

ALASKA MUNICIPAL BOND BANK AUTHORITY
(a Component Unit of the State of Alaska)

Financial Statements

For the Year Ended June 30, 2014

Together with Independent Auditor's Report Thereon

ALASKA MUNICIPAL BOND BANK AUTHORITY
(a Component Unit of the State of Alaska)

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ALASKA MUNICIPAL BOND BANK AUTHORITY

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Management's Discussion and Analysis

Year Ended June 30, 2014

This Management's Discussion and Analysis (MD&A) is required by GASB Statement 34, a standard established by the Governmental Accounting Standards Board. This section is intended to make the financial statements more understandable to the average reader who is not familiar with traditional accounting terminology.

This financial report has two integral parts: this MD&A and the financial statements with the accompanying notes that follow. Together, they present the Alaska Municipal Bond Bank Authority's (Bond Bank) financial performance during the fiscal year ended June 30, 2014. Summarized prior fiscal year information is shown within this MD&A, as needed, for comparative purposes.

Required Financial Statements

GASB 34 requires two types of financial statements: the Statement of Net Position and Governmental Fund Balance Sheets and the Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balances/Net Position. These statements report financial information about the Bond Bank's activities using accounting principles generally accepted in the United States of America. In addition to the basic financial statements, the Notes to Financial Statements provide information that is essential to a full understanding of the data provided in the basic financial statements.

Financial Highlights

During fiscal year 2014, the Bond Bank entered into 9 municipal loan agreements for projects in 7 communities. The Bond Bank issued \$178.5 million in bonds, which resulted in \$191.4 million in loans to communities for projects. Bond Bank bond activity in fiscal year 2014 resulted in present value savings of approximately \$12.7 million to the borrowing communities. In comparison, the Bond Bank's activity level in fiscal year 2013 was an issuance of \$153.5 million, resulting in \$174.5 million in loans to communities for projects, and included \$25 million used to defease older general obligation and revenue bonds. During fiscal year 2013 the Bond Bank entered into 17 municipal loan agreements for projects in 10 communities. The Bond Bank's community benefit for fiscal year 2013 provided present value savings of approximately \$19.8 million to the borrowing communities.

Statement of Net Position

The Statement of Net Position reports assets, liabilities and net position of the Bond Bank.

Assets

Assets represent 1) The value of the Bond Bank's investments and investment income receivable on the financial statement dates, recorded at fair market value, and 2) Bond principal and interest payments receivable from municipalities. The investments generate income for the Bond Bank, used to meet reserve requirements and pay operating costs. Historically excess operating account earnings were transferred to the State of Alaska's (State) general fund each year. The fiscal year ending June 30, 2014 marked the seventh consecutive year that the State operating budget has appropriated any excess earnings of the operating account to the Bond Bank's reserve fund (HB 266, Sec. 27). Interest received on bonds purchased from municipalities is used to pay the Bond Bank's corresponding interest payments on the bonds that it has issued.

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Liabilities

Liabilities represent claims against the fund for 1) goods and services provided before the financial statement date but not yet paid for at that date, and 2) interest and bond payments due to purchasers of the Bond Bank's bonds after the financial statement date.

Restricted and Unrestricted Net Position

Net position is comprised of two components. The restricted portion reflects monies maintained in separate trust accounts where their use is limited by applicable bond covenants for repayment of bonds. The unrestricted portion reflects monies that are available for any authorized purpose of the Bond Bank.

The following table shows the value of Bond Bank assets summarized as of June 30, 2014 and 2013, as well as liabilities and net position:

	As of June 30,		Changes from 2013 to 2014	
	2014	2013	Dollars	Percent
Assets:				
Cash and investments	\$ 77,969,569	\$ 76,930,862	\$ 1,038,707	1.35%
Bonds and bond interest receivable	915,839,560	804,503,292	111,336,268	13.84%
Total assets	993,809,129	881,434,154	112,374,975	12.75%
Liabilities:				
Accounts payable and accrued liabilities	3,318,954	1,106,446	2,212,508	199.97%
Bonds and bond interest payable	933,926,183	822,928,810	110,997,373	13.49%
Total liabilities	937,245,137	824,035,256	113,209,881	13.74%
Net Position:				
Restricted	40,270,255	43,084,377	(2,814,122)	-6.53%
Unrestricted	16,293,737	14,314,521	1,979,216	13.83%
Total net position	\$ 56,563,992	\$ 57,398,898	\$ (834,906)	-1.45%

The Bond Bank's investments are all held in U.S. Government securities.

The increase in accounts payable and accrued liabilities is due to an increase in the amount of principal and interest payments already received by the trustee prior to June 30, 2014 for payment dates occurring on, or after July 1, 2014.

The increase in bonds and bond interest receivable, as well as in bonds and bond interest payable, reflects the issuance of approximately \$178.5 million in new bonds and loans during the year, net of principal payments on bonds previously issued of approximately \$56.6 million.

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Management's Discussion and Analysis

Year Ended June 30, 2014

Statement of Activities

The statement of activities shows how the Bond Bank's net position changed during the most recent fiscal year.

Revenues

Revenues include total return on investments and interest payments received from municipalities. Earnings on investments include interest on fixed income marketable securities and the change in fair market value of those investments.

Expenses

Expenses include interest payments made to bond holders who purchased the Bond Bank's bonds, payments made to the State of Alaska and operating expenses. Operating expenses include all expenditures required to issue bonds during the current year and include in-house expenses, as well as external consultant fees. Expenses are subtracted from revenues.

The following is a condensed statement of the Bond Banks' changes in net position as of June 30, 2014, and 2013:

	As of June 30,		Changes from 2013 to 2014	
	2014	2013	Dollars	Percent
Revenues:				
Interest income on bonds receivable	\$ 34,752,725	\$ 33,822,568	\$ 930,157	2.75%
Investment earnings	859,892	74,580	785,312	1052.98%
Total income	<u>35,612,617</u>	<u>33,897,148</u>	<u>1,715,469</u>	<u>5.06%</u>
Expenses:				
Interest expense on bonds payable	35,606,432	35,329,425	277,007	0.78%
Operating expenses	<u>841,091</u>	<u>723,116</u>	<u>117,975</u>	<u>16.31%</u>
Total expenses	<u>36,447,523</u>	<u>36,052,541</u>	<u>394,982</u>	<u>1.10%</u>
Other financing sources				
Loan forgiveness - IFA bonds	<u>-</u>	<u>(1,245,510)</u>	<u>1,245,510</u>	<u>100.00%</u>
Change in net position	(834,906)	(3,400,903)	2,565,997	75.45%
Net position, beginning of period	<u>57,398,898</u>	<u>60,799,801</u>	<u>(3,400,903)</u>	<u>-5.59%</u>
Net position, end of period	<u>\$ 56,563,992</u>	<u>\$ 57,398,898</u>	<u>\$ (834,906)</u>	<u>-1.45%</u>

Interest income and expense on bonds receivable and payable are a function of the total amount of bonds outstanding, the age of the bonds and the interest rates at which they are issued. The increases in both of these line items of \$0.9 million (interest income) and \$0.3 million (interest expense) are consistent with the increase in bond receivable and payable balances, respectively.

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Year Ended June 30, 2014

Investment earnings are a function of market conditions, and active management. The Bond Bank uses other assets to subsidize debt service during times of low investment returns in bond reserve funds. The decrease in net position is primarily due to debt service on reserve obligations.

Governmental Funds

The governmental funds include the General Fund, which accounts for the primary operations of the Bond Bank, and the Debt Service Fund, which accounts for the resources accumulated and payments made on the long-term debt of the Bond Bank. The primary difference between the governmental funds balance sheet and the statement of net position is the elimination of inter-fund payables and receivables. Bond proceeds are reported as other financing source in the governmental funds statement of revenues and expenses and this contributes to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of debt principal is recorded as expenditure in the governmental funds statement of revenues and expenses and reduces the liability in the statement of net assets.

The following tables show governmental funds' condensed balance sheets and statements of revenues, expenditures and changes in fund balances as of June 30, 2014, and 2013.

General Fund

	As of June 30,		Changes from 2013 to 2014	
	2014	2013	Dollars	Percent
Assets:				
Cash, investments and related				
accrued interest	\$ 17,775,612	\$ 23,423,264	\$ (5,647,652)	-24.11%
Bonds and bond interest receivable	1,836,923	2,102,377	(265,454)	-12.63%
Interfund receivable	3,363,749	3,307,959	55,790	1.69%
Total assets	<u>22,976,284</u>	<u>28,833,600</u>	<u>(5,857,316)</u>	<u>-20.31%</u>
Liabilities:				
Accounts payable and accrued liabilities	187,848	299,699	(111,851)	-37.32%
Fund Balance:				
Restricted for debt service	4,956,430	13,016,771	(8,060,341)	-61.92%
Unassigned	17,832,006	15,517,130	2,314,876	14.92%
Total fund balance	<u>22,788,436</u>	<u>28,533,901</u>	<u>(5,745,465)</u>	<u>-20.14%</u>
Total liabilities and fund balance	<u>\$ 22,976,284</u>	<u>\$ 28,833,600</u>	<u>\$ (5,857,316)</u>	<u>-20.31%</u>

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Year Ended June 30, 2014

Debt Service Fund

	As of June 30,		Changes from 2013 to 2014	
	2014	2013	Increase/(Decrease)	
			Dollars	Percent
Assets:				
Cash, investments and related accrued interest	\$ 60,193,957	\$ 53,507,598	\$ 6,686,359	12.50%
Bonds and bond interest receivable	914,002,637	802,400,915	111,601,722	13.91%
Total assets	974,196,594	855,908,513	118,288,081	13.82%
Liabilities:				
Accounts payable and accrued liabilities	3,131,106	806,747	2,324,359	288.11%
Interfund payables	3,363,749	3,307,959	55,790	1.69%
Total liabilities	6,494,855	4,114,706	2,380,149	57.84%
Fund Balance:				
Restricted for debt service	967,701,739	851,793,807	115,907,932	13.61%
Total liabilities and fund balance	\$ 974,196,594	\$ 855,908,513	\$ 118,288,081	13.82%

General Fund

	As of June 30,		Changes from 2013 to 2014	
	2014	2013	Increase/(Decrease)	
			Dollars	Percent
Revenues:				
Interest income	\$ 281,398	\$ 22,221	\$ 259,177	1166.36%
Expenditures:				
Operating expenses	841,091	723,116	117,975	16.31%
Excess (deficiency) of revenues over expenditures	(559,693)	(700,895)	141,202	20.15%
Other financing sources (uses) - transfers	(5,185,772)	13,482,851	(18,668,623)	-138.46%
Excess (deficiency) of revenues and transfers over expenditures	(5,745,465)	12,781,956	(18,527,421)	-144.95%
Fund balance, beginning of period	28,533,901	15,751,945	12,781,956	81.15%
Fund balance, end of period	\$ 22,788,436	\$ 28,533,901	\$ (5,745,465)	-20.14%

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Management's Discussion and Analysis

Year Ended June 30, 2014

Debt Service Fund

	As of June 30,		Changes from 2013 to 2014	
	2014	2013	Increase/(Decrease)	
			Dollars	Percent
Revenues:				
Interest income on bonds receivable	\$ 34,732,354	\$ 33,760,463	\$ 971,891	2.88%
Investment earnings	598,865	114,464	484,401	423.19%
Total revenues	35,331,219	33,874,927	1,456,292	4.30%
Expenditures:				
Interest payments	35,947,564	33,406,972	2,540,592	7.60%
Principal payments	56,605,000	52,031,032	4,573,968	8.79%
Total expenditures	92,552,564	85,438,004	7,114,560	8.33%
Excess (deficiency) of revenues over expenditures	(57,221,345)	(51,563,077)	(5,658,268)	-10.97%
Other financing sources (uses):				
Bond proceeds	178,525,000	153,490,000	25,035,000	16.31%
Payments to Bond Escrow Agent	-	(24,950,000)	24,950,000	100.00%
Loan forgiveness - IFA bonds	-	(1,245,510)	1,245,510	100.00%
Transfers	5,185,772	(13,482,851)	18,668,623	138.46%
Total other financing sources (uses):	183,710,772	113,811,639	69,899,133	61.42%
Excess of revenues and transfers over expenditures	126,489,427	62,248,562	64,240,865	103.20%
Fund balance, beginning of period as previously reported	851,793,807	789,545,245	62,248,562	7.88%
Removal of conduit debt obligations	(10,581,495)	-	(10,581,495)	-100.00%
Fund balance, beginning of period as restated	841,212,312	789,545,245	51,667,067	6.54%
Fund balance, end of period	\$ 967,701,739	\$ 851,793,807	\$ 115,907,932	13.61%

Long-term Debt

At June 30, 2014 the Bond Bank had \$923,475,000 of bonds and notes outstanding up 15.2% from \$801,555,000 at June 30, 2013. This excludes conduit debt obligations of the Coastal Energy Loan Program. Payment of principal and interest on the Bond Bank's Coastal Energy Bond is not secured by a pledge of any amounts held by or payable to the Bond Bank under the General Bond Resolution, including the Reserve Account, and is not in any way a debt or liability of the Bond Bank and accordingly, are not included in the basic financial statements. Please see note (7), and note (8) to the financial statements.

As discussed in the previous sections, net increase in 2014 long term debt balances is due to new bond issuances for loans to communities.

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Year Ended June 30, 2014

AS 44.85.180(c) was enacted in 1975, limiting the Bond Bank outstanding bonds at any time to \$150 million. This Statute has been periodically amended to raise the limit, and in fiscal year 2014, the limit was increased to \$1.5875 billion, of which \$87.5 million is specifically designated for the University of Alaska.

Outstanding long term debt is comprised of the following bonds and loans at year end:

	As of June 30,		Changes from 2013 to 2014	
	2014	2013	Increase/(Decrease)	
			Dollars	Percent
GO bonds payable	\$ 919,090,000	\$ 783,545,000	\$ 135,545,000	17.30%
Revenue bonds payable	4,385,000	18,010,000	(13,625,000)	-75.65%
Coastal Energy notes payable	-	10,581,495	(10,581,495)	-100.00%
	<u>\$ 923,475,000</u>	<u>\$ 812,136,495</u>	<u>\$ 111,338,505</u>	<u>13.71%</u>

Contacting the Bond Bank's Financial Management

This financial report is designed to provide our customers, investors, and creditors with a general overview of the Bond Bank's finances and to demonstrate the Bond Bank's accountability of its assets. If you have any questions about this report or need additional financial information, contact the Executive Director of the Bond Bank at (907) 465-3750.



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Independent Auditor's Report

To the Board of Directors
Alaska Municipal Bond Bank Authority
Juneau, Alaska

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Alaska Municipal Bond Bank Authority (the Authority), a component unit of the State of Alaska, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Alaska Municipal Bond Bank Authority, as of June 30, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 8 to the financial statements, the Alaska Municipal Bond Bank Authority has elected to change the way it reports conduit debt obligations. This change in accounting principle has resulted in a restatement of opening fund balance in the Debt Service Fund. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages I-VII be presented to supplement the basic financial statements. Such information, 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 Alaska Municipal Bond Bank Authority's basic financial statements. The supplemental schedules and tables noted in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary 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. Such 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 auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

BDO USA, LLP

October 2, 2014
Anchorage, Alaska

ALASKA MUNICIPAL BOND BANK AUTHORITY
(a Component Unit of the State of Alaska)

Statement of Net Position and
Governmental Funds Balance Sheets

June 30, 2014

	General Fund	Debt Service Fund	Total	Adjustments	Statement of Net Position
ASSETS					
Cash and cash equivalents	\$ 1,034,880	\$ 5,889,948	\$ 6,924,828	\$ -	\$ 6,924,828
Investments, at fair value (note 4)	16,697,983	54,158,511	70,856,494	-	70,856,494
Accrued interest receivable:					
Bonds receivable	255	10,232,637	10,232,892	-	10,232,892
Investment securities	42,749	145,498	188,247	-	188,247
Bonds receivable (note 5)	1,836,668	903,770,000	905,606,668	-	905,606,668
Interfund receivables	3,363,749	-	3,363,749	(3,363,749)	-
Total assets	<u>\$ 22,976,284</u>	<u>\$ 974,196,594</u>	<u>\$ 997,172,878</u>	<u>(3,363,749)</u>	<u>993,809,129</u>
LIABILITIES					
Accounts payable	\$ 66,766	\$ -	\$ 66,766	\$ -	\$ 66,766
Due to Primary Government	121,082	-	121,082	-	121,082
Principal and interest payments received in advance	-	3,131,106	3,131,106	-	3,131,106
Accrued interest payable	-	-	-	10,451,183	10,451,183
Interfund payables	-	3,363,749	3,363,749	(3,363,749)	-
Long-term liabilities (note 6):					
Portion due or payable within one year:					
General obligation bonds payable	-	-	-	52,940,000	52,940,000
Revenue bonds payable	-	-	-	130,000	130,000
Portion due or payable after one year:					
General obligation bonds payable	-	-	-	866,150,000	866,150,000
Revenue bonds payable	-	-	-	4,255,000	4,255,000
Total liabilities	<u>187,848</u>	<u>6,494,855</u>	<u>6,682,703</u>	<u>930,562,434</u>	<u>937,245,137</u>
FUND BALANCES/NET POSITION					
Fund balances:					
Restricted (note 2)	4,956,430	967,701,739	972,658,169	(972,658,169)	-
Unassigned	17,832,006	-	17,832,006	(17,832,006)	-
Total fund balances	<u>22,788,436</u>	<u>967,701,739</u>	<u>990,490,175</u>	<u>(990,490,175)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 22,976,284</u>	<u>\$ 974,196,594</u>	<u>\$ 997,172,878</u>		
Net position:					
Restricted (note 2)				40,270,255	40,270,255
Unrestricted				16,293,737	16,293,737
Total net position				<u>\$ 56,563,992</u>	<u>\$ 56,563,992</u>

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

ALASKA MUNICIPAL BOND BANK AUTHORITY
(a Component Unit of the State of Alaska)

Statement of Activities and
Governmental Funds Statements of Revenues, Expenditures, and
Changes in Fund Balances/Net Position

For the Year Ended June 30, 2014

	General Fund	Debt Service Fund	Total	Adjustments	Statement of Activities
Revenues:					
Investment earnings	\$ 261,027	\$ 598,865	\$ 859,892	\$ -	\$ 859,892
Interest income on bonds receivable	20,371	34,732,354	34,752,725	-	34,752,725
Total revenues	281,398	35,331,219	35,612,617	-	35,612,617
Expenditures / expenses:					
Debt service:					
Principal payments	-	56,605,000	56,605,000	(56,605,000)	-
Interest payments / expense	-	35,947,564	35,947,564	(341,132)	35,606,432
Professional services	630,490	-	630,490	-	630,490
Personal services	170,198	-	170,198	-	170,198
Administrative travel	28,227	-	28,227	-	28,227
Office expense	12,176	-	12,176	-	12,176
Total expenditures / expenses	841,091	92,552,564	93,393,655	(56,946,132)	36,447,523
Excess (deficiency) of revenues over expenditures / expenses	(559,693)	(57,221,345)	(57,781,038)	56,946,132	(834,906)
Other financing source / (uses):					
Proceeds of bonds payable	-	178,525,000	178,525,000	(178,525,000)	-
Transfers to/from Custodial Fund	(5,221,922)	5,221,922	-	-	-
Transfers - internal activities	36,150	(36,150)	-	-	-
Total other financing sources / (uses)	(5,185,772)	183,710,772	178,525,000	(178,525,000)	-
Net change in fund balance / net position	(5,745,465)	126,489,427	120,743,962	(121,578,868)	(834,906)
Fund balances / net position:					
Beginning of the year, as previously reported	28,533,901	851,793,807	880,327,708	(822,928,810)	57,398,898
Removal of conduit debt obligation (note 8)	-	(10,581,495)	(10,581,495)	10,581,495	-
Beginning of the year, as restated	28,533,901	841,212,312	869,746,213	(812,347,315)	57,398,898
End of the year	\$ 22,788,436	\$ 967,701,739	\$ 990,490,175	\$ (933,926,183)	\$ 56,563,992

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

ALASKA MUNICIPAL BOND BANK AUTHORITY

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Notes to Financial Statements

For the Year Ended June 30, 2014

(1) History/Reporting Entity

The Alaska Municipal Bond Bank Authority (Authority or Bond Bank) was created pursuant to Alaska Statute, Chapter 85, Title 44, as amended, (Act) as a public corporation and instrumentality of the State of Alaska (State), but with a legal existence independent of and separate from the State. The Authority is a discretely presented component unit of the State of Alaska for purposes of financial reporting.

The Authority was created for the purpose of making moneys available to municipalities within the State and the University of Alaska to finance capital projects or for other authorized purposes by means of issuance of bonds by the Authority and use of proceeds from such bonds to purchase from the municipalities and the University of Alaska their general obligation and revenue bonds. The Authority commenced operations in August 1975.

The bonds are obligations of the Authority, payable only from revenues or funds of the Authority, and the State of Alaska is not obligated to pay principal or interest thereon, and neither the faith and credit nor the taxing power of the State is pledged to the bonds. The municipal bonds and municipal bond payments, investments thereof and proceeds of such investments, if any, and all funds and accounts established by the bond resolution to be held by the Trustee (with the exception of the Coastal Energy Loan Debt Service Program, which is administered by the Authority) are pledged and assigned for the payment of bonds.

AS 44.85.180(c) was enacted in 1975, limiting Bond Bank outstanding bonds at any time to \$150 million. This Statute has been periodically amended to raise the limit. In fiscal year 2014, the limit is \$1.5875 billion, of which \$87.5 million is specifically designated for the University of Alaska. Total Bond Bank bonds and notes outstanding as of June 30, 2014 are approximately \$923.5 million. Thus, the limit on additional bond issuance as of June 30, 2014 is approximately \$576.5 million, and \$87.5 million for the University of Alaska.

(2) Summary of Significant Accounting Policies

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The most significant of the Authority's accounting policies are described below.

(a) Government-wide and Fund Financial Statements

The government-wide statement of net position and the statement of activities report information on all of the activities of the Authority. For the most part, the effect of interfund activity has been removed from these statements. The balance sheet and statement of revenues, expenditures and changes in fund balances are provided for governmental funds.

(b) 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*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within

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the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 180 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The Authority reports the following major governmental funds:

The *General Fund* is the Authority's primary operating fund. It accounts for all financial resources of the Authority, except those required to be accounted for in another fund. The Authority adopts an annual budget for the operating account only which does not encompass entire operations of the General Fund, therefore, budgetary comparison information for the General Fund is not presented.

The *Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on long-term debt of the Authority. The Authority does not adopt a budget for the Debt Service Fund because it is not legally required to do so.

The purposes of each of these funds are described in the following paragraphs:

General Fund

The General Fund is comprised of a Custodian Account and an Operating Account. The Custodian Account is established to account for appropriations by the State of Alaska Legislature available to fund the Special Reserve Accounts. The Operating Account is established to account for the ordinary operations of the Authority. Moneys are derived from the following sources: (a) amounts appropriated by the Legislature, (b) fees and charges collected, (c) income on investments of the Statutory Reserve Account in excess of required debt service reserves required by bond resolutions and (d) any other monies made available for purposes of the General Fund from any other source.

Amounts in the Operating Account may be used to pay (a) administrative expenses of the Authority, (b) fees and expenses of the Trustee and paying agents, (c) financing costs incurred with respect to issuance of bonds and (d) any expenses in carrying out any other purpose then authorized by the Act. The excess revenues of the Operating Account are returned to the State of Alaska. The State of Alaska may appropriate the excess revenues to the Bond Bank Custodian Account to fund Reserve Accounts.

Debt Service Fund

Within the Debt Service Fund, separate Debt Service Programs have been established for each bond resolution to account for the portion of bond sale proceeds used to purchase obligations of the municipalities and for the payment of interest and principal on all bonds of the Authority issued under its resolutions. Each program is comprised of an "interest account" and a "principal account", both of which are maintained by a trustee. The receipts of interest and principal from the municipalities and the Statutory Reserve Account are deposited in these programs and are used to pay interest and principal on the Authority bonds. One additional Debt Service Program has been established to account for transactions not involving bond resolutions. This is the Coastal Energy Loan Debt Service Program. The Coastal Energy Loan Debt Service Program is not maintained by a trustee. Payments of interest and principal by municipalities having coastal

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energy loans are made directly to the federal government by the municipalities and are accounted for in the Coastal Energy Loan Debt Service Program.

Each debt service fund program contains a Statutory Reserve Account established to account for (a) money available to fund debt service reserves required by future bond sales under various bond resolutions (Custodian Account) and (b) debt service reserves which have already been established under various bond resolutions which are to be used in the case of deficiency in a Debt Service Program in accordance with its respective bond resolution (reserve accounts). Separate reserve accounts exist under each bond resolution as follows:

1976 General Bond Resolution – The reserve account is comprised of an ordinary reserve sub-account and a special reserve sub-account. The ordinary reserve sub-account may fund up to one-third of the required debt service reserve and can be funded with bond proceeds or with a transfer from the Custodian Account. The special reserve sub-account must fund at least two-thirds of the required debt service reserve and must be funded with transfers from the Custodian Account. Both sub-accounts are maintained by a trustee.

On August 23, 1999, the Authority amended the debt service reserve requirement for the 1976 bond resolution from the greater of the maximum annual debt service requirement of 10% of all municipal loan obligations outstanding to the current test of the least of: (i) 10% of the original stated principal amount of all bonds outstanding; (ii) the maximum annual principal and interest requirements on all bonds then outstanding; (iii) 125% of the average principal and interest requirements on all bonds then outstanding; or (iv) such lesser amount as shall be required to maintain the exemption of interest of all bonds outstanding from inclusion in gross income for federal income tax purposes under the Internal Revenue Code. The amendment took effect at the beginning of fiscal year 2013 when all bonds outstanding as of the date of the passage of the 1999 resolution were retired. The shift in the reserve requirement significantly reduced the 1976 Resolution reserve requirement. However, per the 1976 resolution the Bond Bank cannot remove principal from the reserve (special or ordinary) until all reserve obligations are paid off. Consequently, during fiscal 2013 the Authority defeased the remaining principal reserve obligations of the 1976 resolution reserves and released excess funds to the Custodial Account.

2004B Revenue Bond Resolution – The reserve funds may be funded with transfers from the custodian account, bond proceeds, or other funds available to the Bond Bank.

2005 General Bond Resolution – The reserve fund may be funded with transfers from the custodian account, surety policies, bond proceeds, or other funds available to the Bond Bank.

2010 General Bond Resolution – The reserve fund may be funded with transfers from the custodian account, surety policies, bond proceeds, or other funds available to the Bond Bank.

At June 30, 2014, the *1976 General Bond Resolution*, *2004B Revenue Bond Resolution*, *2005 General Bond Resolution*, and *2010 General Bond Resolution* reserves must be the least of: (i) 10% of the initial principal amount of each Series of Bonds outstanding; (ii) the maximum annual principal and interest requirements on all bonds outstanding; (iii) 125% of the average annual debt service on all bonds then outstanding; or (iv) such lower amount as may be allowed by law. Amounts in excess of the required debt service in any reserve are transferred to the Operating Account on a periodic basis.

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(c) Adjustments

Certain adjustments are considered to be necessary to the governmental funds in order to present the Authority's financial position and the results of its operations. These adjustments include the elimination of inter-fund payables and receivables. Additionally, bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds and reduces the liability in the statement of net position.

(d) Restricted Assets

Certain resources set aside for the repayment of the Authority's bonds, net of certain proceeds from additional bonds issued, are classified as restricted on the statement of net position because they are maintained in separate trust accounts and their use is limited by applicable bond covenants. Cash and cash equivalents and investments include \$40,270,255 of restricted assets. These assets were funded as follows:

Original State of Alaska appropriation	\$ 18,601,414
2008 appropriation of excess earnings	855,347
2009 appropriation of excess earnings	819,843
2010 appropriation of excess earnings	32,628
2011 appropriation of excess earnings	86,814
2012 appropriation for loan forgiveness	<u>13,000,000</u>
Total State of Alaska appropriated equity	<u>\$ 33,396,046</u>
Restricted for Debt Service:	
Appropriated amounts residing in reserve accounts	\$ 28,439,616
Appropriated amounts residing in Custodial account	<u>4,956,430</u>
Total State of Alaska appropriated equity	33,396,046
Bond Bank equity residing in reserve accounts	<u>6,874,209</u>
Total restricted for debt service/net position	<u>\$ 40,270,255</u>

(e) Bond Receivables

Bond receivables are secured by the revenues or are general obligations of the municipalities. Interest rates correspond with the interest rates on the related bonds payable by the Authority. The bond receivables mature during the same period as the related bond payables. Bond receivables are recorded at the par amount of the bonds issued.

(f) Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Any premium or discount on bond issuance or

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refunding is not recorded by the Authority as the premium or discount is recorded by the municipalities associated with the issuance and amortized by them, therefore, bonds payable are presented at par. Bond issue costs are generally paid by the municipality but when a portion is paid by the Authority they are paid from the General Account and considered operating expenses.

(g) Fund Equity

Generally, fund equity represents the difference between the current assets and current liabilities and is classified as fund balance. Bond Bank, in accordance with GASB Statement No. 54 provisions, which require classification of fund balance as nonspendable, restricted, committed, assigned or unassigned, had fund balances in restricted and unassigned categories.

Restricted Fund Balance – Restricted fund balance is that portion of fund equity that has constraints placed upon the use of the resources either by an external party or imposed by law.

Unassigned Fund Balance – this classification represents fund balance that has not been restricted, committed or assigned to specific purposes within the general fund.

The Authority does not have a policy for its use of unrestricted fund balance amounts, therefore, it considers that committed amounts are reduced first (if any), followed by assigned amounts (if any), and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

In the government-wide financial statements, restrictions of net position are reported when constraints placed on net position are either externally imposed by creditors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

(h) Interfund Receivables, Payables and Transfers

Interfund balances represent cash collected or disbursed on behalf of another fund. Interfund transfers are transfers between funds that are required when revenue is generated in one fund and expenditures are paid from another fund.

(i) Interest Arbitrage Rebate

Bonds issued and funds segregated into reserves after August 15, 1986 are subject to Internal Revenue Service income tax regulations which require rebates to the U.S. Government of interest income earned on investments purchased with the proceeds from the bonds or any applicable reserves in excess of the allowable yield of the issue. Amounts owed are expensed when paid and refunds are recorded when received at the five year anniversary date of the bond issue or upon final repayment. Beginning for FY 2013 the Bond Bank's arbitrage rebate consultant will update all general obligation bond rebate analysis annually as of June 30. As of June 30, 2014 the Bond Bank's net arbitrage rebate liability was \$0.

(j) Income Taxes

The Authority is exempt from paying federal and state income taxes.

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(3) Cash

The Authority considers all highly liquid investments purchased with an original maturity of three months or less at the date of purchase to be cash equivalents. Cash and cash equivalents at June 30, 2014 consist of money market accounts held with various financial institutions.

The bank balance of all of the Authority's cash and cash equivalents are collateralized by securities held in the Authority's name by its custodial agent.

4) Investments

The fair value of debt security investments by contractual maturity as of June 30, 2014 is shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without penalty.

	<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>	<u>Total</u>
General Fund					
U.S. Treasury securities	\$ 2,003,516	\$ 8,276,289	\$ -	\$ -	\$ 10,279,805
U.S. Government agencies securities	-	6,418,178	-	-	6,418,178
	<u>2,003,516</u>	<u>14,694,467</u>	<u>-</u>	<u>-</u>	<u>16,697,983</u>
Debt Service Fund					
U.S. Treasury securities	4,971,030	34,902,760	-	-	39,873,790
U.S. Government agencies securities	1,707,448	12,577,273	-	-	14,284,721
	<u>6,678,478</u>	<u>47,480,033</u>	<u>-</u>	<u>-</u>	<u>54,158,511</u>
Total investments	<u>\$ 8,681,994</u>	<u>\$ 62,174,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,856,494</u>

(a) Investment Policies

The Authority has distinct investment objectives and policies associated with funds held in the Custodian Account, Reserve Funds, and municipal debt payments received prior to scheduled debt service payment dates. The three classes of funds are listed below:

Custodian Account

The Custodian Account investment portfolio is designed with the objective of attaining the highest market rate of return subject to the required use of the Custodian Account for operation, funding transfers to the state, and funding reserves. When the Custodian Account balance allows, a longer investment horizon is implemented for the Custodian Account, accepting the limited probability of short-term loss in exchange for higher yield on investments. The Custodian Account balance must exceed \$15 million, and be forecasted to exceed \$15 million for the subsequent twelve-month period, and an analysis of risk profile and historical benefit between the varying strategies must be undertaken before any shift in the investment strategy of the Account. The Custodian Account has to maintain sufficient liquidity to meet operating requirements, provide the prior fiscal year's state dividend, and to allow transfers to reserves as needed for bond issuance activity. Long-term preservation of principal is the third objective of the Custodian

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Account's investment program. Investments shall be undertaken in a manner that minimizes the probability of long-term loss.

- The Custodian Account balance is a critical component in determining anticipated life, ability to diversify, and investment policy in this account. Accordingly, when the account balance is above \$15 million a more aggressive policy may be implemented. When the account balance is below \$15 million a more conservative policy may be used.
- Shifting from one asset allocation to another may be approved by the Investment Committee when there is a projection of a continued trend in account balance justifying the shift.
- There are no arbitrage restrictions.

When the Custodian Account balance is less than \$15 million, the following policies apply:

- 20% Money Market Fund and 80% government agencies and U.S. Treasuries with maturities of less than 5 years.
- Performance benchmark for the 20%: Three month U.S. Treasury Bill.
- Performance benchmark for the 80%: Merrill Lynch 1-5 Government Index.

When the Custodian Account balance exceeds and is expected to remain in excess of \$15 million, the following policies apply:

- Greater of 10% or a percentage equal to \$750,000 in market value: Money Market Fund and up to 90%: Broad U.S. Bond Market Fund.
- Performance benchmark for the greater of 10% or the percentage of the fund invested that is benchmarked to Money Market Fund: Three-month U.S. Treasury Bill.
- Performance benchmark for the up to 90%: Barclays Capital Aggregate Index.

The following transactions are prohibited with the Custodian Account unless those transactions have the prior written consent of the Investment Committee:

- Short sale of securities (the sale and settlement of a security not currently owned by the Authority and a formal agreement to borrow the security to facilitate the settlement of the short sale);
- Purchases of futures, forwards or options for the purpose of speculating (currency futures, forwards and options are permitted only for hedging or to facilitate otherwise permissible transactions);
- Borrowing to leverage the return on investments. Extended settlement of securities purchases executed to facilitate or improve the efficiency of a transaction will not be considered borrowing, provided that sufficient cash equivalent securities or receivables are available to facilitate the extended settlement;
- Purchases of "private placement" or unrated corporate bonds.

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Bond Reserve Funds

Preservation of principal is the foremost objective of the Bond Reserve Funds investment program. These funds shall be managed to ensure that the corpus is preserved. These funds will not be expended until the final maturity of the bond issue they secure, unless there is a failure to pay debt service by a community. As there is limited benefit in maximizing return it is the least important objective of the Bond Reserve Funds. It is anticipated that the Reserve Funds cumulative average return should target the blended arbitrage yield limit of the bond issues secured.

Bond resolutions limit allowed investment of these funds. Investment risk is examined on an annual basis to ensure that no greater than the minimum level of risk required to achieve the highest probability of earning the arbitrage yield limit on the bonds is incurred.

The bond resolutions limit investments to:

- 100% government agencies and U.S. Treasuries with maturities of less than 5 years.
- Performance benchmark is Merrill Lynch 1-5 Government Index.

Municipal Debt Payments

Preservation of principal and liquidity are the foremost objectives of the Municipal Debt Payments investment program, as these funds will be expended within seven business days of receipt. Return on investment is a benefit of holding these funds for the advance payment period, but not the focus of investing the funds. The bond resolutions limit investments to:

- 100% Money Market Fund.
- Performance benchmark is three-month U.S. Treasury Bill.

It is the policy of the Authority to diversify its investments and to ensure the safety and liquidity of the investments by observing the following sound investment practices:

- Not more than 5% of the Custodian Account may be invested in the corporate debt of any one issuer, at the time of purchase.
- In the event of a credit downgrade which reduces a security below the required rating written notification will be made to the Investment Committee setting forth the particulars of the downgrade and recommending a course of action.
- Not more than 50% of the Custodian Account may be invested in corporate securities, at the time of purchase.
- The duration of the Custodian Account must remain within 80 to 120 percent of the duration of the prevailing performance benchmark.
- Purchases of more than 10% of a corporate bond issue shall not be made.

(b) Concentration Risk

Concentration risk is the risk of loss attributed to the magnitude of the Authority's investment in a single issuer. Concentration limits are not established in the bond indentures and governing

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agreements for pledged investments. The Authority’s policies set out maximum concentration limits for investments managed by the external investment manager.

(c) Credit Risk

Credit risk is the risk of loss due to the failure of the security or backer. The Authority mitigates its credit risk by limiting investments permitted in the investment policies. U.S. Treasury securities and securities of agencies that are explicitly guaranteed by the U.S. government are not considered to have credit risk.

(d) Custodial Credit Risk

The Authority assumes levels of custodial credit risk for its deposits with financial institutions, bank investment agreements, and investments. For deposits, custodial credit risk is the risk that, in the event of a bank failure, the Authority’s deposits may not be returned. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The Authority has not established a formal custodial credit risk policy for its investments. The Authority had no investments registered in the name of a counterparty.

(e) Interest Rate Risk

Interest rate risk is the risk that the market value of investments will decline as a result of changes in general interest rates. For non-pledged investments, the Authority mitigates interest rate risk by structuring its investments’ maturities to meet cash requirements, thereby avoiding the need to sell securities in the open market prior to maturity. For investments held in trust, investment maturities are structured to meet cash requirements as outlined in its bond indentures and contractual and statutory agreements.

(5) Bonds Receivable

The General Fund includes bonds receivable with interest rates varying from 1% to 5% due from the City of Galena with maturities as follow:

Year ending June 30	General Fund Bonds Receivable
2015	\$ 147,257
2016	162,047
2017	163,675
2018	165,319
2019	166,980
2020-2024	860,403
2025-2026	170,987
	<u>\$ 1,836,668</u>

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Bonds receivable by debt service program at June 30, 2014 mature in varying annual installments as follows:

Year ending June 30	1976 General	2005 General	2010 General
2015	\$ 9,125,000	\$ 42,450,000	\$ 140,000
2016	6,650,000	44,920,000	140,000
2017	5,710,000	46,245,000	145,000
2018	5,930,000	46,190,000	150,000
2019	5,335,000	48,090,000	160,000
2020-2024	15,960,000	226,510,000	875,000
2025-2029	4,735,000	171,605,000	1,030,000
2030-2034	-	120,360,000	1,235,000
2035-2039	-	45,540,000	560,000
2040-2044	-	31,145,000	-
2045-2049	-	18,450,000	-
	<u>\$ 53,445,000</u>	<u>\$ 841,505,000</u>	<u>\$ 4,435,000</u>

Year ending June 30	2004B Anchorage Revenue	Total Principal
2015	\$ 130,000	\$ 51,845,000
2016	135,000	51,845,000
2017	140,000	52,240,000
2018	145,000	52,415,000
2019	150,000	53,735,000
2020-2024	865,000	244,210,000
2025-2029	1,090,000	178,460,000
2030-2034	1,405,000	123,000,000
2035-2039	325,000	46,425,000
2040-2044	-	31,145,000
2045-2049	-	18,450,000
	<u>\$ 4,385,000</u>	<u>\$ 903,770,000</u>

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(6) Long-Term Liabilities

Bond Bank's long term liabilities consist of the following as of June 30, 2014:

Issue	Debt Service Account		Statutory Reserve Account Ordinary Reserve Sub-Account	
	Interest rate	Principal outstanding	Interest rate	Principal outstanding
1976 General Bond Resolution Program:				
2004 B Series	2.00%-4.00%	\$ 340,000	2.00%-4.00%	\$ -
Nome				
Valdez				
Petersburg				
Craig				
Seward				
2004 C Series	4.00%-5.00%	670,000	-	-
Kodiak Island Borough				
Palmer				
Petersburg				
2004 D Series	3.00%-5.00%	1,510,000	-	-
Adak				
Kodiak Island Borough				
2005 A Series	2.50%-5.00%	18,900,000	2.75%-5.00%	-
Cordova				
Fairbanks				
Ketchikan, City of				
Northwest Arctic Borough				
Sitka				
Unalaska				
2005 B Series	3.00%-5.00%	3,990,000	-	-
Haines Borough				
Ketchikan Gateway Borough				
North Pole, City of				
Palmer				
Sitka				
2005 C Series	4.00%-5.00%	20,815,000	5.00%	-
Haines Borough				
Petersburg				
Northwest Arctic Borough				
2006 A Series	4.00%-4.35%	7,220,000	4.00%	-
Aleutians East Borough				
Ketchikan Gateway Borough				
Lake and Peninsula Borough				
Nome				
Wrangell				
Total 1976 General Bond Resolution Fund		53,445,000		-
2005 Series General Bond Resolution Program:				
2005 - One Series	3.00%-5.00%	7,560,000	3.00%-5.00%	350,000
Ketchikan, City of				
Nome				
Seward				
2006 - One Series	4.00%-6.00%	4,930,000	4.50%-6.00%	335,000
Kenai Peninsula Borough				
Seward				
2006-Two Series - Ketchikan, City of	4.25%-4.75%	33,505,000	5.00%	1,765,000

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Issue	Debt Service Account		Statutory Reserve Account Ordinary Reserve Sub-Account	
	Interest rate	Principal outstanding	Interest rate	Principal outstanding
2007-One Series	4.00%-5.50%	16,640,000	4.00%-5.50%	1,265,000
Kenai Peninsula Borough				
Inter-Island Ferry Authority				
Nome				
Northwest Arctic Borough				
Petersburg				
Seward				
Sitka, City and Borough of				
Wasilla				
2007-Two Series	3.75%-5.00%	22,915,000	4.50%	685,000
Kenai Peninsula Borough				
Aleutians East Borough				
2007-Three Series	4.25%-5.50%	12,085,000	4.00%	415,000
Bethel, City of				
Juneau, City and Borough of				
2007-Four Series - Kenai Peninsula Borough	4.25%-5.00%	11,445,000	4.25%-4.50%	1,070,000
2007-Five Series - Kodiak, City of	4.00%-6.00%	5,535,000	-	-
2008-One Series	4.00%-5.00%	49,360,000	5.00%	3,260,000
Dillingham				
Kodiak Island Borough				
Kodiak, City of				
Seward				
2008-Two Series	4.40%-6.00%	14,960,000	4.75%-6.00%	1,200,000
Seward				
Sitka, City and Borough of				
Skagway				
2009-One Series	3.00%-5.63%	23,980,000	4.00%-5.50%	560,000
Kodiak, City of				
Unalaska, City of				
2009-Two Series	4.00%-6.00%	16,740,000	4.00%-6.00%	1,400,000
Cordova				
Nome, City of				
Unalaska, City of				
Kodiak, Island Borough				
2009-Three Series - Juneau, City and Borough of	2.00%-4.00%	7,955,000	2.00%-4.00%	975,000
2009-A-Four Series	3.00%-4.00%	2,140,000	3.00%-4.00%	840,000
Kenai Peninsula Borough				
Ketchikan Gateway Borough				
2009-B-Four Series - Ketchikan Gateway Borough	4.63%-5.40%	20,425,000	-	-
2010-A-Series One	2.00%-5.00%	9,505,000	3.00%	335,000
Ketchikan, City of				
Ketchikan Gateway Borough				
Kenai, City of				
Northwest Arctic Borough				
Petersburg				
Unalaska				
2010-B Series One	5.99%-6.34%	7,415,000	-	-
Kenai, City of				
Northwest Arctic Borough				
Petersburg				
Unalaska				
2010-A Series Two	2.0%-3.0%	1,280,000	3.00%	325,000
Juneau, City and Borough of				
Cordova				
King Cove, City of				
2010-B Series Two	3.75%-4.91%	11,405,000	-	-
Juneau, City and Borough of				
Cordova				
King Cove, City of				

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Issue	Debt Service Account		Statutory Reserve Account Ordinary Reserve Sub-Account	
	Interest rate	Principal outstanding	Interest rate	Principal outstanding
2010-A Series Three Aleutians East Borough Unalaska King Cove, City of	2.00%-4.00%	2,885,000	2.00%-4.00%	405,000
2010-B Series Three Aleutians East Borough Unalaska King Cove, City of	4.93%-5.43%	6,900,000	-	-
2010-A Series Four Kenai Peninsula Borough Ketchikan, City of Ketchikan Gateway Borough Sitka, City and Borough of Sitka, City and Borough of (Refunding) Soldotna	2.00%-5.00%	21,135,000	-	-
2010-B Series Four Kenai Peninsula Borough Ketchikan, City of Ketchikan Gateway Borough Sitka, City and Borough of Soldotna	1.42%-6.26%	49,265,000	-	-
2011 Series One Kodiak Island Borough Wrangell	3.00%-5.13%	7,305,000	3.00%	415,000
2011 Series Two Juneau, City and Borough of Sitka, City and Borough of	2.00%-4.38%	9,065,000	2.00%	815,000
2011 Series Three Wrangell Aleutians East Borough Northwest Arctic Borough Ketchikan Gateway Borough Kenai Peninsula Borough Cordova Hoonah Skagway Seward Kodiak Island Borough	2.00%-5.00%	73,900,000	2.00%-5.00%	1,390,000
2012 Series One Juneau, City and Borough of (Wildflower Court) Juneau, City and Borough of	2.00%-5.00%	14,035,000	-	-
2012 Series Two Juneau, City and Borough of Ketchikan, City of Ketchikan Gateway Borough Kodiak Island Borough Nome, City of North Pole, City of Palmer, City of Petersburg Sitka, City and Borough of Valdez	1.75%-5.00%	49,250,000	2.00%-4.00%	1,900,000
2012 Series Three Juneau, City and Borough of (School) Juneau, City and Borough of (REF) Petersburg Haines Borough	1.50%-5.00%	20,080,000	-	-

(continued)

ALASKA MUNICIPAL BOND BANK AUTHORITY
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Notes to Financial Statements

Issue	Debt Service Account		Statutory Reserve Account Ordinary Reserve Sub-Account	
	Interest rate	Principal outstanding	Interest rate	Principal outstanding
2013 Series One	2.00%-5.00%	93,900,000	-	-
Juneau, City and Borough of (Hospital Rev Ref)				
Juneau, City and Borough of				
Kenai Peninsula Borough				
Ketchikan Gateway Borough				
Kodiak Island Borough				
Sand Point, City of				
Sitka, City and Borough of (Harbor				
Sitka, City and Borough of (Electric)				
2013 Series Two A	2.00%-4.00%	18,370,000	-	-
Homer, City of				
Ketchikan, City of				
Ketchikan, City of (REF)				
Skagway				
2013 Series Two B				
Kodiak Island Borough	3.00%-4.00%	17,110,000	-	-
2013 Series Three	1.50%-5.00%	72,045,000	-	-
Juneau, City and Borough of				
Kenai Peninsula Borough				
Lake and Peninsula Borough				
Sitka, City and Borough of				
2014 Series One A	.38%-5.00%	61,205,000	-	-
Juneau, City and Borough of				
Kodiak Island Borough				
Kenai Peninsula Borough- Exempt				
Kenai Peninsula Borough- Taxable				
2014 Series Two A	3.00%-5.00%	45,275,000	-	-
Ketchikan, City of (Harbor)				
Ketchikan, City of (Hospital)				
King Cove, City of				
Total 2005 Series General Bond Resolution Fund		<u>841,505,000</u>		<u>19,705,000</u>
2010 Series General Bond Resolution Program:				
2010 A-1 Series One	3.00%-4.00%	735,000	-	-
Ketchikan Gateway Borough				
2010 A-2 Series One	5.78%-6.86%	3,700,000	-	-
Ketchikan Gateway Borough				
Total 2010 Series General Bond Resolution Program		<u>4,435,000</u>		<u>-</u>
2004B Municipality of Anchorage Revenue Bond	4.00%-4.75%	4,385,000	-	-
Total Revenue Bonds		<u>4,385,000</u>		<u>-</u>
		<u>\$ 903,770,000</u>		<u>\$ 19,705,000</u>

ALASKA MUNICIPAL BOND BANK AUTHORITY
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Notes to Financial Statements

During the year ended June 30, 2014 the Authority's long-term liabilities changed as follows:

	Beginning of year	New debt	Repayments/ Adjustments	End of year
General obligation bonds payable	\$ 783,545,000	\$ 178,525,000	42,980,000	\$ 919,090,000
Revenue bonds payable	18,010,000	-	13,625,000	4,385,000
Other long-term debt	10,581,495	-	10,581,495	-
Total	<u>\$ 812,136,495</u>	<u>\$ 178,525,000</u>	<u>\$ 67,186,495</u>	<u>\$ 923,475,000</u>

All bonds are secured by bonds receivable and by amounts in the reserve account. The Act further provides that if a municipality defaults on its principal and/or interest payments, upon written notice by the Authority, the State of Alaska must consider paying to the Authority all funds due from the defaulting municipality from the State in an amount sufficient to clear the default. The Bond Bank Executive Director is obligated per resolution to seek and the State may provide an appropriation annually to replenish reserves.

In March 2013 the Authority issued \$96.05 million in general obligation and refunding bonds with interest rates ranging between 3.35% and 5%. The Authority issued the bonds to advance refund \$24,950,000 of the outstanding 2004A CBJ Revenue bonds with interest rates ranging between 4.38% and 6.25%. The Authority used the net proceeds along with other resources to purchase U.S. government securities. These securities were deposited in an irrevocable trust to provide for all future debt service on the refunded portion of the series bonds listed above. As a result, these bonds are considered defeased, and the Authority has removed the liability from its financial statements. The outstanding principal of the defeased bonds was \$24,950,000 at June 30, 2013 and 2014 as the bonds were called July 1, 2014.

In June 2013, the Authority issued \$36.3 million in general obligation and refunding bonds with interest rates ranging between 2% and 5%. The Authority issued the bonds to currently refund \$1,245,000 of the outstanding 2002A Ketchikan Revenue bonds with interest rates ranging between 4.375% and 5%. The Authority used the net proceeds along with other resources to provide for all future debt service on the refunded bonds which were called within 90 days for the refunding. As a result, these bonds were considered defeased as part of a current refunding transaction and the Authority has removed the liability from its financial statements. The outstanding principal of the defeased bonds was \$1,245,000 at June 30, 2013 and \$0 at June 30, 2014 as the bonds were called July 5, 2013.

ALASKA MUNICIPAL BOND BANK AUTHORITY
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Notes to Financial Statements

The above bonds mature in varying annual installments. The maturities at June 30, 2014 are as follows:

Year ending June 30	1976		2005		2010	
	General	Reserve	General	Reserve	General	Reserve
2015	\$ 9,125,000	\$ -	\$ 42,450,000	\$ 1,225,000	\$ 140,000	\$ -
2016	6,650,000	-	44,920,000	1,960,000	140,000	-
2017	5,710,000	-	46,245,000	425,000	145,000	-
2018	5,930,000	-	46,190,000	4,805,000	150,000	-
2019	5,335,000	-	48,090,000	1,035,000	160,000	-
2020-2024	15,960,000	-	226,510,000	5,060,000	875,000	-
2025-2029	4,735,000	-	171,605,000	3,430,000	1,030,000	-
2030-2034	-	-	120,360,000	-	1,235,000	-
2035-2039	-	-	45,540,000	1,765,000	560,000	-
2040-2044	-	-	31,145,000	-	-	-
2045-2049	-	-	18,450,000	-	-	-
	<u>\$ 53,445,000</u>	<u>\$ -</u>	<u>\$ 841,505,000</u>	<u>\$ 19,705,000</u>	<u>\$ 4,435,000</u>	<u>\$ -</u>

Year ending June 30	2004B Anchorage		
	Revenue	Total Principal	Total Interest
2015	\$ 130,000	\$ 53,070,000	\$ 42,474,858
2016	135,000	53,805,000	39,732,791
2017	140,000	52,665,000	37,642,039
2018	145,000	57,220,000	35,481,379
2019	150,000	54,770,000	33,039,603
2020-2024	865,000	249,270,000	131,442,156
2025-2029	1,090,000	181,890,000	79,570,427
2030-2034	1,405,000	123,000,000	39,270,008
2035-2039	325,000	48,190,000	17,807,657
2040-2044	-	31,145,000	8,888,500
2045-2049	-	18,450,000	2,145,252
	<u>\$ 4,385,000</u>	<u>\$ 923,475,000</u>	<u>\$ 467,494,670</u>

(7) Conduit Debt

Under the Coastal Energy Loan Program (Program), the Authority issued \$5,000,000 1986 Series A Coastal Energy Bonds (Bonds) payable to the National Oceanic and Atmospheric Administration (NOAA). The proceeds of these bonds were used to purchase port revenue bonds from the City of Nome. The City of Nome entered into a tripartite agreement with NOAA and the Authority effective August 2, 1994 to defer payment of the principal and accrual of interest for ten years. Effective January 29, 2009 a second amendment to the tripartite agreement was executed. The amendment authorized the issuance of 2009A Bonds for the purpose of refunding by exchange the outstanding City of Nome, Alaska, Port Revenue Bond 1986 Series A. As of June 30, 2014 the aggregate amount outstanding for conduit debt obligations was \$4,470,451.

Also under the Program, the Authority issued \$6,563,000 1987 Series A Coastal Energy Bonds payable to NOAA. The proceeds of these bonds were used to purchase port revenue bonds from the City of St. Paul. The City of St. Paul entered into a tripartite agreement with NOAA and the Authority effective December 14, 2000 to modify and amend the repayment terms including principal and interest. On April 18, 2005, the City of St. Paul asked for NOAA's recommendation for loan forgiveness which was denied on January 24, 2006. Subsequently, on March 17, 2009, NOAA issued another determination on request for recommendation of CEIP loan forgiveness but a final agreement has not been reached.

ALASKA MUNICIPAL BOND BANK AUTHORITY

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Notes to Financial Statements

between the City of St. Paul and NOAA as of June 30, 2014. As of June 30, 2014 the aggregate amount outstanding for the City of St. Paul conduit debt obligations was \$6,005,878.

The related loan payables do not represent a general obligation of the Authority as they are payable only from proceeds received from the City of Nome and St. Paul, respectively. Payment of principal and interest on the Bond Bank's Coastal Energy Bond is not secured by a pledge of any amounts held by or payable to the Bond Bank under the General Bond Resolution, including the Reserve Account, and is not in any way a debt or liability of the Bond Bank and accordingly, are not included in the basic financial statements.

The Coastal Energy Bonds and related accounts are included in the Bond Bank's statutory limit for total bonds outstanding.

(8) Change in Accounting Principle

Beginning with fiscal year 14 financial statements, the Authority no longer carries its conduit debt obligations as described in Note 7 within its basic financial statements in order to streamline the financial statements presentation. As a result of the change in policy, a \$10,581,495 adjustment to the governmental funds' fiscal 2014 beginning fund balance was made in order to remove conduit debt obligation balances.

(9) Commitments

During 2011 State Legislature appropriated \$2,450,000 to Bond Bank to issue a 15-year, one percent interest loan to the City of Galena to retire existing debt obligations and make certain utility improvements. The intent of the legislature was that loan repayments made for the loan be paid into the State of Alaska General Fund in accordance with the provisions of the AS 44.85.270(h). The amount of receipts available to the Authority during fiscal 2014 as discussed in Note 2(d), included \$176,528 of City of Galena loan repayments for the year ended June 30, 2014. There were no excess receipts over operating expenditures during fiscal year 2014.

The amount of Authority receipts determined under AS 44.85.270(h) and, as discussed in Note 2(d), available for transfer by the Authority and appropriation to the Bond Bank Authority Reserve Fund under AS 44.85.270(a) was \$-0- for fiscal year 2014; the cumulative state appropriated amount, therefore, remained \$33,396,046 at June 30, 2014.

The entire Custodian Account balance is available for appropriation, at any time, by the State Legislature.

(10) Subsequent Events

Subsequent to year end, the Authority issued a preliminary statement for the 2014 Series Three general obligation and refunding bonds issue in the approximate par amount of \$58 million. Final issuance is expected to take place in October 2014.

ALASKA MUNICIPAL BOND BANK AUTHORITY
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Supplemental Schedule of Statutory Reserve Accounts - Assets, Liabilities and Account Reserves

June 30, 2014

	1976 General "Ordinary"	1976 General "Special"	2005 Resolution	2004B Anchorage Revenue	2010 Resolution	Total
Assets						
Cash	\$ -	\$ 26,032	\$ 1,259,426	\$ 18,639	\$ 28,984	\$ 1,333,081
Accrued interest receivable	2,107	13,184	129,561	289	355	145,496
Marketable securities	485,000	5,926,492	47,046,394	325,287	375,338	54,158,511
Interaccount receivables	-	-	1,992,752	-	-	1,992,752
	<u>\$ 487,107</u>	<u>\$ 5,965,708</u>	<u>\$ 50,428,133</u>	<u>\$ 344,215</u>	<u>\$ 404,677</u>	<u>\$ 57,629,840</u>
Liabilities						
Interaccount payables	\$ 1,824,285	\$ 2,092,620	\$ -	\$ 2,219	\$ 11,614	\$ 3,930,738
Bond payable	-	-	19,705,000	-	-	19,705,000
Accrued interest payable	-	-	218,546	-	-	218,546
	<u>1,824,285</u>	<u>2,092,620</u>	<u>19,923,546</u>	<u>2,219</u>	<u>11,614</u>	<u>23,854,284</u>
Reserves						
Special Reserve - State Appropriated	-	696,844	27,349,686	-	393,086	28,439,616
Special Reserve - Unappropriated	-	3,243,579	3,286,046	341,931	2,653	6,874,209
Special Reserve - Unrealized gain (loss)	-	(67,335)	(131,145)	65	(2,676)	(201,091)
Ordinary Reserve - Unallocated	(1,334,858)	-	-	-	-	(1,334,858)
Ordinary Reserve - Unrealized gain (loss)	(2,320)	-	-	-	-	(2,320)
	<u>(1,337,178)</u>	<u>3,873,088</u>	<u>30,504,587</u>	<u>341,996</u>	<u>393,063</u>	<u>33,775,556</u>
	<u>\$ 487,107</u>	<u>\$ 5,965,708</u>	<u>\$ 50,428,133</u>	<u>\$ 344,215</u>	<u>\$ 404,677</u>	<u>\$ 57,629,840</u>

See independent auditor's report.

ALASKA MUNICIPAL BOND BANK AUTHORITY
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Supplemental Schedule of 1976 Master Resolution Program - Community Concentration

June 30, 2014

Borrower	Outstanding Par	Percent of Outstanding
Northwest Arctic Borough	\$ 14,985,000	28.04%
Haines Borough	12,310,000	23.03%
Petersburg Borough	4,240,000	7.93%
Ketchikan Gateway Borough	3,515,000	6.58%
City of Ketchikan	2,990,000	5.59%
Aleutians East Borough	2,680,000	5.01%
City and Borough of Sitka	2,605,000	4.87%
City of Unalaska	2,205,000	4.13%
Lake & Peninsula Borough	1,890,000	3.54%
City of Wrangell	1,520,000	2.84%
City of Cordova	1,060,000	1.98%
City of Adak	980,000	1.83%
Kodiak Island Borough	965,000	1.81%
City of Nome	875,000	1.64%
City of Valdez	225,000	0.42%
City of Palmer	220,000	0.41%
City of Craig	115,000	0.22%
City of North Pole	65,000	0.12%
Total Outstanding Par	<u>\$ 53,445,000</u>	<u>100.00%</u>

Note 1

Pursuant to the Securities and Exchange Commission Rule 15c2-12 and the Authority's continuing disclosure undertakings, the Authority is obligated to provide annual financial information. In addition to annual financial statements the Authority must provide a statement of authorized, issued and outstanding bonded debt, reserve fund balances, and government unit statistics in substantially the same form as Appendix C of official statements of the Authority. The following supplementary information related to the 1976, 2010, and 2005 master resolutions is provided in compliance with the Appendix C filing requirement."

ALASKA MUNICIPAL BOND BANK AUTHORITY
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Supplemental Schedule 1976 Master Resolution Program - Debt Service Requirements

June 30, 2014

Borrower	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Northwest Arctic Borough	\$ 2,246,256	\$ 2,250,631	\$ 2,247,506	\$ 2,251,831	\$ 2,251,806	\$ 2,247,431	\$ 2,253,091	\$ 483,625	\$ 481,406	\$ 483,344
City and Borough of Sitka	839,050	424,900	425,238	424,938	424,000	427,425	-	-	-	-
City of Ketchikan	822,250	826,750	824,375	825,125	-	-	-	-	-	-
Ketchikan Gateway Borough	1,326,138	769,888	628,688	636,688	631,500	-	-	-	-	-
Lake and Peninsula Borough	1,000,600	1,003,600	-	-	-	-	-	-	-	-
Aleutians East Borough	435,135	442,135	343,335	292,935	269,135	265,935	267,273	273,198	283,328	187,618
City of Wrangell	251,400	253,800	255,800	252,400	253,800	254,800	255,106	-	-	-
City of Petersburg	600,229	433,304	435,404	433,404	431,004	433,104	434,388	429,818	429,500	433,350
City of Unalaska	424,088	424,688	425,025	424,725	423,788	422,213	-	-	-	-
Kodiak Island Borough	984,300	-	-	-	-	-	-	-	-	-
City of Nome	96,401	94,001	91,601	94,201	96,601	93,801	95,914	92,820	94,670	96,310
City of Cordova	204,125	206,125	202,750	204,000	204,750	205,000	-	-	-	-
City of Palmer	228,900	-	-	-	-	-	-	-	-	-
City of Craig	119,600	-	-	-	-	-	-	-	-	-
Haines Borough	1,420,309	1,293,559	1,295,184	1,294,484	1,297,284	1,293,584	1,292,743	1,294,133	1,292,969	1,289,625
City of Valdez	229,219	-	-	-	-	-	-	-	-	-
City of Adak	112,750	114,850	116,750	113,550	115,038	116,100	112,050	112,888	113,250	113,125
City of North Pole	68,250	-	-	-	-	-	-	-	-	-
Total Loan Obligation DS	\$ 11,408,999	\$ 8,538,230	\$ 7,291,655	\$ 7,248,280	\$ 6,398,705	\$ 5,759,393	\$ 4,710,564	\$ 2,686,480	\$ 2,695,123	\$ 2,603,371

See independent auditor's report

ALASKA MUNICIPAL BOND BANK AUTHORITY
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Supplemental Schedule of 2005 Master Resolution Program - Community Concentration

June 30, 2014

Borrower	Outstanding Par	Percent of Outstanding
City and Borough of Sitka	\$ 134,970,000	15.67%
Kenai Peninsula Borough	126,050,000	14.64%
City and Borough of Juneau	112,610,000	13.08%
City of Ketchikan	106,175,000	12.33%
Kodiak Island Borough	88,675,000	10.30%
Ketchikan Gateway Borough	40,290,000	4.68%
City of Seward	38,990,000	4.53%
City of Unalaska	34,565,000	4.01%
Northwest Arctic Borough	29,500,000	3.43%
Aleutians East Borough	27,360,000	3.18%
Lake & Peninsula Borough	18,225,000	2.12%
City of Cordova	14,400,000	1.67%
City of Kodiak	13,520,000	1.57%
City of Dillingham	11,905,000	1.38%
City of Petersburg	9,265,000	1.08%
City of Nome	5,390,000	0.63%
Municipality of Skagway	5,230,000	0.61%
City of Homer	3,605,000	0.42%
City of Bethel	2,940,000	0.34%
City of Valdez	2,725,000	0.32%
City of Sand Point	2,560,000	0.30%
City of King Cove	2,335,000	0.27%
City of Soldotna	2,225,000	0.26%
City of Wasilla	1,880,000	0.22%
City of Kenai	1,695,000	0.20%
City of Hoonah	1,190,000	0.14%
Haines Borough	1,180,000	0.14%
City of Palmer	860,000	0.10%
City of North Pole	820,000	0.10%
City and Borough of Wrangell	370,000	0.04%
Reserve Obligations	19,705,000	2.29%
Total Outstanding Par	\$ 861,210,000	100.00%

See independent auditor's report

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Supplemental Schedule 2005 Master Resolution Program - Debt Service Requirements

June 30, 2014

Borrower	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
City of Ketchikan Utility - 2005 Loan	\$ 1,330,180	\$ 1,331,680	\$ 1,332,480	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City of Nome - 2005 Loan	302,338	302,838	299,838	301,433	302,564	303,114	303,244	302,709	301,744	300,150
Kenai Peninsula Borough Cent. Em. Svcs. Dist. - 2006 Loan	190,728	191,128	191,328	191,171	190,809	190,071	194,121	192,671	190,890	193,850
City of Seward - 2005 Port Loan	118,435	114,685	116,685	118,405	114,899	116,329	117,549	118,464	119,164	114,570
City of Seward - 2005 Refunding	288,750	-	-	-	-	-	-	-	-	-
City of Seward - 2006 Port Loan	346,380	342,980	344,380	345,099	345,405	344,993	344,155	347,760	345,510	347,750
City of Ketchikan Port - 2006 Loan	2,556,156	2,555,069	2,556,963	2,553,063	2,548,063	2,550,038	2,543,850	2,544,363	2,541,300	2,539,525
City of Nome - 2007 Refunding	181,397	179,894	177,419	180,247	182,859	180,619	178,609	-	-	-
Northwest Arctic Borough - 2007 Refunding	256,094	255,856	1,259,844	1,249,172	1,248,550	1,248,825	1,245,163	-	-	-
City of Petersburg - 2007 Refunding	147,131	141,944	145,919	140,159	144,391	143,681	147,991	-	-	-
City of Seward - 2007 Refunding	243,859	235,606	241,044	241,709	237,394	238,363	234,525	239,994	-	-
City and Borough of Sitka - 2007 Refunding	845,341	847,319	848,781	851,672	849,219	-	-	-	-	-
City of Wasilla - 2007 Refunding	422,263	420,819	421,681	423,241	424,588	-	-	-	-	-
Kenai Peninsula Borough - 2007 Loan	316,725	313,225	312,625	-	-	-	-	-	-	-
City of Petersburg - 2007 Loan	88,925	91,431	88,544	90,778	92,894	90,100	92,356	89,425	91,297	92,906
Aleutians East Borough - 2007 Refunding	1,203,438	945,438	947,338	1,772,238	1,818,363	1,835,863	1,844,988	1,856,938	2,121,938	2,271,750
South Kenai Peninsula Hospital - 2007 Refunding	145,300	144,700	144,100	143,500	142,825	146,950	789,450	788,250	784,350	787,325
City and Borough of Juneau - 2007 III Dock Loan	748,813	747,175	749,575	746,875	749,125	745,500	746,000	745,500	748,875	746,125
City of Bethel - 2007 III Court Facility Loan	295,225	291,838	293,038	294,125	295,125	290,750	291,000	290,750	290,000	293,625
Kenai Peninsula Borough South Hospital Service Area	1,129,600	1,128,569	1,126,475	1,127,363	1,124,313	1,122,938	1,119,813	1,119,813	1,117,813	1,119,819
City of Kodiak M&P Loan	126,221	128,671	125,971	128,121	125,121	127,521	125,287	127,878	125,313	127,593
City of Kodiak Lift Loan	244,530	240,330	240,980	241,330	241,380	242,030	243,271	244,186	244,804	245,126
Kodiak Island Borough 2008 One Loan	624,210	622,460	624,960	620,160	624,960	623,960	621,323	623,048	623,360	622,210
City of Dillingham 2008 One Loan	1,176,090	1,179,590	1,176,340	1,178,540	1,174,540	1,174,540	1,176,390	1,176,753	1,179,565	1,174,515
Kodiak Police Station 2008 One Loan	531,240	531,990	532,240	529,040	505,640	507,840	509,128	504,990	505,365	505,015
City of Seward Long Term Care 2008 One Loan	1,971,413	1,970,163	1,971,913	1,970,513	1,972,713	1,973,313	1,969,750	1,969,488	1,970,925	1,968,725
City and Borough of Sitka 2008 Two Loan	562,045	565,245	562,845	564,725	564,625	564,005	562,355	564,645	565,610	565,423
Municipality of Skagway 2008 Two Loan	391,235	393,035	394,435	395,210	391,110	395,330	393,630	396,210	392,815	393,803
City of Seward 2008 Two Loan	393,886	393,886	393,686	393,151	394,751	393,151	391,176	393,816	395,826	392,276
City of Unalaska 2009 One Loan	1,916,800	1,909,900	1,912,900	1,909,025	1,908,275	1,905,525	1,905,650	1,903,525	1,904,025	1,900,694
City of Kodiak 2009 One Boat Lift Loan	69,613	68,713	67,713	71,588	70,338	69,088	67,838	71,463	69,963	68,425
City of Unalaska 2009 Two Loan	559,025	558,775	558,800	563,588	560,413	-	-	-	-	-
City of Cordova 2009 Two Loan	1,370,681	1,371,656	1,367,969	1,369,094	1,371,244	1,369,906	1,369,906	1,367,906	1,371,706	1,371,719
City of Nome 2009 Two Loan	53,263	52,138	51,075	55,044	53,694	52,269	55,769	54,019	52,181	55,300
City and Borough of Juneau - 2009 Three Loan	1,493,075	1,500,650	1,485,600	1,495,800	1,444,800	1,468,800	-	-	-	-
Ketchikan Gateway Borough-2009 Four Loan	1,774,769	1,777,769	1,775,519	1,768,232	1,754,104	1,743,479	1,731,390	1,722,642	1,707,107	1,694,654
Kenai Peninsula Borough-2009 Four Loan	1,055,600	-	-	-	-	-	-	-	-	-
City of Kenai-2010 One Loan	176,198	178,798	175,398	176,998	178,398	172,704	172,011	171,018	164,725	163,433
Ketchikan Gateway Borough-2010 One Loan	722,050	729,800	725,800	731,000	730,000	728,000	-	-	-	-
Northwest Arctic Borough-2010 One Loan	282,465	283,565	283,165	282,565	281,765	280,765	284,565	281,315	276,127	275,640
City of Petersburg-2010 One Loan	236,269	238,044	239,094	234,494	234,794	234,894	234,794	238,694	235,849	232,010
City of Unalaska-2010 One Loan	425,999	425,149	427,149	428,749	424,949	425,949	426,549	424,299	424,017	417,835
Northwest Arctic Borough - 2010 Refunding	969,350	967,200	-	-	-	-	-	-	-	-
City and Borough of Juneau - 2010 Two Loans	1,141,794	1,139,319	1,139,029	1,129,772	1,117,534	1,107,744	2,472,665	1,820,539	1,779,639	1,517,673
City of Cordova 2010 Two Loan	45,905	49,780	48,430	46,859	45,138	48,188	46,070	-	-	-
City of King Cove 2010 Two Loan	42,112	41,512	45,743	44,762	43,686	42,540	41,363	40,155	38,847	42,319
Aleutians East Borough - 2010 Loan	399,003	397,078	398,878	395,378	396,578	397,966	392,943	390,877	383,441	380,636
City of King Cove 2010 Three Loan	60,942	59,892	58,692	62,392	60,992	59,680	58,205	61,359	59,389	57,419
City of Unalaska 2010 Three Loan	438,892	436,267	437,267	437,867	438,067	433,605	432,617	429,319	420,652	416,616
Kenai Peninsula Borough 2010 Four Loan	1,477,241	1,468,022	1,459,887	1,442,725	1,431,305	1,411,775	1,395,269	1,376,201	1,358,946	1,338,264
City of Ketchikan 2010 Four Loan	631,272	628,044	623,153	616,549	608,190	603,500	597,854	586,163	578,214	568,842
Ketchikan Gateway Borough 2010 Four Loan	334,573	333,976	332,198	324,287	320,209	315,233	314,574	308,091	300,753	292,534
City and Borough of Sitka 2010 Four Loan	4,082,982	4,064,732	4,064,932	4,075,151	4,062,570	4,047,570	4,058,570	4,050,648	4,038,926	4,030,419
City of Soldotna 2010 Four Loan	216,905	219,070	215,646	216,594	211,905	211,752	206,311	205,509	199,279	197,602

ALASKA MUNICIPAL BOND BANK AUTHORITY
(A Component Unit of the State of Alaska)

Supplemental Schedule 2005 Master Resolution Program - Debt Service Requirements

June 30, 2014

Borrower	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
City and Borough of Wrangell 2011 One Loan	25,675	25,075	24,475	28,875	28,000	27,000	26,000	-	-	-
Kodiak Island Borough 2011 One Loan	626,000	621,850	622,550	622,950	621,400	622,800	623,600	623,800	625,513	626,275
City and Borough of Juneau 2011 Two Loan	659,631	658,831	657,831	658,831	657,300	659,600	655,200	-	-	-
City and Borough of Sitka 2011 Two Loan	412,209	407,609	408,009	412,134	410,090	407,590	407,390	411,790	407,690	408,071
Aleutians East Borough 2011 Three Refunding	569,125	833,750	976,625	229,375	229,875	226,000	231,625	230,625	-	-
Kenai Peninsula Borough 2011 Three Refunding	1,656,275	1,647,050	1,640,450	1,630,075	1,621,825	1,617,850	967,375	958,750	953,250	-
Keetchikan Gateway Borough 2011 Three Refunding	620,325	621,250	616,300	618,175	618,800	615,900	616,875	614,000	609,875	-
Northwest Arctic Borough 2011 Three Refunding	2,493,150	2,484,400	2,491,900	2,486,775	2,492,025	2,492,700	2,488,875	2,485,000	2,485,625	1,681,000
Wrangell 2011 Three Refunding	87,600	93,800	41,000	-	-	-	-	-	-	-
Kenai Peninsula Borough (Central Hospital) 2011 Three	3,522,725	3,525,050	3,522,125	3,521,750	3,520,000	3,521,000	3,525,500	3,528,625	3,533,750	3,520,875
City of Cordova 2011 Three	56,600	54,800	57,875	55,625	53,375	56,250	54,000	56,375	-	-
City of Hoonah 2011 Three	110,075	107,600	114,875	111,625	113,250	90,500	93,125	90,375	92,500	89,500
Kodiak Island Borough 2011 Three	301,350	298,600	300,475	300,975	300,975	301,550	301,625	300,125	298,125	300,500
Municipality of Skagway 2011 Three	35,025	34,350	33,675	37,800	36,800	35,900	35,000	34,000	37,875	36,625
City of Seward 2011 Three	242,275	243,350	244,175	244,300	244,175	244,350	244,275	243,400	242,275	245,775
City and Borough of Juneau G. O. Refunding 2012 One	1,323,700	1,319,125	1,091,625	-	-	-	-	-	-	-
Juneau Wildflower Court Refunding 2012 One	1,637,075	1,702,025	1,344,900	1,418,125	1,486,925	1,555,825	437,725	484,575	534,966	583,463
Juneau 2012 Two	1,892,250	1,902,150	1,920,400	1,940,250	1,958,400	-	-	-	-	-
City of Ketchikan 2012 Two	358,344	356,944	354,444	356,644	352,519	352,019	355,894	355,344	354,294	351,544
Keetchikan Gateway Borough 2012 Two	135,450	689,150	686,150	682,350	689,250	681,625	-	-	-	-
Kodiak Island Borough 2012 Two	503,550	1,449,250	1,449,850	1,439,500	1,447,950	1,439,025	1,442,275	1,433,950	1,433,125	1,433,250
City of Nome 2012 Two	145,725	147,300	148,200	148,900	148,825	147,950	146,825	146,100	150,000	133,250
City of North Pole 2012 Two	36,550	36,550	100,250	102,550	99,400	100,775	101,900	103,200	104,250	99,750
City of Palmer 2012 Two	37,550	111,050	108,050	105,800	108,450	104,850	105,725	106,800	107,625	107,750
City of Petersburg 2012 Two	333,000	494,000	490,600	496,600	491,075	488,125	488,375	489,750	485,250	468,125
City and Borough of Sitka 2012 Two	1,058,050	1,455,650	1,456,250	1,460,150	1,456,775	1,455,650	1,456,650	1,451,200	1,453,000	1,450,375
City of Valdez 2012 Two	126,350	341,950	347,850	348,250	351,850	343,725	340,225	342,550	344,125	343,500
Haines Borough 2012 Three	83,919	87,219	85,981	84,744	82,719	85,344	82,844	85,219	87,344	84,344
Juneau 2012 Three Refunding	903,050	909,050	916,950	918,950	928,250	937,125	948,625	947,875	959,750	973,750
Juneau 2012 Three School Construction	1,482,875	1,455,375	1,440,838	1,430,600	1,400,375	1,363,625	1,364,875	1,363,125	1,363,250	-
City of Petersburg 2012 Three	103,925	101,525	104,838	103,050	105,000	101,500	102,875	104,000	104,875	105,500
Kenai Peninsula Borough (Bear Creek Fire) 2013 One	94,020	97,420	95,620	93,820	97,020	94,520	97,520	95,320	93,120	95,920
City and Borough of Juneau (Bartlett Hospital) 2013 One	1,656,213	1,652,113	1,657,213	1,659,263	1,665,563	1,661,863	1,661,513	1,666,713	1,665,313	1,667,513
City and Borough of Juneau 2013 One	204,610	201,010	202,410	203,610	199,610	204,610	200,210	200,810	201,210	201,410
Keetchikan Gateway Borough 2013 One	610,150	608,150	610,550	607,150	608,150	608,400	607,600	611,000	608,400	-
Kodiak Island Borough 2013 One	1,689,340	1,690,140	1,689,740	1,688,140	1,690,340	1,687,590	1,691,790	1,689,390	1,690,590	1,690,190
City of Sand Point 2013 One	180,580	183,180	180,580	182,980	180,180	181,680	183,680	180,480	182,280	183,880
City and Borough of Sitka (Harbor) 2013 One	310,700	310,300	309,700	308,900	307,900	310,150	308,550	311,750	309,550	312,150
City and Borough of Sitka (Electric) 2013 One	1,757,360	1,757,360	1,757,360	1,757,360	1,757,360	1,757,360	1,757,360	1,757,360	1,757,360	1,757,360
City of Homer 2013 Two	287,350	289,750	292,050	287,850	288,650	289,300	293,300	291,900	290,300	293,500
City of Keetchikan 2013 Two	1,700,400	1,064,400	1,069,500	1,069,200	1,068,450	1,072,250	1,069,850	1,071,650	1,072,450	1,077,250
Kodiak Island Borough 2013 Two	1,353,688	1,355,538	1,356,788	1,355,988	1,355,888	1,360,188	1,361,588	1,361,788	1,363,038	1,367,288
Municipality of Skagway 2013 Two	67,550	66,950	71,350	70,300	69,250	68,200	71,800	70,200	68,600	72,000
City and Borough of Juneau 2013 Three	905,504	902,325	902,475	903,650	905,450	903,650	902,125	902,000	905,000	902,000
Kenai Peninsula Borough	1,627,504	1,628,725	1,627,300	1,626,550	1,625,550	1,626,600	1,627,325	1,628,500	1,627,675	1,630,175
Lake and Peninsula Borough 2013 Three	1,421,220	1,424,450	1,420,088	1,421,950	1,419,850	1,423,900	1,423,250	1,424,250	1,423,500	1,422,000
City and Borough of Sitka 2013 Three	1,547,678	1,274,975	1,274,975	1,274,975	1,274,975	1,274,975	1,274,975	1,274,975	1,274,975	1,274,975
Kenai Peninsula Borough 2014 One	2,959,268	2,958,056	2,956,280	2,956,670	2,960,067	2,960,062	2,959,103	2,955,849	2,957,500	2,955,500
Kodiak Island Borough 2014 One	1,776,185	1,775,663	1,777,113	1,774,713	1,772,713	1,775,113	1,772,113	1,776,363	1,772,113	1,772,613
City and Borough of Juneau 2014 One	403,859	403,188	403,838	407,838	404,838	406,538	403,138	404,638	405,638	406,138
City of Keetchikan Hospital (G.O.) 2014 Two	1,666,015	1,753,700	1,753,700	2,553,700	2,553,700	2,551,700	2,552,700	2,556,450	2,557,700	2,556,450
City of Keetchikan Harbor (G.O.) 2014 Two	199,048	207,500	203,900	205,300	205,500	205,500	205,300	204,800	209,050	207,800
City of King Cove Electric 2014 Two	160,873	165,250	160,650	161,050	160,050	163,800	42,050	41,050	40,050	39,050
Total Loan Obligation DS	\$ 81,313,241	\$ 81,493,230	\$ 81,088,153	\$ 79,236,233	\$ 79,181,723	\$ 75,344,903	\$ 72,562,151	\$ 69,609,175	\$ 69,264,990	\$ 64,752,495

ALASKA MUNICIPAL BOND BANK AUTHORITY
(A Component Unit of the State of Alaska)

Supplemental Schedule of 2010 Master Resolution Program - Community
Concentration

June 30, 2014

<u>Borrower</u>	<u>Outstanding Par</u>	<u>Percent of Outstanding</u>
Ketchikan Gateway Borough	\$ 4,435,000	100.00%
Total Outstanding Par	<u>\$ 4,435,000</u>	<u>100.00%</u>

See independent auditor's report

ALASKA MUNICIPAL BOND BANK AUTHORITY
(A Component Unit of the State of Alaska)

Supplemental Schedule 2010 Master Resolution Program - Debt Service Requirements

June 30, 2014

Borrower	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Ketchikan Gateway Borough	\$ 404,744	\$ 400,544	\$ 400,544	\$ 399,644	\$ 403,444	\$ 400,474	\$ 395,791	\$ 390,819	\$ 385,558	\$ 380,007
Total Loan Obligation DS	\$ 404,744	\$ 400,544	\$ 400,544	\$ 399,644	\$ 403,444	\$ 400,474	\$ 395,791	\$ 390,819	\$ 385,558	\$ 380,007