

Debt Service Funds

The County uses both short and long-term debt in managing its finances. At the beginning of the 2003-2004 budget biennium (and the beginning of the 2002 budget year for comparison), the County had bonded indebtedness outstanding as follows:

	January 1, 2002	January 1, 2003
Limited Tax General Obligation Bonds	\$67,885,000	\$82,975,000
Revenue Bonds	43,888,000	41,880,000
Special Assessment Bonds	340,000	200,000

Details regarding the Limited Tax General Obligation Bonds are shown in the table below.

	<u>Date Issued</u>	<u>Maturity Date</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
Refunding, 1993	05/01/93	11/01/10	\$ 8,735,000	\$ 4,935,000
Refunding, 1996	04/01/96	11/01/12	9,875,000	9,305,000
Refunding 1997	06/01/97	06/01/04	5,200,000	830,000
Refunding 1998	06/01/98	06/01/03	6,000,000	5,330,000
Conservation Futures 1999	02/15/99	12/01/18	5,100,000	4,380,000
Various Projects 1999B	07/15/99	07/01/19	10,680,000	8,700,000
Jail Construction Project 2000	08/15/00	07/01/25	20,000,000	19,200,000
Open Space, Stormwater Mgmt Projects, Refunding 2001	06/15/01	11/01/20	11,215,000	10,760,000
Public Facilities District Bonds 2002A	4/1/02	10/1/26	11,395,000	10,485,000
Central Communications Facility Bonds 2002B	4/1/02	12/1/06	10,840,000	9,050,000
Total General Obligation Bonds				\$82,975,000

New Issues in 2002

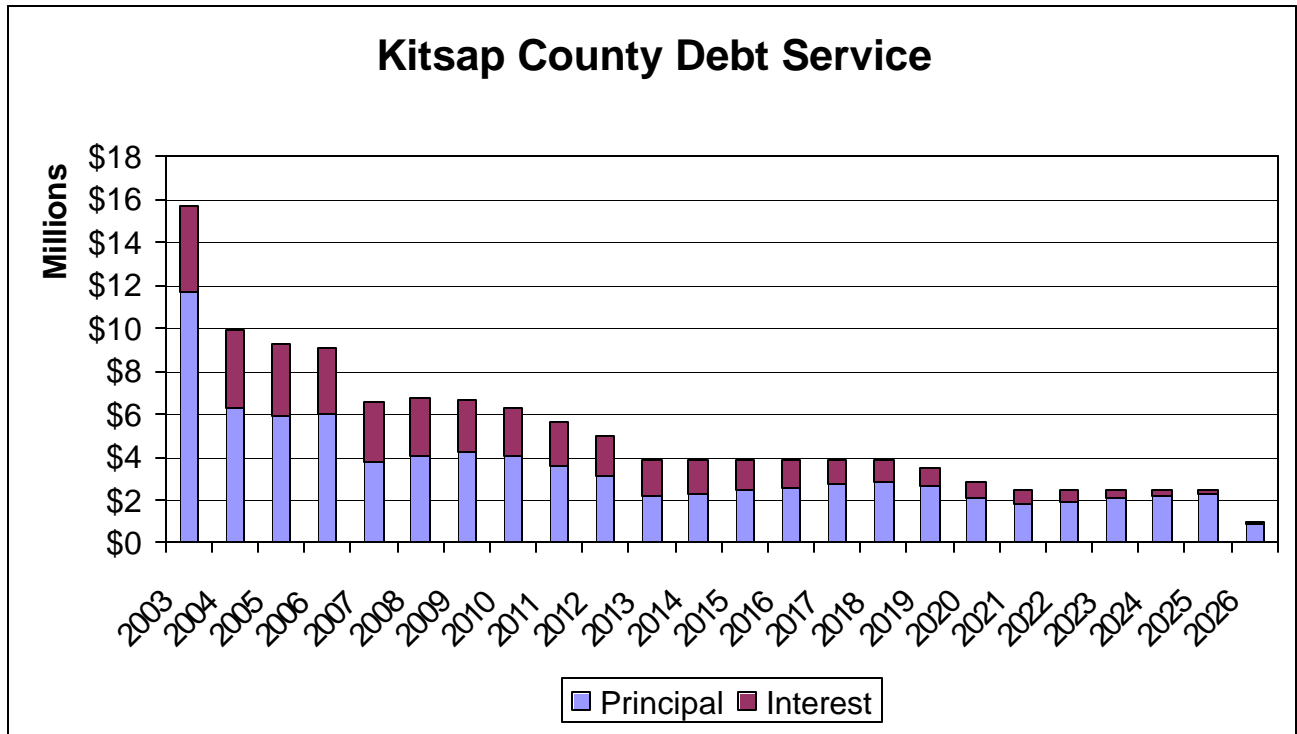
There were two new issues in 2002 which provided for two projects. The 2002A LTGO Bonds were issued in the total amount of \$10,485,000 for Public Facilities District projects. The 2002B LTGO Bonds were issued in the amount of \$9,050,000 for the new Central Communications 911 Facility.

Limited tax general obligation bonds issued prior to 2002 are shown on the following pages. The information presented includes the purpose(s) of the bond issue, the amount outstanding, the source(s) of funds for repayment of principal and interest, and the amount budgeted for debt service for 2003-2004.

Debt Service

<u>Year</u>	<u>Purpose</u>	<u>Principal Amount Outstanding</u>	<u>Source of Funds for Payment of Principal and Interest</u>	<u>2003-2004 Budget</u>
1993	Partial refunding of 1984, 1987, 1988, 1989 and 1990 LTGO Bonds	\$4,935,000	Public Works Funds Real Estate Excise Tax Bremerton-Kitsap Health District	\$879,919 1,116,369 32,699
1996	Partial refunding of 1991 and 1992 LTGO Bonds	9,305,000	Real Estate Excise Tax Conservation Futures Property Tax Levy Lease payments from Kitsap Mental Health	\$1,710,700 162,238 163,166
1997	Refunding of 1986 LTGO Bonds and Purchase of 911 Equipment	830,000	Real Estate Excise Tax Stadium Fund	\$830,654 34,611
1998	Refunding of 1995 LTGO Bonds and Purchase of Computer Equipment and Software	5,330,000	Information Services Model Toxic Control Act Project Fund	\$237,789 5,212,136
1999	Acquisition of open space	4,380,000	Conservation Futures	\$787,956
1999B	Refund Housing Authority Bonds, E911 Upgrade, Energy Saving Project, Mugshot & Fingerprinting Systems, Records System, Case Mgmt & Imaging Systems, wiring project	8,700,000	Kitsap Cons. Housing Enhanced 911 Fund Information Services Real Estate Excise Tax General Fund Public Works Funds Document Preservation	\$241,618 1,036,525 250,328 462,516 85,180 31,696 186,443
2000	Jail Construction Project	19,200,000	Voted 0.1% sales tax	\$2,987,001
2001	Open Space Acquisition, Surface/Stormwater Management Utility Projects, Refund Callable 1992 LTGO Bonds	10,760,000	Park Impact Fees Public Works Funds Real Estate Excise Tax Lease payments from Kitsap Mental Health	\$1,123,074 760,349 572,102 555,274
2002A	Public Facilities District Projects	10,485,000	State Sales Tax Diversion	\$1,154,778
2002B	Central Communications Capital Project	9,050,000	Voted property tax "lid lift"	\$5,125,000

The following chart shows Kitsap County’s limited tax general obligation (LTGO) bond debt service for each year that the County currently has debt.



Under State law, the County may issue general obligation bonds for general County purposes in an amount not to exceed 2.5% of the assessed value of all taxable property within the County. Unlimited tax general obligation bonds require an approving vote of the people. Any election to validate general obligation bonds must have a voter turnout of at least 40% of those who voted in the last State general election. Of those voting, 60% must be in the affirmative. The Board may, by resolution, authorize the issuance of limited tax general obligation bonds in an amount up to 1.5% of the assessed valuation of all taxable property within the County without a vote of the people. No combination of limited or unlimited tax bonds may exceed 2.5% of the assessed valuation. The County has no unlimited tax general obligation bonds outstanding.

On January 1, 2003 the County had debt capacity for limited tax general obligation debt (non-voted) of \$245,715,529. Subtracting the January 1, 2003 outstanding limited tax general obligation debt of \$85,894,669 leaves a capacity of \$159,820,860. The total general obligation debt capacity, voted and non-voted, is \$409,525,882. Subtracting the outstanding limited tax general obligation debt of \$85,894,669 leaves a remaining capacity for voted and non-voted bonds of \$323,631,213.

The table on the next page shows the County’s annual LTGO bond debt for current issues.