/15/2016

Address: PUBLIC JOHNNY Q AND JANE D, PO Box 3040, Soldotna, AK 99669

Signature: _____

Disregard if total is paid with first coupon by 10/15

CHECKS WILL BE DEPOSITED ON THE DAY THEY ARE RECEIVED

32323232323232485451494950485400000000000001078326



Functional Government Spending

*Found in both the Basic Financial Statements and Non-Major Governmental Funds of the Comprehensive Annual Financial Report.



Community Funding

\$2.2 million dollars provided for Senior Citizens and other Community Programs and organizations throughout the Borough.

\$1,136,237 ~ Senior Centers

\$681,117 ~ Community Assistance (Revenue Sharing)

\$150,000 ~ Economic Development District

\$125,000 ~ Small Business Development Center

\$147,716 ~ Public Relations and KPBS Promotion (contracted by KPBS)

Solid Waste

\$15.9 million dollars provided for Solid Waste facilities operations, capital projects and debt service.

\$8.7M ~ Operations

\$6.1M ~ Capital

\$1.1M ~ Debt

Funded by \$9.7M in property taxes, \$.7M in user fees, \$5.5M in bond proceeds and grant revenues.

Public Safety

\$29.9 million dollars provided for Public Safety, Emergency Management and E911 dispatch services.

\$ 1.7M ~ Emergency Management

\$ 3.6M ~ E911 Dispatch/Services

\$23.7M ~ Fire & Emergency Medical Services

\$ 0.9M ~ Fire & Emergency Related Debt

Education

\$61.3 million dollars provided for Education in 2023, the equivalent of 6.85mills

\$52.6M ~ KPBSD (Operations and other related expenditures)

\$ 0.8M ~ KPC

\$ 4.0M ~ Capital

\$ 3.9M ~ Debt

Funded by \$42.7M Sales tax (100% of Sales tax revenues go to Education), as well as \$16.8M in property taxes and \$1.8M in grant revenues and bond proceeds.



Dollars In.....

Governmental Funds

Revenues

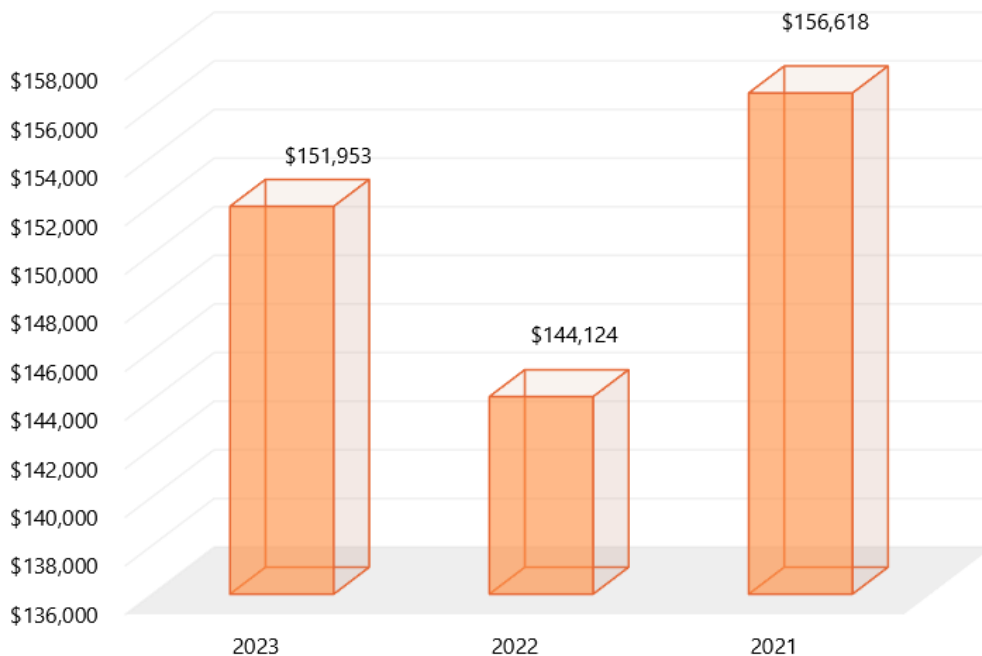
Funding for the Kenai Peninsula Borough government and the services provided to residents comes from many sources, with the majority coming from Property Taxes and Sales Tax, which totals 76% of all revenue collections for Governmental Funds. Grants is the third largest revenue source, making up 13%.

The Borough's General fund and Other Governmental funds also receive revenue

from charges for services, investment income and various other revenues streams. In total, FY 2023 revenues increased by \$7.8 million when compared to FY 2022 due primarily to the implementation of the State of Alaska "SEMT" program, which provided additional reimbursements for emergency medical transports; as well as higher than expected investment earnings.



**Total Governmental Funds Revenues
(Includes Service Areas *)
(amounts are expressed in thousands)**

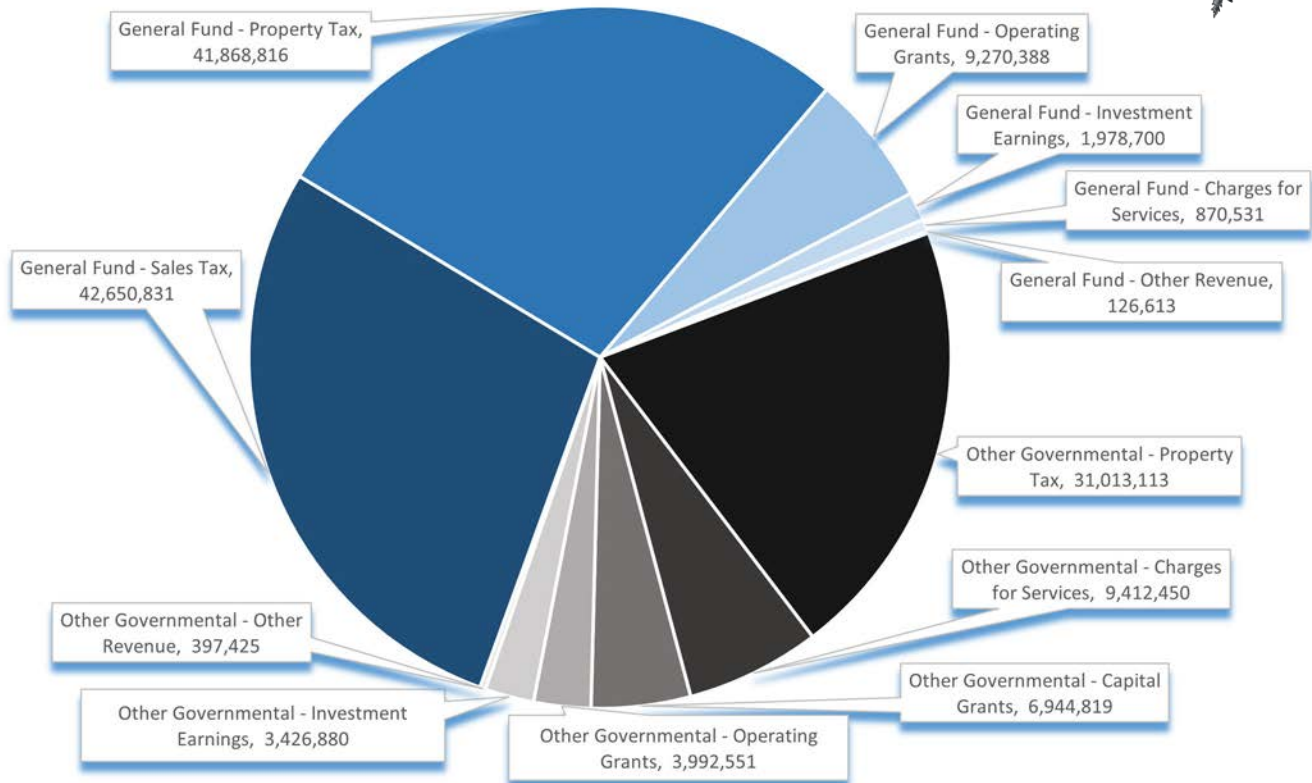


* Service areas and Special Revenue Funds include: Nikiski Fire, Bear Creek Fire, Western Emergency Service Area, Central Emergency Services, Kachemak Emergency Services, Lowell Point Emergency Services, Eastern Peninsula Highway Emergency Service Area, Central Peninsula Emergency Medical, North Peninsula Recreation, Seldovia Recreation, Roads, Land Trust, Seward Bear Creek Flood, Environmental Protection Program, Disaster Relief, 911 Communications, Nikiski Senior, Miscellaneous Grant Fund.

Where The Money Comes From...



Governmental Fund Revenues



General Fund Revenues:	\$ 96,765,879
Other Governmental Funds Revenues*:	\$ 55,187,238
Total Revenues:	\$151,953,117

2023



* Service areas and Special Revenue Funds include: Nikiski Fire, Bear Creek Fire, Western Emergency Service Area, Central Emergency Services, Kachemak Emergency Services, Lowell Point Emergency Services, Eastern Peninsula Highway Emergency Service Area, Central Peninsula Emergency Medical, North Peninsula Recreation, Seldovia Recreation, Roads, Land Trust, Seward Bear Creek Flood, Environmental Protection Program, Disaster Relief, 911 Communications, Nikiski Senior, Miscellaneous Grant Fund.

Dollars Out... Governmental Funds Expenditures

The Borough provides a range of services, including fire and emergency medical services, recreational programs and activities, road maintenance, permitting and education to maintain and promote valuable fish and wildlife habitat, and use permits, and solid waste programs. FY2023 saw an increase in Governmental spending, primarily in the Solid Waste and Public Safety functions. This is due to capital spending in Solid Waste and an increase in staffing in Public Safety. There was also an increase pension and OPEB expense recorded in FY2023.

General Government - supports all borough offices and departments that serve the public. This includes public information, intergovernmental relations, creating and implementing the borough's policy, assessing and collecting taxes, and managed of the borough budget.

Education - provide operational funding for the school district and Kenai Peninsula college, through cash contributions, in-kind services, maintenance of facilities, utilities, insurance, audit fees, and custodial services.

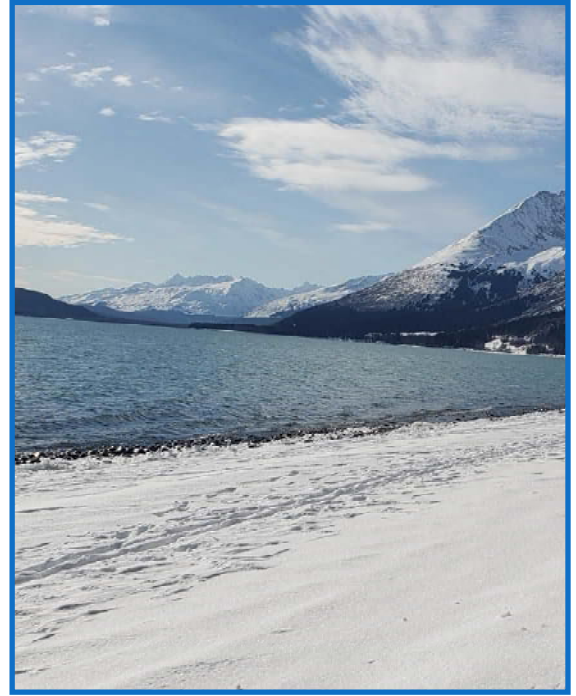
Public Safety - provide fire protection and emergency medical service, rescue capabilities, 911 dispatch services and emergency operations to the citizens of the borough.

Solid Waste - operate solid waste facilities and programs to ensure waste is managed in accordance with borough code, and state and federal requirements.

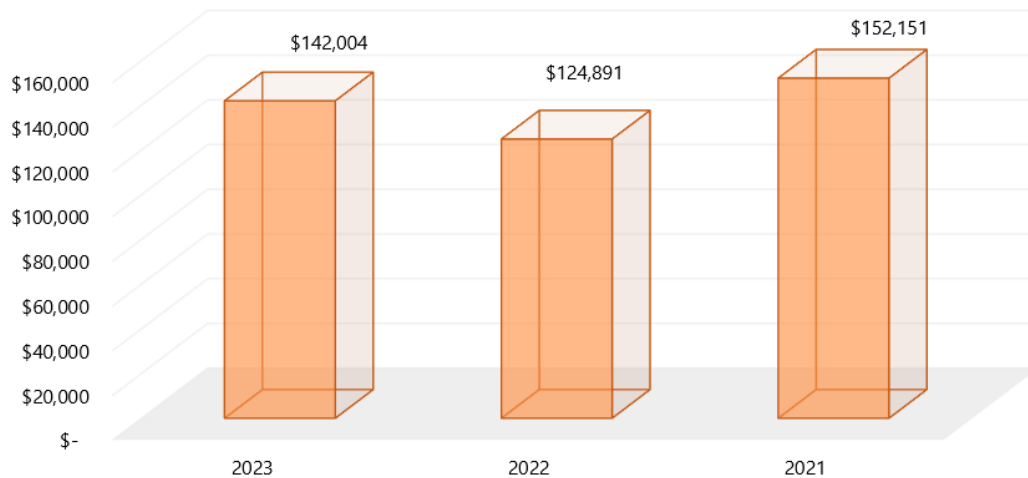
Roads/Trails - provide road maintenance for roads within KPB road service area.

Land Trust - to maintain land inventory and issue land use permits.

Recreation - provides recreational opportunities, promoting health, safety, educational and civic purposes.

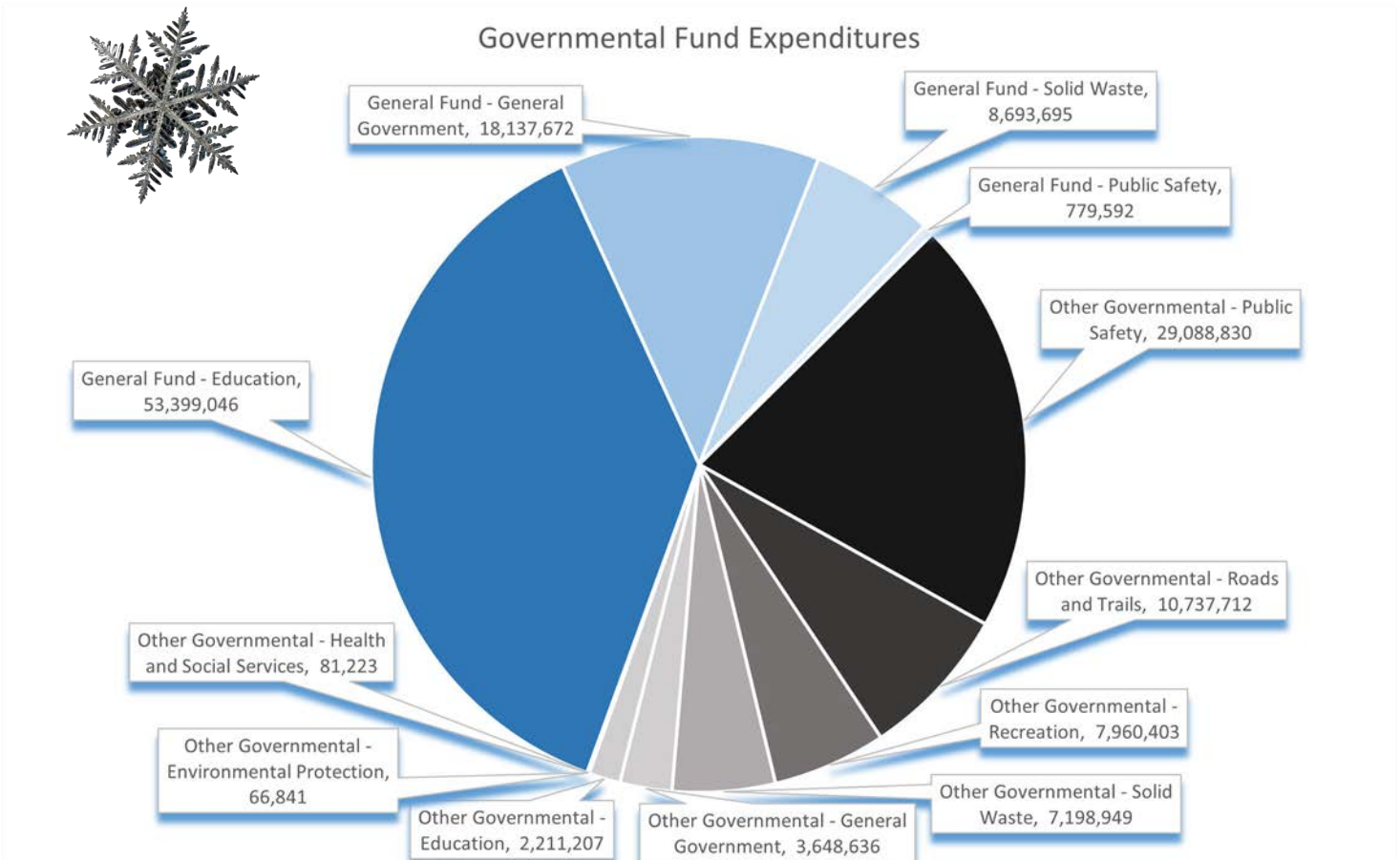


**Total Governmental Funds Expenditures
(Includes Service Areas *)
(amounts expressed in thousands)**



* Service areas and Special Revenue Funds include: Nikiski Fire, Bear Creek Fire, Western Emergency Service Area, Central Emergency Services, Kachemak Emergency Services, Lowell Point Emergency Services, Eastern Peninsula Highway Emergency Service Area, Central Peninsula Emergency Medical, North Peninsula Recreation, Seldovia Recreation, Roads, Land Trust, Seward Bear Creek Flood, Environmental Protection Program, Disaster Relief, 911 Communications, Nikiski Senior, Miscellaneous Grant Fund.

Where The Money Goes...



2023

General Fund Expenditures:	\$ 81,010,005
Other Governmental Funds Expenditures*:	\$ 60,993,801
Total Expenditures:	\$142,003,806

* Service areas and Special Revenue Funds include: Nikiski Fire, Bear Creek Fire, Western Emergency Service Area, Central Emergency Services, Kachemak Emergency Services, Lowell Point Emergency Services, Eastern Peninsula Highway Emergency Service Area, Central Peninsula Emergency Medical, North Peninsula Recreation, Seldovia Recreation, Roads, Land Trust, Seward Bear Creek Flood, Environmental Protection Program, Disaster Relief, 911 Communications, Nikiski Senior, Miscellaneous Grant Fund.

Government Wide - Net Position

The Kenai Peninsula Borough's Statement of Net Position depicts our financial condition as of June 30, 2023. The net position is a summary of what the Borough owns (assets) and owes (liabilities). It does not include the hospitals and school component units. Total net position is the difference between total assets (what we own), including deferred outflows, and total liabilities (what we owe), including deferred inflows.

Statement of Net Position - Primary Government *	2023	2022	2021
Current and other assets	\$ 257,574	\$ 194,506	\$ 147,717
Capital Assets	227,413	221,055	227,254
Total assets	484,987	415,561	374,971
Deferred outflows of resources	6,906	5,762	7,436
Noncurrent liabilities	123,540	72,878	85,711
Other liabilities	29,721	20,036	17,820
Total liabilities	153,261	92,914	103,531
Deferred inflows of resources	21,390	42,041	16,550
Net position			
Net investment in capital assets	201,057	191,148	193,567
Restricted	96,322	35,204	41,457
Unrestricted	19,863	60,016	27,302
Total net position	\$ 317,242	\$ 286,368	\$ 262,326



* Amounts are expressed in thousands

Analysis of Government Wide Statement of Net Position and Statement of Activities (pages 14 and 15):

In FY 2023, Total assets increased, deferred outflows of resources increased, and total liabilities increased. The overall result was an increase in net position. While the Borough did see increases in expenses relating to pension and OPEB, as well as education and public safety, the net position ultimately increased due mostly to the issuance of general obligation bonds, and partly from increased revenues from the newly implemented State of Alaska "SEMT" program that provides supplemental funding for emergency medical transports.

The Statement of Activities saw an increase in revenues from Investments earnings, and capital grants. The most notable increase was in investment earnings, which was due to higher than estimated market rates. Capital grants and contributions revenues were mostly related to Solid Waste capital improvements. The large increase in Education expenses was related to funding the Kenai Peninsula School District.



Government Wide - Statement of Activities

The Kenai Peninsula Borough's Statement of Activities reflects our financial activity for the fiscal year end June 30, 2023. The Statement of Activities excludes hospitals and school component units.

Statement of Activities - Primary Government *	2023	2022	2021
Revenues			
Program revenues:			
Charges for services	\$ 10,403	\$ 12,741	\$ 4,099
Operating grants and contributions	10,294	10,826	33,798
Capital grants and contributions	6,945	1,846	6,291
General revenues:			
Property taxes	72,906	70,284	69,140
Sales tax	42,651	44,989	36,297
Grants not restricted to a specific program	6,292	5,385	4,784
Investment earnings	5,635	(3,899)	2,129
Miscellaneous	(28)	-	-
Total revenues	155,098	142,172	156,538
Expenses			
General government	17,183	15,766	20,926
Solid waste	11,117	9,283	8,958
Public safety	22,871	23,665	17,843
Recreation	2,002	2,123	2,124
Education	59,415	56,312	59,346
Environmental protection	67	112	122
Roads and trails	10,267	9,775	8,632
Health and social services	81	509	20,017
Interest and long-term debt	1,221	585	836
Total expenses	124,224	118,130	138,804
Change in net position	30,874	24,042	17,734
Beginning net position	286,368	262,326	244,522
Changes in beginning net position - GASB 84	-	-	70
Net position - as restated	286,368	262,326	244,592
Net position	\$ 317,242	\$ 286,368	\$ 262,326

* Amounts are expressed in thousands



Debt: What We Owe (per governmental section of financial statements)

The Borough's primary government debt is comprised of General Obligation Bonds:

General Obligation– debt backed by the tax dollars of the Borough. As of June 30, 2023, the debt is issued through the State of Alaska's Bond Bank, their current rating is A1. Good bond ratings improve the borrowing power of the Borough and provide for lower borrowing rates.

On October 4, 2022 Kenai Peninsula Voters passed Proposition No. 2, which allowed the KPB to issue up to \$65.5 million in debt for the purpose of education capital improvements. As of FY2023, \$30M of this debt has been issued. Ordinance 2022-20 details projects that this debt will be used to fund:

- School Replacement/Reconstruction/Renovation
- School Student Dropoff
- School Roof Projects
- School Safety/Security Renovation
- School Field Restroom/Concession
- School Front Entrance Improvements
- School Building Siding Projects
- Similar Educational Capital Improvements in the Borough



OUTSTANDING DEBT PER CAPITA

\$894 

Area Wide (Education and Solid Waste debt)

\$561 

Central Emergency Services debt

\$497 

Bear Creek Fire debt

Outstanding Governmental Debt *	2023	2022	2021
General obligation (GO) bonds:			
Education	\$ 51,845	\$ 24,640	\$ 27,395
Solid Waste	-	1,010	1,975
Fire and Emergency Services	18,210	4,190	4,670
Total Outstanding Governmental Debt	\$ 70,055	\$ 29,840	\$ 34,040

* Amounts expressed in thousands

Glossary

Assets - what the Kenai Peninsula Borough owns.

Capital assets - items such as Borough land, construction in progress, equipment, infrastructure and buildings, and improvements net of depreciation.

Current and other assets - items such as cash and investments, receivables, internal balances, inventories, deposits with others, pre-paid items and deferred charges.

Deferred inflows - an acquisition of net assets by the entity that is applicable to a future reporting period.

Deferred outflows - a consumption of net assets by the entity that is applicable to a future reporting period.

Fiscal Year (FY) - accounting period covering 12 consecutive months, July 1 to June 30 for the Borough.

Governmental activities - Borough based services, including fire, public safety, public works, solid waste, environmental protection, economic development, health and social services, roads and recreation. Sales and property taxes finance the majority of these services.

Net Investment in Capital Assets - amounts invested in capital assets less accumulated depreciation and any outstanding debt used to acquire these assets.

Liabilities - what the Kenai Peninsula Borough owes.

Long-term liabilities - items such as bonds, loans, compensated absences, and other Borough obligations payable over multiple fiscal years.

Net position - the difference between the Kenai Peninsula Borough's assets and liabilities. It is the net worth of the Kenai Peninsula Borough.

Other liabilities - items such as payables, payroll, accrued interest and unearned revenue.

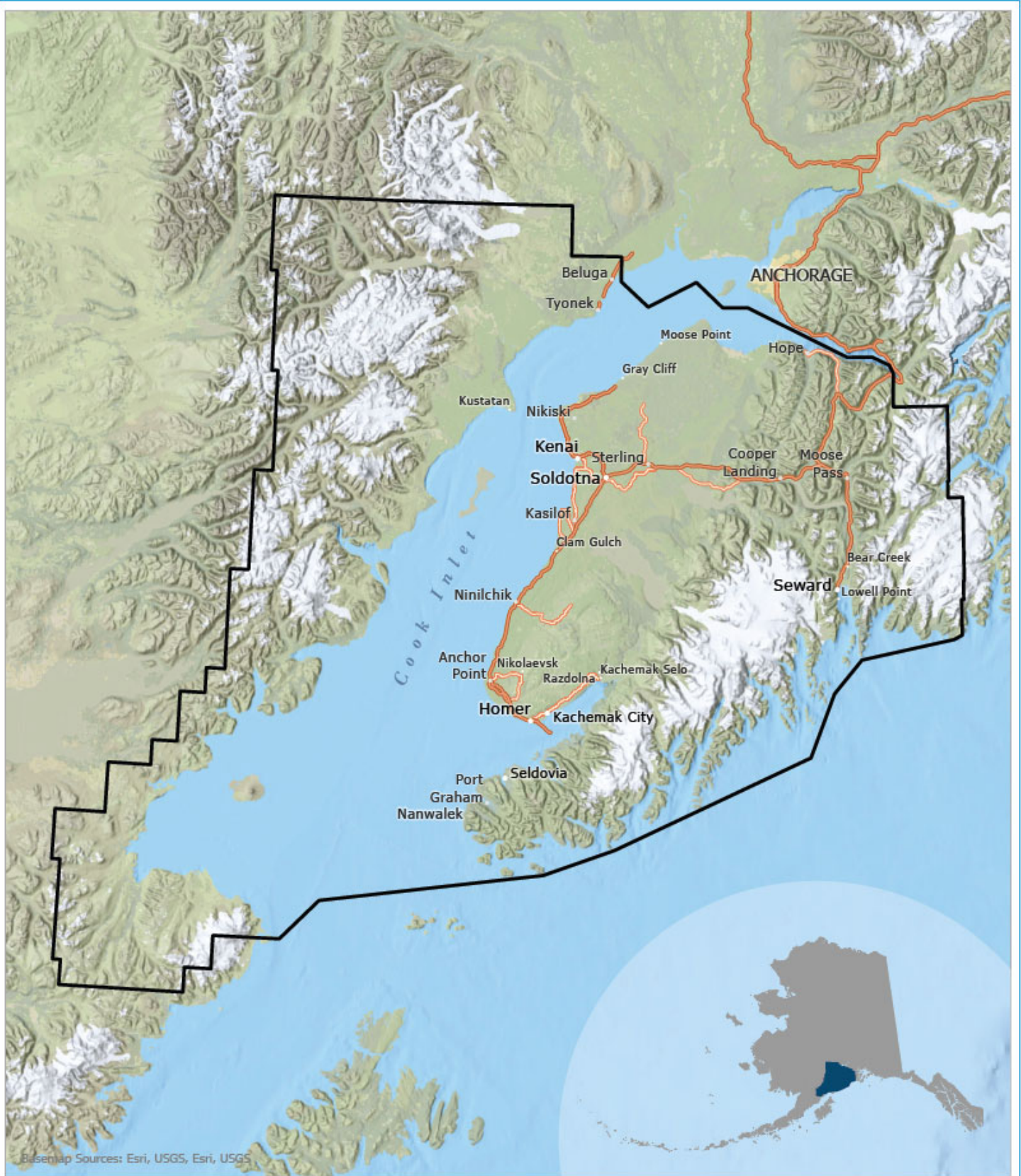
Primary Government - all of the governmental and business type activities belonging to the Kenai Peninsula Borough, but excludes the discrete component units and fiduciary funds.

Restricted - funds that are not available for use because they have been set aside for a specific purpose or project.

Unrestricted - available funds.



The purpose of this report is to provide an overview of the financial position and operations of the Kenai Peninsula Borough, as reported in the borough's Annual Comprehensive Report, along with other information of interest. The financial information presented is unaudited and condensed form, and does not substitute for the Borough's Annual Comprehensive Report. The Borough's Annual Comprehensive Report is prepared in conformity with generally accepted accounting principles (GAAP) Included in the Annual Comprehensive Report is the independent Auditor's Report by BDO USA, LLP on the general purpose financial statements of the Borough. This report summarizes a 200 page of the Annual Comprehensive Report's financial and statistical data. The financial statements condense information of all funds included in the "Total Primary Government." GAAP requires certain financial presentation and disclosures which are omitted in this report. As a result, the Balance Sheet and Income Statement presented here are not in strict conformity with GAAP. The Borough's Annual Comprehensive Report and Annual Budget have received awards for outstanding financial reporting from the Government Finance Officers Association. The Annual Comprehensive Report and the Annual Budget reports are available on the Borough's website <http://www.kpb.us/finance-dept/about-finance>.



KENAI PENINSULA BOROUGH
144 N Binkley St
Soldotna, AK 99669

Toll-free within the Borough: (800) 478-4441
Phone: (907) 714-2170
Fax: (907) 714-2376
www.kpb.us