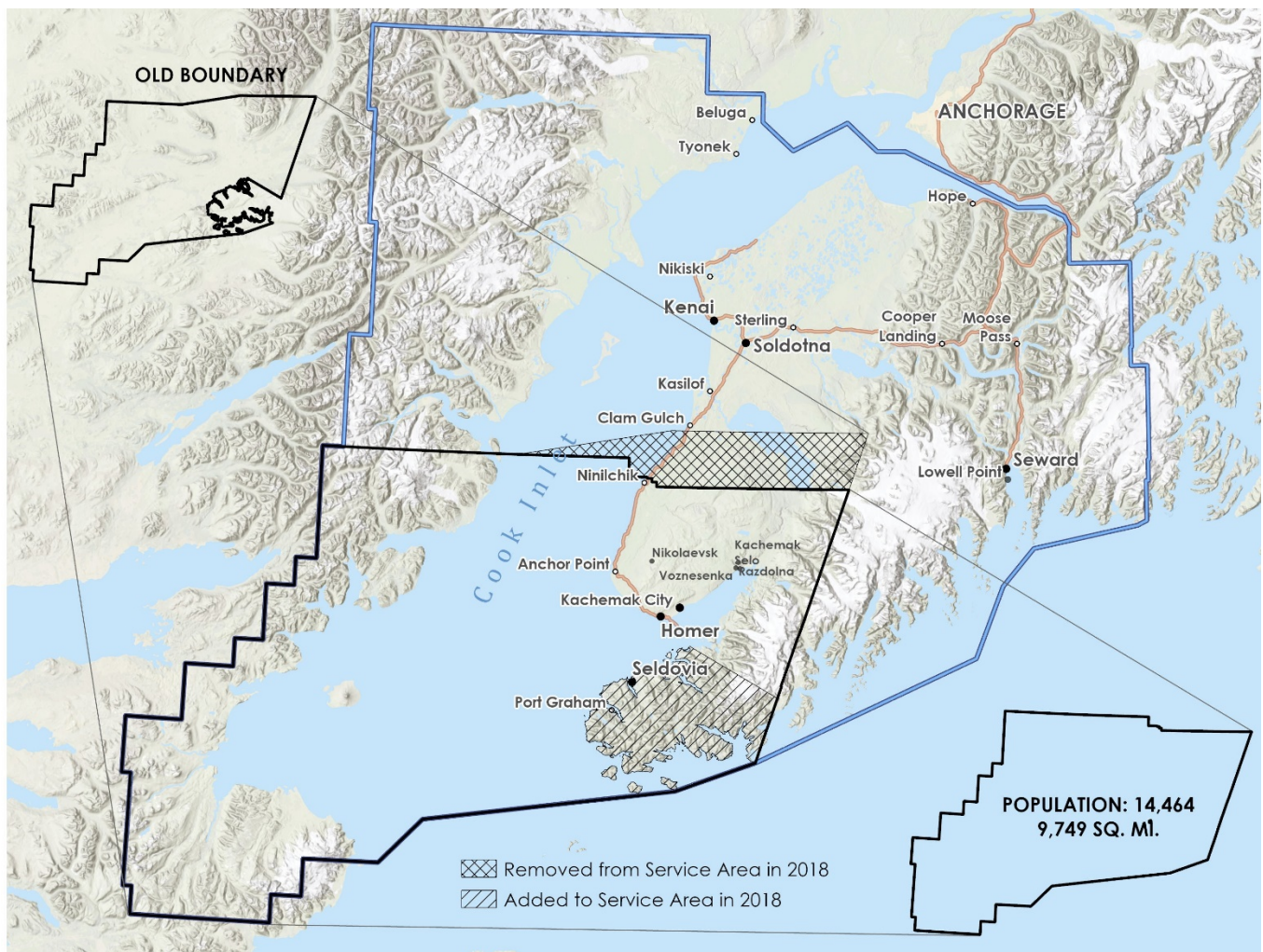


South Kenai Peninsula Hospital Service Area

Established in April of 1969, the service area was formed to provide hospitalization and medical services to the residents of Homer and the surrounding areas. A nonprofit corporation operates the hospital and other medical facilities pursuant to a contract with the borough. The nine-member service area board is elected by the service area residents. It advises and make recommendations to the mayor and the assembly concerning the operation and management of service area activities, reviews and recommends the annual service area budget, and performs such additional functions as the assembly may authorize. The hospital is located in Homer.

In the October 2018 election, voters approved moving the service area boundaries. This created the requirement to continue to assess a mill rate against parcels that were a part of the previous service area boundaries and no longer a part of the new service area boundaries to pay for bonded indebtedness. These parcels were a part of the service area at the time of the vote to approved each bond and participated in elections that approved bonded indebtedness, therefore they must continue to pay the debt service while it is outstanding.

Service area taxes fund the hospital's debt service requirements, equipment purchases, capital improvements, major repairs, and board expenses. The mill rate for fiscal year 2023 is 2.24.



Board Members

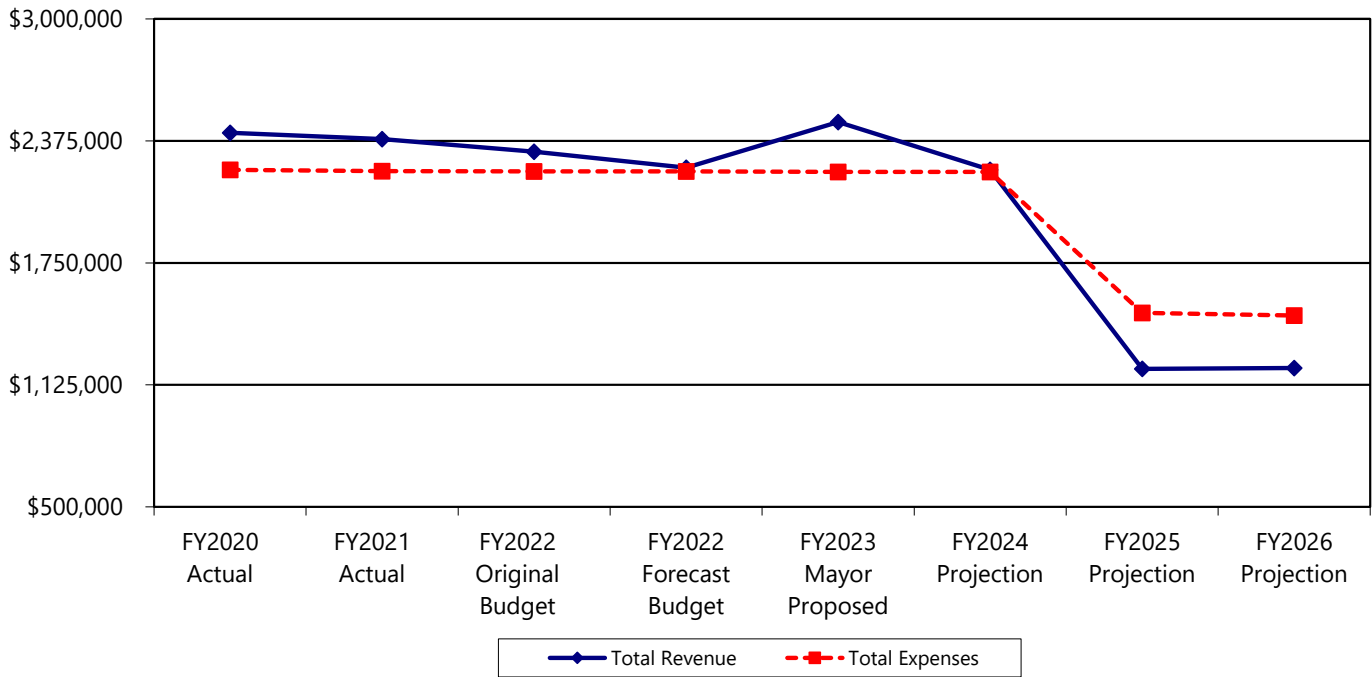
Kathryn Ault
Helen Armstrong
Willy Dunne
Roberta Highland

Judith Lund
Timothy Whip
Tim Daugharty
Amber Cabana
Ralph Broshe

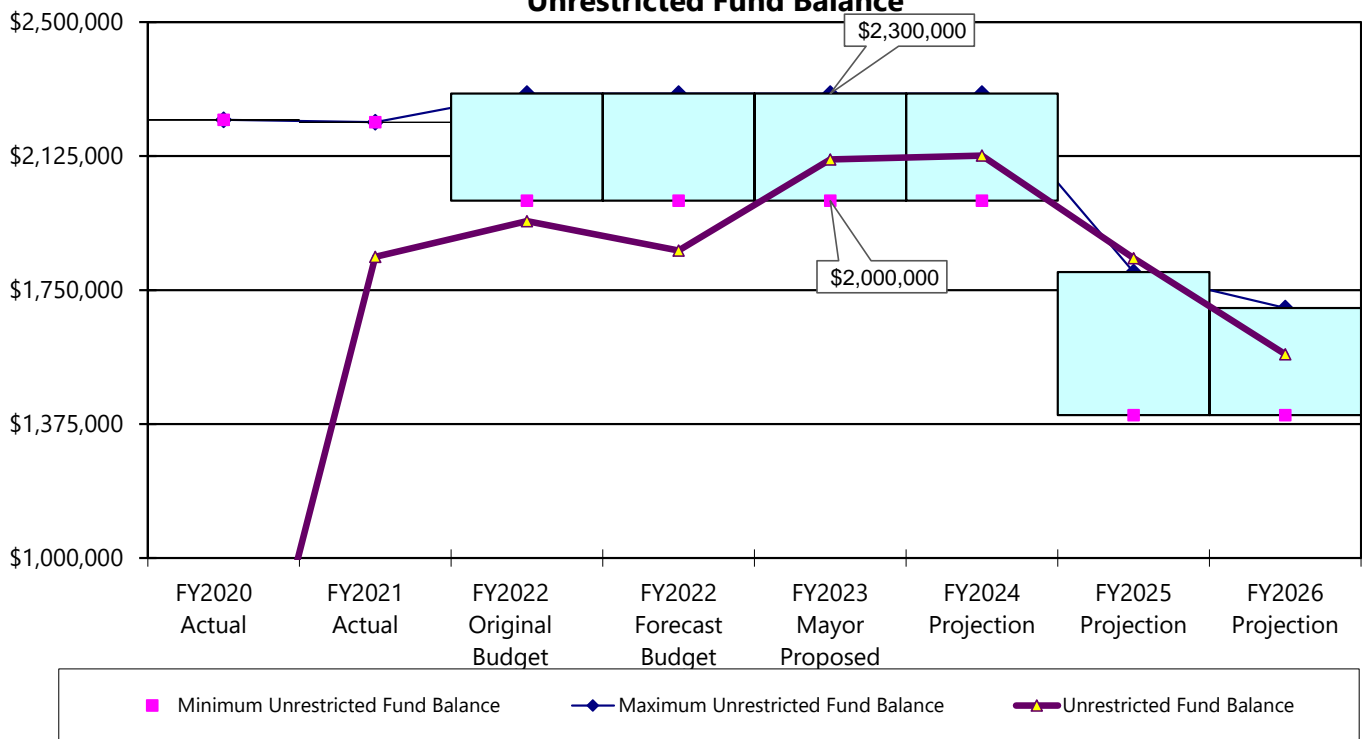
Fund: 601 South Kenai Peninsula Hospital Service Area (Debt issued prior to 7/1/19)

Fund Budget:	FY2020	FY2021	FY2022	FY2022	FY2023	FY2024	FY2025	FY2026
	Actual	Actual	Original Budget	Forecast Budget	Mayor Proposed	Projection	Projection	Projection
Taxable Value (000's)								
Real	1,649,393	1,692,039	1,701,620	1,701,620	1,819,338	1,837,531	1,855,906	1,874,465
Personal	93,773	96,051	94,973	94,973	95,923	96,882	97,851	98,830
Oil & Gas (AS 43.56)	244,744	259,396	242,439	242,439	255,985	248,305	240,856	240,856
Total Taxable Value:	1,987,910	2,047,486	2,039,032	2,039,032	2,171,246	2,182,718	2,194,613	2,214,151
Mill Rate:	1.12	1.12	1.12	1.12	1.12	1.00	0.53	0.53
Revenues:								
Property Taxes								
Real	\$ 1,865,708	\$ 1,892,671	\$ 1,905,814	\$ 1,821,597	\$ 2,037,659	\$ 1,837,531	\$ 983,630	\$ 993,466
Personal	108,215	154,855	104,242	106,328	105,285	94,944	50,823	51,331
Oil & Gas (AS 43.56)	274,147	290,524	271,532	271,532	286,703	248,305	127,654	127,654
Interest	12,159	7,238	4,563	4,399	4,859	4,362	2,324	2,345
Flat Tax	47,798	2,233	-	-	-	-	-	-
Motor Vehicle Tax	-	30,404	-	-	-	-	-	-
Total Property Taxes	2,308,027	2,377,925	2,286,151	2,203,856	2,434,506	2,185,142	1,164,431	1,174,796
Interest Earnings	107,723	4,738	33,396	33,396	37,212	42,312	42,525	36,781
Other Revenue	627	1,112	-	-	-	-	-	-
Total Revenues:	2,416,377	2,383,775	2,319,547	2,237,252	2,471,718	2,227,454	1,206,956	1,211,577
Operating Transfers From:								
SPH Operating Fund	-	1,489,045	-	-	-	-	-	-
Total Revenues and Operating Transfers	2,416,377	3,872,820	2,319,547	2,237,252	2,471,718	2,227,454	1,206,956	1,211,577
Operating Transfers To:								
Debt Service Fund - Bonds	2,226,694	2,219,794	2,219,369	2,219,369	2,216,719	2,216,794	1,494,169	1,480,419
Total Operating Transfers:	2,226,694	2,219,794	2,219,369	2,219,369	2,216,719	2,216,794	1,494,169	1,480,419
Total Expenditures and Operating Transfers	2,226,694	2,219,794	2,219,369	2,219,369	2,216,719	2,216,794	1,494,169	1,480,419
Net Results From Operations	189,683	1,653,026	100,178	17,883	254,999	10,660	(287,213)	(268,842)
Beginning Fund Balance	-	189,683	1,842,709	1,842,709	1,860,592	2,115,591	2,126,251	1,839,038
Ending Fund Balance	\$ 189,683	\$ 1,842,709	\$ 1,942,887	\$ 1,860,592	\$ 2,115,591	\$ 2,126,251	\$ 1,839,038	\$ 1,570,196

**South Kenai Peninsula Hospital Service Area
Revenues and Expenditures (Debt issued prior 7/1/19)**



**South Kenai Peninsula Hospital Service Area
(Debt Issued Prior to 7/1/19)
Unrestricted Fund Balance**



**Kenai Peninsula Borough
Budget Detail**

Fund 601

Department 81210 - South Kenai Peninsula Hospital Service Area (Debt issued prior to 7/1/19)

	FY2020 Actual	FY2021 Actual	FY2022 Original Budget	FY2022 Forecast Budget	FY2023 Mayor Proposed	Difference Between Mayor Proposed & Original Budget %	
Transfers							
50361 SKPH-Debt Service Fund	2,226,694	2,220,169	2,219,369	2,219,369	2,216,719	(2,650)	-0.12%
Total: Transfers	2,226,694	2,220,169	2,219,369	2,219,369	2,216,719	(2,650)	-0.12%
Department Total	\$ 2,226,694	\$ 2,220,169	\$ 2,219,369	\$ 2,219,369	\$ 2,216,719	\$ (2,650)	\$ (0)

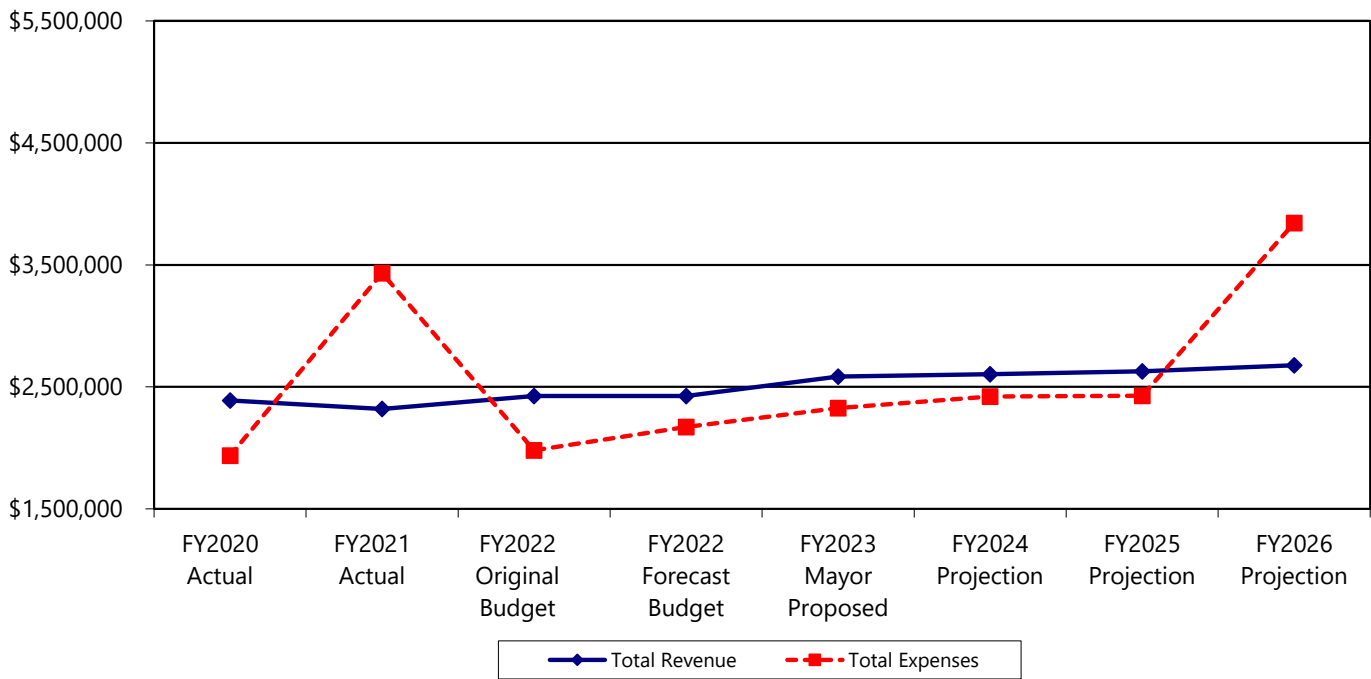
Line-Item Explanations

50361 Transfer to Debt Service Fund. For debt on hospital expansion project phase II (\$722,000); for debt on hospital expansion project phase III (\$1,092,800), Homer Medical Center expansion and hospital HVAC improvements (\$400,419), and debt fees (\$1,500).

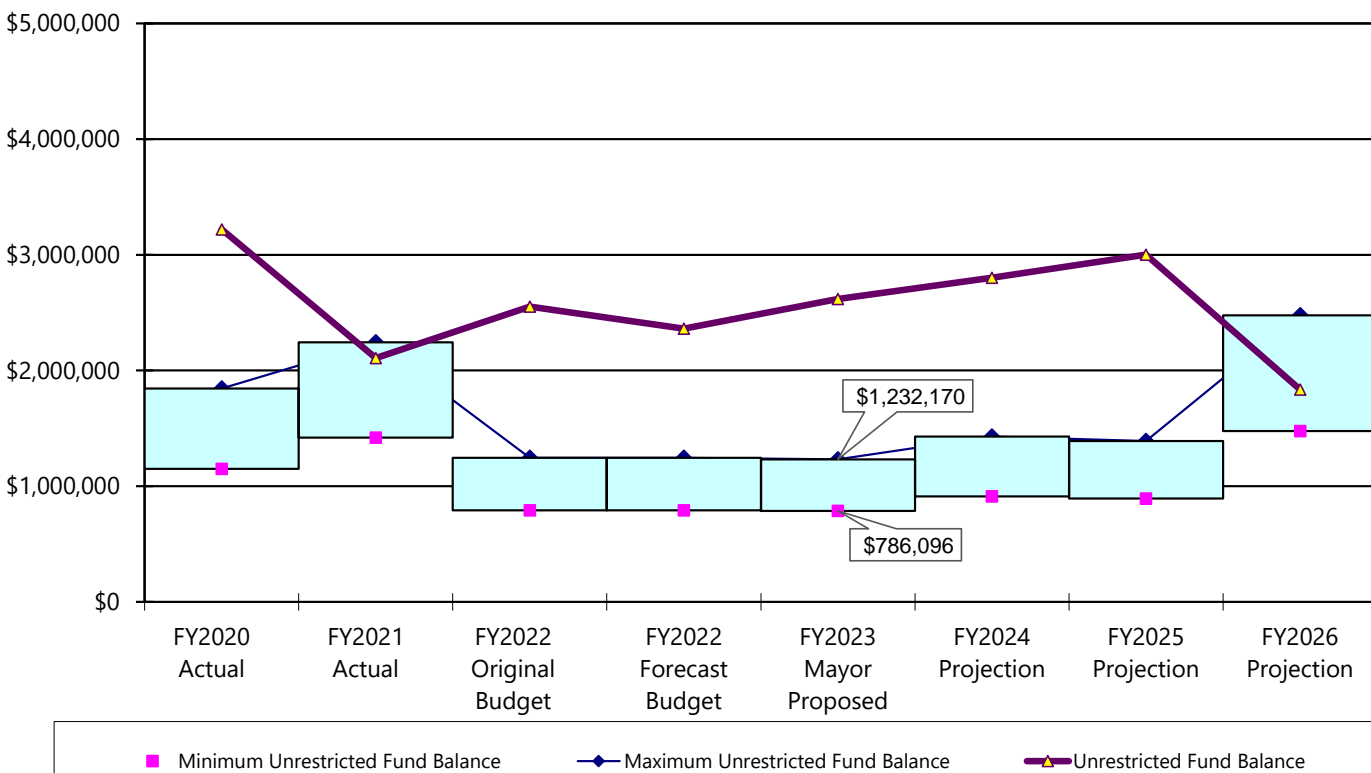
Fund: 602 South Kenai Peninsula Hospital Service Area

Fund Budget:	FY2020	FY2021	FY2022	FY2022	FY2023	FY2024	FY2025	FY2026
	Actual	Actual	Original Budget	Forecast Budget	Mayor Proposed	Projection	Projection	Projection
Taxable Value (000's)								
Real	1,661,086	1,707,524	1,716,055	1,716,055	1,836,897	1,855,266	1,873,819	1,911,295
Personal	93,642	96,275	95,192	95,192	96,144	97,105	98,076	99,057
Oil & Gas (AS 43.56)	192,199	197,759	176,766	176,766	186,419	180,826	175,401	175,401
Total Taxable Value:	1,946,927	2,001,558	1,988,013	1,988,013	2,119,460	2,133,197	2,147,296	2,185,753
Mill Rate:	1.18	1.12	1.12	1.12	1.12	1.12	1.12	1.12
Revenues:								
Property Taxes								
Real	\$ 1,916,759	\$ 1,898,255	\$ 1,921,982	\$ 1,921,982	\$ 2,057,325	\$ 2,077,898	\$ 2,098,677	\$ 2,140,650
Personal	110,167	154,435	104,483	104,483	105,528	106,582	107,648	108,725
Oil & Gas (AS 43.56)	226,794	221,490	197,978	197,978	208,789	202,525	196,449	196,449
Interest	2,710	5,291	4,449	4,449	4,743	4,774	4,806	4,892
Flat Tax	49,093	2,237	87,464	87,464	89,213	90,997	92,817	94,673
Motor Vehicle Tax	61,625	30,677	66,195	66,195	67,519	68,869	70,246	71,651
Total Property Taxes	2,367,148	2,312,385	2,382,551	2,382,551	2,533,117	2,551,645	2,570,643	2,617,040
Interest Earnings	21,199	6,331	42,846	42,846	51,754	52,371	56,043	60,040
Other Revenue	1	155	-	-	-	-	-	-
Total Revenues:	2,388,348	2,318,871	2,425,397	2,425,397	2,584,871	2,604,016	2,626,686	2,677,080
Expenditures:								
Supplies	-	3,750	-	-	-	-	-	-
Services	236,901	233,241	274,361	274,361	306,488	312,618	318,870	325,247
InterDepartmental Charges	-	5,925	6,859	6,859	7,662	7,815	7,972	8,131
Total Expenditures	236,901	242,916	281,220	281,220	314,150	320,433	326,842	333,378
Operating Transfers To:								
Debt Service Fund - Bonds	-	-	-	-	-	-	-	1,410,500
Special Revenue Fund - SPH Debt	-	1,489,045	-	-	-	-	-	-
Capital Projects Fund	1,700,000	1,700,000	1,698,768	1,890,698	2,012,929	2,100,000	2,100,000	2,100,000
Total Operating Transfers:	1,700,000	3,189,045	1,698,768	1,890,698	2,012,929	2,100,000	2,100,000	3,510,500
Total Expenditures and Operating Transfers	1,936,901	3,431,961	1,979,988	2,171,918	2,327,079	2,420,433	2,426,842	3,843,878
Net Results From Operations	451,447	(1,113,090)	445,409	253,479	257,792	183,583	199,844	(1,166,798)
Beginning Fund Balance	2,768,928	3,220,375	2,107,285	2,107,285	2,360,764	2,618,556	2,802,139	3,001,983
Ending Fund Balance	\$ 3,220,375	\$ 2,107,285	\$ 2,552,694	\$ 2,360,764	\$ 2,618,556	\$ 2,802,139	\$ 3,001,983	\$ 1,835,185

South Kenai Peninsula Hospital Service Area Revenues and Expenditures



South Kenai Peninsula Hospital Service Area Unrestricted Fund Balance



Department Function

Funds 601 and 602

South Kenai Peninsula Hospital Service Area

Dept 81210

Mission

Meet the health care needs of the residents of the Service Area.

Program Description

Provide funding for payment of debt service, purchase of capital equipment, operational expenses of a hospital and other health care related items within the Service Area.

Major Long Term Issues and Concerns:

- Changing health care industry and the impact the Accountable Care Act will have on the Service Area and Hospital.
- Changes in Medicare/Medicaid reimbursement rates for the hospital.

FY2022 Accomplishments:

- Funding provided for \$1.7 million in capital expenditures.
- Funding provided for Community STD testing and addiction awareness and treatment.

FY2023 New Initiatives:

- Capital funding for \$2.1 million in capital expenditures.
- Support and develop addiction services and community resilience.

Performance Measures

Priority/Goal: Effective Governance

Goal: Provide funding for payment of debt service, capital expenditures, and other related hospital expenses.

Objective: Providing funding as needed to supplement revenue generated from hospital operations for payment of debt service, capital purchases and other related hospital expenses.

Measures:

	FY2020 Actual	FY2021 Actual	FY2022 Projected	FY2023 Estimated
Mill rate – Operations and debt issued after July 1, 2019	1.18	1.12	1.12	1.12
Total Revenues	\$2,388,348	2,318,871	\$2,425,397	\$2,584,871
Mill rate – Debt issued prior to July 1, 2019	1.12	\$1.12	1.12	1.12
Total Revenues	\$2,416,377	\$2,383,775	\$2,237,252	\$2,471,718

* In FY2020, the mill rate split and was collected in the prior Service Area boundaries to pay for Debt issued prior to 7/1/2019, and also a mill rate levied to pay for Service Area costs and Debt issued after 7/1/2019.

Priority/Goal: Effective Governance

Goal: Provide funding for payment of debt service, capital expenditures, and other related hospital expenses.

Objective: Providing funding as needed to supplement revenue generated from hospital operations for payment of debt service, capital purchases and other related hospital expenses.

Measures:

	FY2020 Actual	FY2021 Actual	FY2022 Projected	FY2023 Estimated
Service Area funds used for payment of debt service, capital purchases, and other related hospital expenses	\$4,163,595	\$4,162,710	\$4,409,170	\$4,543,798
Hospital PREF used for payment of capital purchases	\$755,100	\$1,781,000	\$3,151,265	\$343,207

Kenai Peninsula Borough

Budget Detail

Fund 602

Department 81210 - South Kenai Peninsula Hospital Service Area Administration

		FY2020 Actual	FY2021 Actual	FY2022 Original Budget	FY2022 Forecast Budget	FY2023 Mayor Proposed	Difference Between Mayor Proposed & Original Budget %	
Personnel								
40120	Temporary Wages	\$ -	\$ 1,816	\$ -	\$ -	\$ -	-	-
40130	Overtime Wages	-	116	-	-	-	-	-
40210	FICA	-	137	-	-	-	-	-
40321	Health Insurance	-	1,681	-	-	-	-	-
	Total: Supplies	-	3,750	-	-	-	-	-
Services								
43011	Contractual Services	103,993	79,269	107,000	107,000	107,000	-	0.00%
43012	Audit Services	52,000	52,797	56,796	56,796	64,775	7,979	14.05%
43210	Transportation/Subsistence	-	-	2,000	2,000	7,000	5,000	250.00%
43260	Training	-	-	2,000	2,000	3,000	1,000	50.00%
43410	Printing	-	-	7,000	7,000	1,000	(6,000)	-85.71%
43510	Insurance Premium	80,908	101,175	99,565	99,565	123,713	24,148	24.25%
	Total: Services	236,901	233,241	274,361	274,361	306,488	32,127	11.71%
Transfers								
50491	SKPH-Capital Projects Fund	1,700,000	1,700,000	1,698,768	1,890,698	2,012,929	314,161	18.49%
50601	SKPH-Special Revenue Fund-Debt	-	1,489,045	-	-	-	-	-
	Total: Transfers	1,700,000	3,189,045	1,698,768	1,890,698	2,012,929	314,161	18.49%
Interdepartmental Charges								
61990	Administrative Service Fee	5,979	5,925	6,859	6,859	7,662	803	11.71%
	Total: Interdepartmental Charges	5,979	5,925	6,859	6,859	7,662	803	11.71%
Department Total								
		\$ 1,942,880	\$ 3,431,961	\$ 1,979,988	\$ 2,171,918	\$ 2,327,079	\$ 347,091	17.53%

Line-Item Explanations

43011 Contractual Services. MAPP (Administered by G-Squared) - Community Health Coalition (\$45,000), All Things Addiction (previously known as Opioid Task Force) (\$30,000), Kachemak Bay Family Planning (\$20,000), and secretarial services (\$12,000).

43012 Audit Service. As required by Alaska Administrative Code 45.010 and in conformance with Alaska State Statute 29.35.120.

43210 Transportation/Subsistence. Fees for transportation and subsistence (meals) for Service Area Board Members to attend training (\$7,000).

43260 Training. Fees for Service Area Board Members to attend training and board member education (\$3,000).

43410 Printing. Printing of service area documents (\$1,000).

50361 Transfer to Debt Service Fund. All debt issued prior to fiscal year 2020 has been presented in a different fund, to allow for taxpayers in the previous boundaries, that voted on prior debt issuances, to support the debt service outside of the operational service area funds.

50491 SKPH-Capital Projects Fund. Transfer to capital projects fund for equipment and major remodel expenditures.

61990 Admin Service Fee. The admin service fee is charged to service areas and departments to cover a portion of costs associated with providing general government services. The amount proposed for FY2023 is 2.5% of the personnel, supplies, services, and capital outlay budgets.

For capital projects information on this department - See the capital projects section - Page 348-349, 355-357, & 371-372.