

KENAI PENINSULA BOROUGH
ALASKA



Todd Sherwood

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

FOR FISCAL YEAR
ENDED JUNE 30, 2024

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

OF THE

**KENAI PENINSULA BOROUGH
ALASKA**

FOR THE FISCAL YEAR ENDED
JUNE 30, 2024

Peter A. Micciche
BOROUGH MAYOR

PREPARED BY
DEPARTMENT OF FINANCE

Brandi Harbaugh
FINANCE DIRECTOR

Sara Dennis
CONTROLLER

Kenai Peninsula Borough, Alaska
 Annual Comprehensive Financial Report
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November 22, 2024

Citizens of the Kenai Peninsula Borough and Honorable Members of the Assembly:

We are pleased to present to you the Annual Comprehensive Financial Report (ACFR) of the Kenai Peninsula (Borough) for the year ended June 30, 2024, which is submitted in accordance with Section 29.35.120 of Alaska Statutes and Borough code. These laws require that a complete set of financial statements be presented in conformance with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards in the United States of America and those standards applicable to audits performed in accordance with Government Auditing Standards by licensed independent certified public accountants.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Borough. We believe the data, as presented, is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and the results of operations of the Borough on a Government-wide and Fund basis. All disclosures necessary to enable the reader to gain an understanding of the Borough's financial activities have been included.

Management of the Borough is responsible for establishing and maintaining internal controls designed to ensure that the assets of the Borough are protected from loss, theft or misuse and to ensure that sufficient, reliable, adequate accounting data is compiled for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Internal accounting controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management. We believe that the Borough's internal controls adequately safeguard assets and provide reasonable assurance of properly recorded financial transactions.

In addition, the Borough maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual budget approved by the Borough Assembly. The Borough also maintains an encumbrance system that is employed as an extension of formal budgetary integration in all fund types. Encumbrances for governmental type funds outstanding at fiscal year-end are reported as committed or assigned designations of fund balance depending on the process by which the amounts are encumbered.

The Borough's financial statements have been audited by BDO USA LLP, a firm of independent certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Borough for the fiscal year ended June 30, 2024, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Borough's financial

statements for the fiscal year ended June 30, 2024, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

As a recipient of federal grant awards, the Borough is required to undergo a single audit in conformance with Title 2 of the U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The results of this single audit, including a schedule of expenditures of federal awards, and the independent auditor's reports on the Borough's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards, are available in the Borough's separately issued single audit report.

As a recipient of state grant awards, the Borough is also required to undergo an audit in accordance with the provisions of Alaska State Regulation 2 AAC 45.010 and *Audit Guide and Compliance Supplement for State Single Audits*. A state financial assistance schedule, the independent auditor's reports on internal controls and compliance with applicable laws and regulations, and a schedule of findings and questioned costs is included in a separately issued audit in accordance with the State of Alaska *Audit Guide and Compliance Supplement for State Single Audits*.

Profile of the Kenai Peninsula Borough

The Borough was incorporated in 1964 as a second-class borough. It occupies a geographic area of approximately 25,600 square miles and is located in the south-central part of the state of Alaska. The estimated population for the Borough is 60,017.

The Borough operates under an assembly-mayor form of government. Policy-making and legislative authority are vested in a governing assembly consisting of nine members. The Assembly is responsible, among other things, for passing ordinances, adopting the budget, and appointing committees. The mayor is the Borough's executive officer and is responsible for carrying out the policies and ordinances of the Borough, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The Assembly and mayor are elected on a non-partisan basis. Assembly members serve three-year staggered terms, with 3 members elected each year, and are elected by district. The mayor is elected at-large and serves a three-year term.

The Borough is empowered to levy a property tax on both real and personal properties located within its boundaries. State of Alaska law mandates that second-class boroughs provide certain services on an areawide basis to all taxpayers. All other services must be approved by a majority of voters who are to receive the services. This gives taxpayers control over the type and level of services they receive and pay for. Currently, the Borough provides the following areawide services: assessment and collection of property taxes and sales tax collection for the Borough and cities within the Borough, planning, solid waste disposal, education, senior citizen funding, postsecondary education, 911 emergency communications, emergency management and general administrative services. Non-areawide services provided by the Borough include fire protection, hospital services, emergency medical and ambulance services, recreation, senior citizen funding, road maintenance, economic development, tourism promotion, and special assessment authority for utility extensions and road improvement districts. The Borough also has non-areawide port and harbor powers that are not currently

exercised. Funding for the Borough, by order of financial significance, is provided from property tax, sales tax, federal revenue, other sources, state revenue, and interest earnings.

The Borough is financially accountable for three legally separate discretely presented component units; the Kenai Peninsula Borough School District, Central Peninsula Hospital and South Peninsula Hospital, which are each reported separately within the Borough's government-wide financial statements.

Budgetary Control

The annual budget serves as the foundation for the Borough's financial planning and control. All departments and service areas submit budgets to the mayor on or about February 20th. The mayor uses these requests for developing a proposed budget. The mayor submits his proposed budget to the Assembly at the first regular assembly meeting in May. The Assembly is required to hold public hearings on the proposed budget. The Assembly is required by state statute to set the annual mill rate prior to June 15th. The budget is appropriated by fund, department, and object. The mayor is authorized to make transfers of unencumbered balances within funds, which then is reported to the Assembly on a monthly basis. Assembly action is required to transfer between funds and departments or other major budget classifications. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an annual budget has been adopted. For the General Fund and Central Emergency Services Service Area, the comparisons are presented on pages 40-42 as part of the basic financial statements for the governmental funds. For other governmental funds, the comparisons start on page 104.

Local Economy

The Borough economy is highly diverse. The five industry categories that have the most employment are local government, retail trade, leisure and hospitality, natural resources and healthcare. Together they represent most of the Borough's employment. That diversity allows the Borough to be more resilient to declines in any one industry. The Borough's economy has experienced consistent, gradual growth since the late 1980's. Boroughwide, the general government tax rate has decreased from a high of 8.59 mills in FY1996 to its current FY2024 rate of 4.3 mills. The Borough also has a 3% sales tax, which is applied only to the first \$500 of each separate sale. Taxable sales in FY2024 were \$1.55 billion, an increase of .2% from the prior year. Sales tax continues to generate a substantial portion of the Borough's General Fund revenue; in FY2015, sales tax revenue represented 39% of total General Fund revenues; in FY2024, sales tax revenues represented 44.7%.

Oil and gas continues to play a vital role in the Borough's economy, although the players have changed. Large national and multinational companies have been replaced by independents, which resulted in a resurgence in exploration and production. This has led to new wells in the Anchor Point and Kenai area, jackup rigs being used in Cook Inlet, along with increased exploration in other areas of the Borough, resulting in an increase in assessed value for oil and gas properties. Assessed values for oil and gas properties increased from \$1.14 million for FY2015, to \$1.57 billion in FY2024. During this same timeframe, oil production for the borough has decreased from approximately 4.1 million barrels annually to approximately 3 million barrels annually. Since 1988, oil production for the Borough has decreased from 15.9 million barrels annually to 3 million barrels annually. The impact to the Borough if the global reduction in the price of gas and oil continues is unknown at this time.

Traditionally the borough’s unemployment rate has been 2% to 3% higher than the statewide rate, much of this due to the seasonality of work in the fishing and tourism industry. In FY2020 and FY2021, the Covid-19 worldwide pandemic created temporary increases in unemployment across the nation and in the Borough as high as 17.2% in April 2020. Unemployment rates in the borough have come down to 5.6% as of February 2024 and it is anticipated that unemployment rates will slowly flatten in 2024.

Calendar Year Ending	Unemployment Rate	Increase (Decrease)	Calendar Year Ending	Unemployment Rate	Increase (Decrease)
2016	8.21%	0.61%	2020	9.58%	3.27%
2017	7.76%	-0.45%	2021	7.35%	-2.22%
2018	7.10%	-0.65%	2022	4.53%	-2.83%
2019	6.31%	-0.80%	2023	4.63%	0.10%

Data is provided by the State of Alaska, Department of Labor and Workforce Development, and reflects the average for the prior 12 months as of December.

Long-Term Financial Planning

A significant measure of the Borough’s financial strength is the level of its fund balances (i.e. the accumulation of revenues exceeding expenditures). The Assembly takes the responsibility of being stewards of the public’s funds very seriously and has adopted the following General Fund reserve policy: reserve funds shall not be used to fund recurring expenditures. Fund balances should be maintained at fiscally sound levels in all funds. The Borough has adopted financial policies that will ensure that the Borough maintains an appropriate fund balance in line with recommended best practices. The General Fund’s minimum fund balance assigned amount of 21.7 million is equal to the required minimum fund balance reserve. Per the minimum fund balance policy, the Borough must bring the assigned minimum fund balance reserve amount in compliance within 3 years. The minimum fund balance assigned amount represents 20% of the General Fund operating expenditures (including transfers), leaving the Borough in a solid financial position to adequately prepare for the expected reductions in revenues caused by the changes in the property tax laws and the economic environment.

The Borough provides pension benefits for all eligible employees through the State of Alaska Public Employees Retirement System (PERS). The system consists of three defined benefit (DB) Tiers, and one defined contribution (DC) Tier. The Borough pays its annual required contribution rates timely. The annual contribution rates have been capped at 22% of covered payroll for both DB and DC plans based on legislative action committing the State of Alaska to cover costs exceeding 22%. The legislature’s cap on local government contribution rates brings stability to the Borough’s retirement rates although it is important to note that a future State legislature can eliminate its contributions. The transition from an agent multiple-employer plan, to a cost-sharing multiple employer plan as of July 1, 2008, provided a single rate for all participating PERS employers, eliminating the previous methodology of assessing each employer its own rate. The Borough now shares in the pooled liability of the PERS plan.

Governmental Accounting Standards Board (GASB) Statements No. 68 and No. 75 require the Borough to recognize its proportionate share of the cost sharing plan’s net pension liability and net liability for other postemployment benefits (OPEB). This does not change the actual contributions by the employers, as those are based on Alaska Statutes. For additional detail, reference footnote K on pages 75-88 in the basic financial statements.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Kenai Peninsula Borough for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023. This is the 45th consecutive year the Borough has received this prestigious award. In order to be awarded a Certificate of Achievement, the Borough published an easily readable and efficiently organized ACFR, whose contents conformed to program standards. This report satisfied both generally accepted accounting principles and applicable legal requirements.

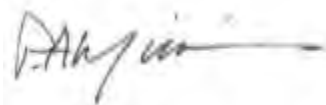
A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the Borough received from the GFOA, the Distinguished Budget Presentation Award for FY2024 for publishing a budget document that meets the program criteria as a policy document, an operations guide, a financial plan and a communications device. This is the 30th year the Borough has received this award. The Borough also received from the GFOA for the 10th year, the Award for Outstanding Achievement for Popular Annual Financial Reporting. This award recognizes governments that successfully produce high quality popular annual financial reports specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance.

The preparation of this report was made possible by the dedicated service of the entire staff of the Borough Finance Department. We also want to thank the finance department staff at the Kenai Peninsula Borough School District, the South Peninsula Hospital, and Central Peninsula Hospital for their assistance. Due credit should also be given to the members of the Borough Assembly for your support in planning and conducting the financial operations of the Borough in a responsible manner.

We want to thank the public for their interest in the Kenai Peninsula Borough's financial activities and hope this report will be helpful.

Respectfully submitted,



Peter A. Micciche
Borough Mayor

Brandi Harbaugh

Brandi Harbaugh, CPA, CPFO
Finance Director

For the 45th consecutive year, the Kenai Peninsula Borough has earned the highest form of recognition in the area of governmental accounting and financial reporting with an award-winning annual comprehensive financial report (ACFR). The Kenai Peninsula Borough was awarded a Certificate of Achievement for Excellence by the Governmental Finance Officers Association of the United States and Canada (GFOA) for the fiscal year ended June 30, 2023.

According to the GFOA, the ACFR program was established in 1945 to encourage and assist state and local governments to go beyond the minimum requirements of generally accepted accounting principles to prepare annual comprehensive reports that demonstrate a spirit of transparency and full disclosure.

The Kenai Peninsula Borough believes that this Annual Comprehensive Financial Report continues to meet high standards required by the Certificate of Achievement Program and we are submitting it to the GFOA to determine its eligibility for another Certificate.



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Kenai Peninsula Borough
Alaska**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

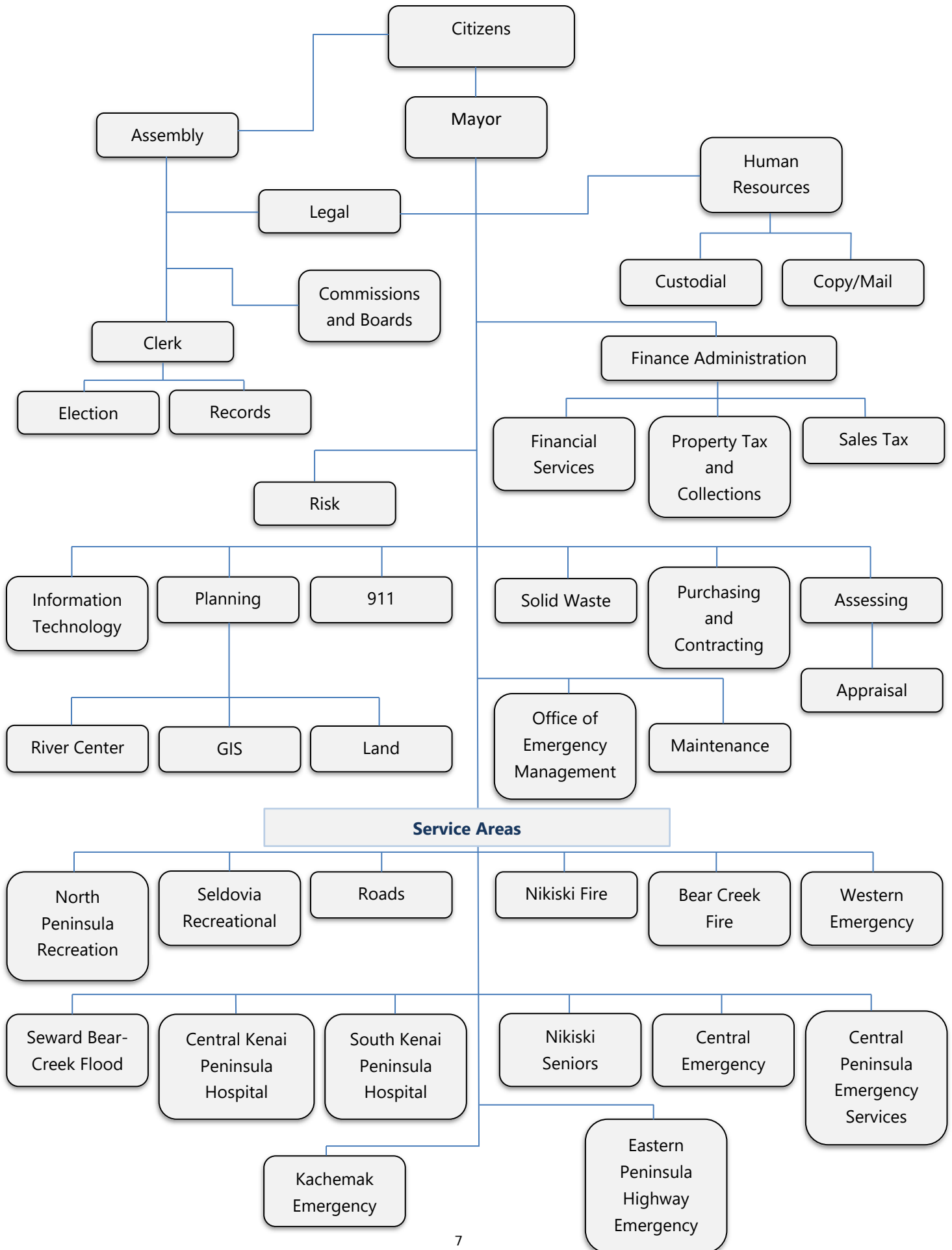
Christopher P. Morill

Executive Director/CEO



Government Finance Officers Association

Kenai Peninsula Borough - Organizational Chart



KENAI PENINSULA BOROUGH

List of Principal Officials

Assembly Members

Brent Johnson	President
Tyson Cox	Vice President
Brent Hibbert	
Ryan Tunseth	
Peter Ribbens	
Bill Elam	
Cindy Ecklund	
Lane Chesley	
Mike Tupper	

The legislative power of the Kenai Peninsula Borough is vested in an assembly of nine members. This Assembly meets in regular session the first and third Tuesday of most months in the Assembly Chambers located in the Borough Administration Building at 144 North Binkley Street, Soldotna, Alaska.

Borough Administration

Borough Mayor	Peter A. Micciche
Chief of Staff	Vacant
Finance Director	Brandi Harbaugh
Borough Attorney	Sean Kelley
Director of Human Resources	Justen Huff
Borough Clerk	Michele Turner
Emergency Management Senior Manager	Brenda Ahlberg
911 Operations Manager	Tammy Goggia-Cockrell
Director of Information Technology	Benjamin Hanson
Borough Assessor	Adeena Wilcox
Director of Planning	Robert Ruffner
River Center Manager	Samantha Lopez
Land Management Manager	Marcus Mueller
Director of Maintenance	Tom Nelson
Director of Solid Waste	Lee Frey
Purchasing & Contracting Director	John Hedges
Roads Director	Scott Griebel
Risk Manager	Sovala Kisena
Director of North Peninsula Recreation Service Area	Eric Eleton
Fire Chief - Central Emergency Services	Roy Browning
Fire Chief – Nikiski Fire Service Area	Trent Burnett
Fire Chief – Western Emergency Services	Jon Marsh
Fire Chief – Bear Creek Fire Service Area	Richard Brackin
Fire Chief - Kachemak Emergency Services	Eric Schultz (Acting)

KENAI PENINSULA BOROUGH

Finance Department

Finance Director

Brandi Harbaugh

Division Managers

Sara Dennis
Chad Friedersdorff
Nolan Scarlett
Lauri Lingafelt

Controller
Budget and Treasury
Property Tax
Sales Tax

Accounting Staff

Lori Johnson
Tyra Rivera
Gina Del Gaizo
DeRay Jones
Tiffany Boardman
Heidi Houseknecht
Audra Winsmann
Shae Le Bryant

Misty Jenkins
Brittany Carter
Miranda Boehmler
Sydney Smith
Renaë Hawkes
Kathy Trinh
Christina Griffith
Trinity Cashman

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AUDITOR REPORT



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3601 C Street, Suite 600
Anchorage, AK 99503

Independent Auditor's Report

Honorable Mayor and Borough Assembly
Kenai Peninsula Borough
Soldotna, Alaska

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Kenai Peninsula Borough, Alaska (the Borough), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

In our opinion, accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Borough, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and Central Emergency Service Area Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

BDO USA, P.C., a Virginia professional corporation, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.



In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of the Borough's proportionate share of the net pension and net OPEB liability or asset and the Borough's contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The accompanying combining and individual fund financial statements and schedules, capital asset schedules, Detailed Schedule of Expenditures of Federal Awards, and Detailed Schedule of State Financial Assistance, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements and schedules, capital asset schedules, Detailed Schedule of Expenditures of Federal Awards and Detailed Schedule of State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.



In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2024 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough's internal control over financial reporting and compliance.

BDO USA, P.C.

Anchorage, Alaska
November 22, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

Kenai Peninsula Borough

Management's Discussion and Analysis

This section of the Kenai Peninsula Borough (Borough) Annual Comprehensive Financial Report (ACFR) provides readers with a narrative overview and analysis of the Borough's financial activities for the fiscal year ended June 30, 2024. It is designed to assist the reader in focusing on significant financial issues, provide an overview of the Borough's financial activity, identify changes in the Borough's financial position, identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year activities, resulting changes and current known facts, please read it in conjunction with the Borough's transmittal letter (pages 1-5), the financial statements (pages 27-47) and the notes to the financial statements (pages 49-89).

Financial Highlights

- At the close of FY2024, the Kenai Peninsula Borough assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$332 million (net position). Of this amount, \$8.2 million (unrestricted net position) is legally unreserved and may therefore be used to meet the Borough's ongoing obligations to citizens and creditors.
- The Borough's total net position increased \$14.7 million when compared to the net position at the beginning of the fiscal year.
- The Kenai Peninsula Borough has established a formal fund balance policy affecting the General Fund, annually budgeted special revenue funds and general government capital project funds. The policy sets both minimum and maximum levels.
- At the end of the current fiscal year, total fund balance for the General Fund was \$42.9 million, a decrease of \$1.5 million from FY2023. The assigned and unassigned fund balance for FY2024, not including the amount related to minimum fund balance policy, is \$20.5 million. This compares to the FY2023 amount of \$24.7 million. The FY2024 balance represents 19% of the total General Fund expenditures and transfers balance, and compares to 25.4% as of June 30, 2023.
- As of the close of the current fiscal year, the Borough's governmental funds reported combined ending fund balances of \$193.5 million, an increase of \$14 million from the prior year. Most of this increase is associated with the increase in investment earnings of \$6.2 million, an increase of \$4.9 million related to sales tax, an increase of \$6 million related to property tax and a decrease of \$5 million related to intergovernmental revenue.

Overview of the Financial Statements

This discussion and analysis serves as an introduction to the Borough's basic financial statements, which are the government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

<u>Fund Type</u>	<u>Number of funds</u>
General Fund	1
Debt Service Funds	3

Capital Project Funds	12
Special Revenue Funds	18
Total Governmental Funds	34
Total Internal Service Funds	4
Total Fiduciary Fund	1

Government-wide financial statements. The basic financial statements include two kinds of statements that present different views of the Borough. The first two statements are government-wide financial statements that provide both long-term and short-term information about the overall finances of the Borough similar to a private-sector business. These statements combine and consolidate short-term, spendable resources with capital assets and long-term obligations.

- The focus of the Statement of Net Position (the “Unrestricted Net Position”) is designed to be a bottom line for the Borough and its governmental activities and Component Units. This statement combines and consolidates governmental funds’ current financial resources (short-term spendable resources) with capital assets, including infrastructure, and long-term obligations. Net position is the difference between the Borough’s assets and deferred outflows of resources and its liabilities and deferred inflows of resources. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the Borough is improving.
- The Statement of Activities reflects the expenses of a given function, which are offset by program revenues. Program revenues are defined as charges for services, operating grants and contributions, and capital grants and contributions directly associated with a given function.

Governmental activities are supported by taxes and intergovernmental revenues. The Borough’s governmental activities include general government, solid waste, public safety, recreation, education, environmental protection, road and trail maintenance and health and social services.

The government-wide financial statements present not only the Borough itself, but also the following discretely presented components units of the Borough; Kenai Peninsula Borough School District, Central Peninsula Hospital, and South Peninsula Hospital. Financial information for these discrete component units is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 27-31 of this report.

The remaining statements are fund financial statements that focus on individual parts of the local government, reporting the Borough’s operations in more detail than the government-wide statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Borough, like other state and local governments, uses fund accounting to ensure and demonstrate fiscal accountability.

All of the funds of the Borough can be divided into three categories:

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on the short-term view of the Borough’s operations.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of

the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Borough maintains 34 individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, School Bond Capital Project Fund, Central Emergency Services Special Revenue Fund, Miscellaneous Grant Special Revenue Fund, Solid Waste Capital Project Fund and Central Emergency Services Capital Project Fund, which are considered major funds. The other 28 governmental funds are combined and shown as Other Governmental Funds on the Governmental Fund Balance Sheet and Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances. Individual fund information for the nonmajor funds are presented in the Combining Balance Sheet Nonmajor Special Revenue Funds, Combining Balance Sheet Nonmajor Capital Project Funds, Combining Balance Sheet Nonmajor Debt Service Funds, and Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Special Revenue Funds, Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Capital Project Funds, and Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Debt Service Funds.

The basic governmental fund financial statements can be found on pages 32-42 of this report. Budgetary comparison statements for 14 special revenue funds and 3 debt service funds with annual budgets are provided on pages 42, 108-120 and 132-134, respectively to demonstrate compliance with these budgets.

Proprietary funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Borough's various functions. The Borough uses internal service funds to account for its risk management, compensated absences, health insurance, and equipment replacement programs. Because these services benefit governmental functions, they have been included within governmental activities in the government-wide financial statements. All of the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 43-45 of this report.

Fiduciary funds. Fiduciary funds are used to account for assets held by the Borough in a trustee capacity or as an agent for others. Activities from fiduciary funds are not included in the government-wide financial statements because the Borough cannot use these assets for its operations. The accounting for fiduciary funds is much like that used in proprietary funds. The basic fiduciary fund financial statements can be found on pages 46-47 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 49-89 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information and other information. The combining statements referred to earlier in connection with nonmajor governmental funds can be found on pages 100-107, 122-127, 130-131 and internal service funds can be found on pages 136-138 of this report.

Government-wide Financial Analysis

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Borough, net position at June 30, 2024 was \$332 million compared to \$317.2 million at June 30, 2023. By far the largest portion of the Borough's net position (61.9%) reflects its net investment in capital assets (e.g. land, buildings, machinery, etc.) less any related debt used to acquire those assets that is still outstanding. The Borough uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Borough's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

During FY2024, governmental activities capital assets, net of accumulated depreciation of the Borough increased \$.1 million. Current and other assets include \$243.0 million and \$220.4 million of cash and investments held for governmental activities at June 30, 2024 and 2023.

Kenai Peninsula Borough
Summary of Net Position
June 30, 2024 and 2023
Governmental
Activities
(in millions)

	<u>2024</u>	<u>2023*</u>
Current and other assets	\$283.6	\$257.6
Capital assets	<u>227.5</u>	<u>227.4</u>
Total assets	<u>511.1</u>	<u>485.0</u>
Deferred outflow of resources	<u>6.9</u>	<u>6.9</u>
Long-term debt outstanding	122.5	123.6
Other liabilities	<u>42.5</u>	<u>29.7</u>
Total liabilities	<u>165.0</u>	<u>153.3</u>
Deferred inflows of resources	<u>21.0</u>	<u>21.4</u>
Net position:		
Net investment in capital assets	205.6	201.0
Restricted	118.2	111.6
Unrestricted	<u>8.2</u>	<u>4.6</u>
Total net position	<u>\$ 332.0</u>	<u>\$ 317.2</u>

*FY2023 restricted net position was revised to include OPEB in the amount of \$15.3 million.

Governmental Activities

Governmental activities increased the Borough's net position by \$14.7 million. This compares to an increase of \$30.8 million for the year ended June 30, 2023. Key elements of the change in net position for the year are as follows:

- The Borough spent \$23.9 million on solid waste in FY2024, an increase of \$12.8 million from \$11.1 million in FY2023. In 1991 the U.S. Environmental Protection Agency (EPA) established closure requirements for all municipal solid waste disposal facilities. Due to the EPA requirements, the Governmental Accounting Standards Board created GASB 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs* to assist municipalities with the required accounting and reporting. The Kenai Peninsula Borough (KPB) implemented GASB 18 in fiscal year 1994 with an initial liability of \$2.1 million. Since 1994, the KPB has annually expensed closure costs equal to the proportion of the tonnage or capacity used each year based on cell improvements, additions, closures and changes in capacity based on estimates. GASB 18 requires that the estimated total current cost be reevaluated periodically and adjusted for inflation and when any cooperating conditions increase or decrease estimated costs. The solid waste closure and post closure liability was reevaluated in FY2024 and as a result increased by an additional \$9.2, from the originally anticipated June 30, 2024 ending liability of \$12.5 million to \$21.7 million.
 - The Borough recorded \$4.7 million in pension and OPEB expense in FY2024 reducing net position; compared to \$9.5 million in FY2023.
 - The Borough had \$62.2 million in educational expenses, including local contribution, school capital and general obligation debt service in FY2024, an increase of \$2.8 million from FY2023. The increase was mainly made up of \$2.2 million in added local contribution and an increase in the funding to post-secondary education.
 - The Borough spent \$28.2 million on public safety in FY2024, an increase of \$5.3 million from \$22.9 million in FY2023. A significant portion of this increase was due to a \$2.6 pension and OPEB expenses and an increase of \$1.9 million in capital project expenditures across all the emergency services capital project funds.
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Summary of Changes in Net Position

The Borough's total revenues and expenses for governmental activities are reflected in the following chart:

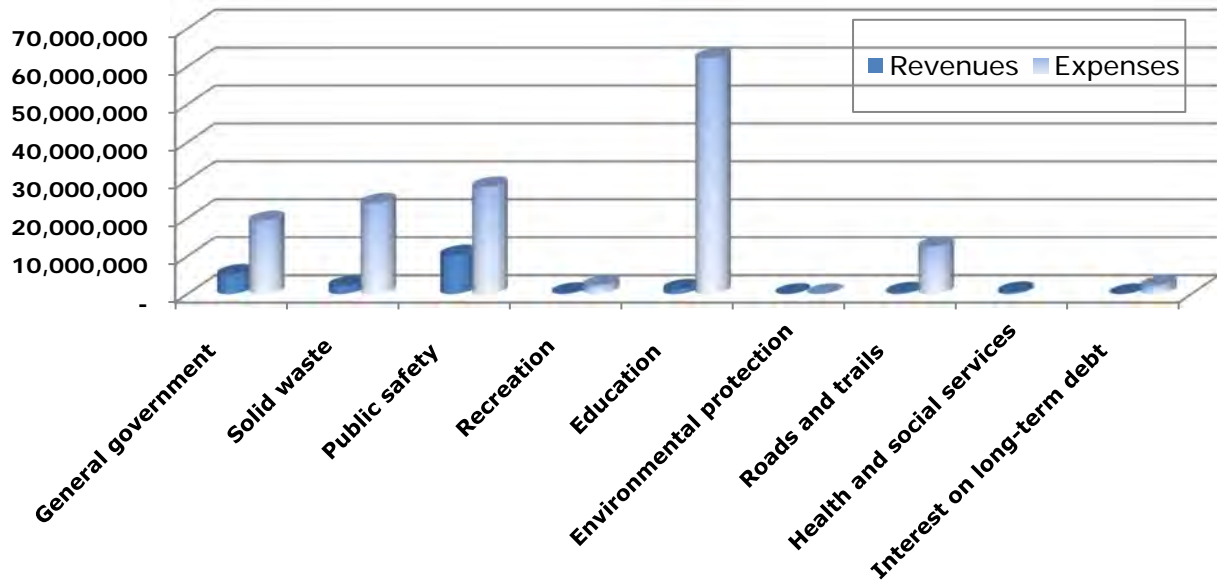
Kenai Peninsula Borough
Changes in Net Position
For Years Ended
June 30, 2024 and 2023
(in millions)

Governmental Activities

	<u>2024</u>	<u>2023</u>
Revenues:		
Program revenues:		
Charges for services	\$ 11.5	\$ 10.4
Operating grants and contributions	5.8	10.3
Capital grants and contributions	2.6	6.9
General revenues:		
Property taxes	78.9	72.9
Sales taxes	47.5	42.7
Other	<u>19.0</u>	<u>11.9</u>
Total revenues	<u>165.3</u>	<u>155.1</u>
Expenses:		
General government	19.2	17.2
Solid waste	23.9	11.1
Public safety	28.2	22.9
Recreation	2.3	2.0
Environmental protection	0.0	0.1
Road and trails	12.5	10.3
Health and social services	0.1	0.1
Education payments to component unit		
Kenai Peninsula Borough School District	54.8	52.6
Education other		
(debt service, capital projects, post-secondary)	7.4	6.8
Interest on long-term debt	<u>2.1</u>	<u>1.2</u>
Total expenses	<u>150.5</u>	<u>124.3</u>
Increase (decrease) in net position	14.8	30.8
Net position, beginning of year	<u>317.2</u>	<u>286.4</u>
Net position, end of year	<u>\$ 332.0</u>	<u>\$ 317.2</u>

Expenses and Program Revenues – Governmental Activities

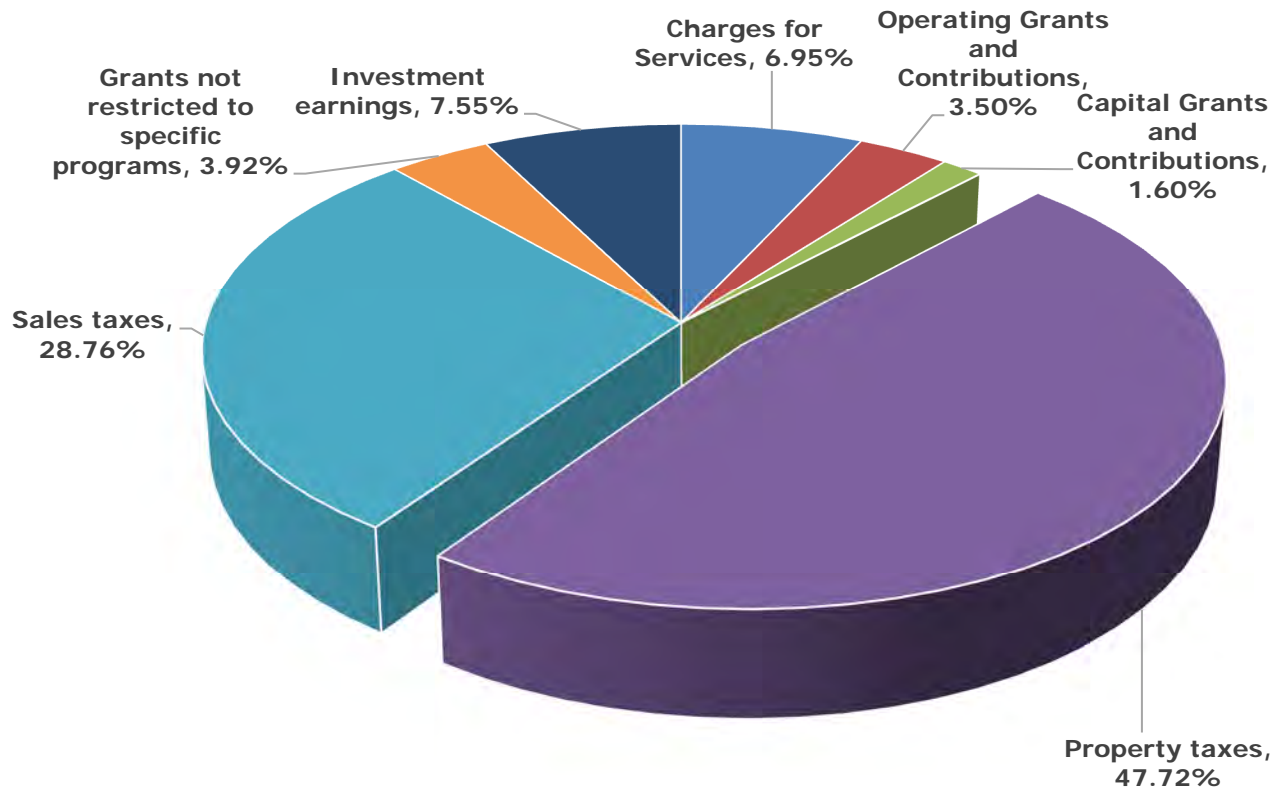
The graph shown below compares program expenses with associated revenues. It should be noted that revenue generated through sales and property taxes are considered general revenues and are therefore not included on this graph.



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Revenues by Source – Governmental Activities

The graph shown below depicts all sources of revenues, both program and general.



Financial Analysis of the Government's Funds

As noted earlier, the Borough uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds

The focus of the Borough's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Borough's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. For example, did the Borough generate enough revenue to pay for current obligations? What is available for spending at the end of the year?

At the end of the current fiscal year, the Borough's governmental funds reported combined ending fund balances of \$193.5 million, an increase of \$14.0 million from the prior year. A portion of this amount is restricted to indicate it is not available for new spending because it has already been committed: 1) to liquidate contracts and purchase orders of the prior period 2) or for other restricted purposes.

Discussion of selected individual governmental funds is as follows:

General Fund (Major fund)

The General Fund is the chief operating fund of the Borough. At the end of the current fiscal year, fund balance was \$42.9 million, a decrease of \$1.5 million from the prior year. Expenditures and transfers out for the General Fund totaled \$108.1 million during the year, this compares to FY2023 expenditures and transfers out of \$97.6 million. The originally anticipated \$.6 million use of fund balance was increased to \$1.5 million as a result of \$4.5 million in lapsed budget due to position vacancies, available budget for projects yet to be

completed offset by an increase to investment earnings and state and federal receipts of \$4.0 million above the original budget.

Solid Waste Capital Project Fund

The closure and post closure liability in this capital project fund increased \$11.2 million compared to the FY2023. The majority of the increase was made up of the originally budgeted for closure and post closure annual contribution to the future liability along with an additional \$9.2 million as a result of the reevaluation in liability.

Land Trust Investment Special Revenue Fund (Non-Major fund)

Fund balance in this special revenue fund increased \$2.7 million in FY2024 primarily due to a transfer of land sales from the Land Trust Investment Fund of \$1.2 million and an increase in the amount of investment earnings. The land sale revenues are by borough code required to be deposited into the Land Trust Investment Fund (LTIF) after the close of the fiscal year.

General Fund Budgetary Highlights

During the year appropriations between the General Fund's original budget and the final amended budget increased. Budgetary expenditures increased by \$1.3 million and the transfers out increased by \$12.0 million, including carryover encumbrances of which there were zero at the end of FY2024. The primary reasons for amending the budget were as follows:

- Increased transfer to Solid Waste Capital Projects Fund to funds the closure and post closure liability by \$10.6 million. \$1.4 million of the increase was an already anticipated increase in liability funded through the annual operating budget and \$9.2 million of the additional transfer is a result of the reevaluation in liability periodically required by GASB 18.
- The General Fund transferred an additional \$700,000 to provide for the Rain Sheetting Project at Central Peninsula Landfill. This project has reduced the amount of leachate in the CPL cells and lagoons, to better prepare the facility for winter and spring precipitation and runoff.
- \$354,553 in remaining project funds were rolled from FY2023 to FY2024 increasing the amended transfers out budget to be used on radio, communication and SCBA's for public safety.

General Fund Final Budget to Actual Analysis

- General Fund actual revenues were \$6.5 million more than the final budget amounts. The most significant positive variance from the actual amounts to the final budget was in investment earnings and intergovernmental revenues. Investment earnings increased in FY2024 as the market rates improved significantly on the shorter end of the yield curve providing for positive yields in FY2024 as compared to FY2023. The other increase was related to state and federal grants recognized in solid waste, general government and public safety.
- The General Fund actual expenditures and transfers out were \$5.4 million below final budget amounts. The most significant positive variances were \$3.9 million in lapsed budgets across the entire general government due to multiple long-term vacancies throughout the year, lapsed contractual service budgets due to efficiencies in use of funds and some projects that were unable to be completed in FY2024, completion of special assessment utility district projects supported by a General Fund investment that once construction is completed, are due to the Borough from the landowners, and project length funds that remain unspent as of June 30, 2024.

Capital Assets and Debt Administration

Capital Assets

The Borough's investment in capital assets as of June 30, 2024 and June 30, 2023 amounts to \$227.5 million and \$227.4 million, respectively (net of accumulated depreciation and amortization.) This investment in capital assets includes land, buildings, machinery and equipment, roads, and infrastructure.

Major additions to capital assets during the current fiscal year included the following:

General Government	\$ 3.0 million
Education facilities and equipment	\$ 4.4 million
Fire and emergency services equipment	\$ 3.9 million
Solid waste	\$ 2.2 million

Kenai Peninsula Borough Capital Assets (in millions, net of depreciation and amortization)

	Governmental Activities	
	<u>2024</u>	<u>2023</u>
Land	\$ 75.8	\$ 75.8
Buildings	82.1	82.2
Improvements other than buildings	27.2	23.7
Machinery and equipment	13.8	15.5
Infrastructure	13.7	13.9
Right-to-use leased building/equipment	0.0	0.1
Subscription IT arrangements	0.3	0.2
Construction in progress	14.6	16
Total governmental activities capital assets	<u>\$ 227.5</u>	<u>\$ 227.4</u>

Additional information on the Borough's capital assets can be found in Note E on page 67 of this report.

Long-Term Debt

At the end of the current fiscal year, the Borough had total debt outstanding of \$72.7 million, a increase of \$2.6 million from June 30, 2023. This debt is bonded and backed by the full faith and credit of either the Borough or Service Areas of the Borough. Of the \$72.7 million in bonded debt, \$53.4 million was issued for school improvements. The State of Alaska may reimburse the Borough up to 70% of the principal and interest on \$19.9 million of these bonds. The schedule shown below does not include compensated absences, landfill closure/postclosure liability, net pension liability, capitalized leases, subscription IT arrangements, or net OPEB liability.

	Governmental Activities (in millions)	
	<u>2024</u>	<u>2023</u>
General obligation bonds	\$ 72.7	\$ 70.1

The Borough's discretely presented component units also have debt outstanding at the end of the year totaling \$42.3 million, not including premiums. Of that amount, \$19.5 million was bonded and backed by the full faith and credit of various Service Areas of the Borough.

Additional information on the Borough's long-term debt can be found in note I on pages 72-74 of this report and table XII on page 157 and table XIII on page 158. The Borough normally uses the Alaska Municipal Bond Bank (Bond Bank) to sell its bonds. The Bond Bank has a rating of A+ from S&P and A1 from Moody's.

Economic Factors and the Next Year's Budget and Rates

The average unemployment in the Borough for CY2023 stood at 4.6%. This decreased from CY2020 by 4.95%, this compares to the statewide average of 4.2%. Traditionally the Borough's unemployment rate has been 2% to 3% higher than the statewide rate, much of this due to the seasonality of work in the fishing and tourism industry in the Borough. The Borough's unemployment rate for the period January 2023 to June 2024 was down .6% when compared to the same period for 2023.

In 2001, the Borough established a fund balance policy that recommends both minimum and maximum amounts of fund balances for both operating and capital project funds for the General Fund and Service Areas. These levels are reviewed on an annual basis and the policy requires that fund balances exceeding the maximum or fund balances less than the minimum come back into compliance within 3 years. This is assessed each fiscal year as part of the budgetary process.

In addition, the Alaska legislature provided funding for Public Employees' Retirement System (PERS) cost in excess of 22%, which was paid directly to PERS. The total on-behalf payment made by the State for FY2024 was \$771,643, of which the Borough reports \$662,830 and its component unit the Kenai Peninsula Borough School District reports \$108,813 along with their PERS and TRS contributions, as part of the local in-kind contribution from the Borough to the School District. This contribution includes the difference between the actuarially determined rate of 25.10% and the Borough contribution rate of 22.00%.

In addition, as part of their FY2015 budget, the Alaska State Legislature passed House Bill 385 (HB 385), which paid down \$1 billion of the PERS defined benefits plan's unfunded liability (a closed plan). However, the bill also extended, by nine years, the amortization period over which employers would pay down the debt. By statute, the required employer contribution is 22% of the employee's wages, with the State paying the balance of the actuarially determined amount. Under HB 385, the State's annual payments will be lower, but the total cost to employers will be much greater. For the Borough, an estimated additional \$14.5 million will be paid in retirement contributions for those additional nine years.

In setting the budget for FY2025, the Borough considered a number of issues with Borough-wide impact, among them:

- Passing an FY2025 budget that balances General Fund expenditures with General Fund revenues.
- A sufficient level of funding necessary to meet the needs of Borough residents, visitors and communities.
- A continued reduction in the historical variance between budget and actual revenues and expenditures.
- Maintenance of the Borough's financial condition including compliance with the Borough's fund balance policy.
- The highest level of local educational funding that Borough's residents can reasonably afford and sustain.
- A high-quality capital and operational maintenance program that ensures the continued use and economic value of Borough assets.

Request for Information

This financial report is designed to provide a general overview of the Borough's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Director of Finance, Kenai Peninsula Borough, 144 N. Binkley, Soldotna, Alaska, 99669.

BASIC FINANCIAL STATEMENTS

Kenai Peninsula Borough

Statement of Net Position

June 30, 2024

	Primary Government	Component Units		
	Governmental Activities	Central Peninsula Hospital	South Peninsula Hospital	School District
Assets				
Cash and short-term investments	\$ 15,914,935	\$ 51,353,921	\$ 26,312,886	\$ 11,945
Equity in central treasury	176,463,904	3,137,739	8,178,507	38,066,370
Receivables (net of allowances for estimated uncollectibles):				
Taxes receivable	10,046,373	1,883	95,496	-
Accounts receivable	1,310,433	2,164,740	417,614	45,465
Patient receivables	-	41,099,613	19,927,264	-
Leases receivable	4,656,185	5,526,589	-	-
Land sale contracts receivable:				
Current	157,101	-	-	-
Delinquent	5,590	-	-	-
Due from other governments	3,923,382	-	-	6,606,710
Due from landowners	1,447,320	-	-	-
Prepays	95,790	2,107,661	885,528	1,014,419
Inventory	-	10,148,167	2,340,673	1,246,645
Note receivable - long-term	45,450	-	-	-
Land sale contracts receivable - long-term	1,335,809	-	-	-
Restricted assets:				
Net pension asset	-	-	3,225,068	-
Net OPEB asset	17,579,099	-	-	42,836,182
Equity in central treasury - unspent bond proceeds and interest	50,607,841	895,644	23,253	-
Equity in central treasury - bond funds held in reserve	-	7,851,282	-	-
Equity in central treasury - Health Care	-	1,041,661	-	-
Investments	-	2,258,086	36,311	-
Assets whose use is limited:				
Cash and short-term investments	-	42,362	-	-
Equity in central treasury	-	75,618,801	8,182,060	-
Investments	-	1,312,979	-	-
Capital assets (net of accumulated depreciation):				
Land and land improvements	75,831,750	4,489,585	1,013,955	-
Buildings	82,073,791	49,897,476	32,474,340	-
Improvements other than buildings	27,153,005	2,185,173	711,825	-
Machinery and equipment	13,813,497	39,772,206	6,392,775	2,572,897
Construction in progress	14,572,773	7,117,606	1,878,835	-
Infrastructure	13,730,367	1,177,000	-	-
Right-to-use leased buildings/equipment	52,231	3,254,686	3,729,002	-
Subscription IT arrangements	273,210	5,660,801	590,219	-
Total assets	<u>511,089,836</u>	<u>318,115,661</u>	<u>116,415,611</u>	<u>92,400,633</u>
Deferred Outflows of Resources				
Unamortized deferred loss on refunding	515,579	-	223,835	-
Goodwill	-	3,808,352	-	-
Pension related	5,048,613	-	5,360,446	8,627,035
OPEB related	1,293,555	-	-	3,240,832
Total deferred outflows of resources	<u>6,857,747</u>	<u>3,808,352</u>	<u>5,584,281</u>	<u>11,867,867</u>

The accompanying notes are an integral part of the financial statements.

Kenai Peninsula Borough
Statement of Net Position, Continued
June 30, 2024

	Primary Government	Component Units		
	Governmental Activities	Central Peninsula Hospital	South Peninsula Hospital	School District
<u>Liabilities</u>				
Accounts, contracts and retainage payable	\$ 7,562,236	\$ 3,707,764	\$ 3,253,290	\$ 960,002
Accrued payroll and payroll benefits	1,336,419	4,007,881	3,551,294	8,418,104
Claims payable	3,444,210	4,853,642	2,259,834	3,273,302
Due to landowners	1,320,236	-	-	-
Accrued interest	260,379	270,149	81,820	-
Unearned revenue	15,324,560	-	1,296,047	-
Noncurrent liabilities:				
Due within one year:				
Compensated absences	1,026,690	1,373,694	1,110,291	299,043
Leases payable	29,714	1,076,319	867,284	-
Subscription IT liabilities	78,573	1,236,828	332,153	-
Other current liabilities	-	1,076,187	-	-
Long-term debt	3,895,000	3,570,000	1,203,112	-
Due in more than one year:				
Net pension liability	36,894,090	-	-	76,314,919
Net OPEB liability	-	-	-	-
Compensated absences	3,080,065	4,121,081	3,330,871	3,905,186
Landfill closure/postclosure	21,689,968	-	-	-
Leases payable	25,419	2,655,864	3,942,930	-
Subscription IT liabilities	119,197	1,448,923	241,257	-
Long-term debt	68,837,402	33,628,526	5,729,188	-
Total liabilities	164,924,158	63,026,858	27,199,371	93,170,556
<u>Deferred Inflows of Resources</u>				
Prepaid property taxes	15,615,244	18,234	281,220	-
Pension related	-	-	56,276	-
OPEB related	1,020,087	-	-	1,993,496
Lease related	4,398,036	5,326,208	-	-
Total deferred inflows of resources	21,033,367	5,344,442	337,496	1,993,496

The accompanying notes are an integral part of the financial statements.

Kenai Peninsula Borough
Statement of Net Position, Continued
June 30, 2024

	Primary Government	Component Units		
	Governmental Activities	Central Peninsula Hospital	South Peninsula Hospital	School District
Net Position				
Net investment in capital assets	205,638,739	74,642,069	34,722,115	2,572,897
Restricted:				
Hazard tree removal program	256,488	-	-	-
General government	19,084,103	-	-	-
Public safety	37,675,215	-	-	-
Recreation	2,706,189	-	-	-
Education	31,060,893	-	-	282,019
Solid waste	141,698	-	-	-
Roads	9,386,427	-	-	-
Student activities	-	-	-	3,940,370
Student transportation	-	-	-	34,708
Home school carry over	-	-	-	1,833,789
Facilities maintenance	-	-	-	1,945,831
Hospital projects	-	12,046,673	3,284,632	-
Pension	-	-	5,304,170	-
OPEB	17,852,567	-	-	44,083,518
Unrestricted (deficit)	8,187,739	166,863,971	51,152,108	(45,588,684)
Total net position	\$ 331,990,058	\$ 253,552,713	\$ 94,463,025	\$ 9,104,448

The accompanying notes are an integral part of the financial statements.

Kenai Peninsula Borough
Statement of Activities
For the Year Ended June 30, 2024

Function/Program Activities	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	\$ 19,203,603	\$ 1,424,410	\$ 3,679,863	\$ -
Solid waste	23,881,450	1,171,730	20,204	895,268
Public safety	28,217,451	8,601,048	1,613,319	-
Recreation	2,321,822	287,466	9,654	-
Education	62,156,982	-	-	1,209,781
Environmental protection	37,084	-	49,003	-
Roads and trails	12,483,641	400	9,108	538,940
Health and social services	95,758	-	403,578	-
Interest on long-term debt	2,173,111	-	-	-
Total primary government	<u>\$ 150,570,902</u>	<u>\$ 11,485,054</u>	<u>\$ 5,784,729</u>	<u>\$ 2,643,989</u>
Component units				
Central Peninsula Hospital	\$ 244,810,524	\$ 257,783,796	\$ -	\$ 24,389
South Peninsula Hospital	129,405,244	125,051,095	1,402,764	-
Kenai Peninsula Borough School District	169,081,880	802,739	34,028,565	-
Total component units	<u>\$ 543,297,648</u>	<u>\$ 383,637,630</u>	<u>\$ 35,431,329</u>	<u>\$ 24,389</u>

General revenues:

Taxes:

Property taxes

Sales taxes

Grants not restricted to specific programs

Investment earnings

Payments from Kenai Peninsula Borough

Miscellaneous

Total general revenues

Change in net position (deficit)

Net position (deficit) at beginning of year

Net position (deficit) at end of year

Net (Expense) Revenue and Changes in Net Position			
<u>Primary Government</u>	<u>Component Units</u>		
<u>Governmental</u>	<u>Central Peninsula</u>	<u>South Peninsula</u>	<u>School</u>
<u>Activities</u>	<u>Hospital</u>	<u>Hospital</u>	<u>District</u>
\$ (14,099,330)	\$ -	\$ -	\$ -
(21,794,248)	-	-	-
(18,003,084)	-	-	-
(2,024,702)	-	-	-
(60,947,201)	-	-	-
11,919	-	-	-
(11,935,193)	-	-	-
307,820	-	-	-
(2,173,111)	-	-	-
<u>(130,657,130)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	12,997,661	-	-
-	-	(2,951,385)	-
-	-	-	(134,250,576)
<u>-</u>	<u>12,997,661</u>	<u>(2,951,385)</u>	<u>(134,250,576)</u>
78,889,367	51,507	5,160,918	-
47,547,330	-	-	-
6,487,747	-	-	81,686,458
12,481,100	4,891,202	1,558,025	1,207,254
-	-	-	54,753,114
-	-	27,164	125,489
<u>145,405,544</u>	<u>4,942,709</u>	<u>6,746,107</u>	<u>137,772,315</u>
14,748,414	17,940,370	3,794,722	3,521,739
<u>317,241,644</u>	<u>235,612,343</u>	<u>90,668,303</u>	<u>5,582,709</u>
<u>\$ 331,990,058</u>	<u>\$ 253,552,713</u>	<u>\$ 94,463,025</u>	<u>\$ 9,104,448</u>

The accompanying notes are an integral part of the financial statements.

Kenai Peninsula Borough
Governmental Funds
Balance Sheet
June 30, 2024

<u>Assets</u>	<u>General Fund</u>	<u>Central Emergency Service Area Special Revenue Fund</u>
Cash and short-term investments	\$ 1,060	\$ 57,840
Equity in central treasury	41,225,148	4,341,626
Receivables (net of allowances for estimated uncollectibles):		
Taxes receivable	9,587,390	135,320
Leases receivable	319,979	40,125
Accounts receivable	423,854	351,867
Land sale contracts receivable:		
Current	-	-
Delinquent	-	-
Due from other governments	1,290,396	869,913
Due from landowners	1,447,320	-
Due from other funds	-	-
Prepays	24,008	-
Note receivable - long term	45,450	-
Land sale contracts receivable - Long-term	-	-
Restricted assets - Equity in central treasury - unspent bond proceeds	-	-
Total assets	<u>\$ 54,364,605</u>	<u>\$ 5,796,691</u>
 <u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>		
Liabilities:		
Accounts and retainage payable	1,675,078	40,826
Accrued payroll and payroll benefits	571,868	270,593
Due to other funds	-	-
Due to landowners	1,320,236	-
Unearned revenue	3,241	2,501
Total liabilities	<u>3,570,423</u>	<u>313,920</u>
Deferred inflows of resources:		
Prepaid property taxes	7,082,876	520,376
Property taxes receivable - unavailable	503,977	109,431
Lease related	309,385	37,529
Land sales - unavailable	-	-
Total deferred inflows of resources	<u>7,896,238</u>	<u>667,336</u>
Fund balances:		
Nonspendable:		
Prepays	24,008	-
Note receivable	45,450	-
Restricted:		
Landfill closure/postclosure costs	-	-
Hazard tree removal program	-	-
General government	-	-
Public safety	-	4,815,435
Recreation	-	-
Education	-	-
Health and social services	-	-
Solid waste facilities	-	-
Road construction and upgrades	-	-
Roads	-	-
Committed:		
Software upgrades	-	-
Building maintenance and upgrades	48,178	-
Public safety facilities and equipment	337,688	-
Recreational facility maintenance	-	-
School maintenance and upgrades	-	-
Solid waste facilities	-	-
Road construction and upgrades	-	-
General government	256,241	-
Assigned:		
Subsequent year's expenditures	713,202	-
Minimum fund balance policy	21,667,876	-
Unassigned	19,805,301	-
Total fund balances	<u>42,897,944</u>	<u>4,815,435</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 54,364,605</u>	<u>\$ 5,796,691</u>

The accompanying notes are an integral part of the financial statements.

Miscellaneous Grants Special Revenue Fund	School Bond Capital Project Fund	Solid Waste Capital Project Fund	Central Emergency Service Area Capital Project Fund
\$ -	\$ -	\$ -	\$ -
13,738,107	1,007,818	27,003,793	8,558,586
-	-	-	-
-	-	-	-
-	-	-	-
550,421	-	172,676	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	34,592,955	11,698	16,003,188
<u>\$ 14,288,528</u>	<u>\$ 35,600,773</u>	<u>\$ 27,188,167</u>	<u>\$ 24,561,774</u>
573,253	965,014	306,177	383,867
1,557	2,566	631	1,138
-	-	-	-
-	-	-	-
12,705,220	-	1,813,481	-
<u>13,280,030</u>	<u>967,580</u>	<u>2,120,289</u>	<u>385,005</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	21,689,968	-
325,916	-	-	-
-	-	-	17,222,169
-	-	-	-
-	30,702,756	-	-
297,108	-	-	-
-	-	141,698	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	6,805,979
-	-	-	-
-	3,930,437	-	-
-	-	2,908,494	-
-	-	-	-
385,474	-	-	-
-	-	327,718	148,621
-	-	-	-
<u>1,008,498</u>	<u>34,633,193</u>	<u>25,067,878</u>	<u>24,176,769</u>
<u>\$ 14,288,528</u>	<u>\$ 35,600,773</u>	<u>\$ 27,188,167</u>	<u>\$ 24,561,774</u>

The accompanying notes are an integral part of the financial statements.

Kenai Peninsula Borough
Governmental Funds
Balance Sheet, Continued
June 30, 2024

<u>Assets</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash and short-term investments	\$ 15,575,060	\$ 15,633,960
Equity in central treasury	56,048,488	151,923,566
Receivables (net of allowances for estimated uncollectibles):		
Taxes receivable	323,663	10,046,373
Leases receivable	4,296,081	4,656,185
Accounts receivable	480,537	1,256,258
Land sale contracts receivable:		
Current	157,101	157,101
Delinquent	5,590	5,590
Due from other governments	1,039,976	3,923,382
Due from landowners	-	1,447,320
Due from other funds	587,106	587,106
Prepays	207	24,215
Note receivable - long term	-	45,450
Land sale contracts receivable -		
Long-term	1,335,809	1,335,809
Restricted assets -		
Equity in central treasury - unspent bond proceeds	-	50,607,841
Total assets	<u>\$ 79,849,618</u>	<u>\$ 241,650,156</u>
 <u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>		
Liabilities:		
Accounts and retainage payable	3,287,421	7,231,636
Accrued payroll and payroll benefits	463,818	1,312,171
Due to other funds	587,106	587,106
Due to landowners	-	1,320,236
Unearned revenue	800,117	15,324,560
Total liabilities	<u>5,138,462</u>	<u>25,775,709</u>
Deferred inflows of resources:		
Prepaid property taxes	8,011,992	15,615,244
Property taxes receivable - unavailable	289,614	903,022
Lease related	4,051,122	4,398,036
Land sales - unavailable	1,498,500	1,498,500
Total deferred inflows of resources	<u>13,851,228</u>	<u>22,414,802</u>
Fund balances:		
Nonspendable:		
Prepays	207	24,215
Note receivable	-	45,450
Restricted:		
Landfill closure/postclosure costs	-	21,689,968
Hazard tree removal program	256,488	256,488
General government	18,872,499	19,198,415
Public safety	15,796,821	37,834,425
Recreation	2,706,189	2,706,189
Education	358,137	31,060,893
Health and social services	-	297,108
Solid waste facilities	-	141,698
Road construction and upgrades	6,952,433	6,952,433
Roads	2,433,994	2,433,994
Committed:		
Software upgrades	85,603	85,603
Building maintenance and upgrades	964,723	1,012,901
Public safety facilities and equipment	1,720,660	8,864,327
Recreational facility maintenance	413,684	413,684
School maintenance and upgrades	7,489,472	11,419,909
Solid waste facilities	-	2,908,494
Road construction and upgrades	2,424,594	2,424,594
General government	-	641,715
Assigned:		
Subsequent year's expenditures	384,424	1,573,965
Minimum fund balance policy	-	21,667,876
Unassigned	-	19,805,301
Total fund balances	<u>60,859,928</u>	<u>193,459,645</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 79,849,618</u>	<u>\$ 241,650,156</u>

The accompanying notes are an integral part of the financial statements.

Kenai Peninsula Borough
 Reconciliation of the Governmental Funds Balance Sheet
 to the Statement of Net Position
 June 30, 2024

Fund balances - total governmental funds	\$	193,459,645
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		225,905,719
The ARHCT, RMP and ODD OPEB plans have been funded in excess of required contributions. This asset is not a financial resource and therefore it is not reported in the governmental funds.		17,579,099
Long-term liabilities, including bonds payable, net pension and other capital related obligations are not due and payable in the current period and therefore are not reported in the governmental funds:		
Bonds payable	\$ (66,305,000)	
Leases payable	(34,742)	
Subscription IT liabilities	(197,770)	
Unamortized bond premium	(6,427,402)	
Accrued interest	(260,379)	
Unamortized deferred loss on refunding	515,579	
Landfill closure	(21,689,968)	
Net pension liability	<u>(36,894,090)</u>	(131,293,772)
Deferred outflows of resources related to pension are applicable to future periods, and therefore are not reported in the governmental funds:		
Deferred outflows for pensions		5,048,613
Deferred outflows of resources and deferred inflows of resources related to other post employment benefits (OPEB) are applicable to future periods, and therefore are not reported in the governmental funds:		
Deferred outflows for OPEB	1,293,555	
Deferred inflows for OPEB	<u>(1,020,087)</u>	273,468
Some of the Borough's receivables will be collected after year-end and are not available soon enough to pay for current period's expenditures and therefore are deferred in the governmental funds:		
Property taxes receivable	903,022	
Land sales contracts receivable	<u>1,498,500</u>	2,401,522
Internal service funds are used by management to charge the cost of certain activities to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net position.		<u>18,615,764</u>
Net position of governmental activities	\$	<u><u>331,990,058</u></u>

The accompanying notes are an integral part of the financial statements.

Kenai Peninsula Borough
Governmental Funds
Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended June 30, 2024

	General Fund	Central Emergency Service Area Special Revenue Fund
Revenues:		
Property taxes	\$ 43,618,696	\$ 11,332,504
Sales taxes	47,547,330	-
Intergovernmental:		
Federal	4,752,922	20,948
State	4,071,467	148,046
Investment earnings	4,859,740	556,452
Other revenues	1,528,986	2,622,481
Total revenues	106,379,141	14,680,431
 Expenditures:		
General government	18,298,391	-
Solid waste	10,739,500	-
Public safety	789,143	10,724,593
Recreation	-	-
Education	55,660,069	-
Environmental protection	-	-
Roads and trails	-	-
Health and social services	-	-
Capital leases/IT subscriptions	240,035	28,745
Debt service:		
Principal	-	-
Interest and other	-	-
Total expenditures	85,727,138	10,753,338
 Excess (deficiency) of revenues over expenditures	20,652,003	3,927,093
 Other financing sources (uses):		
Capitized leases/IT subscriptions	240,035	28,745
Transfers in	-	9,783
Transfers out	(22,344,297)	(7,480,999)
Net other financing sources (uses)	(22,104,262)	(7,442,471)
 Net change in fund balances	(1,452,259)	(3,515,378)
 Fund balances at beginning of year	44,350,203	8,330,813
 Fund balances at end of year	\$ 42,897,944	\$ 4,815,435

The accompanying notes are an integral part of the financial statements.

Miscellaneous Grants Special Revenue Fund	School Bond Capital Project Fund	Solid Waste Capital Project Fund	Central Emergency Service Area Capital Project Fund
\$ -	\$ -	\$ -	\$ -
-	-	-	-
1,537,449	-	895,269	-
882,525	-	-	-
153,172	1,090,532	509,665	728,958
190,850	-	-	-
<u>2,763,996</u>	<u>1,090,532</u>	<u>1,404,934</u>	<u>728,958</u>
1,557,809	-	-	-
-	-	1,850,165	-
955,271	-	-	1,594,792
38,519	-	-	-
-	1,507,415	-	-
37,084	-	-	-
266,925	-	-	-
95,758	-	-	-
-	-	-	-
-	-	-	-
<u>2,951,366</u>	<u>1,507,415</u>	<u>1,850,165</u>	<u>1,594,792</u>
<u>(187,370)</u>	<u>(416,883)</u>	<u>(445,231)</u>	<u>(865,834)</u>
-	-	-	-
-	-	12,339,895	5,700,000
-	-	-	(3,003)
-	-	<u>12,339,895</u>	<u>5,696,997</u>
(187,370)	(416,883)	11,894,664	4,831,163
<u>1,195,868</u>	<u>35,050,076</u>	<u>13,173,214</u>	<u>19,345,606</u>
<u>\$ 1,008,498</u>	<u>\$ 34,633,193</u>	<u>\$ 25,067,878</u>	<u>\$ 24,176,769</u>

The accompanying notes are an integral part of the financial statements.

Kenai Peninsula Borough
Governmental Funds
Statement of Revenues, Expenditures
and Changes in Fund Balances, Continued
For the Year Ended June 20, 2024

	Other Governmental Funds	Total Governmental Funds
Revenues:		
Property taxes	\$ 24,029,639	\$ 78,980,839
Sales taxes	-	47,547,330
Intergovernmental:		
Federal	2,528,902	9,735,490
State	245,373	5,347,411
Investment earnings	3,704,213	11,602,732
Other revenues	7,938,693	12,281,010
Total revenues	38,446,820	165,494,812
 Expenditures:		
General government	3,380,265	23,236,465
Solid waste	-	12,589,665
Public safety	16,794,268	30,858,067
Recreation	2,858,877	2,897,396
Education	5,455,464	62,622,948
Environmental protection	-	37,084
Roads and trails	12,237,436	12,504,361
Health and social services	-	95,758
Capital leases/IT subscriptions	-	268,780
Debt service:		
Principal	3,750,000	3,750,000
Interest and other	2,914,396	2,914,396
Total expenditures	47,390,706	151,774,920
 Excess (deficiency) of revenues over expenditures	(8,943,886)	13,719,892
 Other financing sources (uses):		
Capitized leases/IT subscriptions	-	268,780
Transfers in	17,200,501	35,250,179
Transfers out	(5,421,880)	(35,250,179)
Net other financing sources (uses)	11,778,621	268,780
 Net change in fund balances	2,834,735	13,988,672
 Fund balances at beginning of year	58,025,193	179,470,973
 Fund balances at end of year	\$ 60,859,928	\$ 193,459,645

The accompanying notes are an integral part of the financial statements.

Kenai Peninsula Borough
 Reconciliation of the Statement of Revenues, Expenditures
 and Changes in Fund Balances of the Governmental Funds
 to the Statement of Activities
 For the Year Ended June 30, 2024

Net change in fund balances - total governmental funds \$ 13,988,671

The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays and lease activity as expenditures and revenues. However, in the statement of activities, the cost of those assets are depreciated over their useful lives.

Expenditures for capital assets	\$ 14,665,971	
Less current year depreciation and amortization expense	<u>(12,299,751)</u>	2,366,220

The net effect of various transactions involving capital assets (i.e. sales, trade-ins and donations) is to decrease net position. (1,650,579)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Principal payments	3,750,000	
Net increase in bond premium	800,368	
Net decrease in bond deferred loss on refunding	(93,725)	
Net decrease in long-term leases payable	8,853	
Net increase in subscription IT liabilities	<u>(71,566)</u>	4,393,930

Certain revenues reported in the statement of activities are not reported in governmental funds because they do not provide current financial resources. This adjustment is to recognize the net change in unavailable revenues.

Increase in unavailable property taxes receivable (91,472)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.

Increase in accrued interest	34,642	
Increase in landfill closure cost	<u>(11,123,976)</u>	(11,089,334)

Changes related to net pension liability and related accounts can increase or decrease net position. This is the net increase in equity due to changes in net pension liability and the related deferred inflows and outflows. 751,151

Changes related to net OPEB liability, asset and related accounts can increase or decrease net position. This is the net increase in equity due to changes in net OPEB liability, asset and the related deferred inflows and outflows. 2,579,451

Internal service funds are used by management to charge the cost of certain activities to individual funds. The change in net position of internal service funds is reported with governmental activities. 3,500,376

Change in net position of governmental activities \$ 14,748,414

Kenai Peninsula Borough
General Fund
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 43,260,226	\$ 43,260,226	\$ 43,618,696	\$ 358,470
Sales tax	47,000,000	47,000,000	47,547,330	547,330
Intergovernmental	7,041,919	7,493,798	8,824,389	1,330,591
Investment earnings (loss)	804,522	804,522	4,859,740	4,055,218
Other	1,311,715	1,311,715	1,528,986	217,271
Total revenues	<u>99,418,382</u>	<u>99,870,261</u>	<u>106,379,141</u>	<u>6,508,880</u>
Expenditures:				
General government:				
Assembly:				
Personnel	1,325,271	1,334,967	1,012,498	322,469
Supplies	12,416	22,175	19,874	2,301
Services	639,632	628,788	568,532	60,256
Capital outlay	14,500	17,015	16,327	688
Total assembly	<u>1,991,819</u>	<u>2,002,945</u>	<u>1,617,231</u>	<u>385,714</u>
Mayor:				
Personnel	1,014,987	984,255	585,245	399,010
Supplies	6,865	8,965	3,735	5,230
Services	78,732	116,382	69,324	47,058
Capital outlay	9,630	9,630	5,407	4,223
Total mayor	<u>1,110,214</u>	<u>1,119,232</u>	<u>663,711</u>	<u>455,521</u>
Purchasing and contracting:				
Personnel	635,823	657,722	629,014	28,708
Supplies	6,632	6,632	3,446	3,186
Services	126,603	126,603	62,559	64,044
Capital outlay	10,600	10,600	549	10,051
Total purchasing and contracting	<u>779,658</u>	<u>801,557</u>	<u>695,568</u>	<u>105,989</u>
Human resources:				
Personnel	1,032,796	1,047,964	976,494	71,470
Supplies	35,970	35,743	26,500	9,243
Services	184,294	223,517	184,750	38,767
Capital outlay	19,083	19,083	11,435	7,648
Total human resources	<u>1,272,143</u>	<u>1,326,307</u>	<u>1,199,179</u>	<u>127,128</u>
Information technology:				
Personnel	1,944,522	1,975,286	1,843,379	131,907
Supplies	57,305	57,305	46,647	10,658
Services	578,831	578,831	490,892	87,939
Capital outlay	32,700	32,700	32,023	677
Total information technology	<u>2,613,358</u>	<u>2,644,122</u>	<u>2,412,941</u>	<u>231,181</u>
Legal:				
Personnel	922,817	937,638	891,951	45,687
Supplies	3,410	4,585	3,270	1,315
Services	260,170	392,373	277,648	114,725
Capital outlay	3,000	6,625	6,511	114
Total legal	<u>1,189,397</u>	<u>1,341,221</u>	<u>1,179,380</u>	<u>161,841</u>
Finance:				
Personnel	3,091,348	3,079,619	2,883,322	196,297
Supplies	18,607	21,667	18,427	3,240
Services	1,285,918	1,358,039	1,262,947	95,092
Capital outlay	36,802	40,392	37,064	3,328
Total finance	<u>4,432,675</u>	<u>4,499,717</u>	<u>4,201,760</u>	<u>297,957</u>

(Continued)

Kenai Peninsula Borough
General Fund
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - continued
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
General government expenditures, continued:				
Assessing:				
Personnel	\$ 3,080,175	\$ 3,124,286	\$ 2,813,359	\$ 310,927
Supplies	9,956	11,014	7,925	3,089
Services	470,026	475,068	427,803	47,265
Capital outlay	53,353	49,253	40,046	9,207
Total assessing	<u>3,613,510</u>	<u>3,659,621</u>	<u>3,289,133</u>	<u>370,488</u>
Planning:				
Personnel	2,129,979	2,163,427	1,953,535	209,892
Supplies	55,795	85,605	54,106	31,499
Services	763,255	1,074,056	663,892	410,164
Capital outlay	43,650	193,460	57,365	136,095
Total planning	<u>2,992,679</u>	<u>3,516,548</u>	<u>2,728,898</u>	<u>787,650</u>
Non-departmental:				
Personnel	50,000	53,835	2,307	51,528
Supplies	-	20,000	5,738	14,262
Services	1,044,367	1,212,013	302,545	909,468
Total non-departmental	<u>1,094,367</u>	<u>1,285,848</u>	<u>310,590</u>	<u>975,258</u>
Total general government	<u>21,089,820</u>	<u>22,197,118</u>	<u>18,298,391</u>	<u>3,898,727</u>
Solid waste:				
Personnel	3,135,096	2,924,464	2,918,923	5,541
Supplies	742,400	712,258	705,633	6,625
Services	6,937,591	7,230,338	7,077,318	153,020
Capital outlay	1,500	113,203	37,626	75,577
Total solid waste	<u>10,816,587</u>	<u>10,980,263</u>	<u>10,739,500</u>	<u>240,763</u>
Public safety:				
Personnel	586,820	596,593	529,818	66,775
Supplies	25,980	25,980	13,302	12,678
Services	460,664	460,664	244,354	216,310
Capital outlay	2,500	2,500	1,669	831
Total public safety	<u>1,075,964</u>	<u>1,085,737</u>	<u>789,143</u>	<u>296,594</u>
Education:				
School District contributions	54,753,114	54,753,114	54,753,114	-
Post secondary education	975,800	975,800	906,955	68,845
Total education	<u>55,728,914</u>	<u>55,728,914</u>	<u>55,660,069</u>	<u>68,845</u>
Capitalized leases/IT subscriptions	-	-	240,035	(240,035)
Total expenditures	<u>88,711,285</u>	<u>89,992,032</u>	<u>85,727,138</u>	<u>4,264,894</u>
Excess (deficiency) of revenues over expenditures	<u>10,707,097</u>	<u>9,878,229</u>	<u>20,652,003</u>	<u>10,773,774</u>
Other financing uses:				
Capitalized leases/IT subscriptions	-	-	240,035	240,035
Transfers in	-	-	-	-
Transfers out	(11,306,469)	(23,253,348)	(22,344,297)	909,051
Net other financing sources (uses)	<u>(11,306,469)</u>	<u>(23,253,348)</u>	<u>(22,104,262)</u>	<u>1,149,086</u>
Net change in fund balance	(599,372)	(13,375,119)	(1,452,259)	11,922,860
Fund balance at beginning of year	44,350,203	44,350,203	44,350,203	-
Fund balance at end of year	<u>\$ 43,750,831</u>	<u>\$ 30,975,084</u>	<u>\$ 42,897,944</u>	<u>\$ 11,922,860</u>

The accompanying notes are an integral part of the financial statements.

Kenai Peninsula Borough
Central Emergency Service Area Special Revenue Fund
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$11,242,478	\$11,242,478	\$11,203,876	\$ (38,602)
Motor vehicle tax	123,553	123,553	128,628	5,075
Intergovernmental:				
Federal	-	23,449	20,948	(2,501)
State	-	146,216	148,046	1,830
Investment earnings	145,228	145,228	556,452	411,224
Other revenues	<u>1,381,000</u>	<u>1,381,000</u>	<u>2,622,481</u>	<u>1,241,481</u>
Total revenues	<u>12,892,259</u>	<u>13,061,924</u>	<u>14,680,431</u>	<u>1,618,507</u>
Expenditures:				
Public safety:				
Personnel	8,950,927	9,097,143	8,632,010	465,133
Supplies	521,698	513,614	400,664	112,950
Services	1,690,990	1,681,185	1,460,593	220,592
Capital outlay	220,640	286,876	231,326	55,550
IT Subscriptions	-	-	28,745	(28,745)
Total expenditures	<u>11,384,255</u>	<u>11,578,818</u>	<u>10,753,338</u>	<u>825,480</u>
Excess (deficiency) of revenues over expenditures	<u>1,508,004</u>	<u>1,483,106</u>	<u>3,927,093</u>	<u>2,443,987</u>
Other financing sources (uses):				
IT Subscriptions	-	-	28,745	28,745
Transfers in	9,783	9,783	9,783	-
Transfers out	<u>(2,484,003)</u>	<u>(7,484,003)</u>	<u>(7,480,999)</u>	<u>3,004</u>
Net other financing sources (uses)	<u>(2,474,220)</u>	<u>(7,474,220)</u>	<u>(7,442,471)</u>	<u>31,749</u>
Net change in fund balance	(966,216)	(5,991,114)	(3,515,378)	2,475,736
Fund balance at beginning of year	<u>8,330,813</u>	<u>8,330,813</u>	<u>8,330,813</u>	<u>-</u>
Fund balance at end of year	<u>\$ 7,364,597</u>	<u>\$ 2,339,699</u>	<u>\$ 4,815,435</u>	<u>\$ 2,475,736</u>

The accompanying notes are an integral part of the financial statements.

Kenai Peninsula Borough
Proprietary Funds
Statement of Net Position
June 30, 2024

	Governmental Activities Internal Service Funds
Assets	
Current assets:	
Cash and short-term investments	\$ 280,975
Equity in central treasury	24,540,338
Other receivables	54,175
Prepays	71,575
Total current assets	24,947,063
Capital assets:	
Equipment	3,278,117
Right-to-use leased building	54,176
Less accumulated depreciation and amortization	(1,737,388)
Total capital assets (net of accumulated depreciation and amortization)	1,594,905
Total assets	26,541,968
Liabilities	
Current liabilities:	
Accounts and contracts payable	330,600
Accrued payroll and payroll benefits	24,248
Claims payable	3,444,210
Compensated absences	1,026,690
Leases payable	20,391
Total current liabilities	4,846,139
Noncurrent liabilities-	
Compensated absences	3,080,065
Total liabilities	7,926,204
Net Position	
Net Investment in capital assets	1,574,514
Unrestricted	17,041,250
Total net position	\$ 18,615,764

The accompanying notes are an integral part of the financial statements.

Kenai Peninsula Borough
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2024

	Governmental Activities Internal Service Funds
Operating revenues:	
Charges for sales and services	\$ 21,155,170
Intergovernmental:	
State	11,262
Total operating revenues	21,166,432
Operating expenses:	
Administrative services	4,564,161
Insurance premiums	4,076,845
Self-insured losses	8,821,448
Depreciation and amortization	738,347
Total operating expenses	18,200,801
Operating income	2,965,631
Non operating revenues (expenses):	
Interest expense	(1,124)
Investment earnings	878,368
Loss on disposal of assets	(342,499)
Total non operating revenues (expenses)	534,745
Change in net position	3,500,376
Net position at beginning of year	15,115,388
Net position at end of year	\$ 18,615,764

The accompanying notes are an integral part of the financial statements.

Kenai Peninsula Borough
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2024

	Governmental Activities Internal Service Funds
Cash flows from operating activities:	
Receipts from interfund services provided	\$ 21,171,560
Payments to suppliers	(12,648,723)
Payments to employees	(3,754,970)
Other program revenue	11,262
Net cash provided by operating activities	4,779,129
Cash flows for capital and related financing activities:	
Interest paid on leases	(1,124)
Purchase of capital assets	(144,906)
Net cash provided by capital and related financing activities	(146,030)
Cash flows from investing activities-	
Investment earnings	878,368
Net increase in cash and cash equivalents	5,511,467
Cash and cash equivalents at beginning of year	19,309,846
Cash and cash equivalents at end of year	\$ 24,821,313
Reconciliation of cash and cash equivalents to Statement of Net Position:	
Cash and short-term investments	280,975
Equity in central treasury	24,540,338
Cash and cash equivalents, end of year	\$ 24,821,313
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 2,965,631
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization expense	738,347
Change in assets and liabilities:	
(Increase) decrease in other receivables	16,390
(Increase) decrease in prepaids	20,010
Increase (decrease) in accounts and contracts payable	240,298
Increase (decrease) in accrued payroll and payroll benefits	7,586
Increase (decrease) in claims payable	365,450
Increase (decrease) in compensated absences	451,893
Increase (decrease) in leases payable	(26,476)
Total adjustments	1,813,498
Net cash provided by operating activities	\$ 4,779,129

The accompanying notes are an integral part of the financial statements.

Kenai Peninsula Borough
Custodial Fiduciary Fund
Statement of Fiduciary Fund Net Position
June 30, 2024

Assets

Equity in central treasury	\$ 633,611
Taxes receivable	<u>1,224,491</u>
Total assets	<u>1,858,102</u>

Liabilities

Due to other governments	<u>1,587,314</u>
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Net Position

Restricted - Other governments	<u><u>\$ 270,788</u></u>
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Kenai Peninsula Borough
Custodial Fiduciary Fund
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2024

Additions-	
Tax collections for other governments	\$ 49,785,064
Deductions-	
Tax distributions to other governments	<u>49,809,208</u>
Net decrease in fiduciary net position	<u>(24,144)</u>
Net position at beginning of year	<u>294,932</u>
Net position at end of year	<u><u>\$ 270,788</u></u>

The accompanying notes are an integral part of the financial statements.

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INDEX TO NOTES

This is a summary of significant accounting policies and other notes to the financial statements necessary for adequate disclosure.

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Kenai Peninsula Borough
Notes to Financial Statements
June 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Kenai Peninsula Borough (the Borough) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Borough's accounting policies are described below.

A. Reporting Entity

The Kenai Peninsula Borough was incorporated January 1, 1964, under the provisions of the State of Alaska Borough Act of 1961 as a second-class borough. The Borough operates under an elected nonpartisan Mayor-Assembly form of government. The Mayor is elected at-large for a three-year term. Legislative power is vested in the 9-member assembly with executive and administrative power vested with the Mayor. The Borough provides the following areawide services: assessment and collection of taxes for the Borough and cities within the Borough, planning and zoning, solid waste disposal, education, senior citizen funding, emergency management, 911 communications, post secondary education, and general administrative services. Non-areawide services provided by service areas include: hospital, fire protection, recreation, emergency medical and ambulance, senior citizen, and road maintenance and economic development. The Borough also provides tourism promotion, ports and harbor authority (not currently exercised), and special assessment authority for utility line extensions and road improvement districts on a non-areawide basis. As required by generally accepted accounting principles, these financial statements present the Kenai Peninsula Borough (the primary government) and its component units. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable.

Discretely Presented Component Units

The Borough is reporting three discrete component units, The Kenai Peninsula Borough School District (the School District), South Peninsula Hospital (SPH), and Central Peninsula Hospital (CPH). The School District, SPH and CPH are each discretely presented in a separate column in the basic financial statements to emphasize that they are legally separate from the Borough.

The School District is governed by an independently elected board; however the School District is fiscally dependent on the primary government because the Borough Assembly approves the total budget of the School District, approves the tax levy to support the budget, approves and pays any debt issuance and the Borough retains all ownership of real property. Complete financial statements of the School District can be obtained from the School District's Business Office at 148 N. Binkley, Soldotna, Alaska, 99669.

South Peninsula Hospital and Central Peninsula Hospital are each governed by independently elected boards; however, they are also fiscally dependent on the primary government because the Assembly approves the service area budget, approves the tax levy to support the budget and must approve any debt issuance. A financial benefit and burden relationship exists as well for both hospitals; the Borough is entitled to the hospital resources and assets as owners of the hospitals as well as an obligation to assume the debt of the organizations, upon default. Separate financial statements can be obtained at South Peninsula Hospital, 4300 Bartlett, Homer, Alaska, 99603 and at Central Peninsula Hospital, 250 Hospital Place, Soldotna, Alaska, 99669. Central Peninsula Hospital is issued under Central Peninsula General Hospital.

On April 7, 2016, Central Peninsula Health Foundation (the Foundation), filed a certificate of amendment with the State of Alaska changing its nonprofit status to that of a supporting organization of Central Peninsula Hospital. The Hospital has paid various expenses on behalf of the Foundation, and leased employees to the Foundation to sustain its operations. The Foundation is reported as a blended component unit of the Hospital because it provides services and benefits almost exclusively for the Hospital.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Borough does not have any business-type activities. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. Fiduciary funds are used to account for assets held by the Borough in a trustee capacity or as an agent for others. Activities from fiduciary funds are not included in the government-wide financial statements because the Borough cannot use these assets for its operations.

The statement of activities demonstrates the degree to which the direct expenses of a given function of governmental activities are offset by program revenues. Program revenues include: 1) fees, fines and charges to customers or applicants who purchase, use, or directly benefit from, goods, services, or privileges provided by a given function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The remaining governmental funds are aggregated and reported as other governmental funds. The internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. The Borough's only fiduciary fund is its Custodial Fiduciary Fund, which is reported using the accrual basis of accounting.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available. "Measurable" means that amounts can be reasonably determined within the current period. "Available" means collectible within the current period or soon enough thereafter (60 days) to be used to pay liabilities of the current period. Major revenues susceptible to accrual include sales tax and property taxes levied and due in the current year even though a portion of the taxes may be collected in the subsequent year. Penalty on sales taxes and interest on delinquent taxes are considered measurable when paid and are recognized as revenue at that time. Intergovernmental revenues received as reimbursement for specific purposes or projects are recognized in the period the expenditures are incurred. Intergovernmental

revenue received but not yet earned is recorded as unearned revenue. Property taxes received prior to the period for which they are used are recorded as deferred inflows of resources. In subsequent periods, when the Borough has legal claim to the resources, the deferred inflows are removed from the balance sheet and revenue is recognized. Revenue from land sale contracts receivable is deferred until the receivables are collected. Expenditures are recorded when the fund liability is incurred. The exceptions to this general rule are principal and interest on general long-term debt which is recognized when due and pensions, and other post-employment benefits.

The Borough reports the following major governmental funds:

The General Fund is the Borough's primary operating fund which accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Central Emergency Service Area Special Revenue Fund accounts for property taxes, intergovernmental revenues, interest earnings, other revenues – ambulance fees, and operating expenditures for the Central Emergency Service Area. The Borough elected to report this fund as a major fund in FY2024 as it was close to the major threshold and will continue to see large transfers into capital and debt service funds due to construction of a new station.

The Miscellaneous Grants Special Revenue Fund is used to account for expenditures of miscellaneous grants received from the State of Alaska and the Federal Government.

The School Bond Capital Project Fund is used to account for all school capital projects funded with bond proceeds.

The Solid Waste Capital Project Fund is used to account for acquisition of major capital facilities and equipment for Solid Waste operations.

The Central Emergency Service Area Capital Project Fund is used to account for acquisition and construction of major capital facilities or equipment for Central Emergency Service Area.

The Borough does not report solid waste activity as an enterprise fund due to the fact that the activity is substantially funded by the General Fund and only a small portion by user fees. Effective July 1, 2010, to comply with GASB 54 requirements, solid waste activity is being reported in the General Fund.

Additionally, the Borough reports the following fund types:

Internal Service Funds account for risk management, health insurance, and equipment replacement services provided to other departments on a cost reimbursement basis, and employee compensated leave.

The Fiduciary Fund accounts for tax collection services provided to other governments located within the Kenai Peninsula Borough. This fund is reported using the economic resources measurement focus and accrual basis of accounting.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Interfund services provided and used are not eliminated in the process of consolidation. The Borough does not use an indirect cost allocation system.

D. Assets, Liabilities, Deferred Outflows, Deferred Inflows, Fund Balance and Net Position

1. Deposits and Investments

The Borough utilizes a central treasury to aggregate cash from all funds, the School District, CPH and SPH for cash management and investment purposes. Each fund has an account titled "equity in central treasury" which is the cash balance of that fund. Each fund whose monies are deposited

in the central treasury has equity therein. Interest income on investments is allocated monthly to participating funds based on their average equity balance during the month. At June 30, 2024, investments for the government, as well as for its component units, are reported at fair value. The Borough Code of Ordinances authorizes investment in obligations of the U. S. Treasury, its agencies and instrumentalities, bankers' acceptances of the fifty largest banks, investment grade corporate bonds, highly rated commercial paper, repurchase agreements, fully collateralized certificates of deposit, money market mutual funds, highly rated bonds and notes issued by a state or political subdivision thereof, and the Alaska Municipal League Investment Pool, Inc. The Borough ordinance places limitations on maturity of investments, and Borough investment procedures limit the level of investment type.

The Alaska Municipal League Investment Pool, Inc. (AMLIP) was created during 1993 under Alaska Statute 37.23 and the Kenai Peninsula Borough Assembly passed an ordinance authorizing participation in the AMLIP. The AMLIP is a nonprofit corporation organized to manage, administer and invest funds of participating public entities.

"Cash and Short-Term Investments" is used to account for petty cash, cash held in bank accounts and investments for certain Borough Funds, School District Funds and Hospitals.

The central treasury, which holds cash and investments, is used essentially as a cash management pool by each fund.

For purposes of the statements of cash flows for the Internal Service Funds, the Borough has defined cash as the demand deposits and all investments maintained in the central treasury (regardless of maturity period), because the funds use the pool essentially as a demand deposit account.

2. Receivables and Payables

All outstanding balances between funds are reported as "due to/from other funds."

Advances between funds, as reported in the fund financial statements, are reported as nonspendable fund balance to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to 1.4% of the current year personal property tax levy.

3. Inventories

The Borough maintains custody of the maintenance inventory reported on the School District financial statements. These inventories consist of expendable supplies, to repair and maintain schools or other district locations. The cost of inventory items is included in expenditures when issued to schools from the central warehouse or issued for consumption.

4. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2024 are recorded as prepaid items. Prepaids are recognized when incurred and the expenditure is recorded in the period that is benefited using the consumption method.

5. Restricted Assets

Restricted cash and investments are held in capital project funds and are restricted because their use is limited by bond covenant.

6. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, and similar items), are reported in the applicable governmental columns in the government-wide financial statements. The Borough has established a capitalization threshold of \$5,000. Only infrastructure assets acquired by the Borough after July 1, 1980, are reported. All purchased capital assets are valued at historical cost. Donated works of art and similar items are valued at their acquisition value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset life are not capitalized. Improvements are capitalized and depreciated over the remaining useful life of the related asset. Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	10-50
Right-to-use leased buildings	10-50
Improvements other than buildings	10-50
Infrastructure	10-50
Machinery and Equipment (including vehicles)	5-10
Subscription Based IT Arrangements	5-10

7. Compensated Absences

The Borough and Service Areas recognize a liability for the net amount of accrued vacation. Accumulated vacation may be received in cash, subject to certain restrictions. The obligation for accumulated unpaid personal leave amounts to \$4,106,755 at June 30, 2024. Of the total accumulated unpaid vacation at June 30, 2024, \$1,026,690 is expected to be paid out within one year. An internal service fund, Employee Compensated Leave Fund, was established to account for resources accumulated to provide for compensated absences for the Borough's governmental activities. The Borough does not accrue a liability for non-vested sick leave, payable only in the event of employee absence due to illness. That amount is \$38,255 at June 30, 2024, a decrease of \$3,916 from June 30, 2023.

8. Long-term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued and any bond premium are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance cost, whether or not withheld from the actual debt proceeds received, is reported as debt service expenditures.

9. Fund Balances and Fund Balance Flow Assumptions

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form; prepaid items or long-term receivables; or (b) legally or contractually required to be maintained intact.

The spendable portion of fund balances comprises the four remaining classifications: restricted, committed, assigned and unassigned.

Restricted fund balance – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – These amounts can only be used for specific purposes pursuant to constraints imposed by formal ordinances of the Borough Assembly, the government’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Assembly rescinds or modifies the commitment through the ordinance process, the same formal action used to create the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance – This classification reflects the amounts constrained by the Borough’s “intent” to be used for specific purposes, but are neither restricted nor committed. The Borough Assembly has delegated the assignment ability to the Finance Director through Resolution 2011-067. Assigned fund balances include all remaining amounts (except negative balances) that are reported in the governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance – This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the Borough’s policy to use restricted resources first, followed by committed, assigned and unassigned.

10. Minimum Fund Balance Policy

In 2001, the Kenai Peninsula Borough Assembly established a formal fund balance policy affecting the General Fund, annually budgeted special revenue funds and general government capital project funds. The policy is established in the General Fund and Special Revenue Funds for the purpose of maintaining the Borough’s credit worthiness, providing liquidity and protecting essential Borough programs and requirements during periods of economic downturn or catastrophic loss. The policy sets both minimum and maximum levels and is reported as assigned fund balance; these commitments can only be changed or lifted by the Assembly taking the same formal action that imposed the constraint originally, which was approved by Resolution 2001-045 and later updated by Resolution 2017-031.

11. Net Position and Net Position Flow Assumptions

Net position represents the residual interest in the Borough’s assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted and consists of three components: net investment in capital assets, restricted and unrestricted net position. Net investment in capital assets include capital assets, net of accumulated depreciation, reduced by outstanding capital related obligations incurred to acquire, construct, or improve those capital assets, excluding unexpended proceeds and unamortized loss on refunding. The restricted category represents the balance of assets restricted for general use by external parties (creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

Sometimes the Borough will fund outlays for a purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Borough’s policy to consider restricted net position constraints and items before unrestricted net position is applied.

12. Deferred Outflows/Inflows of Resources

A deferred outflow of resources represents a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditures) until then. A deferred inflow of resources represents an acquisition of net assets that applies to future period(s) and will not be recognized as an inflow of resources (revenues) until that time. In the government-wide statements, deferred outflows of resources of the Borough consist of deferred loss on debt refundings as well as certain pension and OPEB related accounts. Deferred inflows of resources reported on the government-wide statements consist of property taxes received in advance as well as certain pension, OPEB, and lease related accounts, while deferred inflows of resources reported on the governmental balance sheet consist of prepaid property taxes and revenues related to unavailable property taxes, leases, and land sales.

13. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriations, is employed as an extension of formal budgetary integration in the Borough's governmental funds. Encumbrances, if any, outstanding at year-end are reported as appropriate constraints of fund balance if they meet the criteria and definitions outlined in the fund balance section of these notes.

Significant encumbrances exceeding \$100,000 as of June 30, 2024 were:

Description- Program	Major Funds					Nonmajor Funds
	Miscellaneous Grants Special Revenue Fund	School Bond Capital Project Fund	Solid Waste Capital Project Fund	Central Emergency Service Area Capital Project Fund	Other Gov't Funds	
Public safety facilities and equipment	\$ 67,824	\$ -	\$ -	\$ 256,456	\$ 506,764	
Recreational facility upgrades	-	-	-	-	-	
Educational facilities and equipment	-	3,930,437	-	-	1,880,377	
General government activities	322,701	-	-	-	878,700	
Roads/paths construction and upgrades	-	-	-	-	442,161	
Solid waste facilities	-	-	895,896	-	-	
Community assistance program	957,123	-	-	-	-	
Total	\$ <u>1,347,648</u>	\$ <u>3,930,437</u>	\$ <u>895,896</u>	\$ <u>256,456</u>	\$ <u>3,708,002</u>	

14. Pensions and Other Post Employment Benefits (OPEB)

For purposes of measuring the net pension and OPEB liabilities (assets), deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position of the Public Employees' Retirement System (PERS) and additions to/from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

15. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reporting amounts of assets and deferred outflows of resources and liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

16. Deferred Compensation Plan

The Borough offers its employees a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457. The Plan, available to all permanent Borough employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. In accordance with the Internal Revenue Code, all assets and income of the Plan are held in trust for the exclusive benefit of participants and their beneficiaries. The Plan does not meet the definition of a pension plan under current accounting guidance and does not meet the reporting criteria for inclusion as a fiduciary fund.

17. Leases

The Borough has lessee and lessor relationships regarding buildings, towers, and land. The Borough recognizes lease related liabilities and right-to-use capital assets in the government-wide financial statements and the internal service funds. The Borough recognizes lease receivable and deferred inflows of resources related to leases in the government-wide financial statements and governmental funds.

For lessee relationships, at the commencement of a lease, the Borough initially measures the lease liability at the present value of payments expected to be made during the lease term. The lease asset is initially measured at the initial amount of the lease liability, adjusted for lease payments made and subsequently amortized on a straight-line basis over the shorter of the lease term or its useful life. For lessor relationships, at the commencement of a lease, the Borough initially measures the lease receivable at the present value of payments expected to be received during the lease term. The deferred inflow of resources is initially measured as the lease receivable amount, and subsequently recognized as revenue over the life of the lease term. The Borough does not consider leasing activities to be a significant component of its principal ongoing operations.

The Borough bases these amounts on the discount rate used, lease term, and lease payments/receipts. The Borough uses an incremental borrowing rate as the discount rate. The lease term is the noncancellable term of the lease, and the lease payments/receipts are composed of fixed payments to the lessor or payments received from the lessee. The Borough determines if a lease is recognizable based on materiality levels of the fund the lease belongs to.

18. Subscription-Based Information Technology Arrangements

The Borough has subscription-based information technology arrangements (SBITAs). The Borough recognizes a subscription liability and an intangible right-to-use asset (IT subscription asset) in the government-wide financial statements. The governmental funds report current expenditures in the fund level statement of revenues, expenditures and changes in fund balance. The Borough recognizes subscription liabilities based on materiality of the fund the SBITA belongs to and whether the SBITA is for 12 months or more.

At the commencement of a SBITA, the Borough initially measures the subscription liability at the present value of expected subscription payments to be made over the SBITA term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial measurement of the subscription liability,

adjusted for payments associated with the SBITA contract made to the vendor at the commencement of the subscription term, plus any capitalizable initial implementation costs, less any vendor incentives received at the commencement of the subscription term. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the useful life of the IT asset or subscription term. Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term obligations on the statement of net position.

The Borough uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the Borough uses its estimated incremental borrowing rate as the discount rate. The subscription term includes the noncancellable period during which the Borough has a noncancelable right to use the underlying IT assets. If there is an extension option on the subscription term that is likely to be executed, that period is also included.

II – Stewardship, Compliance and Accountability

A. Budgetary Information

The budgetary data presented in the financial statements is reflective of the following procedure:

Before May 15th of each year, the Borough Mayor submits to the Borough Assembly a proposed budget for the next fiscal year of the Borough. The Assembly then conducts public hearings to obtain taxpayer comment. These budgets are legally enacted by passage of an ordinance and the mill levies are established. Alaska law mandates that tax levies be adopted no later than midnight of June 14 each year.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except certain special revenue funds which are grant and project funded and capital project funds, which adopt project-length budgets. Special revenue funds that are not budgeted for are the Land Trust Investment Fund, Environmental Protection Programs Fund, Disaster Relief Fund, and Miscellaneous Grants Fund. All annual appropriations lapse at fiscal year-end.

Annual budgets are also adopted for the internal service funds. However, generally accepted accounting principles do not require the reporting of budgets for internal service funds, and budgetary comparisons are not included for these funds because the measurement focus is based upon determination of net income and financial position.

The legal level of control is at the fund level. The Mayor may transfer unencumbered balances within a fund, which is then reported to the Assembly on a monthly basis. Assembly action is required to transfer between funds, departments, or other major budget classification such as departmental divisions. After the initial introduction at any meeting of the Assembly of an ordinance, other than an emergency ordinance or one that adds to, amends, or repeals any provision in the Kenai Peninsula Borough Code, at least 13 days shall be allowed to pass before the public hearing and Assembly vote occurs. For ordinances that add to, amend, or repeal any provision in the Kenai Peninsula Borough Code, at least 25 days shall be allowed to pass before the public hearing and Assembly vote occurs. Emergency appropriations to meet public emergencies affecting life, health, welfare, or property may be made by the Assembly by ordinance without notice of public hearing. An emergency appropriation is effective for 60 days.

The Kenai Peninsula Borough School Board is required by Alaska law to adopt and submit their annual budget to the Kenai Peninsula Borough Assembly by May 1 of each year for approval by the Assembly of the total amount. Within 30 days after receipt of the School District budget, the Borough Assembly must determine the total amount of funds to be made available from local sources for school purposes and must furnish the Board of Education with a statement of this amount.

III – Detailed Notes on all Funds

A. Deposit and Investment Risk Disclosure

As of June 30, 2024, the Borough, School District, CPH and SPH's investments were as follows:

<u>Investment Type</u>	<u>Fair Value*</u>	<u>Fixed Income Investment Maturities (in years)</u>		
		<u>Less than 1</u>	<u>1-3</u>	<u>3-5</u>
Central Treasury Unrestricted:				
Principal Money Market Funds	\$ 14,450,390	\$ 14,450,390	\$ -	\$ -
Repurchase Agreements	33,349,893	33,349,893	-	-
Certificates of Deposit	1,483,986	495,425	988,561	-
U.S. Treasuries	85,392,802	15,293,451	33,393,459	36,705,892
U.S. Agencies	37,958,508	-	29,990,664	7,967,844
Asset-Backed Securities**	1,013,124	-	1,013,124	-
Municipal Bonds	22,245,892	8,218,643	14,027,249	-
Corporate Fixed Income Bonds	35,382,699	7,266,648	24,813,498	3,302,553
	<u>\$ 231,277,294</u>	<u>\$ 79,074,450</u>	<u>\$104,226,555</u>	<u>\$ 47,976,289</u>
Central Treasury–Restricted:				
BNY Bond Reserve Accounts	5,896,747	5,896,747	-	-
Repurchase Agreements	3,760,999	3,760,999	-	-
AMLIP	54,300,207	54,300,207	-	-
U.S. Agencies	79,220,929	38,746,215	40,474,714	-
	<u>\$ 143,178,882</u>	<u>\$ 102,704,168</u>	<u>\$40,474,714</u>	<u>-</u>
Total Central Treasury Investments	<u>\$ 374,456,176</u>	<u>\$ 181,778,618</u>	<u>\$ 144,701,269</u>	<u>\$ 47,976,289</u>
Land Trust Investment Fund (LTIF):				
Money Market Funds	372,798	372,798	-	-
U.S. Fixed Income	3,662,514	3,662,514	-	-
TIPS	302,744	302,744	-	-
International Bonds	878,493	878,493	-	-
Total Central Treasury & LTIF Investments with maturity date	<u>\$ 379,672,725</u>	<u>\$ 186,995,167</u>	<u>\$ 144,701,269</u>	<u>\$ 47,976,289</u>
Land Trust Investment Fund with no maturity date (LTIF):				
Equities	7,378,377			
Alternatives/real assets	<u>2,931,446</u>			
Total LTIF Investments with no maturity date	<u>10,309,823</u>			
Total Central Treasury & LTIF Investments	<u>\$ 389,982,548</u>			

*Market value plus accrued income.

**Includes asset-backed securities, residential and commercial mortgage-backed securities.

The Borough has adopted a formal investment policy, which seeks the preservation of capital, maintaining a sufficient level of liquidity to meet cash flow requirements, and attaining a market rate of return while taking into account risk constraints.

The Land Trust Investment Fund "(LTIF)" was established through Ordinance 2018-29 in September 2018, KPB 5.20.080. Contributions of \$13,127,616 have been made since the

inception of the fund. The financial assets of the Land Trust Investment Fund are committed to preserve the value of land assets that are sold and to generate investment income to support and supplement the operating revenue of the Land Trust Fund and for other uses as determined by the Assembly.

Fair Value Measurement: The Borough categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Borough has the following recurring fair value measurements as of June 30, 2024:

Investments Measured at Fair Value

Investments by Fair Value Level	Fair Value	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Treasuries	\$ 85,392,802	\$ 85,392,802	\$ -	\$ -
U.S. Agencies	117,179,437	-	117,179,437	-
Asset-Backed Securities	1,013,124	-	1,013,124	-
Municipal Bonds	22,245,892	-	22,245,892	-
Corporate Bonds	35,382,699	-	35,382,699	-
Certificates of Deposit	1,483,986	-	1,483,986	-
U.S. Fixed Income	3,662,514	3,662,514	-	-
TIPS	302,744	302,744	-	-
International Bonds	878,493	878,493	-	-
Equities	7,378,377	7,378,377	-	-
Alternatives/real assets	2,931,446	2,931,446	-	-
Total Investments at fair value level	<u>277,851,514</u>	<u>\$ 100,546,376</u>	<u>\$ 177,305,138</u>	<u>\$ -</u>
AMLIP *	54,300,207			
Money Market Funds*	20,719,935			
Repurchase Agreements*	<u>37,110,892</u>			
Total Central Treasury and LTIF investments	<u><u>\$ 389,982,548</u></u>			

* The Borough's investment in Repurchase Agreements, Money Market Funds and AMLIP are measured at amortized cost, as of June 30, 2024. Management believes these values approximate fair value.

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The AMLIP is an external investment pool, which is rated AAA by Standard and Poor's Corporation for credit risk purposes. Alaska Statute 37.23 establishes regulatory oversight of the pool. The law sets forth numerous requirements regarding authorized investments and reporting. On a

monthly basis the investments in the pool are reviewed for fair value by an independent pricing service. The values of investments in the AML pool are approximately equal to fair value. There are no limitations or restrictions on participant withdrawals from the AMLIP investment pool.

Interest Rate Risk: To limit its interest rate risk the Borough's investment policy recommends that a minimum of forty percent of the portfolio to be invested for one year or less and repurchase agreements shall not make up more than twenty percent of the portfolio. Investment maturities are limited as follows:

<u>Maturity</u>	<u>Target Maturity Level</u>	<u>Actual Investment</u>
One Year or Less	40%	48%
One to Three Years	30%	39%
Three to Five Years	30%	13%

The fair values of the Borough's Land Trust Investment Fund fixed income investments fluctuate in response to changes in market interest rates. Increases in prevailing interest rates generally translate into decreases in fair values of those instruments. Fair values of interest rate sensitive instruments may be affected by the creditworthiness of the issuer, prepayment options, relative values of alternative investments, the liquidity of the instrument, and other general market conditions. Duration of a financial asset measures the sensitivity of the asset's price to changes in interest rates. The benchmark index for the U.S. fixed income component of the fund is the Bloomberg U.S. Aggregate Bond Index or a substantially similar index for the benchmark. The index allows for maturities greater than 1 year. At June 30, 2024, the index had an average duration of 6.1 while the fund's U.S. fixed income component had an average duration of 6.0.

Option Risk: Option risk is the risk that an investment's issuer may exercise a right embedded in the investment—an embedded option. The Borough invests in securities issued by U.S. Government Agencies and highly rated corporate issuers that may contain call options or variable rate features. As of June 30, 2024, about \$31.9 million or 10.2% of the portfolio securities contain call options and about \$4.3 million or 1.4% of the portfolio securities have variable rate features. The exercise of the call option by the issuer occurs during times of declining interest rates; therefore, the Borough is exposed to the risk of having to reinvest at a lower interest rate. The securities are listed below at their earliest call dates. Three agency mortgage-backed securities have a variable rate feature in which the rate remains fixed until a time when certain events could transpire. The coupon rate established at the time the security was structured is based on the blended rate of the underlying mortgage loans that were pooled together to make the security. The pool of loans contains underlying mortgages at different rates of interest. If a majority of the higher interest rate loans were paid off at a faster pace than the lower interest rate loans, to the point that the coupon rate of the security would no longer be able to support the stated blended rate of the underlying mortgage loans, then the coupon would be adjusted lower to reflect the lower income stream on the remaining mortgage loans. The adjustment, if it were to occur, would be relatively minor and is probably unlikely.

<u>Investment</u>	<u>Rate</u>	<u>Type of Option</u>	<u>Original Maturity</u>	<u>Next Call Date</u>
FHLMC	5.08	Quarterly	October 25, 2024	July 25, 2024
Microsoft Corp	2.70	Quarterly	February 12, 2025	August 12, 2024
Pepsico Inc	2.25	One Time	March 19, 2025	February 19, 2025
Morgan Stanley Bank	5.479	Cont After Call	July 16, 2025	June 16, 2025
Johnson & Johnson	0.55	Cont After Call	September 1, 2025	August 1, 2025
Automatic Data Processing	3.375	Cont After Call	September 15, 2025	June 15, 2025
Microsoft Corp	3.125	Cont After Call	November 3, 2025	August 3, 2025
Bank of New York Mellon	5.224	Cont After Call	November 21, 2025	November 21, 2024
Visa Inc	3.15	An/Cont 10/21/25	December 14, 2025	September 14, 2025
Berkshire Hathaway Inc	3.125	Cont After Call	March 15, 2026	December 15, 2025
FHLB	5.125	Cont After Call	March 27, 2026	December 27, 2025

<u>Investment</u>	<u>Rate</u>	<u>Type of Option</u>	<u>Original Maturity</u>	<u>Next Call Date</u>
Walmart Inc	4.00	One Time	April 15, 2026	March 15, 2026
Apple Inc	4.421	Cont After Call	May 8, 2026	May 8, 2024
Bank of New York Mellon	5.148	An/Cont 4/22/26	May 22, 2026	May 22, 2025
Wells Fargo Bank	5.450	Cont After Call	August 7, 2026	July 7, 2026
Bank of America	5.526	Cont After Call	August 18, 2026	July 17, 2026
Wells Fargo Bank	5.254	Cont After Call	December 11, 2026	November 10, 2026
Morgan Stanley Bank	4.952	An/Cont 12/14/27	January 14, 2028	January 14, 2027
Johnson & Johnson	2.900	Cont After Call	January 15, 2028	October 15, 2027
Morgan Stanley Bank	5.504	An/Cont 4/26/28	May 26, 2028	May 26, 2027
Bank of New York Mellon	5.224	Variable Rate	November 21, 2025	n/a
Bank of New York Mellon	5.148	Variable Rate	May 22, 2026	n/a
Morgan Stanley Bank	4.952	Variable Rate	January 14, 2028	n/a
Morgan Stanley Bank	5.504	Variable Rate	May 26, 2028	n/a

Concentration of Credit Risk: The Borough's investment policy limits the amount that can be invested in a security based on the type. The Borough had three issuers in the U.S. Agencies investment type that represents 5% or more of the total investments other than explicitly guaranteed U.S. government securities. GASB Statement No. 40, "Deposit and Investment Risk Disclosures - an amendment of GASB Statement No. 3" requires disclosure when 5% or more is invested in any one issuer. The three issuers in excess of 5% are as follows:

<u>Issuer</u>	<u>% of Portfolio</u>	<u>% of Investment Type</u>
Federal National Mortgage Association	12.30%	29.12% of US Agency
Federal Farm Credit Bank	13.24%	31.34% of US Agency
Federal Home Loan Bank	12.68%	30.01% of US Agency

The percentages of investment by type are as follows:

<u>Investment Type</u>	<u>Maximum Allowable % per Investment Policy</u>	<u>Maximum Maturity per Investment Policy</u>	<u>Actual % as of June 30, 2024</u>
U.S. Treasury Securities	100%	5 years	22.8%
U.S. Agencies	100%	5 years	31.6%
Corporate Bonds	50%	5 years	9.5%
Municipal Bonds	25%	5 years	5.9%
Repurchase Agreements	20%	n/a	9.9%
Money Market Funds	20%	n/a	5.4%
AMLIP	20%	n/a	14.5%
Bankers' Acceptances	10%	3 years	0.0%
Commercial Paper	25%	270 days	0.0%

Term Repurchase Agreements and Certificates of Deposit:

7-day term or shorter	25%	n/a	0.0%
Greater than 7-day term	25%	3 years	0.4%

The following is a list of asset classes allowed for the Land Trust Investment Fund, their benchmark index, their appropriate target weighting, minimum, maximum, and the actual weighting at June 30, 2024.

<u>Asset Class</u>	<u>Target % Weighting</u>	<u>Minimum % Weighting</u>	<u>Maximum % Weighting</u>	<u>Actual % Weighting</u>
FIXED INCOME	27%			
Cash	2%	0%	10%	2.4%
U.S. Fixed Income	18%	8%	28%	23.6%
TIPS	2%	0%	10%	1.9%
International Bonds	5%	0%	10%	5.7%
EQUITY	52%			
High Yield	5%	0%	10%	0.0%
U.S. Large-Cap Equity	22%	12%	32%	22.7%
U.S. Mid-Cap Equity	10%	5%	15%	10.1%
U.S. Small-Cap Equity	5%	0%	10%	4.7%
International Equity	6%	0%	12%	5.9%
Emerging Markets Equity	4%	0%	8%	4.1%
ALTERNATIVES	21%			
Real Estate	3%	0%	6%	2.7%
Infrastructure	5%	0%	10%	4.7%
Commodities	3%	0%	6%	3.0%
Alternative Beta	10%	0%	15%	8.5%

Credit Risk: Alaska State Law does not have specific investment limitations. It is the Borough's policy to limit its investments to investment grade securities. Investment grade corporate bonds are defined as those with a rating of "triple B" or higher by a nationally recognized statistical rating organization (NRSROs). In the event an issuer of a corporate bond held in the portfolio having a remaining term to maturity of more than one year is downgraded to less than "triple B" by both Moody's and S&P, the security will be sold. Commercial paper must be rated "A" or P1 or higher by Moody's Investor's Service, Inc. and "A" or A1 or higher by Standard and Poor's Corporation at the time of purchase. Municipal bonds issued by states or political subdivisions must be rated "A" or P1 or higher by Moody's Investor's Services, Inc. and "A" or A1 or higher by Standard and Poor's Corporation.

As of June 30, 2024, the Borough's investments in money market funds, corporate bonds, municipal bonds, and U.S. Government agencies or instruments implicitly guaranteed by the U.S. Government were rated as follows:

<u>Moody's</u>		<u>S & P</u>	
Aaa	65%	AAA	21%
Aa	9%	AA	30%
A	1%	A	4%
Not rated*	25%	Not Rated*	45%
	<u>100%</u>		<u>100%</u>

*Collateralized

A blend of the Barclays U.S. Aggregate Bond Index, the Bloomberg 1-5 Year Government Credit Index, the Bloomberg U.S. High Yield Very Liquid Index, the Bloomberg 0-5 Year TIPS Index, the Bloomberg Global Aggregate ex-USD Float Adjusted RIC Capped Index, and the Citigroup 3-month Treasury Bill Index are utilized as the benchmark for the fixed income allocation at each asset class's target weighting, per Kenai Peninsula Borough Resolution 2021-079.

Custodial Credit Risk: Custodial credit risk is the risk that in the event of the failure of a depository institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. To limit custodial credit risk, it is the Borough's policy to collateralize all monies deposited in excess of the FDIC limit. All pledged collateral for the Kenai Peninsula Borough must be held in a collateral custodian account of the Kenai Peninsula Borough under a formal tri-party agreement. Of the Borough's \$37.11 million in repurchase agreements at June 30, 2024, \$37.04 million of underlying securities are pledged to the Borough by the Bank. This collateral is owned by the Bank and held by the third-party custodian. The remaining balance of \$0.07 million is in the Borough's overnight sweep account and the funds have not been posted to the Borough's bank account. When received, the funds will be collateralized. The Federal Deposit Insurance Corporation (FDIC) insures \$250,000.

Cash and short-term investment balances at June 30, 2024, consisted of the following:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Cash and short-term investments held in central treasury:		
Checking accounts:		
Primary Government	\$ (2,394,400)	\$ 70,966
Discretely Presented Component Unit (School District)	<u>(1,361,102)</u>	<u>-</u>
Total cash and short-term investments held in central treasury	<u>(3,755,502)</u>	<u>70,966</u>
Other cash and investments:		
Primary Government -		
Checking and savings accounts	386,303	463,329
Cash on hand	2,260	-
Short-term investments	<u>15,526,372</u>	<u>14,353,357</u>
Total other cash and short-term investments	<u>\$ 15,914,935</u>	<u>14,816,686</u>

The following is a summary of equity in central treasury and investments at June 30, 2024:

General Fund (major fund)	\$ 41,225,148
Special revenue funds (major funds)	18,079,733
Special revenue funds	30,091,697
Capital projects funds (major fund)	36,570,197
Capital project funds	25,956,791
Capital project funds – Restricted (major fund)	50,607,841
Internal service funds	<u>24,540,338</u>
Total Governmental Activities equity in central treasury	\$ <u>227,071,745</u>
Fiduciary fund	\$ <u>633,611</u>
<u>Discretely Presented Component Units</u>	
School District	\$ 38,066,370
Central Peninsula Hospital	3,137,739
Central Peninsula Hospital – Restricted assets	9,788,587
Central Peninsula Hospital – Assets whose use is limited	75,618,801
South Peninsula Hospital	8,178,507
South Peninsula Hospital – Restricted assets	23,253
South Peninsula Hospital – Assets whose use is limited	<u>8,182,060</u>
Total equity in central treasury	\$ <u>370,700,673</u>

The equity in central treasury consists of the following:

Cash and short-term investments	\$ (3,755,502)
Investments	<u>374,456,175</u>
	<u>\$ 370,700,673</u>

Calculation of the net increase (decrease) in the fair value of investments-aggregate method:

Fair value at June 30, 2024	\$ 374,456,175
Add: cost of investments sold/called/matured in FY2024	144,587,410
Less: cost of investments purchased in FY2024	(163,820,357)
Less: fair value at June 30, 2023	<u>(348,906,574)</u>
Change in fair value of investments	<u>\$ 6,316,654</u>

B. Property Taxes

The Borough bills and collects its own property taxes as well as those of the cities within the Borough. The taxes collected on behalf of the Borough cities are recorded in the Custodial Fiduciary Fund. Beginning with FY1989, the Borough contracted with the State of Alaska for collection of the tax on motor vehicles. This contract allows the State to collect taxes according to a prescribed schedule of values at the time of registration of an individual's motorized vehicle. The State then remits to the Borough the total collections less an 8% service fee.

The Borough is permitted by state law to levy up to \$3.00 per \$100 of assessed valuation for general government services other than the payment of principal and interest on long-term debt. State law prohibits taxation that will result in tax revenues from all sources exceeding \$1,500 per year for each person residing within the municipal boundaries or upon value that, when combined with the value of property otherwise taxable by the Borough, exceeds the product of 225 percent of the average per capita assessed full and true value of property in the State multiplied by the number of residents. The Borough is within these limits.

The Borough also collects its own sales tax as well as that of the cities within the Borough. The Borough-wide sales tax rate is 3%, while the city rates vary from 2% - 6.5%. The sales tax collections for Borough cities are recorded in the Custodial Fiduciary Fund.

Property Tax Calendar

Assessment date	January 1, 2023	Total taxes are due	October 15, 2023
Levy date	Not later than June 15, 20223	Penalties & interest added	October 17, 2023
Tax bills mailed	Not later than July 1, 2023	Lien date	April 15, 2024

Property taxes levied for the current year are recognized as revenues, even though a portion is collected in the period subsequent to the year end. The Borough's property tax collection records show that approximately 98.1% of the property taxes due were collected within 60 days after the due date. Assessed values are established by the Kenai Peninsula Borough assessor's office.

C. Receivables

Receivables at June 30, 2024 for the government's individual major funds, proprietary funds, and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Major Funds				Nonmajor Funds		Total
	General	Central Emergency Service Area Special Revenue	Miscellaneous Grants Special Revenue	Solid Waste Capital Project Fund	Other Gov't Funds	Internal Service Funds	
Taxes	\$ 9,629,581	\$ 139,023	\$ -	\$ -	\$ 332,592	\$ -	\$10,101,196
Accounts and other receivables	423,854	351,867	-	-	480,537	54,175	1,310,433
Leases receivable	319,979	40,125	-	-	4,296,081	-	4,656,185
Land sale contracts	-	-	-	-	1,498,500	-	1,498,500
Due from landowners	1,447,320	-	-	-	-	-	1,447,320
Intergovern -mental	<u>1,290,396</u>	<u>869,913</u>	<u>550,421</u>	<u>172,676</u>	<u>1,039,976</u>	<u>-</u>	<u>3,923,382</u>
Total receivables	13,111,130	1,400,928	550,421	172,676	7,647,686	54,175	22,937,016
Less Allowance for uncollectibles	<u>(42,191)</u>	<u>(3,703)</u>	<u>-</u>	<u>-</u>	<u>(8,929)</u>	<u>-</u>	<u>(54,823)</u>
	<u>\$13,068,939</u>	<u>\$ 1,397,225</u>	<u>\$ 550,421</u>	<u>\$ 172,676</u>	<u>\$7,638,757</u>	<u>\$ 54,175</u>	<u>\$ 22,882,193</u>

South Peninsula Hospital Note Receivable

In FY2024, a loan agreement was executed between the Kenai Peninsula Borough and South Peninsula Hospital in the not to exceed amount of \$7 million to finance the replacement of the Hospital's Electronic Medical Record (EMR) software. This loan is based on draws only and interest will begin accruing on the date of the first reimbursement draw. Payments are due quarterly from that time. The first reimbursement draw was on June 21, 2024. Current principal balance is \$45,450 with accrued interest of \$53. The principal due within one year is \$8,112.

D. Deferred Inflows of Resources, Deferred Outflows of Resources and Unearned Revenues

Governmental funds report deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. The governmental funds and the government-wide statements report unearned revenue in connection with resources that have been received, but not yet earned. The government-wide statements report deferred outflow of resources in connection with deferred losses on bond refundings. The government-wide statements also report deferred outflows of resources and deferred inflows of resources for pension and OPEB related items; as well as lease related items. At June 30, 2024, the various components of unearned revenue, deferred inflows, and deferred outflows of resources reported in the governmental funds and government-wide statements were as follows:

	<u>Government-Wide</u>			<u>Fund Level</u>	
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Unearned</u>	<u>Deferred Inflows</u>	<u>Unearned</u>
Unamortized deferred loss Pension and OPEB related	\$ 515,579 6,342,168	\$ - 1,020,087	\$ - -	\$ - -	\$ - -
Property taxes receivable:					
General Fund	-	-	-	503,977	-
Central Emergency Service Area	-	-	-	109,431	-
Nonmajor gov't funds	-	-	-	289,614	-
Prepaid property tax:					
General Fund	-	7,082,876	-	7,082,876	-
Central Emergency Service Area	-	520,376	-	520,376	-
Nonmajor gov't funds	-	8,011,992	-	8,011,992	-
Lease Related:					
General Fund	-	309,385	-	309,385	-
Central Emergency Service Area	-	37,529	-	37,529	-
Nonmajor gov't funds	-	4,051,122	-	4,051,122	-
Land sales receivable:					
Nonmajor gov't funds	-	-	-	1,498,500	-
Grant funds received prior to meeting all eligibility requirements:					
General Fund	-	-	3,241	-	3,241
Central Emergency Service Area	-	-	2,501	-	2,501
Miscellaneous Grant Special Revenue Fund	-	-	12,705,220	-	12,705,220
Solid Waste Capital Project Fund	-	-	1,813,481	-	1,813,481
Nonmajor gov't funds	-	-	800,117	-	800,117
	<u>\$ 6,857,747</u>	<u>\$21,033,367</u>	<u>\$15,324,560</u>	<u>\$22,414,802</u>	<u>\$ 15,324,560</u>

E. Capital Assets

Capital asset activity for the year ended June 30, 2024 was as follows:

Governmental Activities:	Balance July 1, 2023	Additions/ Transfers	Deductions/ Transfers	Balance June 30, 2024
Capital assets, not being depreciated:				
Land	\$ 75,840,396	\$ -	\$ (8,646)	\$ 75,831,750
Construction in progress	<u>15,998,567</u>	<u>10,177,553</u>	<u>(11,603,347)</u>	<u>14,572,773</u>
Total capital assets, not being depreciated	<u>91,838,963</u>	<u>10,177,553</u>	<u>(11,611,993)</u>	<u>90,404,523</u>
Capital assets, being depreciated/amortized:				
Buildings	317,990,039	4,612,631	-	322,602,670
Right-to-use leased building	114,131	-	-	114,131
Subscription IT arrangements	469,838	268,780	(76,523)	662,095
Improvements other than buildings	101,558,938	6,617,214	-	108,176,152
Machinery and equipment	55,595,576	2,802,395	(2,245,345)	56,152,626
Infrastructure	<u>20,959,091</u>	<u>428,942</u>	<u>-</u>	<u>21,388,033</u>
Total capital assets being depreciated	<u>496,687,613</u>	<u>14,729,962</u>	<u>(2,321,868)</u>	<u>509,095,707</u>
Less accumulated depreciation and amortization for:				
Buildings	(235,826,226)	(4,702,653)	-	(240,528,879)
Right-to-use leased building	(25,983)	(35,917)	-	(61,900)
Subscription IT arrangements	(192,561)	(272,848)	76,524	(388,885)
Improvements other than buildings	(77,804,433)	(3,218,714)	-	(81,023,147)
Machinery and equipment	(40,171,300)	(4,243,686)	2,075,857	(42,339,129)
Infrastructure	<u>(7,093,386)</u>	<u>(564,280)</u>	<u>-</u>	<u>(7,657,666)</u>
Total accumulated depreciation and amortization	<u>(361,113,889)</u>	<u>(13,038,098)</u>	<u>2,152,381</u>	<u>(371,999,606)</u>
Total capital assets, being depreciated and amortized, net	<u>135,573,724</u>	<u>1,691,864</u>	<u>(169,487)</u>	<u>137,096,101</u>
Governmental activities capital assets, net	<u>\$ 227,412,687</u>	<u>\$ 11,869,417</u>	<u>\$ (11,781,480)</u>	<u>\$ 227,500,624</u>

Internal service funds serve the governmental funds. Accordingly, their capital assets are included as part of the above totals for governmental activities.

Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General government	\$ 877,475
Solid waste facilities	2,057,803
Public safety	4,082,998
Recreation	284,314
Education	4,408,857
Roads and trails	588,304
Internal Service Funds	<u>738,347</u>
Total depreciation and amortization expense - governmental activities	<u>\$ 13,038,098</u>

Construction commitments:

The Borough has numerous active construction projects as of June 30, 2024. The projects include major repair of existing roads, improvement to school facilities and public safety facilities. At year end the Borough’s commitments with contractors are as follows:

<u>Projects</u>	<u>Remaining Commitments</u>	<u>Financing Sources</u>
Major repair of existing roads	\$ 442,161	Federal and state grants and local funding
Solid waste facilities	895,896	Federal grants and local funding
Educational facilities	5,810,814	General obligation bonds, federal and state grants and local funding
Fire and emergency facilities	233,822	General obligation bonds and local funding
General government facilities	<u>715,947</u>	Local funding
Total	\$ <u>8,098,640</u>	

F. Leases and Subscription-Based Information Technology Arrangements (SBITAS)

Leases receivable:

In FY2024, the Borough had 35 active leases in which the Borough was the lessor, including tower leases, land leases and building leases. Two new land leases were added in FY2024; and no leases expired within FY2024. Lessor activities are not the Borough’s primary function. The Borough recognized \$338,113 in lease revenue and \$138,030 in interest revenue related to these leases in FY2024. As of June 30, 2024 the Borough’s receivable for these leases was \$4,656,185. Also, the Borough shows a deferred inflow of resources associated with the leases that will be recognized as revenue over the lease terms. As of June 30, 2024, the balance of the deferred inflow of resources was \$4,398,036.

Leases payable:

In FY2024, the Borough had two active leases in which the Borough was the lessee, consisting of a tower lease and a building lease. The value of the right-to-use assets at the end of the current fiscal year net of accumulated amortization totals \$52,231.

The future principal and interest lease payments as of June 30, 2024, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2025	\$ 29,714	\$ 737	\$ 30,451
2026	9,811	309	10,120
2027	10319	105	10,424
2028	5,289	-	5,289
Totals	\$ 55,133	\$ 1,151	\$ 56,284

SBITAs:

In FY2024, the Borough had nine active SBITAs, six of which matured during the year. The Borough recognized an initial liability totaling \$268,780 during the current year. The value of the IT assets at the end of the current fiscal year net of accumulated amortization totals \$273,210.

The future principal and interest payments as of June 30, 2024, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2025	\$ 78,573	\$ 4,450	\$ 83,023
2026	82,064	1,456	83,520
2027	20,619	704	21,323
2028	16,287	110	16,397

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2029	227	1	228
Totals	\$ 197,770	\$ 6,721	\$ 204,491

G. Interfund Receivables, Payables and Transfers

Interfund Receivables and Payables

The composition of interfund balances as of June 30, 2024 is as follows:

In 2022, the Borough Assembly approved an interfund loan from the Land Trust Investment Fund to the Western Emergency Service Area for \$736,679 to purchase land adjacent to the existing fire station. As of June 30, 2024, the amount outstanding was \$587,106.

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Nonmajor governmental funds	\$ <u>587,106</u>	\$ <u>587,106</u>
Total	\$ <u>587,106</u>	\$ <u>587,106</u>

Interfund Transfers

Interfund transfers have been made in accordance with appropriating ordinances. The Borough collects a 3% sales tax and records the revenue in the General Fund. Sales tax, specifically dedicated to School District operations, and additional funds appropriated by the Assembly are transferred in monthly installments from the General Fund to the School District. The School District is a discretely presented component unit of the Borough and therefore the funding was shown as an expenditure of the General Fund and not an interfund transfer.

Transfers between funds for the year ended June 30, 2024, were as follows:

<u>Transfers Out</u>	<u>Transfers In</u>				<u>Total</u>
	<u>Central Emergency Service Area</u>	<u>Solid Waste Capital Project Fund</u>	<u>Central Emergency Service Area Capital Project Fund</u>	<u>Other Gov't Funds</u>	
General Fund	\$ -	\$ 12,339,895	\$ -	\$ 10,004,402	\$ 22,344,297
Central Emergency Service Area	-	-	5,700,000	1,780,999	7,480,999
Central Emergency Service Area Capital Project Fund	-	-	-	3,003	3,003
Nonmajor governmental funds	9,783	-	-	5,412,097	5,421,880
Total	\$ <u>9,783</u>	\$ <u>12,339,895</u>	\$ <u>5,700,000</u>	\$ <u>17,200,501</u>	\$ <u>35,250,179</u>

Significant transfers were as follows:

- The General Fund transferred \$4,942,152 to the School Debt Service Fund to fund FY2024 debt service payments on bonds sold to finance construction of school facilities and capital maintenance, of which \$1,796,920 was reimbursed by the State of Alaska.
- The General Fund transferred \$4,000,000 to the School Revenue Capital Projects Fund to fund capital maintenance on school facilities, and \$12,339,895 to the Solid Waste Capital Projects Fund to fund capital maintenance projects on solid waste facilities and closure/post closure liability.
- The Central Emergency Service Area Special Revenue Fund transferred \$5,700,000 to the Central Emergency Service Area Capital Project Fund to support fire equipment and facility maintenance capital projects and \$1,632,639 to the Central Emergency Services Debt Service Fund.
- The Road Service Area Special Revenue Fund transferred \$2,200,000 to the Road Service Area Capital Project Fund to support road upgrades and major maintenance.

H. Risk Management

The Kenai Peninsula Borough has established an office of Risk Management and a limited self-insurance program which is codified by Borough ordinance and administered by the Risk Manager and a Risk Management Committee. It is the responsibility of the Risk Manager and the Risk Management Committee to insure, self-insure and select appropriate retention levels and deductibles for the risks confronting the Kenai Peninsula Borough, its Service Areas and the School District. All losses, or claims, are reported to the Office of Risk Management and are handled internally within the retention levels and deductibles, and all new and outstanding claims are reviewed monthly with the Risk Management Committee and the Risk Manager.

The greatest exposure to financial loss confronting the Kenai Peninsula Borough and School District would be in the areas of property loss, auto liability and general liability due to the number of properties and the fleet of vehicles owned and operated by the Borough and School District. The Borough also purchases several excess policies which provide coverage beyond what is included in the package policy as well as pollution liability coverage for incidents arising from Borough owned landfills effective July 1, 2016.

Insurers provide annual aggregate limits in excess of the retention level for the exposures of general liability, auto liability, public officials' liability, educational errors and omissions and professional liability. Insurance coverage for these various liability exposures are written on a combined policy form. There were no material changes in the amounts of coverages, retentions or deductibles during the current fiscal year.

Self-insured retention/deductible amounts and upper coverage limits of excess insurance for major coverages are as follows:

	Self-Insured Retention (Deductible)	Upper Coverage Limits of Excess Insurance
Auto & General Liability	\$ 300,000	\$ 15,000,000
Employers Liability	\$ 250,000	\$ 2,500,000
Workers' Compensation	\$ 250,000	Statutory Benefit
All-Risk Property:		
Buildings	\$ 100,000	\$ 1,584,006,830
Mobile Equipment	\$ 5,000	Actual Cash Value
Fire & EMS Apparatuses	\$ 10,000	Scheduled Value
Automobile	\$ 10,000	Actual Cash Value
Crime	\$ 1,000	\$ 500,000

Claims resulting from these risks have not exceeded commercial insurance coverage in any of the past five fiscal years.

The Kenai Peninsula Borough Insurance and Litigation Fund allocates the costs of insurance coverage on a proportionate share basis to the Borough, its Service Areas and the School District. In addition, an appropriate sum is charged for anticipated losses and claims that will be paid within the self-insured retention and deductible levels. The net position of the Fund is for future catastrophic losses.

	<u>2024</u>	<u>2023</u>
Beginning of fiscal year liability	\$ 2,450,354	\$ 2,279,900
Current year claims incurred and changes in estimates for claims incurred in prior years	2,512,706	1,686,823
Claims and expenses paid	<u>(2,147,256)</u>	<u>(1,516,369)</u>
End of fiscal year liability	\$ <u>2,815,804</u>	\$ <u>2,450,354</u>

Included above is a liability for incurred but not reported (IBNR) claims of \$431,428. Experience indicates those losses or claims do not go unreported for any significant length of time, therefore, the exposure to IBNR losses or claims is minimal.

In addition to the risk management issues listed above, the Borough maintains a health and medical benefit program, which covers all permanent employees working more than half-time. The Borough retains a major portion of the risk of this plan, and, accordingly, is liable for any employee health claims that are approved for payment. Stop-loss limits are \$200,000 for individual claims. Health and medical expenditures totaled \$6,927,764 for the year ended June 30, 2024, and consisted of paid claims, stop-loss premiums and administrative fees. Accruals were made based on estimates of health claims at year-end, including claims incurred but not reported.

Such accruals are accounted for in the Employee Health Insurance Internal Service Fund. A schedule of the changes in the healthcare claims liability for the two years ended June 30, 2024 and 2023 follows:

	<u>2024</u>	<u>2023</u>
Health insurance claims liabilities, beginning of year	\$ 628,406	\$ 763,327
Current year claims incurred and changes in estimates for claims incurred in prior years	6,308,742	6,530,468
Claims and expenses paid	<u>(6,308,742)</u>	<u>(6,665,389)</u>
Health insurance claims liabilities, end of year	\$ <u>628,406</u>	\$ <u>628,406</u>

I. Long-term Liabilities

A summary of long-term liability activity for the year ended June 30, 2024 is as follows:

	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2024</u>	<u>Due Within One Year</u>
Governmental activities:					
Areawide school bonds	\$ 51,845,000	\$ -	\$ 2,875,000	\$ 48,970,000	\$2,985,000
Central Emergency Services bonds	17,415,000	-	800,000	16,615,000	835,000
Bear Creek Fire bonds	795,000	-	75,000	720,000	75,000
Leases payable	90,462	-	35,329	55,133	29,714
Subscription IT liabilities	126,204	268,780	197,214	197,770	78,573
Compensated absences *	3,654,862	3,074,456	2,622,563	4,106,755	1,026,690
Net Pension Liability **	37,458,187	-	564,097	36,894,090	-
Landfill closure / postclosure	<u>10,565,992</u>	<u>11,214,895</u>	<u>90,919</u>	<u>21,689,968</u>	<u>-</u>
Total governmental activities long-term liabilities	<u>\$121,950,707</u>	<u>\$ 14,558,131</u>	<u>\$7,260,122</u>	<u>\$129,248,716</u>	<u>\$5,029,977</u>
Unamortized premium on bonds:					
School bonds 2014	15,127	-	15,127	-	-
School bonds 2014 refunding	1,026,838	-	229,020	797,818	-
School bonds 2023	3,987,012	-	337,577	3,649,435	-
CES bonds 2015 refunding	21,291	-	11,689	9,602	-
CES bonds 2016	70,947	-	17,516	53,431	-
CES bonds 2020	177,192	-	26,060	151,132	-
CES bonds 2023	<u>1,929,363</u>	<u>-</u>	<u>163,379</u>	<u>1,765,984</u>	<u>-</u>
	<u>\$129,178,477</u>	<u>\$ 14,558,131</u>	<u>\$8,060,490</u>	<u>\$135,676,118</u>	<u>-</u>

* Based on an analysis of actual compensated absence expenditures/expense during fiscal year 2023, management estimates 25% of these balances will be used in FY2024. Therefore, 25% of the balance of compensated absences is classified as due within one year. Other long-term liabilities related to governmental activities such as compensated absences are generally liquidated by the General Fund.

** Pension and other post-employment benefits are generally liquidated approximately 39% by the General Fund and 49% by public safety related special revenue funds, with 12% being liquidated by recreation and roads related special revenue funds.

The Kenai Peninsula Borough has issued general obligation bonds for acquisition and construction of schools, solid waste disposal and transfer facilities, and expansions to the two service area hospitals. The general obligation school and solid waste bonds pledge the full faith and credit of the Borough, while the Central Emergency Services and the Bear Creek Service Area bonds pledge the full faith and credit of the respective service area.

School Bonds. School bonds are issued for the construction and major maintenance 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 partially reimburses the Borough for expenditures for school debt issues. Per AS 14.11.100, the State of Alaska shall reimburse the Borough up to 70% of the principal and interest payments on the School bonds. The most recent education bonds sold in 2023 are not reimbursable due to a moratorium on the State of Alaska School Debt Reimbursement Program.

In December 2010, the Borough issued 20-year school bonds in the amount of \$16,865,000. This was phase I of a two-phase project for roof replacement at various schools. Bonds were issued

under the Buy America Bond Program. Under this program, bonds are issued as taxable and the Federal Government subsidizes the interest amount between the taxable portion and the rate that would have been in place if the bonds had been issued as tax exempt.

In July 2020, the Borough issued General Obligation School refunding bonds of \$8,970,000 to refinance \$10,430,000 of outstanding 2010 Buy America Bond Program school debt that resulted in a net present value of savings from cash flow of \$1,052,349.

In November 2013, the Borough issued 20-year school bonds in the amount of \$20,860,000. This was phase II of a two-phase project for roof replacement at various schools.

In June 2021 the Borough issued General Obligation School refunding bonds of \$14,500,000 to refinance \$12,890,000 of the \$14,790,000 in outstanding 2013 school debt that resulted in a net present value of savings from cash flow of \$1,459,148.

In October 2022, the Borough voters authorized \$65.55 million in 20-year school bonds for planning, designing, site preparations, construction, acquiring, renovating, installing, and equipping educational capital improvement projects throughout the Borough. The first phase of the bonds were issued in February 2023 in the amount of \$30 million and will have final maturity in 2043. Phase two is anticipated to be issued in spring 2024. These bonds are not eligible for the State of Alaska Debt Reimbursement program due to the moratorium currently in place.

Central Emergency Service Area Bonds

In 2005, voters of the Central Emergency Service Area authorized the issuance of \$2,500,000 for the costs of planning, acquisition, designing, constructing, equipping and financing a fire station in Kasilof and renovating the fire station in the Funny River area. These bonds were issued in June 2006 in the amount of \$2,500,000. In October 2014, the Borough issued CES refunding bonds to refinance \$1.425 million of the outstanding debt that resulted in a net present value savings of \$116,196, the defeased debt was paid off in FY2016.

In October 2015, Service Area voters approved the issuance of bonds up to \$4.4 million for the purchase of emergency response vehicles, of which \$2.465 million was issued in February 2016 and \$1.335 million was issued in November 2019.

In October 2022, Service Area voters approved the issuance of bonds up to \$16.5 million in bonds for design, construction and equipping Central Emergency Service Station 1. These bonds were issued in February 2023 in the amount of \$14.52 million and will have final maturity in 2043.

Bear Creek Fire Service Area Bonds

In 2007, voters of the Bear Creek Fire Service Area authorized the issuance of \$1,400,000 in bonds for design, construction, and equipping a Bear Creek Fire Service Area Public Safety Building. These bonds were issued in March 2013 in the amount of \$1,215,000. In June 2021, the Borough issued Bear Creek Fire SA refunding bonds to refinance \$1.425 million of the outstanding debt that resulted in a net present value savings of \$116,196, the defeased debt was paid off in FY2016. In June 2021, the Borough issued General Obligation Bear Creek Fire SA refunding bonds of \$825,000 to refinance \$740,000 of the \$850,000 in outstanding debt that resulted in a net present value of savings from cash flow of \$83,768.

Solid Waste Bonds

In 2016, Borough voters authorized the issuance of \$10,600,000 in bonds for planning, design, site preparation, constructing and equipping the solid waste disposal facilities, of which \$5,405,000 was issued in April 2017. The bonds issued in 2017 were paid off in FY2023. The remaining balance is expected to be issued in 2026.

A summary of bonds payable (in thousands) at June 30, 2024 is as follows:

	<u>Amount Issued</u>	<u>Coupon Interest Rate</u>	<u>Effective Interest Rate</u>	<u>Maturity Dates</u>	<u>Annual Installments</u>	<u>Outstanding June 30, 2024</u>
Governmental Activities:						
School bonds:						
Issued 11-14-13	\$ 20,860	1.50 – 5.00	0.21 – 4.15	2014 - 2024	\$ 510 to 975	\$ -
Issued 07-07-20	8,970	5.00	0.54 – 1.68	2020 - 2031	680 to 1,020	6,200
Issued 06-16-21	14,500	0.243 - 2.35	0.24 - 2.35	2021 - 2033	285 to 1,490	13,665
Issued 02-15-23	<u>30,000</u>	5.00	0.32 - 8.26	2023 - 2043	895 to 2,315	<u>29,105</u>
Total school	<u>74,330</u>					<u>48,970</u>
Central Emergency Services bonds:						
Issued 10-30-14	1,425	1.25 – 5.00	0.38 – 2.57	2006 - 2026	115 to 175	340
Issued 02-02-16	2,465	2.63 – 6.00	0.35 – 2.85	2016 - 2031	85 to 210	1,115
Issued 11-21-19	1,335	5.00	0.53 – 11.11	2021 - 2035	55 to 1325	1,075
Issued 02-15-23	<u>14,520</u>	5.00	0.32 – 8.26	2023 - 2043	435 to 1,120	<u>14,085</u>
Total CES bonds	<u>19,745</u>					<u>16,615</u>
Bear Creek Fire bonds						
Issued 6-16-21	<u>825</u>	0.243 – 2.22	0.243 – 2.22	2022 - 2033	15 to 85	<u>720</u>
Total Governmental	<u>\$ 94,900</u>					<u>\$ 66,305</u>

Debt service requirements for outstanding bonds at June 30, 2024 were as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 3,895,000	\$ 2,757,891	\$ 6,652,891
2026	4,045,000	2,615,619	6,660,619
2027	4,010,000	2,470,090	6,480,090
2028	4,150,000	2,319,851	6,469,851
2029	4,310,000	2,157,463	6,467,463
2030-2034	20,255,000	8,297,698	28,552,698
2035-2039	12,875,000	4,851,375	17,726,375
2040-2044	<u>12,765,000</u>	<u>1,316,375</u>	<u>14,081,375</u>
Total	\$ <u>66,305,000</u>	\$ <u>26,786,362</u>	\$ <u>93,091,362</u>

J. Commitments and Contingencies

1. Loss Contingencies

The Kenai Peninsula Borough, in the normal course of its activities, is involved in various claims and pending litigation. In the opinion of management and the Borough's legal staff, the disposition of these matters is not expected to have a material adverse effect on the Borough's financial statements.

2. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, would become a liability of the appropriate fund.

K. Pension and Other Postemployment Benefits Plans

(a) Defined Benefit (DB) Pension Plan

General Information About the Plan

The Borough participates in the Alaska Public Employees' Retirement System (PERS). PERS is a cost-sharing multiple-employer plan which covers eligible State and local government employees, other than teachers. The Plan was established and is administered by the State of Alaska Department of Administration. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature.

The Plan is included in an annual comprehensive financial report that includes financial statements and other required supplemental information. That report is available via the internet at <https://drb.alaska.gov/docs/reports/#pers>. Actuarial valuation reports, audited financial statements, and other detailed plan information are also available on this website.

The Plan provides for retirement, death and disability, and postemployment healthcare benefits. There are three tiers of employees, based on entry date. For all tiers within the Defined Benefit (DB) plan, full retirement benefits are generally calculated using a formula comprised of a multiplier times the average monthly salary (AMS) times the number of years of service. The multiplier is increased at longevity milestone markers for most employees. Peace/Fire employees accrue benefits at an accelerated rate. The tiers within the Plan establish differing criteria regarding normal retirement age, early retirement age, and the criteria for calculation of AMS, COLA adjustments, and other postemployment benefits (OPEB). A complete benefit comparison chart is available at the website noted above.

The PERS DB Plan was closed to new entrants effective July 1, 2006. New employees hired after that date participate in the PERS Defined Contribution (DC) Plan described later in these notes.

Historical Context and Special Funding Situation

In April 2008, the Alaska Legislature passed legislation converting the previously existing PERS plan from a defined benefit agent-multiple employer plan to a defined benefit cost-sharing plan with an effective date of July 1, 2008. In connection with this conversion, the State of Alaska passed additional legislation which statutorily capped the employer contribution rate, established a state funded "on-behalf" contribution (subject to funding availability), and required that employer contributions be calculated against all PERS eligible wages, including wages paid to participants of the PERS Tier IV defined contribution plan described later in these notes. The Alaska Legislature has the power and authority to change the aforementioned statute through the legislative process.

Alaska Statute 39.35.280 requires the State of Alaska to contribute to the Plan an amount such that, when combined with the employer contribution, is sufficient to pay the Plan's past service liability contribution rate as adopted by the Alaska Retirement Management Board (ARM Board). As such, the Plan is considered to be in a special funding situation as defined by GASB, and management has recorded all pension related liabilities, deferred inflows/outflows of resources, and disclosures on this basis.

The Borough recorded the related on-behalf contributions as revenue and expense or expenditures as prescribed by GAAP, pursuant to the relevant basis of accounting based on fund type.

Employee Contribution Rates

Regular employees are required to contribute 6.75% of their annual covered salary. Police officers and firefighters are required to contribute 7.50% of their annual covered salary.

Employer and Other Contribution Rates

There are several contribution rates associated with the pension contributions and related liabilities. These amounts are calculated on an annual basis.

Employer Effective Rate: This is the contractual employer pay-in rate. Under current legislation, the amount calculated for the statutory employer effective contribution rate is 22% on eligible wages. This 22% rate is calculated on all PERS participating wages, including those wages attributable to employees in the DC plan. Contributions derived from the DC employee payroll is referred to as the Defined Benefit Unfunded Liability or DBUL contribution.

ARM Board Adopted Rate: This is the rate formally adopted by the Alaska Retirement Management Board. This rate is actuarially determined and used to calculate annual Plan funding requirements, without regard to the statutory rate cap or the GASB accounting rate. Effective July 1, 2015, the Legislature requires the ARM Board to adopt employer contribution rates for past service liabilities using a level percent of pay method over a closed 25 year term which ends in 2039. This change results in lower ARM Board Rates than previously adopted.

State Contribution Rate: This is the rate paid in by the State as an on-behalf payment under the current statute. The statute requires the State to contribute, based on funding availability, an on-behalf amount equal to the difference between the ARM Board Rate and the Employer Effective Rate. In the governmental fund financial statements, on-behalf contribution amounts have been recognized as additional revenues and expenditures. In the proprietary funds and government-wide financial statements, the on-behalf amounts reflect revenue and expense only during the measurement period in which the Plan recognizes the payments, resulting in a significant timing difference between the cash transfers and revenue and expense recognition.

Contribution rates for the year ended June 30, 2024 were determined in the June 30, 2022 actuarial valuations. The Borough's contribution rates for the 2024 fiscal year were as follows:

	ARM Board Adopted Rate	State Contribution Rate
Defined benefit plan:		
Pension	18.47%	3.10%
Postemployment healthcare (ARHCT)	-%	-%
Defined contribution - Pension	6.63%	-%
Total Contribution Rates	25.10%	3.10%

Alaska Statute 39.35.255(a) capped the employer rate at 22% with the State of Alaska making a nonemployer contribution for the difference between the actuarially required contribution and the cap. For the fiscal year the employer rate is 22.00% for pension and 0.00% for ARHCT. The contribution requirements for the Borough are established and may be amended by the ARMB. Additionally, there is a Defined Benefit Unfunded Liability (DBUL) amount levied against the DCR Plan payroll. The DBUL amount is computed as the different between (a) amount calculated for the statutory employer contribution rate of 22.00% on all eligible salary less (b) total of the employer contribution for (1) defined contribution employer matching amount, (2) major medical, (3) occupational death and disability, and (4) health reimbursement arrangement. The difference is deposited based on an actuarial allocation into the defined benefit plan's pension and healthcare funds.

In 2024, the Borough was credited with the following contributions to the pension plan:

	Measurement Period July 1, 2022 to June 30, 2023	Borough Fiscal Year July 1, 2023 to June 30, 2024
Employer contributions (including DBUL)	\$ 3,790,617	\$ 4,085,620
Nonemployer contributions (on-behalf)	692,103	771,643
Total Contributions	\$ 4,482,720	\$ 4,857,263

In addition, employee contributions to the Plan totaled \$450,388 during the Borough's fiscal year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the Borough reported a liability for its proportionate share of the net pension liability (NPL) that reflected a reduction for State pension support provided to the Borough. The amount recognized by the Borough for its proportional share, the related State proportion, and the total portion of the net pension liability that was associated with the Borough were as follows:

	2024
Borough proportionate share of NPL	\$ 36,894,090
State's proportionate share of NPL associated with the Borough	12,300,228
Total Net Pension Liability	\$ 49,194,318

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 to calculate the net pension liability as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, including the State, actuarially determined. At the June 30, 2023 measurement date, the Borough's proportion was 0.71152 percent, which was a decrease of 0.02341 from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the Borough recognized pension expense of \$8,850,976 and on-behalf revenue of \$1,353,781 for support provided by the State. At June 30, 2024, the Borough reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 962,993	\$ -
Borough contributions subsequent to the measurement date	4,085,620	-
Total Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions	\$ 5,048,613	\$ -

The \$4,085,620 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2025	\$ (365,231)
2026	(807,759)
2027	2,185,260
2028	(49,277)
Total Amortization	\$ 962,993

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2022, using the actuarial assumptions listed below, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023:

Actuarial cost method	Entry age normal
Amortization method	Unfunded accrued actuarial liability, level percent of pay basis
Inflation	2.50% per year
Salary increases	For peace officer/firefighter, increases range from 8.5% to 3.85% based on service. For all others, increases range from 6.75% to 2.85% based on service.
Allocation methodology	Amounts for the June 30, 2023 measurement date were allocated to employers based on the ratio of the present value of projected future contributions for each employer to the total present value of projected future contributions for the Plan for the fiscal years 2024 to 2039. The liability is expected to go to zero at 2039.
Investment rate of return	7.25%, net of pension plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.75%.
Mortality Peace officer/firefighter	Pre-commencement mortality rates were based on the Pub-2010 Safety Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 70% of the time. Post-commencement mortality rates for healthy retirees were based on the Pub-2010 Safety Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

All others

Pre-commencement mortality rates were based on the Pub-2010 General Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 35% of the time. Post-commencement mortality rates for healthy retirees were based on 98% of male and 106% of female rates of the Pub-2010 General Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on 102% of male and 108% of female rates of the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

The total pension liability was determined by an actuarial valuation as of June 30, 2022, rolled forward to the measurement date of June 30, 2023. The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021, resulting in changes in actuarial assumptions effective for the June 30, 2022 actuarial valuation, which were adopted by the Board to better reflect expected future experience.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return, excluding the inflation component of 2.82%, for each major asset class included in the pension plan's target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Range	Long-Term Expected Real Rate of Return
Broad domestic equity	27%	+/- 6%	6.17 %
Global equity (non-U.S.)	18%	+/- 4%	6.55 %
Aggregate bonds	19%	+/- 10%	1.63 %
Multi-asset	8%	+/- 4%	- %
Real assets	14%	+/- 7%	4.87 %
Private equity	14%	+/- 7%	11.57 %
Cash equivalents	-%	-%	.49 %

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The discount rate used changed from the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total

pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the Borough’s proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the Borough’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	Proportional Share	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Borough’s proportionate share of the net pension liability	0.71152%	\$ 49,530,205	\$ 36,894,090	\$ 26,220,293

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued PERS financial report.

(b) Defined Contribution (DC) Pension Plan

Employees hired after July 1, 2006 participate in PERS Tier IV, a DC plan. This Plan is administered by the State of Alaska, Department of Administration in conjunction with the DB plan noted above. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature. The Alaska Retirement Management Board may also amend contribution requirements. Included in the Plan are individual pension accounts, a retiree medical insurance plan and a separate Health Reimbursement Arrangement account that will help retired members pay medical premiums and other eligible medical expenses not covered by the medical plan. This Plan is included in the annual comprehensive financial report for PERS, and at the following website, as noted above. <https://drb.alaska.gov/docs/reports/#pers>.

Contributions to the DC plan consist solely of employer and employee contributions with no special funding or other nonemployer contributions. In addition, actual remittances to the PERS system require that the Borough contribute at 22%. After deducting the DC plan contributions (and related OPEB contributions), the remaining remittance (the DBUL) is deposited into the DB plan as noted earlier.

Benefit Terms

Employees are immediately vested in their own contributions and vest 25% with two years of service, plus an additional 25% per year thereafter for full vesting at five years of service. Nonvested employer contributions are forfeited upon termination of employment from the Plan. Such forfeitures were applied in the year ended June 30, 2024 to cover a portion of the Borough’s employer match contributions. For the year ended June 30, 2024, forfeitures reduced pension expense by \$48,495.

Employee Contribution Rate

Employees are required to contribute 8% of their annual covered salary. This amount goes directly to the individual’s account.

Employer Contribution Rate

For the year ended June 30, 2024, the Borough was required to contribute 5% of covered salary into

the Plan.

The Borough and employee contributions to PERS for pensions for the year ended June 30, 2024 were \$1,043,858 and \$1,670,169, respectively. The Borough contribution amount was recognized as pension expense/expenditures.

(c) Defined Benefit OPEB Plans

As part of its participation in PERS, the Borough participates in the following cost sharing multiple employer defined benefit OPEB plans: Alaska Retiree Healthcare Trust (ARHCT), Retiree Medical Plan (RMP) and Occupational Death and Disability Plan (ODD).

The ARHCT, a healthcare trust fund, provides major medical coverage to retirees of the DB plan. The ARHCT is self-funded and self-insured. The ARHCT was closed to all new members effective July 1, 2006. Benefits vary by Tier level. The RMP provides major medical coverage to retirees of the PERS DC Plan (Tier IV). The RMP is self-insured. Members are not eligible to use the Plan until they have at least 10 years of service and are Medicare age eligible. The ODD provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within PERS. The Plans are administered by the State of Alaska, Department of Administration. The OPEB plans are included in the annual comprehensive financial report for PERS, at the following website, as noted above. <https://drb.alaska.gov/docs/reports/#pers>.

Employer Contribution Rates

Employer contribution rates are actuarially determined and adopted by and may be amended by the Board. Employees do not contribute.

Employer contribution rates for the year ended June 30, 2024 were as follows:

	Other	Peace/Fire
Alaska Retiree Healthcare Trust	-%	-%
Retiree Medical Plan	1.01%	1.01%
Occupational Death and Disability	0.30%	0.68%
Total Contribution Rates	1.31%	1.69%

In 2024, the Borough was credited with the following contributions to the OPEB plans:

	Measurement Period July 1, 2022 to June 30, 2023	Borough Fiscal Year July 1, 2023 to June 30, 2024
Employer contributions – ARHCT	\$ 97	\$ -
Employer contributions - RMP	212,857	210,859
Employer contributions - ODD	83,743	90,577
Total Contributions	\$ 296,697	\$ 301,436

OPEB Asset, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Plans

At June 30, 2024, the Borough reported an asset for its proportionate share of the net OPEB asset (NOA) that reflected a reduction for State OPEB support provided to the Borough. The amount recognized by the Borough for its proportional share, the related State proportion, and the total were as follows:

Borough's proportionate share of NOA – ARHCT	\$ 16,338,788
Borough's proportionate share of NOA – RMP	538,966
Borough's proportionate share of NOA – ODD	701,345
Total Borough's Proportionate Share of Net OPEB Asset	\$ 17,579,099
State's proportionate share of the ARHCT NOA associated with the Borough	5,496,710
Total Net OPEB Asset	\$ 23,075,809

The total OPEB liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 and adjusted to reflect updated assumptions to calculate the net OPEB assets as of that date. The Borough's proportion of the net OPEB assets are based on a projection of the Borough's long-term share of contributions to the OPEB plans relative to the projected contributions of all participating entities, actuarially determined.

	June 30, 2022 Measurement Date Employer Proportion	June 30, 2023 Measurement Date Employer Proportion	Change
Borough's proportionate share of the net OPEB assets:			
ARHCT	0.72972%	0.71009%	(0.01963)%
RMP	1.05572%	1.13505%	0.07933 %
ODD	1.26656%	1.36704%	0.10048 %

For the year ended June 30, 2024, the Borough recognized OPEB expense (benefit) of (\$2,913,220). Of this amount, \$(936,721) was recorded as on-behalf revenue and expense for support provided by the ARHCT plan. OPEB expense and on-behalf revenue is listed by plan in the table below:

Plan	OPEB Expense (Benefit)	On-behalf Revenue
ARHCT	\$ (3,259,386)	\$ (936,721)
RMP	279,340	-
ODD	66,826	-
Total	\$ (2,913,220)	\$ (936,721)

At June 30, 2024, the Borough reported deferred outflows of resources and deferred inflows of resources related to OPEB plans from the following sources:

Deferred Outflows of Resources	ARHCT	RMP	ODD	Total
Difference between expected and actual experience	\$ 33,924	\$ 16,429	\$ -	\$ 50,353
Changes in assumptions	-	57,957	-	57,957
Difference between projected and actual investment earnings	743,662	45,164	16,191	805,017
Changes in proportion and differences between Borough contributions and proportionate share of contributions	63,428	6,200	9,164	78,792
Borough contributions subsequent to the measurement date	-	210,859	90,577	301,436
Total Deferred Outflows of Resources Related to OPEB Plans	\$ 841,014	\$ 336,609	\$ 115,932	\$ 1,293,555

Deferred Inflows of Resources	ARHCT	RMP	ODD	Total
Difference between expected and actual experience	\$ -	\$ (17,397)	\$ (197,063)	\$ (214,460)
Changes in assumptions	(300,671)	(438,277)	(2,918)	(741,866)
Changes in proportion and differences between Borough contributions and proportionate share of contributions	-	(4,680)	(59,081)	(63,761)
Total Deferred Inflows of Resources Related to OPEB Plans	\$ (300,671)	\$ (460,354)	\$ (259,062)	\$ (1,020,087)

Amounts reported as deferred outflows of resources related to OPEB plans resulting from Borough contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB assets in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	ARHCT	RMP	ODD	Total
2025	\$ (526,834)	\$ (68,660)	\$ (53,131)	\$ (648,625)
2026	(671,762)	(77,343)	(56,355)	(805,460)
2027	1,784,469	(1,274)	(29,101)	1,754,094
2028	(45,530)	(80,435)	(36,744)	(162,709)
2029	-	(57,193)	(29,736)	(86,929)
Thereafter	-	(49,699)	(28,640)	(78,339)
Total Amortization	\$ 540,343	\$ (334,604)	\$ (233,707)	\$ (27,968)

Actuarial Assumptions

The total OPEB liability for each plan for the measurement period ended June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2023:

Actuarial cost method	Entry age normal
Amortization method	Unfunded accrued actuarial liability, level percent of pay basis
Inflation	2.50% per year
Salary increases	For peace officer/firefighter, increases range from 8.50% to 3.85% based on service. For all others, increases range from 6.75% to 2.85% based on service.
Allocation methodology	Amounts for the June 30, 2023 measurement date were allocated to employers based on the ratio of the present value of projected future contributions for each employer to the total present value of projected future contributions to the Plan for fiscal years 2024 to 2039.
Investment rate of return	7.25%, net of postemployment healthcare plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.75%.
Healthcare cost trend rates (ARHCT and RMP Plans)	Pre-65 medical: 6.7% grading down to 4.5% Post-65 medical: 5.5% grading down to 4.5% Prescription drug: 7.2% grading down to 4.5% Rx/EGWP: 7.2% grading down to 4.5% Initial trend rates are from FY 2024 Ultimate trend rates reached in FY2050
Mortality Peace officer/firefighter (ARHCT and RMP Plans)	Pre-commencement mortality rates were based on the Pub-2010 Safety Employee table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for healthy retirees were based on the Pub-2010 Safety Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Safety Disabled Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on the Pub-2010 Contingent Survivor table, headcount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.
(ODD Plan)	Pre-commencement mortality rates were based on the Pub-2010 Safety Employee table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for healthy retirees were based on the Pub-2010 Safety Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Safety Disabled Retiree table, amount-weighted, and projected with MP-2021

generational improvement. Post-commencement mortality rates for beneficiaries were based on the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

All Others
(ARHCT and RMP Plans)

Pre-commencement mortality rates were based on the Pub-2010 General Employee table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for healthy retirees were based on 101% of male and 110% of female rates of the Pub-2010 General Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on 101% of male and 108% of female rates of the Pub-2010 Contingent Survivor table, headcount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

(ODD Plan)

Pre-commencement mortality rates were based on the Pub-2010 General Employee table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for healthy retirees were based on 98% of male and 106% of female rates of the Pub-2010 General Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on 102% of male and 108% of female rates of the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

(ARHCT and ODD Plans)

Deaths are assumed to result from occupational causes 35% of the time.

Participation (ARHCT)

100% of system paid members and their spouses are assumed to elect the healthcare benefits paid as soon as they are eligible.

Pease officer/firefighter

20% of nonsystem paid members and their spouses are assumed to elect the healthcare benefits as soon as they are eligible.

All others

25% of nonsystem paid members and their spouses are assumed to elect the healthcare benefits as soon as they are eligible.

The total OPEB liability for each plan was determined by actuarial valuations as of June 30, 2022, rolled forward to the measurement date of June 30, 2023. The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021, resulting in changes in actuarial assumptions effective for the June 30, 2022 actuarial valuation, which were adopted by the Board to better

reflect the expected future experience. For the ARHCT and RMP plans, the per capita claims costs were updated to reflect recent experience for the June 30, 2022 actuarial valuation.

Long-Term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments for each plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates of arithmetic rates of return, excluding the inflation component of 2.82%, for each major asset class included in the OPEB plan’s target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Range	Long-Term Expected Real Rate of Return
Broad domestic equity	27%	+/- 6%	6.17 %
Global equity (non-U.S.)	18%	+/- 4%	6.55 %
Aggregate bonds	19%	+/- 10%	1.63 %
Opportunistic	8%	+/- 4%	- %
Real assets	14%	+/- 7%	4.87 %
Private equity	14%	+/- 7%	11.57 %
Cash equivalents	-%	-%	0.49 %

Discount Rate

The discount rate used to measure the total OPEB liability for each plan as of June 30, 2023 was 7.25%. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy which meets State statutes. Based on those assumptions, the fiduciary net position of each plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability for each plan.

Sensitivity of the Net OPEB Asset (Liability) to Changes in the Discount Rate

The following presents the Borough’s proportionate share of the net OPEB asset calculated using the discount rate of 7.25%, as well as what the Borough’s proportionate share of the respective plan’s net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	Proportional Share	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Borough’s proportionate share of the net OPEB asset (liability):				
ARHCT	0.71009 %	\$ 10,860,287	\$ 16,338,788	\$ 20,941,032
RMP	1.13505 %	\$ 18,728	\$ 538,966	\$ 936,380
ODD	1.36704 %	\$ 658,980	\$ 701,345	\$ 734,318

Sensitivity of the Net OPEB Asset (Liability) to Changes in the Healthcare Cost Trend Rates

The following presents the Borough's proportionate share of the net OPEB asset calculated using the healthcare cost trend rates as summarized in the 2022 actuarial valuation reports as well as what the Borough's proportionate share of the respective plan's net OPEB asset (liability) would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	Proportional Share	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Borough's proportionate share of the net OPEB asset (liability):				
ARHCT	0.71009 %	\$ 21,467,461	\$ 16,338,788	\$ 10,231,939
RMP	1.13505 %	\$ 989,715	\$ 538,966	\$ (66,491)
ODD	1.36704 %	\$ N/A	\$ N/A	\$ N/A

OPEB Plan Fiduciary Net Position

Detailed information about each OPEB plan's fiduciary net position is available in the separately issued PERS financial report.

(d) Defined Contribution OPEB Plans

PERS DC Pension Plan participants (PERS Tier IV) also participate in the Health Reimbursement Arrangement Plan (HRA Plan). The HRA Plan allows for medical care expense to be reimbursed from individual savings accounts established for eligible persons. The HRA Plan became effective July 1, 2006 at which time contributions by employers began.

Contribution Rate

AS 39.30.370 establishes this contribution amount as "three percent of the average annual employee compensation of *all employees of all employers* in the plan". As of July 1, 2022, for actual remittance, this amount is calculated as a flat rate for each full-time or part-time employee per pay period and approximates \$2,303 per year for each full-time employee, and \$1.48 per hour for part-time employees.

Annual Postemployment Healthcare Cost

In fiscal year 2024, the Borough contributed \$543,538 in DC OPEB costs. These amounts have been recognized as expense/expenditures.

(e) School District Participation

The School District also participates in the PERS postemployment benefits plans, along with separate but similar plans for educators, under the Teacher Retirement System (TRS) plan. Additional information about the School District's pension and postemployment benefit plans can be found in their separately issued financial statements.

L. Landfill Closure and Postclosure Care Cost

The Governmental Accounting Standards Board issued Statement 18, "Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs", which establishes standards of

accounting and financial reporting for municipal solid waste landfill closure and postclosure care costs that are required to be incurred by federal, state, or local laws or regulations. The Borough implemented this standard effective July 1, 1993.

State and Federal laws and regulations require the Borough to comply with the State of Alaska Solid Waste Management Regulations (18AAC 60). These regulations include placement of a final cover system on its landfills when they stop accepting waste. Additionally, the Borough must perform postclosure care and monitoring functions at the sites for up to thirty years after closure. The Borough has five active landfills with landfill cells having remaining useful lives from 1 year to 99 years, with 56 percent of capacity used to date. The largest site has an active lined cell with a remaining expected life of two to four years. This site has land enough for a minimum of three additional cells, which will be developed as needed and will extend the landfill life by approximately 25 years. There are also three sites which are closed, that are being monitored as required by regulation. As of June 30, 2024, the Borough has a recorded liability of \$21,689,968 in the government-wide financial statements for closure and postclosure costs associated with its landfills. This is an increase of \$11,123,976 based on an external review of the current liability and costs. The liability for closure and postclosure care costs is based on landfill capacity used to date. This amount has been reported as restricted fund balance in the Solid Waste Capital Projects Fund and is based on what it would cost to perform all closure and postclosure care in 2024; actual cost may vary from this estimate due to inflation, changes in technology, or changes in regulations. It is estimated the Borough will recognize another \$16.4 million in expense and liability between June 30, 2024 and the year 2043, the date the landfills are expected to reach capacity.

The Borough is required by state and federal laws and regulations to make certain financial assurances, public notice and record keeping, and reporting regarding this liability. The Borough has complied with these provisions. The Borough is committed to funding the annual increase in the estimate of closure and postclosure care costs. Accounting for landfill operations is included in the General Fund and the closure and postclosure costs are accounted for in the Solid Waste Capital Projects Fund.

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M. New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued several new accounting standards with upcoming implementation dates. The following new accounting standards were implemented by the Borough for 2024 reporting:

GASB Statement No. 99 – Omnibus 2022 – Provisions of this Statement address requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, classification of certain provisions in Statement No. 34, as amended, and terminology updates related to Statement No. 53 and Statement No. 63, which are effective upon issuance. The effective date for the provisions of this Statement related to leases, PPPs, and SBITAs are to be implemented for year-end June 30, 2023. The effective date for the provisions of this Statement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53, are to be implemented for year-end June 30, 2024. The Borough does not have derivative instruments, so no action was taken for the latter part of this pronouncement.

GASB Statement No. 100 – Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62 – Effective for year-end June 30, 2024. Earlier application is encouraged. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The Borough has reviewed this pronouncement and while there are no applicable disclosures for FY2024, the Borough will account for these new requirements accordingly if a correction is required.

The GASB has issued new accounting standards with upcoming implementation dates. Management has not fully evaluated the potential effects of these statements, and actual impacts have not yet been determined. The statements are as follows:

GASB Statement No. 101 – Compensated Absences – Effective for year-end June 30, 2025. Earlier application is encouraged. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

GASB Statement No. 102 – Certain Risk Disclosures – Effective for year-end June 30, 2025. Earlier application is encouraged. The objective of this Statement is to provide users of the government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact.

GASB Statement No. 103 – Financial Reporting Model Improvements – Effective for year-end June 30, 2026. Earlier application is encouraged. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

GASB Statement No. 104 – Disclosure of Certain Capital Assets – Effective for year-end June 30, 2026. Earlier application is encouraged. The objective of this Statement is to provide users of governmental financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. The disclosure requirements will improve consistency and comparability between governments.

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REQUIRED SUPPLEMENTARY INFORMATION

Kenai Peninsula Borough

Public Employees' Retirement System - Pension Plan

Schedule of the Borough's Proportionate Share of the Net Pension Liability

Years Ended June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Borough's Proportion of the Net Pension Liability	0.71152%	0.73493%	0.78359%	0.63213%	0.64980%	0.72606%	0.67218%	0.84370%	0.64737%	0.49259%
Borough's Proportionate Share of the Net Pension Liability	\$ 36,894,090	\$ 37,458,187	\$ 28,746,099	\$ 37,302,896	\$ 35,571,597	\$ 36,078,214	\$ 34,747,989	\$ 47,159,456	\$ 31,397,382	\$ 22,975,175
State of Alaska Proportionate Share of the Net Pension Liability	12,300,228	10,368,053	3,893,248	15,435,315	14,124,547	10,447,307	12,947,803	5,944,748	8,410,497	19,950,761
Total Net Pension Liability	\$ 49,194,318	\$ 47,826,240	\$ 32,639,347	\$ 52,738,211	\$ 49,696,144	\$ 46,525,521	\$ 47,695,792	\$ 53,104,204	\$ 39,807,879	\$ 42,925,936
Borough's Covered Payroll	\$ 25,393,399	\$ 22,732,223	\$ 21,388,726	\$ 21,126,817	\$ 20,788,636	\$ 20,619,173	\$ 20,700,085	\$ 20,679,828	\$ 20,712,790	\$ 12,061,924
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Payroll	145.29%	164.78%	134.40%	176.57%	171.11%	174.97%	167.86%	228.05%	151.58%	190.48%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.23%	67.97%	76.46%	61.61%	63.42%	65.19%	63.37%	59.55%	63.96%	62.37%

Schedule of Borough Contributions

Years Ended June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contributions	\$ 4,085,620	\$ 3,790,617	\$ 3,074,122	\$ 2,824,718	\$ 2,416,980	\$ 2,570,451	\$ 2,763,608	\$ 2,467,348	\$ 2,191,270	\$ 2,101,441
Contributions Relative to the Contractually Required Contribution	4,085,620	3,790,617	3,074,122	2,824,718	2,416,980	2,570,451	2,763,608	2,467,348	2,191,270	2,101,441
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Borough's Covered Payroll	\$ 27,082,960	\$ 25,393,399	\$ 22,732,223	\$ 21,388,726	\$ 21,126,817	\$ 20,788,636	\$ 20,619,173	\$ 20,700,085	\$ 20,679,828	\$ 20,712,790
Contributions as a Percentage of Covered Payroll	15.09%	14.93%	13.52%	13.21%	11.44%	12.36%	13.40%	11.92%	10.60%	10.15%

See accompanying notes to Required Supplementary Information

Kenai Peninsula Borough

Public Employees' Retirement System - ARHCT OPEB Plan

Schedule of the Borough's Proportionate Share of the Net OPEB Liability (Asset)

Years Ended June 30,	2024	2023	2022	2021	2020	2019	2018
Borough's Proportion of the Net OPEB Liability (Asset)	0.71009%	0.72972%	0.78702%	0.63189%	0.64972%	0.72597%	0.67229%
Borough's Proportionate Share of the Net OPEB Liability (Asset) State of Alaska, Proportionate Share of the Net OPEB Liability (Asset)	\$ (16,338,788)	\$ (14,357,678)	\$ (20,189,899)	\$ (2,861,549)	\$ 964,057	\$ 7,450,537	\$ 5,679,234
	(5,496,710)	(4,103,769)	(2,644,701)	(1,187,104)	383,278	2,162,286	2,117,541
Total Net OPEB Liability (Asset)	\$ (21,835,498)	\$ (18,461,447)	\$ (22,834,600)	\$ (4,048,653)	\$ 1,347,335	\$ 9,612,823	\$ 7,796,775
Borough's Covered Payroll	\$ 6,030,513	\$ 6,041,838	\$ 7,041,946	\$ 8,153,068	\$ 8,977,278	\$ 9,846,268	\$ 10,682,690
Borough's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	-270.94%	-237.64%	-286.71%	-35.10%	10.74%	75.67%	53.16%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	133.96%	128.51%	135.54%	106.15%	98.13%	88.12%	89.91%

Schedule of Borough Contributions

Years Ended June 30,	2024	2023	2022	2021	2020	2019	2018
Contractually Required Contributions	\$ -	\$ 97	\$ 390,312	\$ 523,451	\$ 961,935	\$ 922,927	\$ 785,385
Contributions Relative to the Contractually Required Contribution	-	97	390,312	523,451	961,935	922,927	785,385
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Borough's Covered Payroll	\$ 6,205,821	\$ 6,030,513	\$ 6,041,838	\$ 7,041,946	\$ 8,153,068	\$ 8,977,278	\$ 9,846,268
Contributions as a Percentage of Covered Payroll	0.000%	0.002%	6.460%	7.433%	11.798%	10.281%	7.976%

See accompanying notes to Required Supplementary Information.

Kenai Peninsula Borough

Public Employees' Retirement System - RMP OPEB Plan

Schedule of the Borough's Proportionate Share of the Net OPEB Liability (Asset)

	2024	2023	2022	2021	2020	2019	2018
Borough's Proportion of the Net OPEB Liability (Asset)	1.13505%	1.05572%	0.98174%	0.93785%	0.94610%	0.95184%	0.96262%
Borough's Proportionate Share of the Net OPEB Liability (Asset) State of Alaska, Proportionate Share of the Net OPEB Liability (Asset)	\$ (538,966)	\$ (366,651)	\$ (263,520)	\$ 66,522	\$ 226,345	\$ 121,122	\$ 50,201
Total Net OPEB Liability (Asset)	\$ (538,966)	\$ (366,651)	\$ (263,520)	\$ 66,522	\$ 226,345	\$ 121,122	\$ 50,201
Borough's Covered Payroll	\$ 19,362,886	\$ 16,690,385	\$ 14,346,781	\$ 12,973,749	\$ 11,811,358	\$ 10,772,905	\$ 10,017,395
Borough's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	-2.78%	-2.20%	-1.84%	0.51%	1.92%	1.12%	0.50%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	124.29%	120.08%	115.10%	95.23%	83.17%	88.71%	93.98%

Schedule of Borough Contributions

	2024	2023	2022	2021	2020	2019	2018
Contractually Required Contributions	\$ 210,859	\$ 212,857	\$ 178,626	\$ 182,205	\$ 167,294	\$ 111,028	\$ 110,961
Contributions Relative to the Contractually Required Contribution	210,859	212,857	178,626	182,205	167,294	111,028	110,961
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Borough's Covered Payroll	\$ 20,877,139	\$ 19,362,886	\$ 16,690,385	\$ 14,346,781	\$ 12,973,749	\$ 11,811,358	\$ 10,772,905
Contributions as a Percentage of Covered Payroll	1.010%	1.099%	1.070%	1.270%	1.289%	0.940%	1.030%

See accompanying notes to Required Supplementary Information.

Kenai Peninsula Borough

Public Employees' Retirement System - ODD OPEB Plan

Schedule of the Borough's Proportionate Share of the Net OPEB Liability (Asset)

Years Ended June 30,	2024	2023	2022	2021	2020	2019	2018
Borough's Proportion of the Net OPEB Liability (Asset)	1.36704%	1.26656%	1.17317%	1.18646%	1.24167%	0.95184%	0.96260%
Borough's Proportionate Share of the Net OPEB Liability (Asset) State of Alaska, Proportionate Share of the Net OPEB Liability (Asset)	\$ (701,345)	\$ (555,233)	\$ (517,050)	\$ (323,429)	\$ (301,044)	\$ (184,866)	\$ (136,586)
Total Net OPEB Liability (Asset)	\$ (701,345)	\$ (555,233)	\$ (517,050)	\$ (323,429)	\$ (301,044)	\$ (184,866)	\$ (136,586)
Borough's Covered Payroll	\$ 19,362,886	\$ 16,690,385	\$ 14,346,781	\$ 12,973,749	\$ 11,811,358	\$ 10,772,905	\$ 10,017,395
Borough's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	-3.62%	-3.33%	-3.60%	-2.49%	-2.55%	-1.72%	-1.36%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	349.24%	348.80%	374.22%	283.80%	297.43%	270.62%	212.97%

Schedule of Borough Contributions

Years Ended June 30,	2024	2023	2022	2021	2020	2019	2018
Contractually Required Contributions	\$ 90,577	\$ 83,743	\$ 73,074	\$ 62,576	\$ 52,029	\$ 50,697	\$ 12,282
Contributions Relative to the Contractually Required Contribution	90,577	83,743	73,074	62,576	52,029	50,697	12,282
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Borough's Covered Payroll	\$ 20,877,139	\$ 19,362,886	\$ 16,690,385	\$ 14,346,781	\$ 12,973,749	\$ 11,811,358	\$ 10,772,905
Contributions as a Percentage of Covered Payroll	0.434%	0.432%	0.438%	0.436%	0.401%	0.429%	0.114%

See accompanying notes to Required Supplementary Information.

Kenai Peninsula Borough
Notes to Required Supplementary Information
June 30, 2024

1. Public Employees' Retirement System Pension Plan

Schedule of the Borough's Proportionate Share of the Net Pension Liability

This table is presented based on the Plan measurement date. For June 30, 2024, the Plan measurement date is June 30, 2023.

Changes in Assumptions:

The total pension liability was determined by an actuarial valuation as of June 30, 2022, rolled forward to the measurement date of June 30, 2023. The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021, resulting in changes in actuarial assumptions effective for the June 30, 2022 actuarial valuation, which were adopted by the Board to better reflect expected future experience.

In 2022, the discount rate was lowered from 7.38% to 7.25%.

Amounts reported reflect a change in assumptions between 2016 and 2017 in the method of allocating the net pension liability from actual contributions to present value of projected future contributions.

Schedule of the Borough's Contributions

This table is based on the Borough's contributions for each fiscal year presented. These contributions have been reported as a deferred outflow of resources on the Statement of Net Position.

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Kenai Peninsula Borough
Notes to Required Supplementary Information, continued
June 30, 2024

2. Public Employees' Retirement System OPEB Plans

Schedule of the Borough's Proportionate Share of the Net OPEB Liability (Asset)

This table is presented based on the Plan measurement date. For June 30, 2024, the Plan measurement date is June 30, 2023.

Changes in Assumptions:

The total OPEB liability for each plan was determined by actuarial valuations as of June 30, 2022, rolled forward to the measurement date of June 30, 2023. The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021, resulting in changes in actuarial assumptions effective for the June 30, 2022 actuarial valuation, which were adopted by the Board to better reflect the expected future experience. For the ARHCT and RMP plans, the per capita claims costs were updated to reflect recent experience for the June 30, 2022 actuarial valuation.

In 2022, the discount rate was lowered from 7.38% to 7.25%.

In 2019, an Employer Group Waiver Plan (EGWP) was implemented effective January 1, 2019. This arrangement replaced the Retiree Drug Subsidy (RDS) under Medicare Part D and resulted in largest projected subsidies to offset the cost of prescription drug coverage.

GASB requires ten years of information be presented. However, until a full 10 years of information is available, the Borough will present only those years for which information is available.

Schedule of the Borough's Contributions

These tables are based on the Borough's contributions for each fiscal year presented. These contributions have been reported as a deferred outflow of resources on the Statement of Net Position.

GASB requires ten years of information be presented. However, until a full ten years of information is available, the Borough will present only those years for which information is available.

NON MAJOR GOVERNMENTAL FUNDS

Kenai Peninsula Borough
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2024

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Assets</u>			
Cash and short-term investments	\$ 15,575,060	\$ -	\$ 15,575,060
Equity in central treasury	30,091,697	25,956,791	56,048,488
Receivables (net of allowances for estimated uncollectibles):			
Taxes receivable	323,663	-	323,663
Leases receivable	4,296,081	-	4,296,081
Accounts receivable	480,523	14	480,537
Land sale contracts receivable-			
Current	157,101	-	157,101
Delinquent	5,590	-	5,590
Due from other governments	957,785	82,191	1,039,976
Due from other funds	587,106	-	587,106
Prepays	207	-	207
Land sale contracts receivable - long-term	1,335,809	-	1,335,809
Total assets	\$ 53,810,622	\$ 26,038,996	\$ 79,849,618
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>			
Liabilities:			
Accounts and retainage payable	1,368,922	1,918,499	3,287,421
Accrued payroll and payroll benefits	454,982	8,836	463,818
Due to other funds	587,106	-	587,106
Unearned grant revenue	117,230	682,887	800,117
Total liabilities	2,528,240	2,610,222	5,138,462
Deferred inflows of resources:			
Prepaid property taxes	8,011,992	-	8,011,992
Property tax receivable - unavailable	289,614	-	289,614
Lease related	4,051,122	-	4,051,122
Land sales - unavailable	1,498,500	-	1,498,500
Total deferred inflows of resources	13,851,228	-	13,851,228
Fund balances:			
Nonspendable:			
Prepays	207	-	207
Restricted:			
Roads construction and upgrades	-	6,952,433	6,952,433
Hazard tree removal program	256,488	-	256,488
General government	18,437,071	435,428	18,872,499
Public safety	14,215,161	1,581,660	15,796,821
Recreation	1,852,076	854,113	2,706,189
Education	-	358,137	358,137
Roads	2,433,994	-	2,433,994
Committed:			
Software upgrades	-	85,603	85,603
Building maintenance and upgrades	-	964,723	964,723
Public safety facilities and equipment	-	1,720,660	1,720,660
Recreational facility maintenance	-	413,684	413,684
School maintenance and upgrades	-	7,489,472	7,489,472
Road construction and upgrades	-	2,424,594	2,424,594
Assigned:			
Subsequent year's expenditures	236,157	148,267	384,424
Total fund balances	37,431,154	23,428,774	60,859,928
Total liabilities, deferred inflows of resources and fund balances	\$53,810,622	\$26,038,996	\$ 79,849,618

Kenai Peninsula Borough
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended June 30, 2024

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total Nonmajor Governmental Funds
Revenues:				
Property taxes	\$ 23,793,966	\$ -	\$ -	\$ 23,793,966
Motor vehicle tax	235,673	-	-	235,673
Intergovernmental:				
Federal	242,969	2,285,933	-	2,528,902
State	223,731	21,642	-	245,373
Investment earnings (loss)	2,995,604	708,609	-	3,704,213
Other revenues	7,914,670	24,023	-	7,938,693
Total revenues	35,406,613	3,040,207	-	38,446,820
 Expenditures:				
General government	1,586,699	1,793,566	-	3,380,265
Public safety	15,247,010	1,547,258	-	16,794,268
Recreation	2,073,093	785,784	-	2,858,877
Education	-	5,455,464	-	5,455,464
Roads and trails	7,587,346	4,650,090	-	12,237,436
Debt service:				
Principal	-	-	3,750,000	3,750,000
Interest and other	-	-	2,914,396	2,914,396
Total expenditures	26,494,148	14,232,162	6,664,396	47,390,706
 Excess (deficiency) of revenues over expenditures	8,912,465	(11,191,955)	(6,664,396)	(8,943,886)
 Other financing sources (uses):				
Transfers in	2,030,300	8,505,805	6,664,396	17,200,501
Transfers out	(5,421,880)	-	-	(5,421,880)
Net other financing sources (uses)	(3,391,580)	8,505,805	6,664,396	11,778,621
 Net change in fund balances	5,520,885	(2,686,150)	-	2,834,735
 Fund balances at beginning of year	31,910,269	26,114,924	-	58,025,193
 Fund balances at end of year	\$ 37,431,154	\$ 23,428,774	\$ -	\$ 60,859,928

Nonmajor Special Revenue Funds
Pages 100-120

Special revenue funds are used for specific revenues that are legally restricted to expenditures for a specific purpose.

Nikiski Fire Service Area – This fund accounts for property taxes, intergovernmental revenues, interest earnings, other revenues - ambulance fees, and operating expenditures of the Nikiski Fire Service Area.

Bear Creek Fire Service Area – This fund accounts for property taxes, intergovernmental revenues, interest earnings, other revenues - ambulance fees, and operating expenditures of the Bear Creek Fire Service Area.

Western Emergency Service Area – This fund accounts for property taxes, intergovernmental revenues, interest earnings, other revenues - ambulance fees, and operating expenditures of the Anchor Point Fire and Emergency Medical Service Area.

Kachemak Emergency Service Area – This fund accounts for property taxes, intergovernmental revenues, interest earnings, other revenues - ambulance fees, and operating expenditures of the Kachemak Emergency Service Area.

Central Peninsula Emergency Medical Service Area – This fund accounts for operating expenditures of the Central Peninsula Emergency Medical Service Area.

North Peninsula Recreation Service Area – This fund accounts for property taxes, intergovernmental revenues, interest earnings, other revenues – recreational fees, and operating expenditures the North Peninsula Recreation Service Area.

Seldovia Recreational Service Area – This fund accounts for property taxes, intergovernmental revenues, interest earnings, other revenues – recreational fees, and operating expenditures of the Seldovia Recreational Service Area.

Eastern Peninsula Highway Emergency Service Area – This fund accounts for operating expenditures of the Eastern Peninsula Highway Emergency Service Area.

Road Service Area – This fund accounts for property taxes, intergovernmental revenues, interest earnings, other revenues, and operating expenditures of the Road Service Area.

Land Trust - This fund is used to account for expenditures of the Land Trust Fund.

Land Trust Investment – This fund accounts for the proceeds of the Borough land sales and the financial assets of the Land Trust Fund in excess of annual operating needs.

Seward Bear Creek Flood Service Area – This fund accounts for property taxes, intergovernmental revenues, interest earnings, other revenues, and operating expenditures of the Seward Bear Creek Flood Service Area.

Environmental Protection Programs – This fund accounts for expenditures of the environmental protection programs.

Disaster Relief – This fund is used to account for expenditures of the Disaster Relief program.

911 Communications – This fund is used to account for intergovernmental revenues, interest earnings, other revenues – dispatch and call for service fees, and operating expenditures of the Borough's 911 communications service.

Nikiski Senior Service Area – This fund is used to account for property taxes, interest earnings and operating expenditures to provide services and programs to senior citizens within the service area.

Kenai Peninsula Borough
 Nonmajor Special Revenue Funds
 Combining Balance Sheet
 June 30, 2024

	Nikiski Fire Service Area	Bear Creek Fire Service Area	Western Emergency Service Area
Assets			
Cash and short-term investments	\$ 11,839	\$ 200	\$ 18,843
Equity in central treasury	10,267,394	759,833	2,176,976
Receivables (net of allowances for estimated uncollectibles):			
Taxes receivable	58,385	13,959	38,509
Leases receivable	462,463	312,686	312,170
Accounts receivable	107,885	1,800	71,370
Land sale contracts receivable-			
Current	-	-	-
Delinquent	-	-	-
Due from other governments	671,064	2,592	120,012
Due from other funds	-	-	-
Prepays	-	-	-
Land sale contracts receivable - long-term	-	-	-
Total assets	\$ 11,579,030	\$ 1,091,070	\$ 2,737,880
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities:			
Accounts and retainage payable	\$ 43,029	\$ 10,323	\$ 17,755
Accrued payroll and payroll benefits	132,322	9,757	52,691
Accrued liabilities	-	-	-
Due to other funds	-	-	587,106
Unearned grant revenue	103,458	10,089	-
Total liabilities	278,809	30,169	657,552
Deferred inflows of resources:			
Prepaid property taxes	3,135,454	3,537	757,195
Property taxes receivable - unavailable	54,841	12,692	34,535
Leases related	434,704	290,450	289,970
Land sales - unavailable	-	-	-
Total deferred inflows of resources	3,624,999	306,679	1,081,700
Fund balances:			
Nonspendable:			
Prepays	-	-	-
Restricted:			
Hazard tree removal program	-	-	-
General government	-	-	-
Public safety	7,598,757	737,172	901,604
Recreation	-	-	-
Roads	-	-	-
Assigned:			
Subsequent year's expenditures	76,465	17,050	97,024
Total fund balances	7,675,222	754,222	998,628
Total liabilities, deferred inflows of resources and fund balances	\$ 11,579,030	\$ 1,091,070	\$ 2,737,880

<u>Kachemak Emergency Service Area</u>	<u>Central Peninsula Emergency Medical Service Area</u>	<u>North Peninsula Recreation Service Area</u>	<u>Seldovia Recreational Service Area</u>	<u>Eastern Peninsula Highway Emergency Service Area</u>
\$ 17,306	\$ -	\$ 500	\$ -	\$ -
1,101,459	77	3,414,460	125,398	873,579
23,980	81	27,029	4,188	-
-	-	-	-	-
17,738	-	-	-	-
-	-	-	-	-
-	-	-	-	-
84,027	-	4,294	60	-
-	-	-	-	-
207	-	-	-	-
-	-	-	-	-
<u>\$ 1,244,717</u>	<u>\$ 158</u>	<u>\$ 3,446,283</u>	<u>\$ 129,646</u>	<u>\$ 873,579</u>
\$ 29,357	\$ -	\$ 32,984	\$ 1,255	\$ 26,381
29,355	-	39,161	-	1,601
-	-	-	-	-
-	-	-	-	-
3,683	-	-	-	-
<u>62,395</u>	<u>-</u>	<u>72,145</u>	<u>1,255</u>	<u>27,982</u>
12,457	41	1,575,446	382	-
21,127	81	25,210	3,797	-
-	-	-	-	-
-	-	-	-	-
<u>33,584</u>	<u>122</u>	<u>1,600,656</u>	<u>4,179</u>	<u>-</u>
207	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,148,531	36	-	-	845,597
-	-	1,773,482	78,594	-
-	-	-	-	-
-	-	-	45,618	-
<u>1,148,738</u>	<u>36</u>	<u>1,773,482</u>	<u>124,212</u>	<u>845,597</u>
<u>\$ 1,244,717</u>	<u>\$ 158</u>	<u>\$ 3,446,283</u>	<u>\$ 129,646</u>	<u>\$ 873,579</u>

Kenai Peninsula Borough
 Nonmajor Special Revenue Funds
 Combining Balance Sheet, continued
 June 30, 2024

	Road Service Area	Land Trust Special Revenue Fund	Land Trust Investment
<u>Assets</u>			
Cash and short-term investments	\$ -	\$ -	\$ 15,526,372
Equity in central treasury	5,455,454	1,869,958	108,687
Receivables (net of allowances for estimated uncollectibles):			
Taxes receivable	146,354	-	-
Leases receivable	-	3,208,762	-
Accounts receivable	-	54,051	-
Land sale contracts receivable:			
Current	-	157,101	-
Delinquent	-	5,590	-
Due from other governments	23,820	396	-
Due from other funds	-	-	587,106
Prepays	-	-	-
Land sale contracts receivable - long-term	-	1,335,809	-
	-	1,335,809	-
Total assets	\$ 5,625,628	\$ 6,631,667	\$ 16,222,165
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>			
Liabilities:			
Accounts and retainage payable	\$ 814,333	\$ 176,215	\$ -
Accrued payroll and payroll benefits	31,722	23,419	-
Due to other funds	-	-	-
Unearned grant revenue	-	-	-
Total liabilities	846,055	199,634	-
Deferred inflows of resources:			
Prepaid property taxes	2,214,751	-	-
Property taxes receivable - unavailable	130,828	-	-
Leases related	-	3,035,998	-
Land sales - unavailable	-	1,498,500	-
Total deferred inflows of resources	2,345,579	4,534,498	-
Fund balances:			
Nonspendable:			
Prepays	-	-	-
Restricted:			
Hazard tree removal program	-	-	-
General government	-	1,897,535	16,222,165
Public safety	-	-	-
Recreation	-	-	-
Roads	2,433,994	-	-
Assigned:			
Subsequent year's expenditures	-	-	-
Total fund balances	2,433,994	1,897,535	16,222,165
Total liabilities, deferred inflows of resources and fund balances	\$ 5,625,628	\$ 6,631,667	\$ 16,222,165

Seward Bear Creek Flood Service Area	Environmental Protection Programs	911 Communications	Nikiski Senior Service Area	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ 15,575,060
1,076,586	223,801	2,014,790	623,245	30,091,697
6,754	-	-	4,424	323,663
-	-	-	-	4,296,081
-	-	227,679	-	480,523
-	-	-	-	157,101
-	-	-	-	5,590
1,850	49,003	-	667	957,785
-	-	-	-	587,106
-	-	-	-	207
-	-	-	-	1,335,809
<u>\$ 1,085,190</u>	<u>\$ 272,804</u>	<u>\$ 2,242,469</u>	<u>\$ 628,336</u>	<u>53,810,622</u>
\$ 167,873	\$ 14,322	\$ 35,095	\$ -	\$ 1,368,922
7,485	1,994	125,475	-	454,982
-	-	-	-	587,106
-	-	-	-	117,230
<u>175,358</u>	<u>16,316</u>	<u>160,570</u>	<u>-</u>	<u>2,528,240</u>
3,162	-	-	309,567	8,011,992
5,105	-	-	1,398	289,614
-	-	-	-	4,051,122
-	-	-	-	1,498,500
<u>8,267</u>	<u>-</u>	<u>-</u>	<u>310,965</u>	<u>13,851,228</u>
-	-	-	-	207
-	256,488	-	-	256,488
-	-	-	317,371	18,437,071
901,565	-	2,081,899	-	14,215,161
-	-	-	-	1,852,076
-	-	-	-	2,433,994
-	-	-	-	236,157
<u>901,565</u>	<u>256,488</u>	<u>2,081,899</u>	<u>317,371</u>	<u>37,431,154</u>
<u>\$ 1,085,190</u>	<u>\$ 272,804</u>	<u>\$ 2,242,469</u>	<u>\$ 628,336</u>	<u>\$ 53,810,622</u>

Kenai Peninsula Borough
 Nonmajor Special Revenue Funds
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 For the Year Ended June 30, 2024

	<u>Nikiski Fire Service Area</u>	<u>Bear Creek Fire Service Area</u>	<u>Western Emergency Service Area</u>
Revenues:			
Property taxes	\$ 5,168,108	\$ 841,341	\$ 2,304,848
Motor vehicle tax	38,258	11,977	15,352
Intergovernmental:			
Federal	139,304	3,294	34,357
State	71,153	6,091	27,086
Investment earnings	443,813	48,053	114,411
Other revenues	<u>1,686,040</u>	<u>119,458</u>	<u>481,841</u>
Total revenues	<u>7,546,676</u>	<u>1,030,214</u>	<u>2,977,895</u>
Expenditures:			
General government	-	-	-
Public safety	5,625,681	593,720	2,414,913
Recreation	-	-	-
Roads and trails	-	-	-
Total expenditures	<u>5,625,681</u>	<u>593,720</u>	<u>2,414,913</u>
Excess (deficiency) of revenues over expenditures	<u>1,920,995</u>	<u>436,494</u>	<u>562,982</u>
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	<u>(326,774)</u>	<u>(395,087)</u>	<u>(106,167)</u>
Net other financing sources (uses)	<u>(326,774)</u>	<u>(395,087)</u>	<u>(106,167)</u>
Net change in fund balances	1,594,221	41,407	456,815
Fund balances at beginning of year	<u>6,081,001</u>	<u>712,815</u>	<u>541,813</u>
Fund balances at end of year	<u>\$ 7,675,222</u>	<u>\$ 754,222</u>	<u>\$ 998,628</u>

<u>Kachemak Emergency Service Area</u>	<u>Central Peninsula Emergency Medical Service Area</u>	<u>North Peninsula Recreation Service Area</u>	<u>Seldovia Recreational Service Area</u>	<u>Eastern Peninsula Highway Emergency Service Area</u>	<u>Road Service Area</u>
\$ 1,953,962	\$ 8,975	\$ 2,755,299	\$ 69,137	\$ -	\$ 9,548,807
28,298	-	19,837	279	-	110,045
16,615	-	-	-	-	-
18,996	-	17,350	-	-	18,510
71,971	-	117,284	7,824	45,226	265,875
230,030	-	287,466	1,585	-	900
<u>2,319,872</u>	<u>8,975</u>	<u>3,197,236</u>	<u>78,825</u>	<u>45,226</u>	<u>9,944,137</u>
-	-	-	-	-	-
1,737,406	-	-	-	225,726	-
-	-	1,977,953	95,140	-	-
-	-	-	-	-	7,587,346
<u>1,737,406</u>	<u>-</u>	<u>1,977,953</u>	<u>95,140</u>	<u>225,726</u>	<u>7,587,346</u>
582,466	8,975	1,219,283	(16,315)	(180,500)	2,356,791
-	-	-	-	340,000	-
<u>(288,504)</u>	<u>(9,783)</u>	<u>(700,000)</u>	<u>-</u>	<u>(8,834)</u>	<u>(2,200,000)</u>
<u>(288,504)</u>	<u>(9,783)</u>	<u>(700,000)</u>	<u>-</u>	<u>331,166</u>	<u>(2,200,000)</u>
293,962	(808)	519,283	(16,315)	150,666	156,791
<u>854,776</u>	<u>844</u>	<u>1,254,199</u>	<u>140,527</u>	<u>694,931</u>	<u>2,277,203</u>
<u>\$ 1,148,738</u>	<u>\$ 36</u>	<u>\$ 1,773,482</u>	<u>\$ 124,212</u>	<u>\$ 845,597</u>	<u>\$ 2,433,994</u>

Kenai Peninsula Borough
 Nonmajor Special Revenue Funds
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances, Continued
 For the Year Ended June 30, 2024

	<u>Land Trust Special Revenue Fund</u>	<u>Land Trust Investment</u>	<u>Seward Bear Creek Flood Service Area</u>
Revenues:			
Property taxes	\$ -	\$ -	\$ 653,192
Motor vehicle tax	-	-	8,544
Intergovernmental:			
Federal	396	-	-
State	12,485	-	4,013
Investment earnings	281,089	1,487,421	48,872
Other revenues	<u>1,541,692</u>	<u>-</u>	<u>-</u>
Total revenues	<u>1,835,662</u>	<u>1,487,421</u>	<u>714,621</u>
Expenditures:			
General government	1,136,699	-	-
Public safety	-	-	814,186
Recreation	-	-	-
Roads and trails	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,136,699</u>	<u>-</u>	<u>814,186</u>
Excess (deficiency) of revenues over expenditures	<u>698,963</u>	<u>1,487,421</u>	<u>(99,565)</u>
Other financing sources (uses):			
Transfers in	-	1,185,810	-
Transfers out	<u>(1,185,810)</u>	<u>-</u>	<u>-</u>
Net other financing sources (uses)	<u>(1,185,810)</u>	<u>1,185,810</u>	<u>-</u>
Net change in fund balances	(486,847)	2,673,231	(99,565)
Fund balances at beginning of year	<u>2,384,382</u>	<u>13,548,934</u>	<u>1,001,130</u>
Fund balances at end of year	<u>\$ 1,897,535</u>	<u>\$ 16,222,165</u>	<u>\$ 901,565</u>

Environmental Protection Programs	Disaster Relief	911 Communications	Nikiski Senior Service Area	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ 490,297	\$ 23,793,966
-	-	-	3,083	235,673
49,003	-	-	-	242,969
-	-	48,047	-	223,731
11,679	-	29,743	22,343	2,995,604
-	-	3,565,658	-	7,914,670
<u>60,682</u>	<u>-</u>	<u>3,643,448</u>	<u>515,723</u>	<u>35,406,613</u>
-	-	-	450,000	1,586,699
49,003	73,365	3,713,010	-	15,247,010
-	-	-	-	2,073,093
-	-	-	-	7,587,346
<u>49,003</u>	<u>73,365</u>	<u>3,713,010</u>	<u>450,000</u>	<u>26,494,148</u>
<u>11,679</u>	<u>(73,365)</u>	<u>(69,562)</u>	<u>65,723</u>	<u>8,912,465</u>
-	73,365	431,125	-	2,030,300
-	-	(200,921)	-	(5,421,880)
-	73,365	230,204	-	(3,391,580)
11,679	-	160,642	65,723	5,520,885
<u>244,809</u>	<u>-</u>	<u>1,921,257</u>	<u>251,648</u>	<u>31,910,269</u>
<u>\$ 256,488</u>	<u>\$ -</u>	<u>\$ 2,081,899</u>	<u>\$ 317,371</u>	<u>\$ 37,431,154</u>

Kenai Peninsula Borough

Nikiski Fire Service Area Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property taxes	\$ 5,187,215	\$ 5,187,215	\$ 5,168,108	\$ (19,107)
Motor vehicle tax	42,501	42,501	38,258	(4,243)
Intergovernmental:				
Federal	-	267,762	139,304	(128,458)
State	-	71,153	71,153	-
Investment earnings	101,516	101,516	443,813	342,297
Other revenues	<u>781,901</u>	<u>781,901</u>	<u>1,686,040</u>	<u>904,139</u>
Total revenues	<u>6,113,133</u>	<u>6,452,048</u>	<u>7,546,676</u>	<u>1,094,628</u>
Expenditures:				
Public safety:				
Personnel	4,684,940	4,865,726	4,275,576	590,150
Supplies	323,696	331,596	202,104	129,492
Services	1,195,277	1,202,916	967,276	235,640
Capital outlay	<u>137,517</u>	<u>278,642</u>	<u>180,725</u>	<u>97,917</u>
Total expenditures	<u>6,341,430</u>	<u>6,678,880</u>	<u>5,625,681</u>	<u>1,053,199</u>
Excess (deficiency) of revenues over expenditures	<u>(228,297)</u>	<u>(226,832)</u>	<u>1,920,995</u>	<u>2,147,827</u>
Other financing uses:				
Transfers out	<u>(326,774)</u>	<u>(326,774)</u>	<u>(326,774)</u>	<u>-</u>
Net change in fund balance	(555,071)	(553,606)	1,594,221	2,147,827
Fund balance at beginning of year	<u>6,081,001</u>	<u>6,081,001</u>	<u>6,081,001</u>	<u>-</u>
Fund balance at end of year	<u>\$ 5,525,930</u>	<u>\$ 5,527,395</u>	<u>\$ 7,675,222</u>	<u>\$ 2,147,827</u>

Kenai Peninsula Borough

Bear Creek Fire Service Area Special Revenue Fund

Schedule of Revenues, Expenditures and Changes

in Fund Balance - Budget and Actual

For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>			<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Property taxes	\$ 837,688	\$ 837,688	\$ 841,341	\$ 3,653
Motor vehicle tax	13,449	13,449	11,977	(1,472)
Intergovernmental:				
Federal	-	13,382	3,294	(10,088)
State	-	6,091	6,091	-
Investment earnings	12,253	12,253	48,053	35,800
Other revenues	<u>106,208</u>	<u>106,208</u>	<u>119,458</u>	<u>13,250</u>
Total revenues	<u>969,598</u>	<u>989,071</u>	<u>1,030,214</u>	<u>41,143</u>
Expenditures:				
Public safety:				
Personnel	443,157	449,248	412,843	36,405
Supplies	23,675	23,675	15,591	8,084
Services	210,387	214,282	154,199	60,083
Capital outlay	<u>10,050</u>	<u>19,537</u>	<u>11,087</u>	<u>8,450</u>
Total expenditures	<u>687,269</u>	<u>706,742</u>	<u>593,720</u>	<u>113,022</u>
Excess (deficiency) of revenues over expenditures	<u>282,329</u>	<u>282,329</u>	<u>436,494</u>	<u>154,165</u>
Other financing uses:				
Transfers out	<u>(395,087)</u>	<u>(395,087)</u>	<u>(395,087)</u>	<u>-</u>
Net change in fund balance	(112,758)	(112,758)	41,407	154,165
Fund balance at beginning of year	<u>712,815</u>	<u>712,815</u>	<u>712,815</u>	<u>-</u>
Fund balance at end of year	<u>\$ 600,057</u>	<u>\$ 600,057</u>	<u>\$ 754,222</u>	<u>\$ 154,165</u>

Kenai Peninsula Borough

Western Emergency Service Area Special Revenue Fund

Schedule of Revenues, Expenditures and Changes

in Fund Balance - Budget and Actual

For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property taxes	\$ 2,312,608	\$ 2,312,608	\$ 2,304,848	\$ (7,760)
Motor vehicle tax	12,739	12,739	15,352	2,613
Intergovernmental:				
Federal	-	34,357	34,357	-
State	-	27,086	27,086	-
Investment earnings	21,258	21,258	114,411	93,153
Other revenues	<u>370,254</u>	<u>370,254</u>	<u>481,841</u>	<u>111,587</u>
Total revenues	<u>2,716,859</u>	<u>2,778,302</u>	<u>2,977,895</u>	<u>199,593</u>
Expenditures:				
Public safety:				
Personnel	1,809,122	1,850,508	1,731,523	118,985
Supplies	156,400	156,400	124,825	31,575
Services	575,286	583,142	419,941	163,201
Capital outlay	<u>133,275</u>	<u>145,762</u>	<u>138,624</u>	<u>7,138</u>
Total expenditures	<u>2,674,083</u>	<u>2,735,812</u>	<u>2,414,913</u>	<u>320,899</u>
Excess (deficiency) of revenues over expenditures	<u>42,776</u>	<u>42,490</u>	<u>562,982</u>	<u>520,492</u>
Other financing uses:				
Transfers out	<u>(81,167)</u>	<u>(106,167)</u>	<u>(106,167)</u>	<u>-</u>
Net change in fund balance	(38,391)	(63,677)	456,815	520,492
Fund balance at beginning of year	<u>541,813</u>	<u>541,813</u>	<u>541,813</u>	<u>-</u>
Fund balance at end of year	<u>\$ 503,422</u>	<u>\$ 478,136</u>	<u>\$ 998,628</u>	<u>\$ 520,492</u>

Kenai Peninsula Borough

Kachemak Emergency Service Area Special Revenue Fund

Schedule of Revenues, Expenditures and Changes

in Fund Balance - Budget and Actual

For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property taxes	\$ 1,956,400	\$ 1,956,400	\$ 1,953,962	\$ (2,438)
Motor vehicle tax	24,846	24,846	28,298	3,452
Intergovernmental:				
Federal	-	20,298	16,615	(3,683)
State	-	18,996	18,996	-
Investment earnings	10,523	10,523	71,971	61,448
Other revenues	<u>96,291</u>	<u>96,291</u>	<u>230,030</u>	<u>133,739</u>
Total revenues	<u>2,088,060</u>	<u>2,127,354</u>	<u>2,319,872</u>	<u>192,518</u>
Expenditures:				
Public safety:				
Personnel	1,304,725	1,323,721	1,176,047	147,674
Supplies	135,100	136,082	110,965	25,117
Services	391,392	394,743	331,850	62,893
Capital outlay	<u>114,372</u>	<u>130,338</u>	<u>118,544</u>	<u>11,794</u>
Total expenditures	<u>1,945,589</u>	<u>1,984,884</u>	<u>1,737,406</u>	<u>247,478</u>
Excess (deficiency) of revenues over expenditures	<u>142,471</u>	<u>142,470</u>	<u>582,466</u>	<u>439,996</u>
Other financing uses:				
Transfers out	<u>(288,504)</u>	<u>(288,504)</u>	<u>(288,504)</u>	<u>-</u>
Net change in fund balance	(146,033)	(146,034)	293,962	439,996
Fund balance at beginning of year	<u>854,776</u>	<u>854,776</u>	<u>854,776</u>	<u>-</u>
Fund balance at end of year	<u>\$ 708,743</u>	<u>\$ 708,742</u>	<u>\$ 1,148,738</u>	<u>\$ 439,996</u>

Kenai Peninsula Borough

Central Peninsula Emergency Medical Service Area Special Revenue Fund

Schedule of Revenues, Expenditures and Changes

in Fund Balance - Budget and Actual

For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Positive
				(Negative)
Revenues:				
Property taxes	\$ 9,439	\$ 9,439	\$ 8,975	\$ (464)
Expenditures:				
Public safety	-	-	-	-
Excess (deficiency) of revenues over expenditures	9,439	9,439	8,975	(464)
Other financing uses:				
Transfers out	(9,783)	(9,783)	(9,783)	-
Net change in fund balance	(344)	(344)	(808)	(464)
Fund balance at beginning of year	844	844	844	-
Fund balance at end of year	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ 36</u>	<u>\$ (464)</u>

Kenai Peninsula Borough

North Peninsula Recreation Service Area Special Revenue Fund

Schedule of Revenues, Expenditures and Changes

in Fund Balance - Budget and Actual

For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>			<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Property taxes	\$ 2,754,402	\$ 2,754,402	\$ 2,755,299	\$ 897
Motor vehicle tax	15,741	15,741	19,837	4,096
Intergovernmental -				
State	-	17,350	17,350	-
Investment earnings	16,268	16,268	117,284	101,016
Other revenues	<u>285,000</u>	<u>290,000</u>	<u>287,466</u>	<u>(2,534)</u>
Total revenues	<u>3,071,411</u>	<u>3,093,761</u>	<u>3,197,236</u>	<u>103,475</u>
Expenditures:				
Recreation:				
Personnel	1,421,153	1,438,503	1,260,126	178,377
Supplies	138,830	143,830	105,347	38,483
Services	752,650	752,650	607,638	145,012
Capital outlay	<u>21,100</u>	<u>21,100</u>	<u>4,842</u>	<u>16,258</u>
Total expenditures	<u>2,333,733</u>	<u>2,356,083</u>	<u>1,977,953</u>	<u>378,130</u>
Excess (deficiency) of revenues				
over expenditures	<u>737,678</u>	<u>737,678</u>	<u>1,219,283</u>	<u>481,605</u>
Other financing uses:				
Transfers out	<u>(700,000)</u>	<u>(700,000)</u>	<u>(700,000)</u>	<u>-</u>
Net change in fund balance	37,678	37,678	519,283	481,605
Fund balance at beginning of year	<u>1,254,199</u>	<u>1,254,199</u>	<u>1,254,199</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,291,877</u>	<u>\$ 1,291,877</u>	<u>\$ 1,773,482</u>	<u>\$ 481,605</u>

Kenai Peninsula Borough

Seldovia Recreational Service Area Special Revenue Fund

Schedule of Revenues, Expenditures and Changes

in Fund Balance - Budget and Actual

For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property taxes	\$ 71,313	\$ 71,313	\$ 69,137	\$ (2,176)
Motor vehicle tax	246	246	279	33
Investment earnings	2,601	2,601	7,824	5,223
Other revenues	<u>1,050</u>	<u>1,050</u>	<u>1,585</u>	<u>535</u>
Total revenues	<u>75,210</u>	<u>75,210</u>	<u>78,825</u>	<u>3,615</u>
Expenditures:				
Recreation:				
Supplies	6,500	9,182	8,439	743
Services	61,562	53,422	61,882	(8,460)
Capital outlay	<u>33,000</u>	<u>28,458</u>	<u>24,819</u>	<u>3,639</u>
Total expenditures	<u>101,062</u>	<u>91,062</u>	<u>95,140</u>	<u>(4,078)</u>
Net change in fund balance	(25,852)	(15,852)	(16,315)	(463)
Fund balance at beginning of year	<u>140,527</u>	<u>140,527</u>	<u>140,527</u>	<u>-</u>
Fund balance at end of year	<u>\$ 114,675</u>	<u>\$ 124,675</u>	<u>\$ 124,212</u>	<u>\$ (463)</u>

Kenai Peninsula Borough

Eastern Peninsula Highway Emergency Service Area Special Revenue Fund

Schedule of Revenues, Expenditures and Changes

in Fund Balance - Budget and Actual

For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Investment earnings	\$ 11,926	\$ 11,926	\$ 45,226	\$ 33,300
Expenditures:				
Public safety:				
Supplies	1,893	1,893	925	968
Services	338,472	338,472	224,801	113,671
Total expenditures	<u>340,365</u>	<u>340,365</u>	<u>225,726</u>	<u>114,639</u>
Excess (deficiency) of revenues over expenditures	<u>(328,439)</u>	<u>(328,439)</u>	<u>(180,500)</u>	<u>147,939</u>
Other financing sources (uses):				
Transfers in	340,000	340,000	340,000	-
Transfers out	<u>(8,834)</u>	<u>(8,834)</u>	<u>(8,834)</u>	<u>-</u>
Net other financing sources (uses)	<u>331,166</u>	<u>331,166</u>	<u>331,166</u>	<u>-</u>
Net change in fund balance	2,727	2,727	150,666	147,939
Fund balance at beginning of year	<u>694,931</u>	<u>694,931</u>	<u>694,931</u>	<u>-</u>
Fund balance at end of year	<u>\$ 697,658</u>	<u>\$ 697,658</u>	<u>\$ 845,597</u>	<u>\$ 147,939</u>

Kenai Peninsula Borough

Road Service Area Special Revenue Fund

Schedule of Revenues, Expenditures and Changes

in Fund Balance - Budget and Actual

For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 9,582,966	\$ 9,582,966	\$ 9,548,807	\$ (34,159)
Motor vehicle tax	118,218	118,218	110,045	(8,173)
Intergovernmental:				
Federal	-	1,515,000	-	(1,515,000)
State	-	18,510	18,510	-
Investment earnings	49,523	49,523	265,875	216,352
Other revenues	-	-	900	900
Total revenues	<u>9,750,707</u>	<u>11,284,217</u>	<u>9,944,137</u>	<u>(1,340,080)</u>
Expenditures:				
Roads and trails:				
Personnel	1,204,762	1,203,315	1,137,133	66,182
Supplies	66,255	76,255	72,203	4,052
Services	6,178,678	8,146,197	6,373,267	1,772,930
Capital outlay	<u>2,500</u>	<u>4,800</u>	<u>4,743</u>	<u>57</u>
Total expenditures	<u>7,452,195</u>	<u>9,430,567</u>	<u>7,587,346</u>	<u>1,843,221</u>
Excess (deficiency) of revenues over expenditures	<u>2,298,512</u>	<u>1,853,650</u>	<u>2,356,791</u>	<u>503,141</u>
Other financing uses:				
Transfers out	<u>(2,200,000)</u>	<u>(2,200,000)</u>	<u>(2,200,000)</u>	<u>-</u>
Net change in fund balance	98,512	(346,350)	156,791	503,141
Fund balance at beginning of year	<u>2,277,203</u>	<u>2,277,203</u>	<u>2,277,203</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,375,715</u>	<u>\$ 1,930,853</u>	<u>\$ 2,433,994</u>	<u>\$ 503,141</u>

Kenai Peninsula Borough
Land Trust Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-				
Federal	\$ -	\$ 89,000	\$ 396	\$ (88,604)
State	-	12,485	12,485	-
Investment earnings	49,517	49,517	281,089	231,572
Other revenues:				
Payments on land contracts	650,000	650,000	966,276	316,276
Leases	265,000	265,000	191,949	(73,051)
Timber and gravel sales	106,000	106,000	189,818	83,818
Miscellaneous	<u>110,000</u>	<u>110,000</u>	<u>193,649</u>	<u>83,649</u>
Total revenues	<u>1,180,517</u>	<u>1,282,002</u>	<u>1,835,662</u>	<u>553,660</u>
Expenditures:				
General government:				
Personnel	903,720	916,205	755,382	160,823
Supplies	11,060	20,614	10,929	9,685
Services	336,686	389,528	251,714	137,814
Capital outlay	<u>10,100</u>	<u>124,904</u>	<u>118,674</u>	<u>6,230</u>
Total expenditures	<u>1,261,566</u>	<u>1,451,251</u>	<u>1,136,699</u>	<u>314,552</u>
Excess (deficiency) of revenues over expenditures	<u>(81,049)</u>	<u>(169,249)</u>	<u>698,963</u>	<u>868,212</u>
Other financing uses:				
Transfers in	595,000	595,000	-	(595,000)
Transfers out	<u>(1,185,810)</u>	<u>(1,185,810)</u>	<u>(1,185,810)</u>	<u>-</u>
Net other financing sources (uses)	<u>(590,810)</u>	<u>(590,810)</u>	<u>(1,185,810)</u>	<u>(595,000)</u>
Net change in fund balance	(671,859)	(760,059)	(486,847)	273,212
Fund balance at beginning of year	<u>2,384,382</u>	<u>2,384,382</u>	<u>2,384,382</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,712,523</u>	<u>\$ 1,624,323</u>	<u>\$ 1,897,535</u>	<u>\$ 273,212</u>

Kenai Peninsula Borough

Seward Bear Creek Flood Service Area Special Revenue Fund

Schedule of Revenues, Expenditures and Changes

in Fund Balance - Budget and Actual

For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Positive
				(Negative)
Revenues:				
Property taxes	\$ 629,490	\$ 629,490	\$ 653,192	\$ 23,702
Motor vehicle tax	7,132	7,132	8,544	1,412
Intergovernmental-				
State	-	4,013	4,013	-
Investment earnings	<u>12,576</u>	<u>12,576</u>	<u>48,872</u>	<u>36,296</u>
Total revenues	<u>649,198</u>	<u>653,211</u>	<u>714,621</u>	<u>61,410</u>
Expenditures:				
Public safety:				
Personnel	262,358	266,371	258,076	8,295
Supplies	5,450	5,455	2,526	2,929
Services	391,638	691,138	522,327	168,811
Capital outlay	<u>6,350</u>	<u>37,595</u>	<u>31,257</u>	<u>6,338</u>
Total expenditures	<u>665,796</u>	<u>1,000,559</u>	<u>814,186</u>	<u>186,373</u>
Net change in fund balance	(16,598)	(347,348)	(99,565)	247,783
Fund balance at beginning of year	<u>1,001,130</u>	<u>1,001,130</u>	<u>1,001,130</u>	<u>-</u>
Fund balance at end of year	<u>\$ 984,532</u>	<u>\$ 653,782</u>	<u>\$ 901,565</u>	<u>\$ 247,783</u>

Kenai Peninsula Borough

911 Communications Special Revenue Fund

Schedule of Revenues, Expenditures and Changes

in Fund Balance - Budget and Actual

For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
911 service fee	\$ 3,579,819	\$ 3,579,819	\$ 3,562,195	\$ (17,624)
Intergovernmental-				
State	-	48,047	48,047	-
Investment earnings	-	-	29,743	29,743
Other revenues	-	-	3,463	3,463
Total revenues	<u>3,579,819</u>	<u>3,627,866</u>	<u>3,643,448</u>	<u>15,582</u>
Expenditures:				
Public safety:				
Personnel	3,253,312	3,301,359	3,066,632	234,727
Supplies	14,550	14,550	7,743	6,807
Services	681,200	681,200	635,640	45,560
Capital outlay	<u>3,000</u>	<u>4,500</u>	<u>2,995</u>	<u>1,505</u>
Total expenditures	<u>3,952,062</u>	<u>4,001,609</u>	<u>3,713,010</u>	<u>288,599</u>
Excess (deficiency) of revenues over expenditures	<u>(372,243)</u>	<u>(373,743)</u>	<u>(69,562)</u>	<u>304,181</u>
Other financing sources (uses):				
Transfers in	431,125	431,125	431,125	-
Transfers out	<u>(200,921)</u>	<u>(200,921)</u>	<u>(200,921)</u>	<u>-</u>
Net other financing sources (uses)	<u>230,204</u>	<u>230,204</u>	<u>230,204</u>	<u>-</u>
Net change in fund balance	(142,039)	(143,539)	160,642	304,181
Fund balance at beginning of year	<u>1,921,257</u>	<u>1,921,257</u>	<u>1,921,257</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,779,218</u>	<u>\$ 1,777,718</u>	<u>\$ 2,081,899</u>	<u>\$ 304,181</u>

Kenai Peninsula Borough

Nikiski Senior Service Area Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property taxes	\$ 488,230	\$ 488,230	\$ 490,297	\$ 2,067
Motor vehicle tax	2,541	2,541	3,083	542
Investment earnings	<u>4,382</u>	<u>4,382</u>	<u>22,343</u>	<u>17,961</u>
Total revenues	<u>495,153</u>	<u>495,153</u>	<u>515,723</u>	<u>20,570</u>
Expenditures:				
General government:				
Services	<u>475,000</u>	<u>475,000</u>	<u>450,000</u>	<u>25,000</u>
Total expenditures	<u>475,000</u>	<u>475,000</u>	<u>450,000</u>	<u>25,000</u>
Net change in fund balance	20,153	20,153	65,723	45,570
Fund balance at beginning of year	<u>251,648</u>	<u>251,648</u>	<u>251,648</u>	<u>-</u>
Fund balance at end of year	<u>\$ 271,801</u>	<u>\$ 271,801</u>	<u>\$ 317,371</u>	<u>\$ 45,570</u>

Nonmajor Capital Projects Funds
Pages 122-127

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

School Revenue – This fund is used to account for acquisition and construction of school facilities funded by the Borough.

General Government – This fund is used to account for acquisition and construction of major capital facilities for the general government.

Road Service Area – This fund is used to account for acquisition and construction of major capital facilities of the Road Service Area.

Nikiski Fire Service Area – This fund is used to account for acquisition and construction of major capital facilities of the Nikiski Fire Service Area.

Bear Creek Fire Service Area – This fund is used to account for acquisition and construction of major capital facilities of the Bear Creek Fire Service Area.

Western Emergency Service Area – This fund is used to account for acquisition and construction of major capital facilities of the Western Emergency Service Area.

Kachemak Emergency Service Area – This fund is used to account for acquisition and construction of major capital facilities of the Kachemak Emergency Service Area.

911 Communications – This fund is used to account for acquisition and construction of major capital facilities of the 911 Communications.

North Peninsula Recreation Service Area – This fund is used to account for acquisition and construction of major capital facilities of the North Peninsula Recreation Service Area.

Kenai Peninsula Borough
 Nonmajor Capital Projects Funds
 Combining Balance Sheet
 June 30, 2024

	School Revenue	General Government	Road Service Area
<u>Assets</u>			
Equity in central treasury	\$ 9,427,364	\$ 2,891,271	\$ 9,608,892
Accounts receivable	14	-	-
Due from other governments	-	-	82,191
Total assets	\$ 9,427,378	\$ 2,891,271	\$ 9,691,083
 <u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts and retainage payable	891,844	708,018	311,495
Accrued payroll and payroll benefits	5,038	871	2,561
Unearned grant revenue	682,887	-	-
Total liabilities	1,579,769	708,889	314,056
Fund balances:			
Restricted:			
Education	358,137	-	-
Roads	-	-	6,952,433
General government	-	435,428	-
Public safety	-	-	-
Recreation	-	-	-
Committed:			
Software upgrades	-	85,603	-
Building maintenance and upgrades	-	964,723	-
Public safety facilities and equipment	-	696,628	-
Recreational facility maintenance	-	-	-
School maintenance and upgrades	7,489,472	-	-
Road construction and upgrades	-	-	2,424,594
Assigned:			
Subsequent year's expenditures	-	-	-
Total fund balances	7,847,609	2,182,382	9,377,027
Total liabilities and fund balances	\$ 9,427,378	\$ 2,891,271	\$ 9,691,083

<u>Nikiski Fire Service Area</u>	<u>Bear Creek Fire Service Area</u>	<u>Western Emergency Service Area</u>	<u>Kachemak Emergency Service Area</u>
\$ 372,636	\$ 1,015,600	\$ 150,017	\$ 406,903
-	-	-	-
-	-	-	-
<u>\$ 372,636</u>	<u>\$ 1,015,600</u>	<u>\$ 150,017</u>	<u>\$ 406,903</u>
1,114	2,903	-	-
-	-	-	-
-	-	-	-
<u>1,114</u>	<u>2,903</u>	<u>-</u>	<u>-</u>
-	-	-	-
-	-	-	-
-	-	-	-
356,981	257,443	90,017	234,666
-	-	-	-
-	-	-	-
-	-	-	-
14,541	755,254	60,000	172,237
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>371,522</u>	<u>1,012,697</u>	<u>150,017</u>	<u>406,903</u>
<u>\$ 372,636</u>	<u>\$ 1,015,600</u>	<u>\$ 150,017</u>	<u>\$ 406,903</u>

(Continued)

Kenai Peninsula Borough
 Nonmajor Capital Projects Funds
 Combining Balance Sheet, continued
 June 30, 2024

	<u>911 Communications</u>	<u>North Peninsula Recreation Service Area</u>	<u>Total Nonmajor Capital Projects Funds</u>
<u>Assets</u>			
Equity in central treasury	\$ 664,553	\$ 1,419,555	\$ 25,956,791
Accounts receivable	-	-	14
Due from other governments	-	-	82,191
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 664,553</u>	<u>\$ 1,419,555</u>	<u>\$ 26,038,996</u>
 <u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts and retainage payable	-	3,125	1,918,499
Accrued payroll and payroll benefits	-	366	8,836
Unearned grant revenue	-	-	682,887
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>-</u>	<u>3,491</u>	<u>2,610,222</u>
 Fund balances:			
Restricted:			
Education	-	-	358,137
Roads	-	-	6,952,433
General government	-	-	435,428
Public safety	642,553	-	1,581,660
Recreation	-	854,113	854,113
Committed:			
Software upgrades	-	-	85,603
Building maintenance and upgrades	-	-	964,723
Public safety facilities and equipment	22,000	-	1,720,660
Recreational facility maintenance	-	413,684	413,684
School maintenance and upgrades	-	-	7,489,472
Road construction and upgrades	-	-	2,424,594
Assigned:			
Subsequent year's expenditures	-	148,267	148,267
	<hr/>	<hr/>	<hr/>
Total fund balances	<u>664,553</u>	<u>1,416,064</u>	<u>23,428,774</u>
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 664,553</u>	<u>\$ 1,419,555</u>	<u>\$ 26,038,996</u>

Kenai Peninsula Borough

Nonmajor Capital Projects Funds

Combining Statement of Revenues, Expenditures

and Changes in Fund Balances

For the Year Ended June 30, 2024

	<u>School Revenue</u>	<u>General Government</u>	<u>Road Service Area</u>
Revenues:			
Intergovernmental:			
Federal	\$ 1,186,680	\$ 575,255	\$ 523,998
State	6,700	-	14,942
Investment earnings	-	-	508,087
Other revenues	<u>24,023</u>	<u>-</u>	<u>-</u>
Total revenues	<u>1,217,403</u>	<u>575,255</u>	<u>1,047,027</u>
 Expenditures:			
General government	-	1,793,566	-
Public safety	-	-	-
Recreation	-	-	-
Education	5,455,464	-	-
Roads and trails	<u>-</u>	<u>-</u>	<u>4,650,090</u>
Total expenditures	<u>5,455,464</u>	<u>1,793,566</u>	<u>4,650,090</u>
 Excess (deficiency) of revenues over expenditures	<u>(4,238,061)</u>	<u>(1,218,311)</u>	<u>(3,603,063)</u>
 Other financing sources (uses):			
Transfers in	<u>4,000,000</u>	<u>297,962</u>	<u>2,200,000</u>
Net change in fund balances	(238,061)	(920,349)	(1,403,063)
Fund balances at beginning of year	<u>8,085,670</u>	<u>3,102,731</u>	<u>10,780,090</u>
Fund balances at end of year	<u>\$ 7,847,609</u>	<u>\$ 2,182,382</u>	<u>\$ 9,377,027</u>

(Continued)

Kenai Peninsula Borough
 Nonmajor Capital Projects Funds
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances, Continued
 For the Year Ended June 30, 2024

	<u>Nikiski Fire Service Area</u>	<u>Bear Creek Fire Service Area</u>	<u>Western Emergency Service Area</u>
Revenues:			
Intergovernmental:			
Federal	\$ -	\$ -	\$ -
State	-	-	-
Investment earnings	26,441	48,486	6,715
Other revenues	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>26,441</u>	<u>48,486</u>	<u>6,715</u>
Expenditures:			
General government	-	-	-
Public safety	742,536	236,410	32,573
Recreation	-	-	-
Education	-	-	-
Roads and trails	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>742,536</u>	<u>236,410</u>	<u>32,573</u>
Excess (deficiency) of revenues over expenditures	<u>(716,095)</u>	<u>(187,924)</u>	<u>(25,858)</u>
Other financing sources (uses):			
Transfers in	<u>268,339</u>	<u>492,583</u>	<u>75,000</u>
Net change in fund balances	(447,756)	304,659	49,142
Fund balances at beginning of year	<u>819,278</u>	<u>708,038</u>	<u>100,875</u>
Fund balances at end of year	<u>\$ 371,522</u>	<u>\$ 1,012,697</u>	<u>\$ 150,017</u>

<u>Kachemak Emergency Service Area</u>	<u>911 Communications</u>	<u>North Peninsula Recreation Service Area</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ -	\$ -	\$ -	\$ 2,285,933
-	-	-	21,642
29,918	8,658	80,304	708,609
<u>-</u>	<u>-</u>	<u>-</u>	<u>24,023</u>
<u>29,918</u>	<u>8,658</u>	<u>80,304</u>	<u>3,040,207</u>
-	-	-	1,793,566
381,099	154,640	-	1,547,258
-	-	785,784	785,784
-	-	-	5,455,464
<u>-</u>	<u>-</u>	<u>-</u>	<u>4,650,090</u>
<u>381,099</u>	<u>154,640</u>	<u>785,784</u>	<u>14,232,162</u>
<u>(351,181)</u>	<u>(145,982)</u>	<u>(705,480)</u>	<u>(11,191,955)</u>
<u>271,000</u>	<u>200,921</u>	<u>700,000</u>	<u>8,505,805</u>
(80,181)	54,939	(5,480)	(2,686,150)
<u>487,084</u>	<u>609,614</u>	<u>1,421,544</u>	<u>26,114,924</u>
<u>\$ 406,903</u>	<u>\$ 664,553</u>	<u>\$ 1,416,064</u>	<u>\$ 23,428,774</u>

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Nonmajor Debt Service Funds
Pages 130-134

Debt service funds are used to accumulate funds 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.

School – This fund is used to account for payments associated with general obligation bonds for construction of school capital facilities.

Bear Creek Fire Service Area – This fund is used to account for payments associated with general obligation bonds for construction of capital facilities and purchase of fire-fighting equipment of the Bear Creek Fire Service Area.

Central Emergency Services – This fund is used to account for payments associated with general obligation bonds for construction of capital facilities and purchase of firefighting equipment of the Central Emergency Services Service Area.

Kenai Peninsula Borough

Nonmajor Debt Service Funds

Combining Balance Sheet

June 30, 2024

	<u>General Government</u>		<u>Central Emergency Services</u>	<u>Total Nonmajor Debt Service Funds</u>
	<u>School</u>	<u>Bear Creek Fire Service Area</u>		
<u>Assets</u>				
Due from the other governments	\$ -	\$ -	\$ -	\$ -
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Liabilities and Fund Balances</u>				
Fund balances	\$ -	\$ -	\$ -	\$ -
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Kenai Peninsula Borough
 Nonmajor Debt Service Funds
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 For the Year Ended June 30, 2024

	<u>General Government</u>	<u>Bear Creek Fire Service Area</u>	<u>Central Emergency Services</u>	<u>Total Nonmajor Debt Service Funds</u>
	<u>School</u>			
Revenues				
Investment earnings (loss)	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Debt service:				
Principal	2,875,000	75,000	800,000	3,750,000
Interest and other	<u>2,067,152</u>	<u>11,931</u>	<u>835,313</u>	<u>2,914,396</u>
Total expenditures	<u>4,942,152</u>	<u>86,931</u>	<u>1,635,313</u>	<u>6,664,396</u>
Deficiency of revenues over expenditures	<u>(4,942,152)</u>	<u>(86,931)</u>	<u>(1,635,313)</u>	<u>(6,664,396)</u>
Other financing sources:				
Transfers in	<u>4,942,152</u>	<u>86,931</u>	<u>1,635,313</u>	<u>6,664,396</u>
Net change in fund balances	-	-	-	-
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Kenai Peninsula Borough

School Debt Service Fund

Schedule of Revenues, Expenditures and Changes

in Fund Balance - Budget and Actual

For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Debt service:				
Principal	2,875,000	2,875,000	2,875,000	-
Interest and other	2,074,652	2,074,652	2,067,152	7,500
Total expenditures	<u>4,949,652</u>	<u>4,949,652</u>	<u>4,942,152</u>	<u>7,500</u>
Deficiency of revenues over expenditures	<u>(4,949,652)</u>	<u>(4,949,652)</u>	<u>(4,942,152)</u>	<u>7,500</u>
Other financing sources:				
Transfers in	<u>4,949,652</u>	<u>4,949,652</u>	<u>4,942,152</u>	<u>(7,500)</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Kenai Peninsula Borough

Bear Creek Fire Service Area Debt Service Fund

Schedule of Revenues, Expenditures and Changes

in Fund Balance - Budget and Actual

For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Debt service:				
Principal	75,000	75,000	75,000	-
Interest and other	<u>11,931</u>	<u>11,931</u>	<u>11,931</u>	<u>-</u>
Total expenditures	<u>86,931</u>	<u>86,931</u>	<u>86,931</u>	<u>-</u>
Deficiency of revenues over expenditures	<u>(86,931)</u>	<u>(86,931)</u>	<u>(86,931)</u>	<u>-</u>
Other financing sources:				
Transfers in	<u>86,931</u>	<u>86,931</u>	<u>86,931</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Kenai Peninsula Borough
 Central Emergency Services Debt Service Fund
 Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Debt service:				
Principal	800,000	800,000	800,000	-
Interest and other	<u>835,313</u>	<u>835,313</u>	<u>835,313</u>	<u>-</u>
Total expenditures	<u>1,635,313</u>	<u>1,635,313</u>	<u>1,635,313</u>	<u>-</u>
Deficiency of revenues over expenditures	<u>(1,635,313)</u>	<u>(1,635,313)</u>	<u>(1,635,313)</u>	<u>-</u>
Other financing sources:				
Transfers in	<u>1,635,313</u>	<u>1,638,316</u>	<u>1,635,313</u>	<u>(3,003)</u>
Net change in fund balance	-	3,003	-	(3,003)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 3,003</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (3,003)</u></u>

INTERNAL SERVICE FUND

Internal Service Funds
Pages 136-138

Internal Service funds account for risk management, health insurance, and equipment replacement services provided to other departments on a cost reimbursement basis, and employee compensated leave.

Insurance and Litigation – This fund accounts for revenues and expenses related to insurance and litigation for the Borough.

Employee Health Insurance – This fund accounts for revenues and expenses related to employee health insurance coverage.

Employee Compensated Leave – This fund accounts for revenues and expenses for employee compensated leave liability.

Equipment Replacement – This fund accounts for revenue and expenses for equipment replacements for various Borough departments.

Kenai Peninsula Borough
Internal Service Funds
Combining Statement of Net Position
June 30, 2024

	Insurance and Litigation	Employee Health Insurance	Employee Compensated Leave	Equipment Replacement	Total Internal Service Funds
<u>Assets</u>					
Current assets:					
Cash and short term investments	\$ 80,975	\$ 200,000	\$ -	\$ -	\$ 280,975
Equity in central treasury	8,162,156	8,977,190	4,044,454	3,356,538	24,540,338
Other receivables	-	54,175	-	-	54,175
Prepays	34,250	37,325	-	-	71,575
Total current assets	<u>8,277,381</u>	<u>9,268,690</u>	<u>4,044,454</u>	<u>3,356,538</u>	<u>24,947,063</u>
Capital assets:					
Equipment	32,645	-	-	3,245,472	3,278,117
Right-to-use leased building	54,176	-	-	-	54,176
Less accumulated depreciation and amortization	<u>(60,344)</u>	<u>-</u>	<u>-</u>	<u>(1,677,044)</u>	<u>(1,737,388)</u>
Total capital assets (net of accumulated depreciation and amortization)	<u>26,477</u>	<u>-</u>	<u>-</u>	<u>1,568,428</u>	<u>1,594,905</u>
Total assets	<u>8,303,858</u>	<u>9,268,690</u>	<u>4,044,454</u>	<u>4,924,966</u>	<u>26,541,968</u>
<u>Liabilities</u>					
Current liabilities:					
Accounts and contracts payable	200,463	130,137	-	-	330,600
Accrued payroll and payroll benefits	24,248	-	-	-	24,248
Claims payable	2,815,804	628,406	-	-	3,444,210
Compensated absences	15,576	-	1,011,114	-	1,026,690
Lease payable	20,391	-	-	-	20,391
Total current liabilities	<u>3,076,482</u>	<u>758,543</u>	<u>1,011,114</u>	<u>-</u>	<u>4,846,139</u>
Noncurrent liabilities:					
Compensated absences	46,725	-	3,033,340	-	3,080,065
Lease payable	-	-	-	-	-
Total noncurrent liabilities	<u>46,725</u>	<u>-</u>	<u>3,033,340</u>	<u>-</u>	<u>3,080,065</u>
Total liabilities	<u>3,123,207</u>	<u>758,543</u>	<u>4,044,454</u>	<u>-</u>	<u>7,926,204</u>
<u>Net Position</u>					
Net investment in capital assets	6,086	-	-	1,568,428	1,574,514
Unrestricted	<u>5,174,565</u>	<u>8,510,147</u>	<u>-</u>	<u>3,356,538</u>	<u>17,041,250</u>
Total net position	<u>\$ 5,180,651</u>	<u>\$ 8,510,147</u>	<u>\$ -</u>	<u>\$ 4,924,966</u>	<u>\$ 18,615,764</u>

Kenai Peninsula Borough

Internal Service Funds

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position

For the Year Ended June 30, 2024

	<u>Insurance and Litigation</u>	<u>Employee Health Insurance</u>	<u>Employee Compensated Leave</u>	<u>Equipment Replacement</u>	<u>Total Internal Service Funds</u>
Operating revenues:					
Charges for sales and services	\$ 6,939,148	\$ 9,858,210	\$ 3,016,177	\$ 832,172	\$20,645,707
Intergovernmental - State	<u>11,262</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,262</u>
Total operating revenues	<u>6,950,410</u>	<u>9,858,210</u>	<u>3,016,177</u>	<u>832,172</u>	<u>20,656,969</u>
Operating expenses:					
Administrative services	850,925	187,596	3,016,177	-	4,054,698
Insurance premiums	3,645,419	431,426	-	-	4,076,845
Self-insured losses	2,512,706	6,308,742	-	-	8,821,448
Depreciation and amortization	<u>33,223</u>	<u>-</u>	<u>-</u>	<u>705,124</u>	<u>738,347</u>
Total operating expenses	<u>7,042,273</u>	<u>6,927,764</u>	<u>3,016,177</u>	<u>705,124</u>	<u>17,691,338</u>
Operating income (loss)	<u>(91,863)</u>	<u>2,930,446</u>	<u>-</u>	<u>127,048</u>	<u>2,965,631</u>
Non operating revenues (expenses):					
Interest expense	(1,124)	-	-	-	(1,124)
Investment earnings (loss)	398,349	324,578	-	155,441	878,368
Loss on disposal of assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>(342,499)</u>	<u>(342,499)</u>
Total non operating revenues (expenses)	<u>397,225</u>	<u>324,578</u>	<u>-</u>	<u>(187,058)</u>	<u>534,745</u>
Change in net position	305,362	3,255,024	-	(60,010)	3,500,376
Net position at beginning of year	<u>4,875,289</u>	<u>5,255,123</u>	<u>-</u>	<u>4,984,976</u>	<u>15,115,388</u>
Net position at end of year	<u>\$ 5,180,651</u>	<u>\$ 8,510,147</u>	<u>\$ -</u>	<u>\$ 4,924,966</u>	<u>\$18,615,764</u>

Kenai Peninsula Borough
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2024

	Insurance and Litigation	Employee Health Insurance	Employee Compensated Leave	Equipment Replacement	Total Internal Service Funds
Cash flows from operating activities:					
Receipts for interfund services provided	\$ 6,976,155	\$ 9,837,593	\$ 3,016,177	\$ 832,172	\$ 20,662,097
Payments to suppliers	(5,794,631)	(6,872,909)	-	(1,800)	(12,669,340)
Payments to employees	(655,259)	20,617	(2,590,248)	-	(3,224,890)
Other program revenue	11,262	-	-	-	11,262
Net cash provided (used) by operating activities	<u>537,527</u>	<u>2,985,301</u>	<u>425,929</u>	<u>830,372</u>	<u>4,779,129</u>
Cash flows for capital and related financing activities:					
Interest payments on leases	(1,124)	-	-	-	(1,124)
Purchase of capital assets	-	-	-	(144,906)	(144,906)
Total capital and related financing activities	<u>(1,124)</u>	<u>-</u>	<u>-</u>	<u>(144,906)</u>	<u>(146,030)</u>
Cash flows from investing activities-					
Investment earnings (loss)	398,349	324,578	-	155,441	878,368
Net increase (decrease) in cash and cash equivalents	934,752	3,309,879	425,929	840,907	5,511,467
Cash and cash equivalents at beginning of year	7,308,379	5,867,311	3,618,525	2,515,631	19,309,846
Cash and cash equivalents at end of year	<u>\$ 8,243,131</u>	<u>\$ 9,177,190</u>	<u>\$ 4,044,454</u>	<u>\$ 3,356,538</u>	<u>\$ 24,821,313</u>
Reconciliation of cash and cash equivalents to Statement of Net Position:					
Cash and short-term investments	\$ 80,975	\$ 200,000	\$ -	\$ -	\$ 280,975
Equity in central treasury	8,162,156	8,977,190	4,044,454	3,356,538	24,540,338
Cash and cash equivalents, at end of year	<u>\$ 8,243,131</u>	<u>\$ 9,177,190</u>	<u>\$ 4,044,454</u>	<u>\$ 3,356,538</u>	<u>\$ 24,821,313</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (91,863)	\$ 2,930,446	\$ -	\$ 127,048	\$ 2,965,631
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization expense	33,223	-	-	705,124	738,347
Change in assets and liabilities:					
(Increase) decrease in other receivables	37,007	(20,617)	-	-	16,390
(Increase) decrease in prepaids	-	20,010	-	-	20,010
Increase (decrease) in accounts and contracts payable	186,636	55,462	-	(1,800)	240,298
Increase (decrease) in accrued payroll and payroll benefits	7,586	-	-	-	7,586
Increase (decrease) in claims payable	365,450	-	-	-	365,450
Increase (decrease) in compensated absences	25,964	-	425,929	-	451,893
Increase (decrease) in lease payable	(26,476)	-	-	-	(26,476)
Total adjustments	<u>629,390</u>	<u>54,855</u>	<u>425,929</u>	<u>703,324</u>	<u>1,813,498</u>
Net cash provided (used) by operating activities	<u>\$ 537,527</u>	<u>\$ 2,985,301</u>	<u>\$ 425,929</u>	<u>\$ 830,372</u>	<u>\$ 4,779,129</u>

CAPITAL ASSETS

Kenai Peninsula Borough

Capital Assets Used in the Operation of Governmental Funds

Schedule by Source⁽¹⁾

June 30, 2024

Governmental funds capital assets:	
Land	\$ 75,831,750
Buildings	322,602,670
Right-to-use leased buildings	59,955
Subscription IT assets	662,095
Improvements other than buildings	108,176,152
Machinery and equipment	52,874,509
Infrastructure	21,388,033
Construction in progress	<u>14,572,773</u>
Total governmental funds capital assets	<u>\$ 596,167,937</u>
Investments in governmental funds capital assets by source:	
General obligation bonds	\$ 288,417,043
State and federal grants	80,616,432
Federal revenue sharing	3,129,339
General Fund revenue	63,190,308
Special revenue funds	88,896,573
Contributed capital	270,503
Dedicated lands	126,058
Donations	<u>71,521,681</u>
Total governmental funds capital assets	<u>\$ 596,167,937</u>

⁽¹⁾This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included with governmental activities in the statement of net position.

Kenai Peninsula Borough
 Capital Assets Used in the Operation of Governmental Funds
 Schedule of Changes by Function and Activity⁽¹⁾
 For the Year Ended June 30, 2024

<u>Function and Activity</u>	<u>Governmental Funds Capital Assets June 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Governmental Funds Capital Assets June 30, 2024</u>
General government	\$ 83,141,832	\$ 3,015,966	\$ 184,948	\$ 85,972,850
Senior citizens	274,451	-	-	274,451
Public safety:				
Fire protection and emergency				
medical	70,510,450	3,245,338	522,185	73,233,603
Emergency communications	10,773,166	754,262	1,129,234	10,398,194
Total public safety	81,283,616	3,999,600	1,651,419	83,631,797
Solid waste facilities	62,305,815	2,184,870	152,189	64,338,496
Road maintenance:				
Maintenance	200,524	-	-	200,524
Roads	20,859,339	428,942	-	21,288,281
Total road maintenance	21,059,863	428,942	-	21,488,805
Recreation	13,425,199	697,690	-	14,122,889
Schools	321,948,174	4,390,475	-	326,338,649
Total governmental funds capital assets	\$ 583,438,950	\$ 14,717,543	\$ 1,988,556	\$ 596,167,937

⁽¹⁾This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included with governmental activities in the statement of net position.

Kenai Peninsula Borough
 Capital Assets Used in the Operation of Governmental Funds
 Schedule by Function and Activity ⁽¹⁾
 June 30, 2024

	<u>Land</u>	<u>Buildings</u>	<u>Right-to-use Leased Buildings</u>	<u>Subscription IT Assets</u>	<u>Improvements Other Than Buildings</u>	<u>Equipment</u>	<u>Infrastructure</u>	<u>Construction In Progress</u>	<u>Total</u>
General government:									
Administration building	\$ -	\$ 2,702,657	\$ -	\$ 633,350	\$ 2,414,054	\$ 5,032,638	\$ -	\$ 1,369,065	\$ 12,151,764
Maintenance	203,609	1,392,155	-	-	33,538	2,632,341	-	-	4,261,643
Areawide	67,303,557	-	-	-	-	-	-	-	67,303,557
Kenai River Center	-	1,875,593	-	-	269,924	110,369	-	-	2,255,886
Total general government	67,507,166	5,970,405	-	633,350	2,717,516	7,775,348	-	1,369,065	85,972,850
Senior citizens	-	243,800	-	-	-	30,651	-	-	274,451
Public safety:									
Fire protection, emergency medical and flood mitigation:									
Nikiski Fire service area	49,172	12,361,888	59,955	-	995,591	8,216,522	-	580,707	22,263,835
Bear Creek Fire service area	17,211	6,713,034	-	-	130,271	2,169,048	-	-	9,029,564
Western Emergency service area	845,185	4,493,536	-	-	666,396	5,457,284	-	-	11,462,401
Central Emergency service area	1,266,210	4,347,827	-	28,745	2,223,983	13,286,220	-	2,205,312	23,358,297
Kachemak Emergency service area	127,270	2,637,114	-	-	51,071	4,195,012	-	-	7,010,467
Eastern Peninsula Highway Emergency service area	-	-	-	-	-	70,210	-	-	70,210
Seward Bear Creek Flood service area	599	-	-	-	-	38,230	-	-	38,829
Total fire protection, emergency medical and flood mitigation	2,305,647	30,553,399	59,955	28,745	4,067,312	33,432,526	-	2,786,019	73,233,603
Emergency communications:									
Emergency operations center	-	4,838,523	-	-	639,896	833,780	-	-	6,312,199
Emergency warning systems	-	-	-	-	-	-	-	862,844	862,844
911-Soldotna dispatch center	-	-	-	-	1,122,855	1,110,872	-	-	2,233,727
911-Backup dispatch center	-	-	-	-	317,091	672,333	-	-	989,424
Total emergency communications	-	4,838,523	-	-	2,079,842	2,616,985	-	862,844	10,398,194
Total public safety	2,305,647	35,391,922	59,955	28,745	6,147,154	36,049,511	-	3,648,863	83,631,797
Solid waste facilities	2,908,687	3,186,499	-	-	44,083,484	7,239,685	-	6,920,141	64,338,496
Road maintenance	-	-	-	-	-	200,524	21,288,281	-	21,488,805
Recreation:									
North Peninsula Recreation service area	145,640	8,513,465	-	-	4,776,226	673,025	-	-	14,108,356
Seldovia Recreation Service Area	-	-	-	-	-	14,533	-	-	14,533
Total Recreation	145,640	8,513,465	-	-	4,776,226	687,558	-	-	14,122,889

Kenai Peninsula Borough
 Capital Assets Used in the Operation of Governmental Funds
 Schedule by Function and Activity, continued ⁽¹⁾
 June 30, 2024

	<u>Land</u>	<u>Buildings</u>	<u>Right-to-use Leased Buildings</u>	<u>Subscription IT Assets</u>	<u>Improvements Other Than Buildings</u>	<u>Equipment</u>	<u>Infrastructure</u>	<u>Construction In Progress</u>	<u>Total</u>
School district:									
Central office and warehouse	\$ -	\$ 1,791,905	\$ -	\$ -	\$ 627,175	\$ -	\$ -	\$ -	\$ 2,419,080
Schools:									
Outside cities:									
Anchor Point/Middle/Junior high	205,102	-	-	-	-	-	-	-	205,102
Central Peninsula Elementary	-	-	-	-	36,690	-	-	-	36,690
Chapman Elementary	8,500	2,597,653	-	-	731,591	-	-	-	3,337,744
Cooper Landing	-	1,034,989	-	-	173,389	-	-	-	1,208,378
Tebughna	-	2,531,213	-	-	401,061	-	-	-	2,932,274
English Bay	-	2,447,908	-	-	230,577	-	-	-	2,678,485
Hope Elementary	3,000	2,523,867	-	-	586,523	-	65,506	-	3,178,896
Kalifornsky Beach	258,803	4,884,108	-	-	336,104	-	-	-	5,479,015
Kachemak Selo	-	-	-	-	-	-	-	256,174	256,174
McNeil Canyon	-	4,953,680	-	-	721,105	23,646	-	-	5,698,431
Moose Pass	28,154	901,766	-	-	68,404	-	-	-	998,324
Nanwalek	-	1,981,586	-	-	-	126,919	-	-	2,108,505
Nikiski Elementary	22,378	3,696,639	-	-	674,084	-	-	-	4,393,101
Nikiski High	-	22,872,128	-	-	4,849,794	-	-	153,317	27,875,239
Nikolaevsk	51,282	4,923,106	-	-	412,796	72,801	-	79,426	5,539,411
Niniitchik	16,399	5,869,344	-	-	553,472	66,098	99,752	-	6,605,065
North Star Elementary	-	6,076,014	-	-	1,456,787	10,789	-	21,237	7,564,827
Port Graham	400	2,101,880	-	-	132,307	-	-	-	2,234,587
Skyview Middle	-	22,039,127	-	-	3,774,997	-	-	-	25,814,124
Sterling Elementary	7,450	3,744,355	-	-	748,927	34,127	-	-	4,534,859
Tustumena	8,001	7,883,965	-	-	395,280	43,849	-	24,979	8,356,074
Voznesenka	19,556	150,000	-	-	16,400	34,155	-	-	220,111
Total outside cities	629,025	103,213,328	-	-	16,300,288	412,384	99,752	600,639	121,255,416
Homer:									
West Homer Elementary	322,028	11,764,445	-	-	166,499	-	-	-	12,252,972
Paul Banks Elementary	23,971	2,589,112	-	-	739,908	6,143	-	-	3,359,134
High School	400,913	31,583,349	-	-	8,324,394	75,450	-	-	40,384,106
Junior High	17,024	3,197,028	-	-	823,568	-	-	-	4,037,620
High School Addition	29,177	2,598,949	-	-	103,555	-	-	-	2,731,681
Flex School	63,248	461,150	-	-	-	-	-	-	524,398
Total Homer	856,361	52,194,033	-	-	10,157,924	81,593	-	-	63,289,911

Kenai Peninsula Borough

Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity, continued ⁽¹⁾
June 30, 2024

	Land	Buildings	Right-to-use Leased Buildings	Subscription IT Assets	Improvements Other Than Buildings	Equipment	Infrastructure	Construction In Progress	Total
Kenai:									
Elementary II	\$ 137,941	\$ 2,614,381	\$ -	\$ -	\$ 124,105	\$ -	\$ -	\$ -	\$ 2,876,427
Mountain View Elementary	-	5,892,103	-	-	1,451,925	67,213	-	21,919	7,433,160
Sears Elementary	41,575	1,709,394	-	-	886,800	19,585	-	-	2,657,354
Junior High	60,499	4,057,399	-	-	855,049	5,990	-	-	4,978,937
High School	129,517	17,976,192	-	-	5,352,157	51,056	-	988,125	24,497,047
Vocational High	40,000	509,655	-	-	273,921	-	-	-	823,576
Arts and Crafts Building	-	118,341	-	-	-	-	-	-	118,341
Total Kenai	409,532	32,877,465	-	-	8,943,957	143,844	-	1,010,044	43,384,842
Seldovia:									
Susan B. English	27,953	3,711,152	-	-	1,005,119	-	-	-	4,744,224
Shop Building	1,000	2,557,944	-	-	-	5,168	-	-	2,564,112
Total Seldovia	28,953	6,269,096	-	-	1,005,119	5,168	-	-	7,308,336
Seward:									
Elementary II	235,000	6,601,586	-	-	984,672	40,000	-	-	7,861,258
Middle	346,295	14,656,471	-	-	526,338	-	-	4,011	15,533,115
Jr. High/High School	182,596	12,722,087	-	-	2,252,668	51,421	-	595,123	15,803,895
Total Seward	763,891	33,980,144	-	-	3,763,678	91,421	-	599,134	39,198,268
Soldotna:									
Elementary	270,048	5,820,271	-	-	1,364,229	-	-	92,927	7,547,475
Redoubt Elementary	-	5,284,315	-	-	669,978	40,000	-	-	5,994,293
Multipurpose Room	-	316,186	-	-	-	-	-	-	316,186
Junior High	5,900	7,638,741	-	-	1,963,918	-	-	-	9,608,559
High School	900	16,273,933	-	-	4,569,561	71,484	-	331,960	21,247,838
Total Soldotna	276,848	35,333,446	-	-	8,567,686	111,484	-	424,887	44,714,351
Other areawide:									
Areawide pool/water projects	-	611,839	-	-	1,070,907	45,338	-	-	1,728,084
Portable classrooms	-	3,025,323	-	-	15,038	-	-	-	3,040,361
Total other areawide	-	3,637,162	-	-	1,085,945	45,338	-	-	4,768,445
Total school district	2,964,610	269,296,579	-	-	50,451,772	891,232	99,752	2,634,704	326,338,649
Total governmental funds capital assets	\$ 75,831,750	\$ 322,602,670	\$ 59,955	\$ 662,095	\$ 108,176,152	\$ 52,874,509	\$ 21,388,033	\$ 14,572,773	\$ 596,167,937

⁽¹⁾This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included with governmental activities in the statement of net position.

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Kenai Peninsula Borough

STATISTICAL TABLES

This part of the Kenai Peninsula Borough's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Borough's overall financial health.

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These schedules contain trend information to help the reader understand how the Borough's financial performance and well-being have changed over time.		
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Source: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report for the relevant year.

Kenai Peninsula Borough
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

TABLE I

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities:										
Net investment in capital assets	\$208,238	\$197,331	\$192,353	\$185,045	\$180,187	\$183,545	\$193,567	\$191,148	\$201,057	\$205,639
Restricted	26,675	16,224	21,681	20,764	23,893	28,659	44,259	45,704	111,595	118,163
Unrestricted	15,675	26,182	11,563	10,062	22,343	32,318	24,499	49,516	4,589	8,188
Total governmental activities net position	<u>\$250,588</u>	<u>\$239,737</u>	<u>\$225,597</u>	<u>\$215,871</u>	<u>\$226,423</u>	<u>\$244,522</u>	<u>\$262,325</u>	<u>\$286,368</u>	<u>\$317,241</u>	<u>\$331,990</u>

Kenai Peninsula Borough
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2015	2016	2017	2018
Expenses				
Governmental activities:				
General government	\$ 18,173,307	\$ 20,559,083	\$ 23,188,963	\$ 18,439,842
Solid waste	7,740,270	8,677,985	8,829,329	8,325,450
Public safety	19,257,277	21,594,305	23,412,776	19,380,150
Recreation	2,350,050	3,530,357	2,542,184	2,231,711
Education	59,732,399	62,863,887	59,079,957	59,060,286
Environmental protection	664,142	403,631	442,520	185,072
Roads and trails	9,890,591	9,392,961	11,127,855	9,577,712
Health & social services	-	-	-	-
Interest on long-term debt	2,013,946	1,904,390	1,800,979	2,015,867
Total governmental activities expenses	<u>119,821,982</u>	<u>128,926,599</u>	<u>130,424,563</u>	<u>119,216,090</u>
Program revenues				
Governmental activities:				
Charges for services:				
General government	266,672	461,057	353,496	329,028
Solid waste	917,181	760,751	667,220	572,220
Public safety	2,659,677	2,793,476	2,679,640	2,785,209
Recreation	98,987	202,485	208,106	223,280
Roads and trails	-	-	-	-
Environmental protection	-	-	-	-
Operating grants and contributions	7,472,614	8,237,806	7,144,132	5,853,881
Capital grants and contributions	6,770,240	8,648,345	5,754,897	4,210,264
Total governmental activities program revenues:	<u>18,185,371</u>	<u>21,103,920</u>	<u>16,807,491</u>	<u>13,973,882</u>
Net (expenses)/revenue				
Total primary government net expense	<u>\$ (101,636,611)</u>	<u>\$ (107,822,679)</u>	<u>\$ (113,617,072)</u>	<u>\$ (105,242,208)</u>
General revenues and other changes in net position				
Governmental activities:				
Taxes:				
Property taxes	54,888,191	57,972,995	62,797,386	64,639,093
Sales taxes	30,138,426	30,116,611	30,400,062	31,508,914
Unrestricted grants and contributions	6,465,467	6,477,531	5,227,887	6,302,634
Investment earnings (loss)	1,772,756	2,374,089	989,550	1,399,250
Miscellaneous	(434,213)	30,619	62,129	20,325
Total governmental activities	<u>92,830,627</u>	<u>96,971,845</u>	<u>99,477,014</u>	<u>103,870,216</u>
Changes in net position				
Total primary government	<u>\$ (8,805,984)</u>	<u>\$ (10,850,834)</u>	<u>\$ (14,140,058)</u>	<u>\$ (1,371,992)</u>

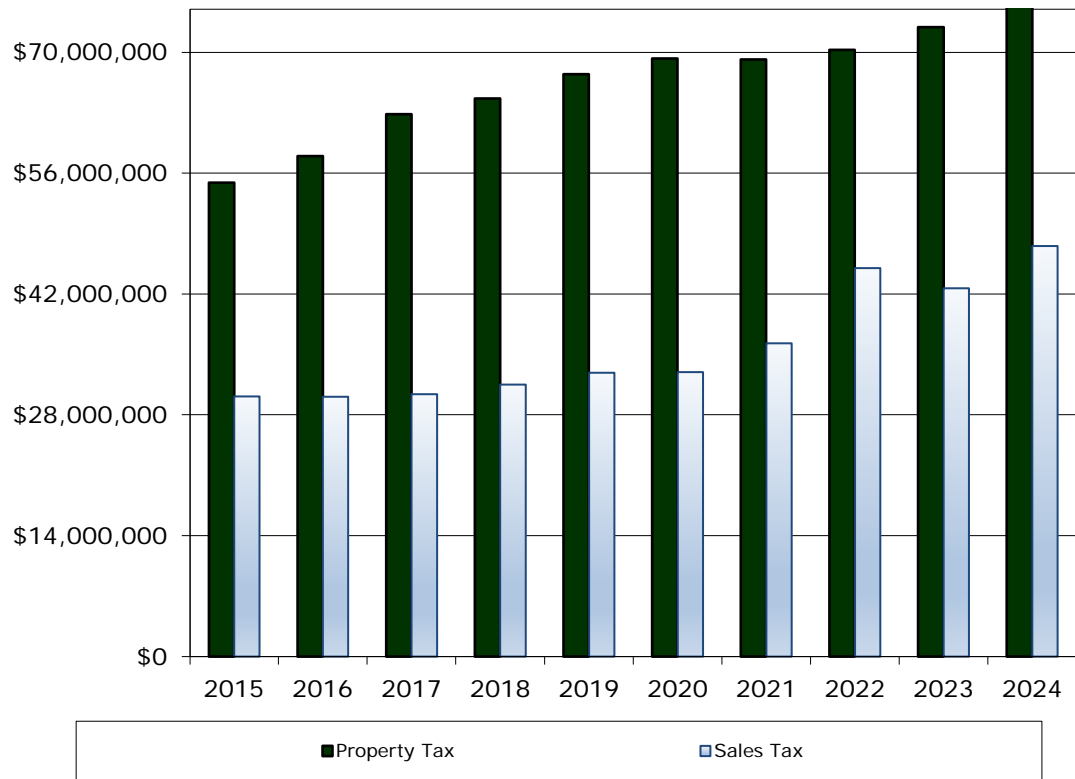
TABLE II

	2019	2020	2021	2022	2023	2024
\$	15,500,286	\$ 13,410,337	\$ 20,926,178	\$ 15,766,123	\$ 17,182,619	\$ 19,203,603
	8,272,259	8,408,895	8,957,980	9,283,086	11,116,739	23,881,450
	18,866,550	18,333,972	17,842,692	23,664,792	22,870,531	28,217,451
	2,050,199	1,809,603	2,124,311	2,122,768	2,001,987	2,321,822
	57,563,709	59,521,703	59,345,848	56,311,889	59,414,729	62,156,982
	2,448	93,319	121,978	111,963	66,841	37,084
	11,078,936	8,127,563	8,632,062	9,775,372	10,267,127	12,483,641
	-	-	20,016,966	509,348	81,223	95,758
	1,736,718	910,714	835,767	584,576	1,221,270	2,173,111
	<u>115,071,105</u>	<u>110,616,106</u>	<u>138,803,782</u>	<u>118,129,917</u>	<u>124,223,066</u>	<u>150,570,902</u>
	188,185	131,543	1,081,367	5,920,368	2,027,300	1,424,410
	609,889	552,666	174,463	598,975	664,960	1,171,730
	2,813,500	1,205,721	2,824,622	5,926,616	7,423,331	8,601,048
	239,054	181,248	17,864	287,161	286,927	287,466
	-	-	-	8,157	335	400
	-	-	1,113	-	-	-
	5,515,029	10,517,880	33,798,277	10,826,153	10,294,197	5,784,729
	4,990,655	4,124,258	6,290,832	1,845,985	6,944,819	2,643,989
	<u>14,356,312</u>	<u>16,713,316</u>	<u>44,188,538</u>	<u>25,413,415</u>	<u>27,641,869</u>	<u>19,913,772</u>
	<u>\$ (100,714,793)</u>	<u>\$ (93,902,790)</u>	<u>\$ (94,615,244)</u>	<u>\$ (92,716,502)</u>	<u>\$ (96,581,197)</u>	<u>\$ (130,657,130)</u>
	67,455,393	69,258,098	69,140,420	70,283,994	72,905,357	78,889,367
	32,878,673	32,964,904	36,296,951	44,988,984	42,650,831	47,547,330
	5,879,756	5,377,220	4,784,247	5,384,526	6,291,952	6,487,747
	4,937,225	4,368,749	2,127,546	(3,898,838)	5,634,615	12,481,100
	115,210	32,928	-	-	(27,652)	-
	<u>111,266,257</u>	<u>112,001,899</u>	<u>112,349,164</u>	<u>116,758,666</u>	<u>127,455,103</u>	<u>145,405,544</u>
	<u>\$ 10,551,464</u>	<u>\$ 18,099,109</u>	<u>\$ 17,733,920</u>	<u>\$ 24,042,164</u>	<u>\$ 30,873,906</u>	<u>\$ 14,748,414</u>

Kenai Peninsula Borough
 Governmental Activities Tax Revenues by Source
 Last Ten Fiscal Years
 (accrual basis of accounting)

TABLE III

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Total</u>
2015	\$ 54,888,191	\$ 30,138,426	\$ 85,026,617
2016	57,972,995	30,116,611	88,089,606
2017	62,797,386	30,400,062	93,197,448
2018	64,639,093	31,508,914	96,148,007
2019	67,455,393	32,878,673	100,334,066
2020	69,258,098	32,964,904	102,223,002
2021	69,140,420	36,296,951	105,437,371
2022	70,283,994	44,988,984	115,272,978
2023	72,905,357	42,650,831	115,556,188
2024	78,889,367	47,547,330	126,436,697



Kenai Peninsula Borough
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

TABLE IV

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund:										
Nonspendable	\$ 11,345,210	\$ 5,298,396	\$ 4,103,792	\$ 3,582,332	\$ 3,041,560	\$ 2,469,391	\$ 9,828	\$ 35,558	\$ 74,736	\$ 69,458
Restricted	90,000	51,000	145,178	71,000	81,000	91,000	91,000	84,930	-	-
Committed	458,748	292,830	671,004	351,388	230,095	1,616,385	1,113,881	1,097,558	1,195,259	642,107
Assigned	16,244,676	20,136,610	18,314,053	16,486,079	20,520,399	21,727,845	24,662,227	24,662,227	18,528,919	22,381,078
Unassigned	-	-	-	2,309,200	3,029,557	-	5,107,170	19,314,407	24,551,289	19,805,301
Total General Fund	\$ 28,138,634	\$ 25,778,836	\$ 23,234,027	\$ 22,799,999	\$ 26,902,611	\$ 25,904,621	\$ 30,984,106	\$ 45,194,680	\$ 44,350,203	\$ 42,897,944
All other governmental funds:										
Nonspendable:										
Special revenue funds	44	-	-	321,224	-	-	-	37,451	-	207
Capital projects funds	-	-	61,269	76,404	-	-	-	-	-	-
Restricted:										
Special revenue funds	14,937,097	12,962,247	11,432,855	16,929,008	19,324,767	25,046,038	34,987,022	29,902,419	39,646,634	42,633,249
Capital projects funds	16,946,646	9,307,381	17,030,044	11,542,908	13,216,449	13,036,394	15,193,019	14,445,009	67,824,640	79,938,362
Committed:										
Special revenue funds	59,091	3,913,421	3,505,646	169,485	5,606,781	5,836,703	36,285	-	-	385,474
Capital projects funds	11,262,666	14,768,598	9,486,348	11,694,769	18,649,469	17,043,108	13,384,693	18,929,330	25,014,679	26,743,646
Assigned:										
Special revenue funds	7,136,273	7,577,509	9,582,406	6,864,042	3,175,750	1,962,763	2,553,169	9,430,360	1,790,316	236,157
Capital projects funds	-	1,628,556	908,474	5,227,885	637,472	5,208,697	1,597,979	996,297	844,501	624,606
Unassigned:										
Special revenue funds	(171,444)	(446,428)	(230,362)	-	-	-	-	-	-	-
Capital projects funds	-	(120,646)	(34,887)	-	-	-	-	-	-	-
Total all other governmental funds	\$ 50,170,373	\$ 49,590,638	\$ 51,741,793	\$ 52,825,725	\$ 60,610,688	\$ 68,133,703	\$ 67,752,167	\$ 73,740,866	\$ 135,120,770	\$ 150,561,701

The Kenai Peninsula Borough developed an unrestricted Fund Balance policy in 2001. This policy provides guidelines regarding minimum and maximum levels of unrestricted fund balance for the Borough's General Fund and Service Areas' operating and capital project funds. The policy requires that the following items should be considered when establishing an acceptable level of fund balance: working capital requirements, operating contingencies to include revenue volatility and unexpected expenditures, and future capital expansion. The policy also established that if a fund balance was outside the acceptable range, the subsequent year's budget must include a five-year plan of action to achieve compliance with the acceptable range.

Kenai Peninsula Borough
 Changes in Fund Balances of Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

TABLE V

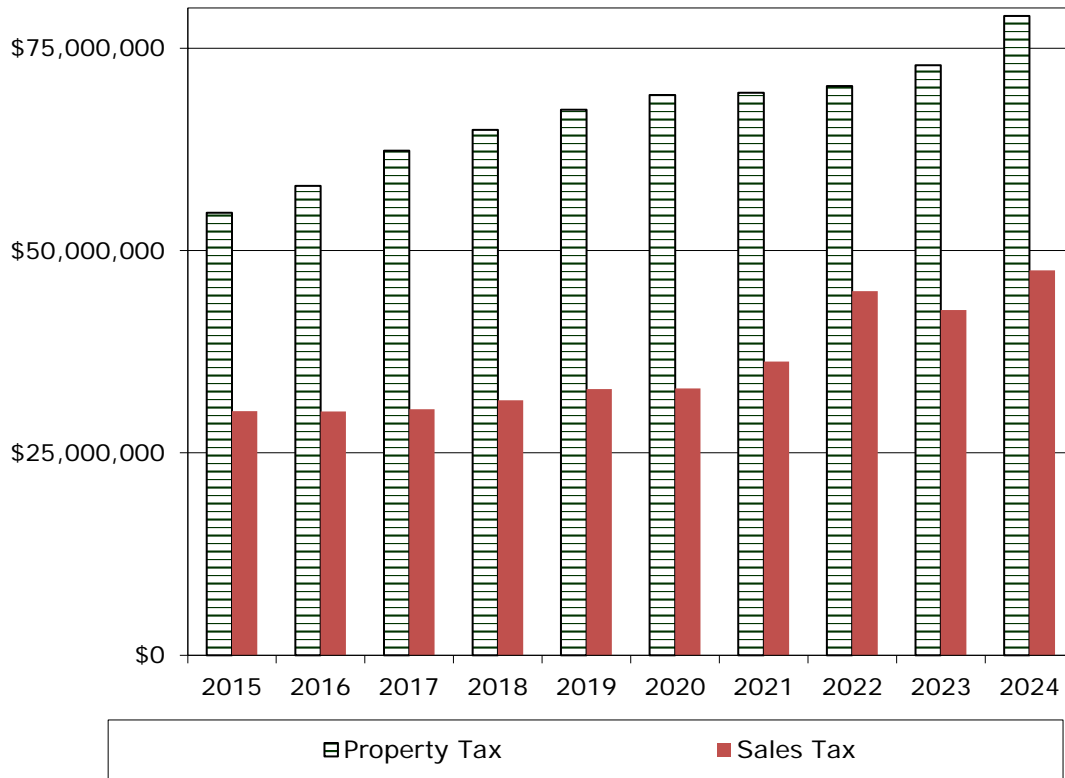
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Property taxes	\$ 54,662,814	\$ 58,007,099	\$ 62,326,564	\$ 64,917,778	\$ 67,401,394	\$ 69,211,282	\$ 69,509,626	\$ 70,330,249	\$ 72,881,929	\$ 78,980,839
Sales tax	30,138,426	30,116,611	30,400,062	31,508,914	32,878,673	32,964,904	36,296,951	44,988,984	42,650,831	47,547,330
Intergovernmental	25,393,552	19,436,158	15,105,570	14,202,678	15,868,702	15,088,413	43,047,150	19,467,481	20,207,758	15,082,901
Investment earnings (loss)	1,681,379	2,164,886	940,993	1,036,028	4,161,434	4,162,690	2,186,051	(3,494,216)	5,405,580	11,602,732
Other revenues	7,029,745	5,683,236	4,843,547	5,327,417	5,418,807	5,775,129	5,577,998	12,831,123	10,807,019	12,281,010
Total revenues	<u>118,905,916</u>	<u>115,407,990</u>	<u>113,616,736</u>	<u>116,992,815</u>	<u>125,729,010</u>	<u>127,202,418</u>	<u>156,617,776</u>	<u>144,123,621</u>	<u>151,953,117</u>	<u>165,494,812</u>
Expenditures:										
General government	21,276,848	18,429,713	17,082,168	18,534,018	16,919,254	16,732,177	21,498,452	18,223,642	20,637,941	20,220,499
Solid waste	6,789,061	6,170,953	4,223,429	5,763,798	5,793,668	6,280,741	8,013,555	7,597,986	345,702	10,404,795
Public safety	19,456,359	17,784,143	20,025,282	16,886,830	17,756,267	18,798,989	15,325,747	23,406,280	25,952,354	26,921,706
Recreation	2,234,204	3,180,795	1,873,562	2,056,124	1,971,605	1,728,227	2,024,037	2,123,999	2,059,649	2,199,706
Education	53,038,298	57,934,516	49,987,995	54,004,116	51,575,438	54,679,660	54,307,256	52,281,069	55,517,346	58,232,473
Environmental protection	665,071	404,895	442,520	187,172	2,448	93,319	121,978	113,041	66,841	37,084
Roads and trails	9,693,517	8,758,384	9,574,530	9,103,129	10,726,111	7,855,182	8,150,802	9,439,230	10,015,096	12,075,419
Health & social services	-	-	-	-	-	-	20,016,966	509,348	81,223	95,758
Capital outlay	3,262,122	5,495,777	12,763,943	4,381,133	3,420,506	10,796,258	17,296,101	5,946,353	21,467,100	14,654,304
Capitalized leases/IT subscriptions	-	-	-	-	-	-	-	-	-	268,780
Debt service	-	-	-	-	-	-	-	-	-	-
Principal	3,390,000	2,645,000	2,795,000	3,440,000	3,575,000	3,705,000	3,745,000	4,170,000	4,305,000	3,750,000
Interest and other (1)	2,397,295	2,084,980	2,093,414	2,253,547	2,101,138	1,968,663	1,651,183	1,079,762	1,555,552	2,914,396
Total expenditures	<u>122,202,775</u>	<u>122,889,156</u>	<u>120,861,843</u>	<u>116,609,867</u>	<u>113,841,435</u>	<u>122,638,216</u>	<u>152,151,077</u>	<u>124,890,710</u>	<u>142,003,804</u>	<u>151,774,920</u>
Excess of revenues over (under) expenditures	<u>(3,296,859)</u>	<u>(7,481,166)</u>	<u>(7,245,107)</u>	<u>382,948</u>	<u>11,887,575</u>	<u>4,564,202</u>	<u>4,466,699</u>	<u>19,232,911</u>	<u>9,949,313</u>	<u>13,719,892</u>
Other financing sources (uses)										
Bonds issued	1,425,000	2,465,000	5,405,000	-	-	1,335,000	24,295,000	900,000	44,520,000	-
Premium on bonds issued	245,693	330,138	627,505	-	-	276,196	1,828,075	63,144	6,066,116	-
Payment to escrow agent	(1,648,963)	-	-	-	-	-	(25,861,719)	(953,251)	-	-
Insurance proceeds	-	1,746,495	818,949	266,956	-	349,627	-	956,469	-	-
Capitalized leases/IT subscriptions	-	-	-	-	-	-	-	-	-	268,780
Transfers in	9,505,521	9,700,383	11,590,201	15,085,853	18,729,547	17,066,481	13,369,041	20,272,528	29,937,868	35,250,179
Transfers out	(9,505,521)	(9,700,383)	(11,590,201)	(15,085,853)	(18,729,547)	(17,066,481)	(13,369,041)	(20,272,528)	(29,937,868)	(35,250,179)
Net other financing sources (uses)	<u>-21,730</u>	<u>4,541,633</u>	<u>6,851,454</u>	<u>266,956</u>	<u>-</u>	<u>1,960,823</u>	<u>261,356</u>	<u>966,362</u>	<u>50,586,116</u>	<u>268,780</u>
Net change in fund balances	<u>\$ (3,275,129)</u>	<u>\$ (2,939,533)</u>	<u>\$ (393,653)</u>	<u>\$ 649,904</u>	<u>\$ 11,887,575</u>	<u>\$ 6,525,025</u>	<u>\$ 4,728,055</u>	<u>\$ 20,199,273</u>	<u>\$ 60,535,429</u>	<u>\$ 13,988,672</u>
GO Debt service as a percentage of noncapital expenditures	3.97%	4.84%	4.10%	4.49%	5.34%	4.81%	4.00%	4.41%	4.86%	4.87%
Total non-capital expenditures	104,530,483	119,627,034	115,366,066	108,978,330	109,129,056	119,696,184	134,854,976	118,944,357	120,536,704	136,851,836

(1) 2015 includes \$21,730 in bond issuance costs.

Kenai Peninsula Borough
 General Government Significant Revenues by Source
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

TABLE VI

Fiscal Year	Property Tax	Sales Tax	Total
2015	\$ 54,662,814	\$ 30,138,426	\$ 84,801,240
2016	58,007,099	30,116,611	88,123,710
2017	62,326,564	30,400,062	92,726,626
2018	64,917,778	31,508,914	96,426,692
2019	67,401,394	32,878,673	100,280,067
2020	69,211,282	32,964,904	102,176,186
2021	69,509,626	36,296,951	105,806,577
2022	70,330,249	44,988,984	115,319,233
2023	72,881,929	42,650,831	115,532,760
2024	78,980,839	47,547,330	126,528,169



Kenai Peninsula Borough
 Assessed Value and Estimated Actual Value of Taxable Property
 Last Ten Fiscal Years
 (in thousands of dollars)

Fiscal Year	Assessed Values (1)				Tax Exempt Values (1)			Total Taxable Assessed Value	Total Direct Tax Rate	Assessed Value as a Percentage of Actual Value
	Total estimated actual value of property less mandatory federal and state exemptions (1)	Real	Oil & Gas	Personal Property	Real	Personal	Personal			
2015	\$ 7,797,117	\$6,330,106	\$ 1,142,158	\$ 324,853	\$ 826,802	(2) \$ 32,999	\$6,937,316	4.50	88.97%	
2016	8,189,366	6,625,363	1,224,525	339,478	876,982	33,986	7,278,398	4.50	88.88%	
2017	8,752,156	6,915,818	1,467,353	368,985	902,055	34,392	7,815,709	4.50	89.30%	
2018	9,172,335	7,315,915	1,468,600	361,551	971,774	33,843	8,140,449	4.50	89.00%	
2019	9,232,907	7,355,512	1,518,606	358,789	1,008,086	34,792	8,190,029	4.70	88.70%	
2020	9,523,733	7,606,558	1,563,998	353,177	1,055,143	34,914	8,433,676	4.70	88.55%	
2021	9,614,464	7,762,088	1,493,429	358,947	1,094,461	35,444	8,484,559	4.70	88.25%	
2022	9,623,206	7,840,659	1,421,416	361,131	1,120,268	34,829	8,468,109	4.70	88.00%	
2023	10,145,138	8,277,859	1,501,174	366,105	1,187,524	35,727	8,921,887	4.50	87.94%	
2024	11,066,371	9,114,939	1,570,245	381,187	1,285,696	36,295	9,744,380	4.30	88.05%	

(1) Assessed values and Tax exempt values represent only those values/exemptions provided by the Borough. It does not include those values/exemptions provided by federal or state requirements.

(2) Increase in real property exempt amount due to increase of residential exemption from \$20,000 to \$50,000 in FY15.

Source: Data is provided by the Kenai Peninsula Borough's Assessing Department. Does not include federal and state exempt property.

Kenai Peninsula Borough
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

TABLE VIII

Fiscal Year	Borough wide		Overlapping Rates (2)													
	General Fund		City of Homer		City of Kachemak		City of Kenai		City of Seldovia		City of Seward		City of Soldotna			
	Maximum rate (1)	Approved rate (1)	Operating Districts (4)	Special Districts (3)	Operating Districts (4)	Special Districts (3)	Operating Districts (4)	Special Districts (3)	Operating Districts (4)	Special Districts (3)	Operating Districts (4)	Special Districts (3)	Operating Districts (4)	Special Districts (3)		
2015	8.33	4.50	4.50	0.00	4.50	2.30	1.00	2.30	4.35	0.01	4.60	0.75	3.12	0.75	0.50	2.66
2016	8.17	4.50	4.50	0.00	4.50	2.30	1.00	2.30	4.35	0.01	4.60	0.75	3.12	0.75	0.50	2.66
2017	8.29	4.50	4.50	0.00	4.50	2.30	1.00	2.30	4.35	0.01	7.50	0.75	3.12	0.75	0.50	2.73
2018	8.30	4.50	4.50	0.00	4.50	2.30	1.00	2.30	4.35	0.01	7.50	0.75	3.12	0.75	0.50	2.61
2019	8.30	4.70	4.70	0.00	4.50	2.30	1.00	2.30	4.35	0.01	7.50	0.75	3.84	0.75	0.50	2.86
2020	8.45	4.70	4.70	0.00	4.50	2.24	1.00	2.30	4.35	0.01	7.50	0.75	3.84	0.75	0.50	2.86
2021	8.56	4.70	4.70	0.00	4.50	2.24	2.00	2.24	4.35	0.01	7.50	0.75	3.84	0.75	0.50	2.86
2022	8.40	4.70	4.70	0.00	4.50	2.24	2.00	2.24	4.35	0.01	7.50	0.75	3.84	0.75	0.50	2.86
2023	8.40	4.50	4.50	0.00	4.50	2.24	2.00	2.24	4.35	0.01	7.50	0.75	3.84	0.75	0.50	2.86
2024	8.69	4.30	4.30	0.00	4.50	1.46	1.75	1.46	4.35	0.01	7.50	0.75	3.84	1.00	0.50	3.22

(1) The Borough's General Fund maximum mill rate and approved rate.

(2) Overlapping rates are those of the first class cities located within the Borough. The mill rates shown consist of two components: the mill rate for the operating entity and the mill rate for special districts, which include fire and emergency response, higher education, and local support for hospitals.

Sources:

- (3) Data provided from Kenai Peninsula Borough's resolution approving the mill rates for each respective year.
- (4) Data provided by the City Clerk's Office for each respective City.

Kenai Peninsula Borough
Principal Property Taxpayers
Current and Nine Years Ago

TABLE IX

Taxpayer	2024			2015		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
	(1)			(1)		
Hilcorp	990,656,190	1	10.17%	460,096,690	1	6.61%
Harvest Alaska	232,220,150	2	2.38%	-		-
Tesoro Alaska	198,899,154	3	2.04%	178,222,079	3	2.56%
Bluecrest Energy	113,276,070	4	1.16%	-		-
Cook Inlet Natural Gas Storage Alaska LLC	109,978,783	5	1.13%	116,889,716	4	1.68%
Furie Operating Alaska LLC	80,461,190	6	0.83%	-		-
Alaska Pipeline	69,298,469	7	0.71%	58,676,344	7	0.84%
ACS	54,191,401	8	0.56%	77,886,637	5	1.12%
Cook Inlet Energy LLC	54,069,360	9	0.55%	36,446,610	9	0.52%
Enstar Natural Gas	51,256,023	10	0.53%	36,147,765	10	0.52%
Kenai Offshore Ventures, LLC	-		-	38,246,000	8	0.55%
Marathon Oil Co.	-		-	-		0.00%
ConocoPhillips Inc	-		-	240,642,477	2	3.46%
XTO Energy INC	-		-	61,522,320	6	0.88%
	<u>\$ 1,954,306,790</u>		<u>20.06%</u>	<u>\$ 1,304,776,638</u>		<u>18.74%</u>

(1) **Source:** Data is provided by the Kenai Peninsula Borough's Assessing Department.

Kenai Peninsula Borough
 Taxable Sales by Line of Business
 Fiscal Year 2024

TABLE X

Line of Business	2024
RETAIL TRADE	693,855,172
RESTAURANT/BAR	143,128,072
REMOTE SALES TAX	138,523,513
HOTEL/MOTEL/B & B	119,868,871
UTILITIES	94,223,431
GUIDING LAND & WATER	94,071,212
SERVICES	51,332,520
RENTAL RESIDENTIAL PROPERTY	32,398,234
WHOLESALE TRADE	30,255,418
PUBLIC ADMINISTRATION	24,893,092
PROFESSIONAL, SCIENTIFIC	21,499,323
INFORMATION	16,189,236
CONSTRUCTION CONTRACTING	15,958,835
MANUFACTURING	13,981,865
ADMINISTRATIVE, WASTE MANAGEMENT	12,072,708
RENTAL NON-RESIDENTIAL PRO	11,914,408
TRANSPORTATION & WAREHOUSE	10,962,671
TELECOMMUNICATION	10,516,886
ARTS AND ENTERTAINMENT	9,044,568
MINING/QUARRYING	6,158,742
AGRICULTURE, FORESTRY, FIRE	4,726,514
RENTAL SELF-STORAGE & MINI STORAGE	4,612,195
RENTAL PERSONAL PROPERTY	4,387,130
RENTAL COMMERCIAL PROPERTY	3,602,284
EDUCATIONAL SERVICES	3,421,181
HEALTHCARE & SOCIAL ASSISTANCE	1,267,846
FINANCE AND INSURANCE	1,072,359
OTHER	50,791
	<u><u>\$ 1,573,989,077</u></u>

Source: Data is provided by the Kenai Peninsula Borough's Finance Department, Sales Tax Division.

Kenai Peninsula Borough
Property Tax Levies and Collections
General Fund
Last Ten Fiscal Years

TABLE XI

Fiscal Year	Total Tax Levy for Fiscal Year	Collected in the Fiscal Year		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	\$ 31,685,014	\$ 31,142,025	98.286%	\$ 542,449	\$ 31,684,474	99.998%
2016	33,188,070	32,410,590	97.657%	776,894	33,187,484	99.998%
2017	35,591,917	35,157,568	98.780%	433,780	35,591,348	99.998%
2018	37,068,282	36,645,827	98.860%	421,742	37,067,569	99.998%
2019	38,941,185	38,535,145	98.957%	387,475	38,922,620	99.952%
2020	40,079,402	39,607,678	98.823%	449,105	40,056,783	99.944%
2021	40,380,466	39,981,984	99.013%	376,441	40,358,425	99.945%
2022	40,286,872	39,872,556	98.972%	379,771	40,252,327	99.914%
2023	40,639,876	40,225,559	98.981%	319,641	40,545,200	99.767%
2024	42,393,890	41,982,519	99.030%	-	41,982,519	99.030%

Kenai Peninsula Borough
Ratios of Outstanding Debt by Type and Per Capita
Last Ten Fiscal Years

TABLE XII

Governmental Activities						
Fiscal Year	General Obligation Bonds (Area-Wide) (Net of Premiums/ Discounts/ Adjustments)	General Obligation Bonds (Service Area) (Net of Premiums/ Discounts/ Adjustments)	Leases and IT Subscription Liabilities (Area-Wide) (5)	Leases and IT Subscription Liabilities (Service Area) (5)	Total	Debt as a Percentage of Estimated Actual Value of Taxable Property (4) (Area- Wide)
	2015	44,631,585	3,102,979	-		
2016	41,928,618	5,671,350	-	-	47,599,968	0.58%
2017	45,138,506	5,367,557	-	-	50,506,063	0.58%
2018	41,706,478	4,978,766	-	-	46,685,244	0.51%
2019	38,159,450	4,569,975	-	-	42,729,425	0.46%
2020	33,949,621	5,624,485	-	-	39,574,106	0.42%
2021	31,199,379	5,092,289	-	-	36,291,668	0.38%
2022	27,044,501	4,528,448	-	58,961	31,631,910	0.33%
2023	56,873,977	20,408,793	173,072	43,594	77,499,436	0.76%
2024	53,417,253	19,315,149	189,416	63,487	72,985,305	0.66%

Debt Per Capita (1)(2)						
Fiscal Year	Debt as a Percentage of Total Personal Income (3)	Service Areas				
		Area-Wide	Central Emergency Services Service Area	Bear Creek Fire Service Area	Western Emergency Services Service Area	Nikiski Fire Department Service Area
2015	1.60%	781	68	744	-	-
2016	1.56%	726	158	714	-	-
2017	1.70%	777	150	685	-	-
2018	1.57%	719	138	656	-	-
2019	1.40%	653	126	623	-	-
2020	1.24%	579	168	590	-	-
2021	1.09%	529	152	610	-	-
2022	0.90%	459	135	564	2	9
2023	2.20%	948	721	519	-	7
2024	1.96%	880	689	470	-	6

Note: Details regarding the Borough's outstanding debt can be found in the notes to the financial statements.

- (1) Other Governmental Fund-type debt is for the Central Emergency Services Service Area, Bear Creek Fire Service Area, Western Emergency Services Service Area and Nikiski Fire Department Service Area is debt of the Service Area and not the Primary Government.
- (2) Due to overlapping taxing jurisdictions, the Debt Per Capita of the Area-Wide must be combined with each overlapping Service Area to determine the total Debt Per Capita within each Tax Code Area.
- (3) Personal income data is provided by the Bureau of Economic Analysis, <http://www.bea.gov>, prior years may be updated as more data becomes available.
- (4) Assessed values and tax exempt values represent only those values/exemptions provided by the Borough. It does not include those values/exemptions provided by federal or state requirements. Population data can be found in Table XV
- (5) Lease disclosures were implemented in FY2022, Subscription IT Asset disclosures were implemented in FY2023.

Kenai Peninsula Borough
 Computation of Direct and Overlapping Debt
 as of June 30, 2024

TABLE XIII

	Net Debt Outstanding	Percentage Applicable to this Governmental Unit	Net Debt Outstanding
Kenai Peninsula Borough:			
General Government Debt	\$ 189,416	100%	\$ 189,416
Education Debt	53,417,253	100%	53,417,253
Service Area Debt ⁽¹⁾			
Central Emergency Service Area	18,623,894	100%	18,623,894
Bear Creek Fire Service Area	720,000	100%	720,000
Nikiski Fire Service Area	34,742	100%	34,742
Total	<u>72,985,305</u>		<u>72,985,305</u>
Cities within Borough:			
Homer	5,140,000	100%	5,140,000
Kenai	665,000	100%	665,000
Seldovia	-	100%	-
Seward	30,375,000	100%	30,375,000
Soldotna ⁽²⁾	11,984,935	100%	11,984,935
Total	<u>48,164,935</u>		<u>48,164,935</u>
Total Direct and Overlapping Debt	<u>\$ 121,150,240</u>		<u>\$ 121,150,240</u>

(1) Amounts made up of General obligation debt repaid through general property taxes of the Service Area.
 (2) Net Debt includes loans, bonds, lease and subscription IT liabilities.

Kenai Peninsula Borough
 Legal Debt Margin Information
 Last Ten Fiscal Years

TABLE XIV

NO DEBT LIMIT IS MANDATED BY LAW

Kenai Peninsula Borough
Demographic and Economic Statistics
Last Ten Fiscal Years

TABLE XV

Fiscal Year	Population (1)	Personal Income - Borough (in thousands) (3)	Per Capita Personal Income - Borough (3)	Per Capita Personal Income - Alaska (3)	Median Age (2)	School Enrollment (5)	Unemployment Rate (2)	Number of Employed (2)
2015	57,147	2,759,412	51,734	54,582	40.5	8,826	7.70%	25,712
2016	57,763	2,981,871	52,639	56,147	40.0	8,788	7.60%	25,470
2017	58,060	3,056,190	49,544	55,674	40.6	8,785	8.20%	24,906
2018	58,024	2,965,755	49,697	56,042	41.4	8,712	7.70%	24,745
2019	58,471	2,965,755	51,975	59,871	41.0	8,680	7.10%	24,690
2020	58,671	3,046,230	54,026	61,742	41.8	8,535	6.30%	24,843
2021	58,934	3,182,915	56,139	62,756	41.8	7,756	9.60%	24,111
2022	58,957	3,528,727	59,041	65,813	42.1	8,298	7.30%	25,747
2023	60,017	3,718,013	61,262	68,635	43.0	8,489	4.70%	26,624
2024	60,690	3,718,013 (4)	61,262 (4)	68,635 (4)	42.9	8,301	4.70%	26,841

Sources:

- (1) Alaska Department of Labor estimates as of July 1 of each fiscal year.
- (2) Data is provided by the State of Alaska Department of Labor and is the annual rate for 12 months ending December of the prior calendar year. The Alaska Department of Labor amends every month the unemployment rate data for the previous month and again at the end of every calendar year. Some prior fiscal years have been updated to match updated statistical reported information.
- (3) Data is provided by the U.S. Department of Commerce, Bureau of Economic Analysis (BEA) and is for the 12-month period ending December of the prior calendar year. Some prior fiscal years have been updated to match updated statistical reported information.
- (4) Calendar year 2024 data currently unavailable from BEA.
- (5) Information provided from the Kenai Peninsula Borough School District.

Kenai Peninsula Borough
Principal Employers
Current and Nine Years Ago

TABLE XVI

<u>Employer</u>	<u>2024 *</u> <u>Rank</u>	<u>2015 *</u> <u>Rank</u>
-----------------	------------------------------	------------------------------

* The State of Alaska passed legislation that prevents disclosure of employer ranking and or the number of employees for each employer.

Kenai Peninsula Borough
Full-time Equivalent Borough Government Employees by Function
Last Ten Fiscal Years

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government:										
Assembly	5.50	5.50	5.50	5.50	5.50	5.50	6.00	6.00	7.00	7.00
Mayor	6.00	6.00	6.00	5.00	4.50	4.50	4.25	4.25	6.00	6.00
Purchasing and Contracting *	14.00	14.00	10.00	9.00	8.00	8.00	8.00	8.00	9.00	9.00
Office of Emergency Mgmt	4.25	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
HR	7.50	7.50	7.50	7.50	7.50	7.00	7.50	7.75	8.50	8.00
IT	11.50	11.50	11.50	11.50	11.50	11.50	12.00	12.00	12.00	13.00
Legal	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Finance	22.00	22.00	22.00	22.00	21.50	21.50	21.50	21.50	22.00	22.00
Assessing	22.00	22.00	22.00	22.00	24.00	24.00	23.00	21.00	22.00	22.00
Planning	13.00	13.00	13.00	13.00	12.75	12.75	11.25	11.25	11.00	12.00
River Center	5.00	5.00	5.00	5.00	5.00	5.00	4.00	4.00	4.00	4.00
Total	115.75	115.50	111.50	109.50	109.25	108.75	106.50	104.75	110.50	112.00
Fire and Emergency Services:										
Nikiski Fire	20.75	21.75	21.75	21.75	21.25	21.00	21.00	25.00	25.00	25.00
Bear Creek Fire	1.50	1.50	1.50	1.00	1.50	1.50	1.50	1.50	2.50	2.50
EPHESA	0.00	0.00	0.00	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Western Emergency Services	3.50	4.00	4.00	4.00	5.00	5.00	10.00	10.00	10.00	10.00
Central Emergency Services	41.00	39.00	41.00	41.00	44.00	44.00	44.00	48.00	48.00	49.00
Kachemak	4.00	4.00	4.00	4.00	5.00	5.00	5.00	7.00	9.00	9.00
911 Communications	12.25	12.50	12.50	13.00	13.00	16.00	16.00	23.00	23.00	23.00
Seward Bear Creek Flood	0.75	0.75	0.75	1.50	1.50	1.50	1.50	1.50	1.75	1.75
Recreation	16.70	16.65	16.65	16.65	16.50	16.50	16.50	17.00	16.75	16.75
Roads	8.00	8.00	8.00	8.00	7.40	6.50	6.50	5.90	6.75	6.75
Land Trust Fund	5.00	5.00	5.00	5.00	5.00	5.00	4.75	4.75	6.00	6.00
Solid Waste	17.00	17.00	15.50	15.50	15.50	15.50	15.50	20.00	21.00	21.00
Risk Management	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	6.00	6.00
Total	250.20	249.65	246.15	245.40	249.40	250.75	253.25	272.90	286.75	289.25
Positions controlled by the Kenai Peninsula Borough but reported as part of in-kind expenditures for the Kenai Peninsula Borough School District	46.25	46.25	46.25	46.25	45.85	44.75	45.75	46.60	50.00	50.00

* Purchasing and Contracting combined in 2016
Source: Data is provided by the Kenai Peninsula Borough's Human Resources Department and is subject to change based on staffing changes throughout each year.

Kenai Peninsula Borough
Operating Indicators by Function
Last Ten Fiscal Years

TABLE XVIII

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government- 911 calls answered	27,239	28,165	27,022	26,370	24,482	24,611	24,900	25,272	26,439	27,893
Fire and emergency services: **										
Number of calls responded to:										
Nikiski	919	959	995	1,022	1,070	870	1,001	1,007	1,210	1,161
Bear Creek	139	143	178	141	136	119	133	111	127	119
WESA	263	214	218	279	269	283	562	596	556	551
CES	2,039	2,824	2,593	2,591	2,473	2,646	2,743	3,169	3,250	3,044
Kachemak	219	236	218	203	242	276	235	235	302	345
Landfills- Refuse collected (tons)	62,309	59,885	57,698	58,619	57,426	59,419	60,760	63,290	61,418	66,936

Note: With the exception of 911 calls, indicators are not available for the general government functions.

** Fire and Emergency Services indices are as of December 31 of the prior calendar year

Sources: Various Kenai Peninsula Borough department's and service area's performance measures.

Kenai Peninsula Borough
Capital Asset Statistics by Function
Last Ten Fiscal Years

TABLE XIX

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Fire and emergency services:										
Number of Stations:										
Nikiski	4	4	4	4	4	4	5	5	5	5
Bear Creek	1	1	1	1	1	1	1	1	1	1
WESA	2	2	2	2	2	2	3	3	3	3
CES	8	8	8	8	8	8	8	8	8	8
Kachemak	2	2	2	2	2	2	2	2	2	2
Landfills:										
Number of municipal waste landfills	8 (1)	8	8	8	8	8	8	8	8	8
Number of transfer facilities/sites	13	13	13	13	13	13	13	13	13	13
Recreation-										
Number of facilities	9	9	9	9	9	9	9	9	9	9
Roads-										
Miles of roads maintained	640	641	645	646	648	648	648	651	650	660

(1) Homer and Seward landfills are no longer accepting municipal waste but are still accepting inert waste.

Note: No capital asset indicators are available for the general government functions.

For the fire and emergency service stations listed above, these represent both manned and unmanned stations.

Sources: Various Kenai Peninsula Borough department's and service area's performance measures.

SINGLE AUDIT

Kenai Peninsula Borough
Detailed Schedule of Expenditures of Federal Awards ^[1]
Year Ended June 30, 2024

<u>Federal Grantor/Pass Through Grantor / Program or Cluster Title</u>	<u>Grant Number</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-through Entity Identifier Number</u>	<u>Award Amount</u>	<u>Total Federal Expenditures</u>
U.S. Department of the Interior U.S. Bureau of Land Management: Payments in Lieu of Taxes	2024 SEC 6901/6902	N/A	N/A	\$ 3,902,812	\$ 3,902,812
WUI Fuel Mitigation in Response to Beetle Impacted Forests	L23AC00189-00	15.015	N/A	73,500	444
U.S. Fish and Wildlife Service: National Wildlife Refuge Fund - Revenue Sharing	FY2024	15.659	N/A	24,915	24,915
Total U.S. Department of the Interior					<u>3,928,171</u>
<u>U.S. Department of Homeland Security</u> Western Emergency Services Staffing for Adequate Fire & Emergency Response Passed through Alaska Department of Military & Veterans Affairs: Disaster Grants - Public Assistance (Presidentially Declared Disasters): Emergency Protective Measures and Permanent Work (2013 Japanese Creek Flood) Homeland Security Grant Program: 2020 State Homeland Security Grant Program- Siren Upgrades; Incident Management Team Exercise; EMS Air Compressor 2022 State Homeland Security Grant Program- Siren Upgrades; Incident Management Team Exercise; EMS Air Compressor Total Assistance Listing 97.067	EMW-2018-FF-00203	97.083	N/A	255,855	14,300
	FEMA-4161-DR	97.036	DR-4161-AK	531,536	94,388
	EMW-2020-SS-00012-S01	97.067	20SHSP-GY20	456,234	3,697
	EMW-2022-SS-00034-S01	97.067	22SHSP-GY22	441,000	361,395
	EMS-2023-GR-05014	97.023	CAP23	1,153	365,092
	EMS-2022-EP-00004-S01	97.042	22EMPG-GY22	241,147	41,147
	EMS-2023-EP-00001	97.042	23EMPG-GY23	200,000	168,844
Total Assistance Listing 97.042					<u>209,991</u>
Total U.S. Department of Homeland Security					<u>684,924</u>
U.S. Environmental Protection Agency: * Congressionally Mandated Projects - Kenai Peninsula Borough Central Peninsula Landfill Leachate Volume Reduction Project	[2] 02J25701	66.202	N/A	3,360,000	2,785,559
Passed through Alaska Department of Environmental Conservation Division of Water- Performance Partnership Grants - EPA Clean Water Act Sec 319 Nonpoint Source Management Kenai River Rain Garden	00J84605	66.605	ACWA-23-02	29,488	18,908
Performance Partnership Grants - EPA Clean Water Act Sec 221 Sewer Overflow & Stormwater Reuses Municipal Grants Program - Drainage Plan for Gravel Pit Clean Discharge & Drainage	02J19001	66.447	ACWA-23-14	38,837	25,130
Total U.S. Environmental Protection Agency					<u>2,829,597</u>
U.S. Department of the Treasury * COVID-19 Coronavirus State & Local Fiscal Recovery Funds (ARPA) Passed through Alaska Office of Management & Budget: COVID-19 Coronavirus Relief Fund Additional FY21 Fish tax received 11/15/21. Funded using ARPA/CSLFRF funds. Total U.S. Department of the Treasury	FY2021	21.027	N/A	11,403,341	2,153,441
	FY2021	N/A	HB69 FY21	86,409	34,396
					<u>2,187,837</u>

(continued)

Kenai Peninsula Borough

Detailed Schedule of Expenditures of Federal Awards ^[1] - continued
Year Ended June 30, 2024

<u>Federal Grantor/Pass Through Grantor / Program or Cluster Title</u>	<u>Grant Number</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-through Entity Identifier Number</u>	<u>Award Amount</u>	<u>Total Federal Expenditures</u>
<u>U.S. Department of Health & Human Services:</u>					
Passed through Alaska Department of Health and Social Services:					
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	NU50CK000509	93.323	C0621-570-H	\$ 2,037,530	\$ 216,327
COVID-19 - Immunization Cooperative Agreements - Healthy & Equitable Communities Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Healthcare Crises:	N/A	93.268	C0622-584-M	412,944	174,557
COVID-19 - Healthy & Equitable Communities	N/A	93.391	C0622-584-M	412,944	174,557
COVID-19 - Mobile Integrated Healthcare and Community Paramedicine Rural Extension Total Assistance Listing 93.391	NH75OT000052	93.391	161-315-24005	250,000	127,350
Total U.S. Department of Health and Human Services					<u>301,907</u>
<u>U.S. Department of Agriculture</u>					
National Resources Conservation Service					
Urban Agriculture and Innovative Production - Community Compost & Food Waste Recovery Program	NR23A750001C032	10.935	N/A	89,997	37,084
Passed through Alaska Department of Commerce, Community & Economic Dev. Forest Service Schools and Roads Cluster - Schools and Roads - Grants to States	FY2024	10.665	821035	570,014	570,014
U.S. Forest Service					
Community Project Funds - Congressionally Directed Spending-Community Wildfire Protection Plan Implementation Project	23-DG-11100106-901	10.730	N/A	1,500,000	48,560
Passed through Alaska Department of Natural Resources					
U.S. Forest Service					
State and Private Forestry Hazardous Fuel Reduction Program - Kenai Peninsula Borough Community Slash Disposal Sites	23-DG-11100106-807	10.697	FY24	89,000	396
Passed through Alaska Department of Natural Resources					
Cooperative Forestry Assistance:					
Western Emergency Service Area					
Volunteer Fire Assistance Grant	N/A	10.664	2024 VFA	5,845	5,845
Volunteer Fire Assistance Grant	N/A	10.664	2025 VFA	6,783	6,783
Bear Creek Fire Service Area					
Volunteer Fire Assistance Grant	N/A	10.664	2024 VFA	3,294	3,294
Central Emergency Service Area					
Volunteer Fire Assistance Grant	N/A	10.664	2024 VFA	5,332	2,430
Volunteer Fire Assistance Grant	N/A	10.664	2025 VFA	6,520	6,520
Kachemak Emergency Service Area					
Volunteer Fire Assistance Grant	N/A	10.664	2024 VFA	5,924	5,924
Volunteer Fire Assistance Grant	N/A	10.664	2025 VFA	6,999	3,316
Nikiski Fire Service Area					
Volunteer Fire Assistance Grant	N/A	10.664	2024 VFA	4,358	4,358
Total Assistance Listing 10.664					<u>38,470</u>
Total U.S. Department of Agriculture					<u>694,524</u>

(continued)

Kenai Peninsula Borough

Detailed Schedule of Expenditures of Federal Awards ^[1] - continued
Year Ended June 30, 2024

<u>Federal Grantor/Pass Through Grantor / Program or Cluster Title</u>	<u>Grant Number</u>	<u>Assistance Listing Number</u>	<u>Pass-through Entity Identifier Number</u>	<u>Award Amount</u>	<u>Total Federal Expenditures</u>
<u>U.S. Department of Transportation</u>					
Federal Lands Access Program					
Extend Kenai Spur Hwy-North Road	DTFH7017E30003	20.224	N/A	\$ 5,563,801	\$ 393,210
Kenai Peninsula Borough-Joint Application Safe Streets Safety Action Plan	693JJ32340391	20.939	N/A	960,000	213,540
Total U.S. Department of Transportation					<u>606,750</u>
<u>U.S. Department of Commerce</u>					
National Oceanic and Atmospheric Administration					
Passed through the Pacific States Marine Fisheries Commission (PSMFC)					
Gulf of Alaska Pink Salmon Disaster (PSMFC: Old Exit Glacier Rd Bridge)	NA20NMF0220019	11.022	21-067G	150,164	130,788
Passed through Alaska Department of Military & Veteran's Affairs					
Meteorologic and Hyrdologic Modernization Development - Tsunami Hazard Mitigation	NA22NWS4670012	11.467	20NOAA-GY22	61,000	59,150
Total U.S. Department of Commerce					<u>189,938</u>
<u>U.S. Department of Housing and Urban Development:</u>					
Passed through Alaska Department of Commerce, Community & Economic Development:					
Kachemak-Selo School Study-Community Development Block Grant	B-19-DV-02-0001	14.228	19-CDBGDR-11	281,250	80,236
Total Expenditures of Federal Awards				\$ 11,894,768	

¹* Federal Major Program

On

[1] Except where noted, no other funds were provided to recipients

[2] Please refer to the FY24 Single Audit report package for more information

[3] Federal funds of \$22,030 were passed through to Love Inc.

[4] Federal funds of \$22,030 were passed through to Love Inc.

The accompanying notes are an integral part of this schedule.

Kenai Peninsula Borough

Notes to the Detailed Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Kenai Peninsula Borough, Alaska (the Borough) under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in greater detail than the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Borough, it is not intended to and does not present the financial position, changes in net position or cash flows of the Borough.

2. Summary of Significant Accounting Policies

Expenditures on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

3. Indirect Cost Rate

The Borough has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Kenai Peninsula Borough

Detailed Schedule of State Financial Assistance

Year Ended June 30, 2024

State Agency / Program Title

Alaska Department of Commerce, Community & Economic Development

Shared Fisheries Business Tax

Fish Resource Landing Tax

Community Assistance Program - Borough

Community Assistance Program - Clam Gulch: Caribou Hillis Cabin Hoppers

Community Assistance Program - Razdolna: Village of Razdolna

Community Assistance Program - Razdolna: Village of Razdolna

Community Assistance Program - Clam Gulch: Caribou Hillis Cabin Hoppers

Community Assistance Program - Nanwalek: Project Grad Kenai Peninsula

Community Assistance Program - Razdolna: Snomads Snowmachine Club, Inc.

Community Assistance Program - Anchor Point: Anchor Point Chamber of Commerce

Community Assistance Program - Anchor Point: Snomads Snowmachine Club, Inc.

Total Anchor Point Community Assistance Program

Community Assistance Program - Bear Creek: Bear Creek Volunteer Fire Dept

Community Assistance Program - Diamond Ridge: Homer Cycling Club

Community Assistance Program - Diamond Ridge: Snomads Snowmachine Club, Inc.

Total Diamond Ridge Community Assistance Program

Community Assistance Program - Fritz Creek: McNeil Canyon Community Council

Community Assistance Program - Fritz Creek: Snomads Snowmachine Club, Inc.

Total Fritz Creek Community Assistance Program

Community Assistance Program - Kachemak Selo: Village of K-Selo Water Co

Community Assistance Program - Nanwalek: Project Grad Kenai Peninsula

Community Assistance Program - Nikiski: North Peninsula Community Council

Community Assistance Program - Nimilchik: Kenai Peninsula Fair Association

Community Assistance Program - Razdolna: Snomads Snowmachine Club, Inc.

Community Assistance Program - Seldovia Village: Seldovia Village Tribe

Community Assistance Program - Anchor Point: Anchor Point Public Library, Inc.

Community Assistance Program - Anchor Point: Anchor Point Senior Citizens, Inc.

Community Assistance Program - Anchor Point: Anchor Kings Wrestling

Total Anchor Point Community Assistance Program

Community Assistance Program - Cohoe: Boys & Girls Club of the Kenai Peninsula

<u>State Agency / Program Title</u>	<u>Award Number</u>	<u>Total Award Amount</u>	<u>Total State Expenditures</u>
Shared Fisheries Business Tax	N/A	\$ 962	\$ 962
Fish Resource Landing Tax	N/A	3,453	3,453
Community Assistance Program - Borough	FY24	1,075,502	1,075,502
Community Assistance Program - Clam Gulch: Caribou Hillis Cabin Hoppers	FY20 [1]	15,789	6,884
Community Assistance Program - Razdolna: Village of Razdolna	FY20 [1]	15,789	15,789
Community Assistance Program - Razdolna: Village of Razdolna	FY21 [1]	15,789	15,789
Community Assistance Program - Clam Gulch: Caribou Hillis Cabin Hoppers	FY21 [1]	15,789	15,789
Community Assistance Program - Nanwalek: Project Grad Kenai Peninsula	FY22 [1]	15,789	15,789
Community Assistance Program - Razdolna: Snomads Snowmachine Club, Inc.	FY22 [1]	15,789	15,789
Community Assistance Program - Anchor Point: Anchor Point Chamber of Commerce	FY23 [1]	5,016	5,010
Community Assistance Program - Anchor Point: Snomads Snowmachine Club, Inc.	FY23 [1]	5,016	5,016
Total Anchor Point Community Assistance Program		<u>10,026</u>	<u>10,026</u>
Community Assistance Program - Bear Creek: Bear Creek Volunteer Fire Dept	FY23 [1]	35,333	35,182
Community Assistance Program - Diamond Ridge: Homer Cycling Club	FY23 [1]	4,666	3,583
Community Assistance Program - Diamond Ridge: Snomads Snowmachine Club, Inc.	FY23 [1]	4,666	4,666
Total Diamond Ridge Community Assistance Program		<u>8,249</u>	<u>8,249</u>
Community Assistance Program - Fritz Creek: McNeil Canyon Community Council	FY23 [1]	9,106	9,106
Community Assistance Program - Fritz Creek: Snomads Snowmachine Club, Inc.	FY23 [1]	9,106	9,106
Total Fritz Creek Community Assistance Program		<u>18,212</u>	<u>18,212</u>
Community Assistance Program - Kachemak Selo: Village of K-Selo Water Co	FY23 [1]	17,876	264
Community Assistance Program - Nanwalek: Project Grad Kenai Peninsula	FY23 [1]	18,051	18,051
Community Assistance Program - Nikiski: North Peninsula Community Council	FY23 [1]	28,351	3,767
Community Assistance Program - Nimilchik: Kenai Peninsula Fair Association	FY23 [1]	5,886	5,886
Community Assistance Program - Razdolna: Snomads Snowmachine Club, Inc.	FY23 [1]	17,876	17,876
Community Assistance Program - Seldovia Village: Seldovia Village Tribe	FY23 [1]	17,610	17,610
Community Assistance Program - Anchor Point: Anchor Point Public Library, Inc.	FY24 [1]	5,263	5,263
Community Assistance Program - Anchor Point: Anchor Point Senior Citizens, Inc.	FY24 [1]	5,263	5,263
Community Assistance Program - Anchor Point: Anchor Kings Wrestling	FY24 [1]	5,263	5,263
Total Anchor Point Community Assistance Program		<u>15,789</u>	<u>15,789</u>
Community Assistance Program - Cohoe: Boys & Girls Club of the Kenai Peninsula	FY24 [1]	15,789	15,789

(continued)

Kenai Peninsula Borough

Detailed Schedule of State Financial Assistance - continued

Year Ended June 30, 2024

<u>State Agency / Program Title</u>	<u>Award Number</u>	<u>Total Award Amount</u>	<u>Total State Expenditures</u>
<u>Alaska Department of Commerce, Community & Economic Development, continued</u>			
Community Assistance Program - Cooper Landing: Cooper Landing Community Club	[1]	\$ 15,789	\$ 15,789
Community Assistance Program - Crown Point: Moose Pass Volunteer Fire Department	[1]	15,789	15,789
Community Assistance Program - Diamond Ridge: Homer Cycling Club	[1]	2,632	2,632
Community Assistance Program - Diamond Ridge: Homer Trails Association	[1]	2,631	2,631
Community Assistance Program - Diamond Ridge: Kachemak Emergency Services Member Assn.	[1]	2,632	2,632
Community Assistance Program - Diamond Ridge: Kachemak Nordic Ski Club	[1]	2,631	2,631
Community Assistance Program - Diamond Ridge: Kachemak Ski Club	[1]	2,632	2,632
Community Assistance Program - Diamond Ridge: Snomads Snowmachine Club, Inc.	[1]	2,631	2,631
Total Diamond Ridge Community Assistance Program		<u>15,789</u>	
Community Assistance Program - Fritz Creek: Kachemak Nordic Ski Club	[1]	3,947	3,947
Community Assistance Program - Fritz Creek: McNeil Canyon El School Community Council	[1]	3,948	1,635
Community Assistance Program - Fritz Creek: Snomads Snowmachine Club, Inc.	[1]	3,947	3,947
Community Assistance Program - Fritz Creek: Kachemak Emergency Services Member Assn.	[1]	3,947	3,947
Total Fritz Creek Community Assistance Program		<u>13,476</u>	
Community Assistance Program - Funny River: Funny River Community Association	[1]	15,789	15,789
Community Assistance Program - Hope: Hope, Inc	[1]	15,789	15,789
Community Assistance Program - Kasilof: Back Country Horsemen of Alaska	[1]	3,060	1,836
Community Assistance Program - Kasilof: Cohoe Cemetery Association	[1]	6,364	6,364
Community Assistance Program - Kasilof: Kasilof Regional Historical Association	[1]	6,365	6,365
Total Kasilof Community Assistance Program		<u>14,565</u>	
Community Assistance Program - Kalifornsky Beach: Love Inc. of the Kenai Peninsula	[1]	3,158	3,158
Community Assistance Program - Kalifornsky Beach: Kenai Peninsula Food Bank, Inc.	[1]	3,158	3,158
Community Assistance Program - Kalifornsky Beach: Peninsula Spay Neuter Fund	[1]	3,158	3,158
Community Assistance Program - Kalifornsky Beach: Tsalteshi Trails Association	[1]	3,158	3,158
Community Assistance Program - Kalifornsky Beach: Kenai Peninsula Animal Lovers Rescue	[1]	3,157	3,157
Total Kalifornsky Beach Community Assistance Program		<u>15,789</u>	
Community Assistance Program - Lowell Point: Lowell Point Community Council, Inc.	[1]	15,789	15,789
Community Assistance Program - Moose Pass: Moose Pass Chamber of Commerce	[1]	15,789	15,789
Community Assistance Program - Nikiski: Love Inc of the Kenai Peninsula	[1]	3,157	3,157
Community Assistance Program - Nikiski: Nikiski Senior Citizens, Inc.	[1]	3,158	3,158
Community Assistance Program - Nikiski: North Peninsula Community Council	[1]	3,158	3,158
Community Assistance Program - Nikiski: North Road Pioneers	[1]	3,158	1,641
Community Assistance Program - Nikiski: North Star United Methodist Church Food Pantry	[1]	3,158	3,158
Total Nikiski Community Assistance Program		<u>14,272</u>	

(continued)

Kenai Peninsula Borough

Detailed Schedule of State Financial Assistance - continued

Year Ended June 30, 2024

<u>State Agency / Program Title</u>	<u>Award Number</u>	<u>Total Award Amount</u>	<u>Total State Expenditures</u>
<u>Alaska Department of Commerce, Community & Economic Development, continued</u>			
Community Assistance Program - Ninilchik: Kenai Peninsula Fair Association	FY24	\$ 1,974	\$ 1,974
Community Assistance Program - Ninilchik: Ninilchik Community Library	FY24	5,921	5,921
Community Assistance Program - Ninilchik: Ninilchik Student Saturday Lunch Program (Bridges)	FY24	3,947	3,947
Community Assistance Program - Ninilchik: Ninilchik Senior Citizens	FY24	3,947	3,947
Total Ninilchik Community Assistance Program			<u>15,789</u>
Community Assistance Program - Port Graham: Port Graham Village Council	FY24	15,789	15,789
Community Assistance Program - Primrose: Moose Pass Volunteer Fire Department	FY24	15,789	15,789
Community Assistance Program - Seldovia: Seldovia Village Tribe	FY24	15,789	967
Community Assistance Program - Sterling: Sterling Area Senior Citizens	FY24	7,894	7,894
Community Assistance Program - Sterling: Sterling Community Center	FY24	7,895	7,895
Total Sterling Community Assistance Program			<u>15,789</u>
Community Assistance Program - Tyonek: Boys & Girls Club of Southcentral Alaska	FY24	15,789	15,789
Community Assistance Program - Voznesenka: Voznesenka Community Council	FY24	15,789	15,789
Total Community Revenue Sharing/Community Assistance Program			<u>1,592,358</u>
Marijuana Application Review Fees	FY24	8,800	8,800
Jacob's Ladder Access Trail Repair & Maintenance		100,000	14,943
Travel grant: FEMA CAP-SSSE - Pass Through DCCED	14-RR-042 EMS-2023-GR-05014	384	384
Total Alaska Department of Commerce, Community & Economic Development			<u>1,620,900</u>
<u>Alaska Department of Revenue</u>			
* Commercial Passenger Vessel Tax - Homer	FY23	353	353
* Commercial Passenger Vessel Tax - Seward	FY23	303,825	303,825
* Commercial Passenger Vessel Tax - Seward	FY24	456,337	456,337
Electric & Telephone Cooperative	FY24	164,959	164,959
Fish Tax - Addition to FY22 Estimated Receivable	FY23	31,946	31,946
Fish Tax (Estimated Receivable)	FY24	704,000	704,000
Total Alaska Department of Revenue			<u>1,661,420</u>
<u>Alaska Department of Education & Early Development</u>			
* School Debt Reimbursement	N/A	1,796,920	1,796,920
Kachemak Seio New K-12 School Construction	GR-17-001	10,010,000	6,700
Total Alaska Department of Education & Early Development			<u>1,803,620</u>
<u>Alaska Department of Environmental Conservation</u>			
Division of Water-Drainage Plan for Gravel Pit Clean Discharge and Drainage	ACWA-23-14	4,513	2,920

(continued)

Kenai Peninsula Borough

Detailed Schedule of State Financial Assistance - continued

Year Ended June 30, 2024

<u>State Agency / Program Title</u>	<u>Award Number</u>	<u>Total Award Amount</u>	<u>Total State Expenditures</u>
Alaska Department of Administration Division of Retirement & Benefits PERS Relief FY23 HB69	FY23 HB69	\$ 771,643	\$ 771,643
Alaska Department of Military & Veteran Affairs Passed Through the Alaska Division of Homeland Security & Emergency Management 2013 Japanese Creek Flood	DR-4161-AK	177,179	31,463
TOTAL STATE FINANCIAL ASSISTANCE		\$ 5,891,966	

* State Major Program

[1] Entire amount of grant passed through to entity identified

The accompanying notes are an integral part of this schedule.

Kenai Peninsula Borough

Notes to the Detailed Schedule of State Financial Assistance

Year Ended June 30, 2024

1. Major Program Notation

* Denotes a major program.

2. Basis of Presentation

The accompanying schedule of state financial assistance (the "Schedule") includes the state award activity of the Kenai Peninsula Borough, Alaska (the Borough) under programs of the State of Alaska for the year ended June 30, 2024. The information in this Schedule is presented in greater detail than the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Because the Schedule presents only a selected portion of the operations of the Borough, it is not intended to and does not present the financial position, changes in net position or cash flows of the Borough.

3. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.