ALASKA MUNICIPAL BOND BANK AUTHORITY

BOARD OF DIRECTOR'S MEETING

TO BE HELD AT
Yukon-Kuskokwim Health Corporation
Corporate Office - Board Room
528 Chief Eddie Hoffman Hwy
Bethel, AK 99559

October 8, 2018

9:30 AM ADT

333 Willoughby Avenue, 11th Floor
P.O. Box 110405
Juneau, Alaska 99811-405

Phone: (907) 465-2388
Fax: (907) 465-2902
dor.trs.ambba@alaska.gov

AGENDA FOR BOARD OF DIRECTOR'S MEETING

Meeting Place:
Yukon-Kuskokwim Health Corporation
Corporate Office – Board Room
528 Chief Eddie Hoffman Hwy
Bethel, AK 99559

October 8, 2018 at 9:30 a.m. ADT

I. Call to Order

II. Roll Call

III. Public Meeting Notice

IV. Approval of Agenda

V. Election of Officers

VI. Minutes of the June 20, 2018 Meeting of the Board of Directors

VII. General Business

- **A. Introduction of New Board Member**
- **B. Kenai Peninsula Borough – Credit Review & Discussion**
- **C. City & Borough of Sitka – Credit Review & Discussion – Harbor**
- **D. City & Borough of Sitka – Credit Review & Discussion – Airport**
- **E. AMBBA Resolution No. 2018-01**
- **F. Finance Director's Report**
  - **Fiscal Year 2018 Audit**
- **G. Executive Director's Report**

VIII. Public Comments

IX. Board Comments

X. Adjournment

STATUS: Active

NOTICE OF MEETING: Alaska Municipal Bond Bank Authority Board of Director's Meeting

Alaska Municipal Bond Bank Authority Board of Director's Meeting

Meeting Place: Yukon-Kuskokwim Health Corporation, Corporate Office - Board Room, 528 Chief Eddie Hoffman Highway, Bethel, AK 99559

Meeting Date and Time: October 8, 2018 at 9:30AM ADT

The public is invited to attend. Individuals who may need special modifications to participate should call (907) 465-2893 prior to the meeting.

Agenda for Board of Director's Meeting:

I. Call to Order

II. Roll Call

1. Public Meeting Notice
2. Approval of Agenda
3. Election of Officers
4. Minutes of the June 20, 2018 Meeting of the Board of Directors
5. General Business
    1. Introduction of New Board Member
    2. Kenai Peninsula Borough – Credit Review & Discussion
    3. City & Borough of Sitka – Credit Review & Discussion – Harbor
    4. City & Borough of Sitka – Credit Review & Discussion – Airport
    5. AMBBA Resolution No. 2018-01
    6. Finance Director's Report
        - Fiscal Year 2018 Audit
    7. Executive Director's Report
6. Public Comments
7. Board Comments
8. Adjournment

Attachments, History, Details

Attachments

AMBBA Agenda for 10-8-2018.pdf

Revision History

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Details

Department:	Revenue
Category:	Agency Meetings
Sub-Category:	
Location(s):	Statewide
Project/Regulation #:	
Publish Date:	10/1/2018
Archive Date:	10/9/2018
Events/Deadlines:	

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MINUTES of the BOARD OF DIRECTORS MEETING

ALASKA MUNICIPAL BOND BANK AUTHORITY

June 20, 2018

I. CALL TO ORDER

Luke Welles called the meeting to order at 10:04 AM, Alaska Daylight Time. Members participated at The Cannery Lodge Conference Room, 2101 Bowpicker Lane, Unit 13, Kenai, AK 99611.

II. ROLL CALL

Luke Welles
Craig Chapman
Mike Navarre
Pam Leary
Greg Gursey

OTHERS IN ATTENDANCE:

- Deven Mitchell, Executive Director, Alaska Municipal Bond Bank
- Ryan Williams, Finance Director, Alaska Municipal Bond Bank
- Chip Pierce, Financial Advisor, Western Financial Group
- Leslie Krusen, Orrick, Herrington & Sutcliffe, LLP
- Mark Pfeffer, Past Chairperson, Alaska Municipal Bond Bank
- Eric Whaley, BAML
- Isaac Sine, JP Morgan
- Laura Janke, RBC Capital Markets

III. PUBLIC MEETING NOTICE

A copy of the Online Public Notice concerning the date, location, and purpose of the meeting was reviewed for the record. The public notice was officially published on May 31, 2018 on the official Alaska Online Public Notice website for the June 20, 2018 meeting date.

IV. APPROVAL OF AGENDA

The agenda was reviewed by the board. The agenda was approved unanimously as written without objection.

V. MINUTES of the March 1, 2018 Board of Directors Meeting

The March 1, 2018 minutes of the AMBBA Board of Directors meeting were reviewed by the board. Mr. Navarre moved approval of the March 1, 2018 minutes as written, and approval was seconded by Mr. Chapman. With no further objections, the minutes were approved.

VI. GENERAL BUISNESS

No New Business

VII. PUBLIC COMMENTS

There were none.

VIII. BOARD COMMENTS

Mr. Mitchell acknowledged this would potentially be Greg Gursey's final board meeting as his term expires in July. The Board and staff thanked Greg for his contributions over the years.

ADJOURNMENT

Mr. Welles adjourned the meeting without objection at 10:17 a.m. ADT.

_____

Luke Welles, Chairman

Alaska Municipal Bond Bank
Application Credit Review Summary Page

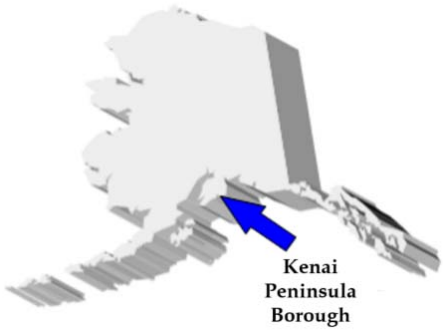
Applicant:	Kenai Peninsula Borough ("KPB")
Loan Amount:	$5,450,000
Project Type:	School facilities construction
Project Description:	KPB will apply the proceeds of the Bond Bank loan to construct a new kindergarten through twelfth grade school facility in the geographically isolated Kachemak attendance area.
Term of Loan:	20 years
Revenues Pledged to Loan:	Property taxes
Most recent FY Net Pledged Revenues:	General Fund: $23,234,027 Total Property Tax Collections: $35,157,568
Estimated Annual Debt Service:	Approximately $395 thousand
Total Bond Bank Annual Debt Service (including estimated 2018 One Bonds DS):	$16.83 million
Most Recent FY Debt Service Coverage Ratio:	N/A
Most Recent FY State-Shared Revenues (SSR):	$88,722,434
Debt Service Coverage of AMBB DS from SSR (includes estimated 2018 One Bonds DS):	5.27x
Loan Subject to State Debt Service Reimbursement:	No
Estimated Borrower Savings (Gross):	$263,305
Estimated Borrower Savings (Present Value):	$186,282
No Litigation Letter Received:	Yes

Loan Application Evaluation
Kenai Peninsula Borough

Introduction

Kenai Peninsula Borough (the "Borough") has submitted an application to the Alaska Municipal Bond Bank (the "Bond Bank") for a General Obligation Bond Loan totaling an amount not to exceed $5,450,000. The Borough will use its loan towards building a new K-12 facility for Kachemak-Selo School. We have completed our review of this application and following is our overview of this project and the security provisions associated with the loan.

The Project



The Kachemak-Selo School project began on July 9, 2011 when a petition was submitted by the local residents to the school board requesting a public school facility. The school is currently housed in out-dated residential-grade leased facilities that have deteriorated to the point that they are no longer viable as an educational facility.

The educational specifications for the new school were funded by a Community Development Block Grant in 2013 and approved by the school board on April 14, 2014. The project was submitted to the Department of Education and Early Development (DEED) during the FY 17 Grant Application Process and awarded funding through the State of Alaska 2016/2017 Capital Budget. The project has been approved for funding as shown below:

65% DEED Approved Grant (State Share):	$10,010,000
35% Local Participating Share (Bond):	$5,450,000
Total DEED Approved Project Cost:	$15,460,000

This project will construct a new 18,599 square foot K-12 facility. The scope of work includes site acquisition, site development, design and construction. This facility will allow the school district to provide adequate educational opportunities in the geographically isolated Kachemak attendance area located at the head of Kachemak Bay, approximately 30 miles east of Homer, Alaska.

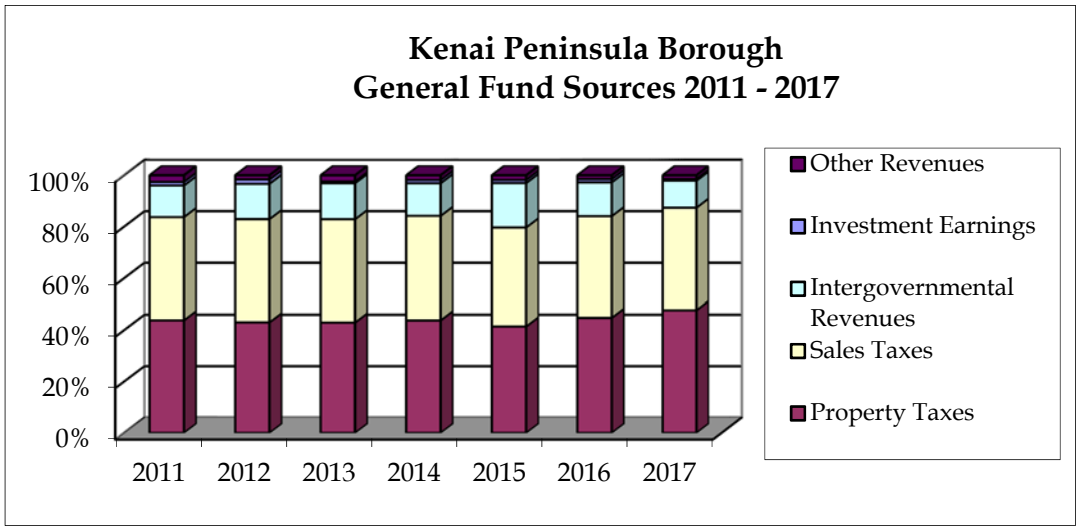
Borough Financial Position

The Borough's General Fund derives its revenues primarily from property taxes (47.7% in fiscal year 2017) and sales taxes (39.7% in 2017). Intergovernmental revenues made up 10.5% of General Fund revenues in 2017. Borough wide, the general government property tax rate has decreased from a high of 8.59 mills in FY 1996 to its current rate of 4.7 mills. The Borough also has a 3% sales tax, which is applied only to the first $500 of each separate sale.

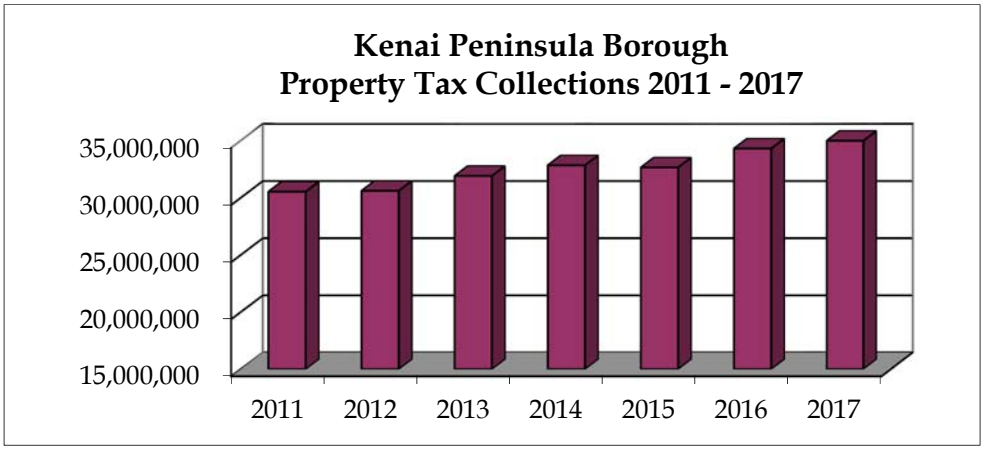
Taxable sales in FY 2018 were $1.067 billion, an increase of 6.2% from the prior year and a

21% increase from FY 2010. The overall increase from FY 2010 reflects an improving economy that has largely recovered from the recession of 2009. Sales taxes continues to generate a significant portion of the Borough's revenue; in FY 1998, sales tax revenue represented 21% of total General Fund revenues; in FY 2017, sales tax revenues represented almost 40%. It should be noted that the sales tax rate went from 2% to 3% effective January 1, 2008.

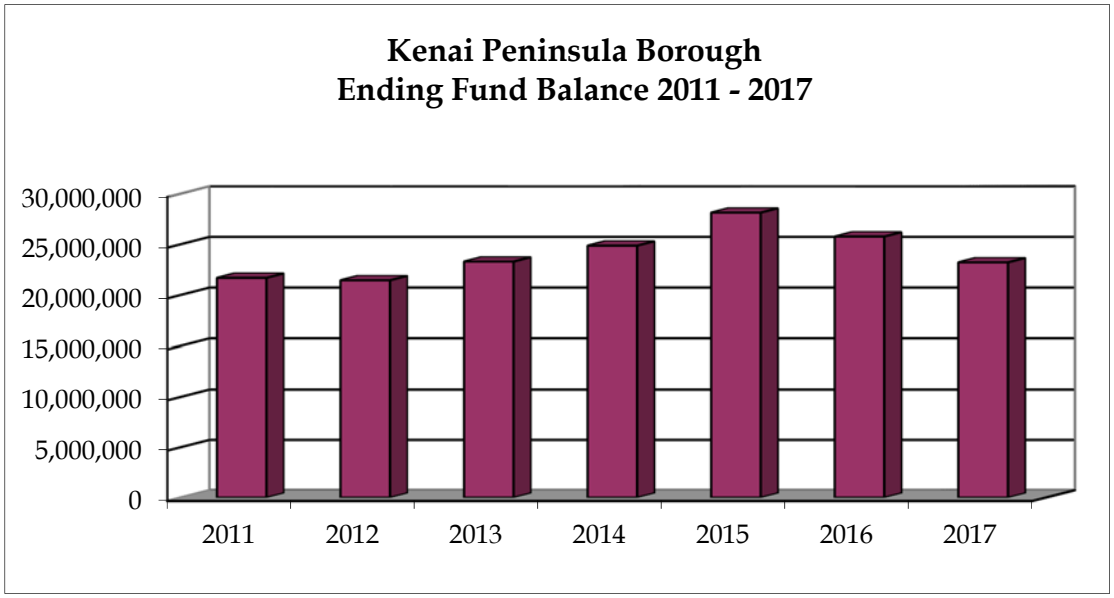
The graph below presents the Borough's stable General Fund revenue distribution over the past seven fiscal years. The graph shows that property taxes have consistently been the primary source of General Fund revenue, accounting for nearly 44% of General Fund resources over the past seven years. Sales taxes are next in importance, averaging approximately 40% during that period. Intergovernmental revenues have averaged 13%.



The graph below demonstrates that the primary source of general fund revenues, property taxes, were at their peak in fiscal year 2017, with property tax collections at $36.54 million.

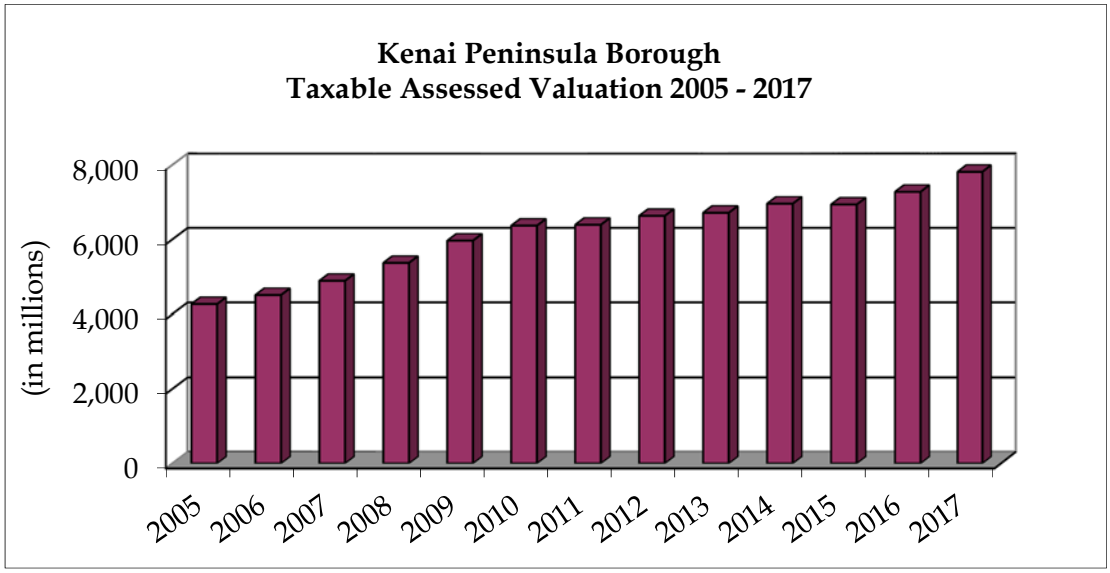


At the end of FY 2017, total fund balance for the General Fund was $23.2 million, a decrease of $2.5 million from FY 2016; however, the Borough maintains a minimum unreserved fund balance that grew from $14.6 million in FY 2016 to $15.3 million in FY 2017. The minimum fund balance policy adopted by the Kenai Peninsula Borough Assembly sets the minimum unreserved General Fund balance based on Borough operations, projected capital needs, working capital and future expected costs.



Security Pledge

The full faith and credit and taxing ability of the Borough is pledged to the Bond Bank loan. The taxable value of the Borough is $7.8 billion. The graph below presents the assessed value of the Borough over the past 11 years.



Taxable assessed value in the Borough has grown at an average of 4.9% annually over the past twelve years. Post-recession, the AV growth rate from 2011 – 2017 was 3%. In the past 3 years the growth rate has climbed to just under 4%.

Subject to voter approval at the October 2, 2018 bond election, the Borough will pledge its general obligation secured by property taxes to the Bond Bank for this loan.

With the issuance of the Bond Bank's 2018 Series One Bonds, the Borough will have approximately $72.5 million of general obligation bonds outstanding to the Bond Bank, including the bonds of service areas within the Borough. The Bond Bank will also hold approximately $54.1 million of loans secured by hospital revenues within the Borough. The proposed loan will mature in 20 years.

Future Capital Plans

The Borough plans to issue $1,935,000 of general obligation bonds for the Central Emergency Services area ("CES") in the fall of 2019 and $5,195,000 of general obligation bonds for the Central Peninsula Landfill in 2022. CES is also projecting that in 2022, it will be remodeling Station #1. The estimated cost is approximately $10,900,000 with funding to be provided from a combination of grants and debt issuance. Bonds issued for the CES will be the responsibility of the CES, while bonds issued for the Central Peninsula Landfill will be the responsibility of the Borough.

State-Aid Intercept

In addition to the general obligation pledge by the Borough, the Bond Bank has the ability to intercept state-shared revenues that will otherwise flow to the Borough. The table below summarizes the revenues subject to intercept, along with the maximum annual debt service on Borough's bonds.

Shared Taxes and Fees	$1,501,883
Dept. of Transportation Reimbursement	$0
Reimbursement and Other Education Funding	$2,845,713
Education Support Funding	$79,721,955
Matching Grants	$3,193,876
Community Jails	$0
PILT Transfers	$0
Revenue Sharing	$1,459,007
Total Revenue Subject to Intercept	$88,722,434
Fiscal Year 2018 Debt Service (includes 2019 Loans DS)	$16,830,000
Debt Service Coverage	**5.27**

Estimated Borrower Savings

Savings to KPB as a result of borrowing through the Bond Bank are estimated at approximately $263 thousand or $186 thousand on a present value basis. Savings are a result of

lower costs of issuance that KPB will face as a result of issuing through the Bond Bank, as well as lower assumed yields.

Statement of No Litigation

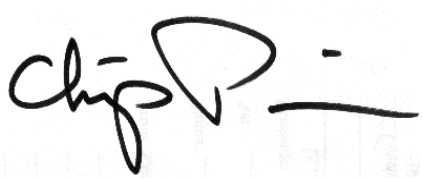
Accompanying the application from the Borough is a letter from Colette Thompson, the Borough Attorney, stating that "there is no litigation pending or threatened... affecting the corporate existence of the Borough... seeking to restrain or enjoin the issuance, sale or delivery of the Bonds or pledge thereof, or any way contesting or affecting the validity or enforceability of the bonds or the loan agreement between the Borough and the Bank..."

Summary

Based on our assessment, the security offered by the Borough, as set forth in the Borough's loan application and supplemental materials, provides sufficient security to justify approval of the application. The Borough's General Fund has diverse revenue sources, the Borough maintains high fund balances and the Bond Bank's ability to intercept Borough revenues adds significantly to the security of the loan.

We recommend approval of this loan application conditioned upon voter approval of the proposed bond measure. If you or any of the Board members have any questions regarding our analysis, please feel free to call me at (503) 719-6113.

For Western Financial Group, LLC



Chip Pierce

Kenai Peninsula Borough Economic and Demographic Information

The Borough was incorporated in 1964 as a second-class borough. It occupies a geographic area of approximately 25,600 miles. The Borough is located in the south central part of the state of Alaska. The estimated population for the Borough is 58,024. Kenai is accessible by the Sterling Highway to Anchorage, Fairbanks, Canada and the lower 48 states. Scheduled and charter airlines and helicopter services are provided. Ocean-going freighters can be tendered at Seward, Homer and Kenai. The Borough is empowered to levy a property tax on both real and personal properties located within its boundaries.

State of Alaska law mandates that second-class boroughs provide certain services on an area-wide basis to all taxpayers. All other services must be approved by a majority of voters who are to receive the services. This gives taxpayers control over the type and level of services they receive and pay for. Currently, the Borough provides the following area-wide services: assessment and collection of property taxes and sales tax collection for the Borough and cities within the Borough, planning, solid waste disposal, education, senior citizen funding, post-secondary education, 911 emergency communications, emergency management and general administrative services. Other services provided by the Borough include fire protection, hospital services, emergency medical and ambulance services, recreation, senior citizen funding, road maintenance, economic development, tourism promotion, and special assessment authority for utility line extensions and road improvement districts. The Borough also has non-area-wide port and harbor powers that are not currently exercised. Funding for the Borough, by order of financial significances, is provided from property tax, sales tax, state revenue, federal revenue, interest earnings, and other sources.

The Borough economy is highly diverse. The five industry categories that have the most employment are local government, retail trade, leisure and hospitality, natural resources and health care. Together they represent most of the Borough's employment. That diversity allows the Borough to be more resilient to declines in any one industry. The Borough's economy has experienced consistent, gradual growth since the late 1980's.

Oil and gas continues to play a vital role in the Borough's economy, although the players have changed. Large national and multinational companies have been replaced by independents, which resulted in a resurgence in exploration and production. New players include Buccaneer Energy, Cook Inlet Energy and Hilcorp Energy, which purchased the assets of Chevron in 2012 and Marathon Oil in 2013. This has led to new wells in the Anchor Point and Kenai area, and jack up rigs being used throughout Cook Inlet, along with increased exploration in other areas of the Borough, resulting in an increase in assessed value for oil and gas properties. Assessed values for oil and gas properties increased from $635 million in 2009, to $1.518 billion in FY 2018. During this same time frame, oil production has increased from approximately 7,500 barrels per day to approximately 17,900 barrels per day.

Increased oil and gas exploration has also had an impact on the Borough's unemployment rate. The unemployment rate decreased from 10.0% in 2010 to 9.5% in 2011, 8.6% in 2012, 8.0% in 2013 and 7.9% in 2014. The 2015, 2016 and 2017 unemployment rates for the Borough were 7.9%, 8.6%, and 8.5% respectively. The unemployment rate for the first 6 months of 2018 is 7.1%, down compared to the first six months of 2017 at 7.7%. Traditionally the Borough's unemployment rate

has been 2% to 3% higher than the statewide rate, much of this is due to the seasonality of work in the fishing and tourism industry. Due to the decrease in the price of oil, the Borough's unemployment rate may increase in 2018, as oil companies have announced a reduction in the amount of drilling and exploration. The impact to the Borough, if the global reduction in the price of gas and oil continues, is unknown at this time. In addition, with the phase out of the tax credit program from the State of Alaska, it is expected that both the Borough and the State will see a reduction in oil and gas exploration.

Application for General Obligation Bonds

A request for the Alaska Municipal Bond Bank Authority (the Bond Bank) to purchase a revenue bond issue of the applicant. This isn't considered a commitment on the part of the applicant or the Bond Bank. Additional information may be requested before a final recommendation.

I. General Information

A. Name of Governmental Unit (Applicant):

Kenai Peninsula Borough

B. Type of government (home rule, first class, authority, etc.):

2nd Class Borough

C. Contact Person for the government:

Name:	Title:		
Brandi Harbaugh	Finance Director		
Address:	**City:**	**State:**	**Zip:**
144 N Binkley St	Soldotna	AK	99611
Phone:	**Fax:**	**E-mail:**	
(907) 714-2171		bharbaugh@kpb.us	

D. Applicant's Bond Counsel:

Name:	Title:		
Jermain Dunnagan & Owens	Cynthia Cartledge		
Address:	**City:**	**State:**	**Zip:**
3000 A Street, Suite 300	Anchorage	AK	99503
Phone:	**Fax:**	**E-mail:**	
907 563-8844		ccartledge@jdolaw.com	

E. Applicant's Financial Advisor or Underwriter (if applicable):

Name:	Title:		
N/A			
Address:	**City:**	**State:**	**Zip:**
Phone:	**Fax:**	**E-mail:**	

II. Issue Information

A. Total amount of bond purchase request: $5,450,000

B. Total term of requested loan: 20

C. Preferred principal and interest payment months: _____ **principal/interest** _____ **interest only**

D. If a bond election is required, provide a copy of the bond election ordinance and ballot proposition. Attachment # 1

If a bond election has been held, provide the votes for and against the issue(s):

Yes:	No:	Percent of registered voters casting ballots:
Pending outcome		

Does the municipality intend to pledge any specific assets or taxes in addition to property tax? N/A

E. Will you need interim financing? No

1. If applicable, provide interim financing information:

Amount:	Maturity:	Rate:	Lender:

2. Provide information that would impact the Bond Bank's ability to retire the interim financing with permanent financing. ❑ Attached None None

F. Describe project to be financed, including the information requesting in 1-6. If this information is available in a project feasibility study, you may reference and attach it. Attachment #2

1. Are engineering and specifications completed? ❑Yes ✠No
2. If not, when are they projected for completion? Feb-Mar 2019
3. Have construction bids been awarded? ❑Yes ✠No Apr-May 2019
4. Are there additional state or local approvals required? ✠Yes No DEED
5. Describe timing/scheduling plan: Attachment #3
6. What is the projected completion date? August 2020

G. Sources of uses of funds

Sources of Funds		Uses of Funds	
Bonds (this application)	$5,450,000	Construction	$12,488,257
Federal Funds*	$0	Engineering	$1,101,905
State Funds*	$10,010,000	Contingency	$612,168
Applicant's Funds	$0	Cost of Issuance	$60,000
Other (specify) local funds	$0	Other	$1,197,670
Total:	$15,460,000	Total:	$15,460,000

*If federal or state funds are involved, provide a compete description of the status and uses of these funds.

1. Indicate which costs, including costs of issuance, would be paid for with AMBBA bond proceeds:

All eligible cost of the project would be charged to bond proceeds

III. Credit Information

A. Provide the loan agreements or copies of the cover page of official statements for your government's outstanding bonds. Attachment # 4

B. Has your municipality entered into lease purchase agreements or other financing agreements supported by General Fund revenues? ❑Yes ❑No No

If yes, provide amount of financed, purpose and principal amount outstanding. $

C. Are any of the above referenced issues supported by special assessments on benefited property, revenues, user fees or state reimbursement for school construction projects? ❑Yes ❑No No

If yes, please attach details. ❑Attached

D. Has your government ever failed to meet its debt service coverage requirements or other covenants on general obligation, revenue, or special assessment bonds? ❑Yes ❑No No

If yes, please attach an explanation. ❑Attached

E. Has your government ever defaulted on any of its general obligation, revenue, or special assessment bonds? ❑Yes ❑No No

If yes, please attach an explanation. ❑Attached

F. Provide information on the amount, timing, and purpose of any bonds you have authorized by the voters, but not yet issued. ❑Attached. None

G. Attach your government's forecast on amount, timing, and purpose of future general obligation or revenue bond financing. If this information is available in your long-term plan, provide a copy. ❑Attached Attachment # 5

H. Give a brief summary of your local economy. Include major industries and their projections. Describe any positive or negative trends or factors. (If this information is available in an annual report, provide a copy with your application.) ❑Attached Attachment # 6

Are any of the community's major employers expected to make changes in work force or operations? Attachment # 6

If yes, provide an explanations. ❑Attached

J. Please provide population figures for your community for the last five years. Indicate the source of your figures.

Year	Population	Source
July 1, 2017	58,024	Alaska Department of Labor
July 1, 2016	58,060	Alaska Department of Labor
July 1, 2015	57,763	Alaska Department of Labor
July 1, 2014	57,415	Alaska Department of Labor
July 1, 2013	56,862	Alaska Department of Labor

L. Provide assessed valuation and property tax collected for all taxable property within your corporate limits for the past five years. ❑Attached Attachment # 7

M. Provide your audited financial statements from the last two years. Attachement # 8

N. Provide your current year's budget. Attachement # 9

O. Provide your capital improvement plan. Attachement # 10

P. Provide any other financial or economic information that will assist evaluation of your application. ❑Attached

IV. Legal Information

A. Provide a certificate of your legal counsel that establishes there is no litigation pending or threatened in any court

1. affecting the corporate existence of your government, or the titles of officers to their respective offices, or seeking to restrain or enjoin the issuance, sale or delivery of the bonds, or the right of the applicant to levy and collect taxes pledged or to be pledged to pay the principal of and interest on the bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the bonds or the loan agreement between the applicant and the Bond Bank, or contesting the power of your government or your authority with respect to the bonds; or

2. against your government or involving any of the property or assets of or under the control of your government, which , whether individually or in the aggregate involves the possibility of any judgement or uninsured liability which may result in any material change in the revenues properties, or assets, or in the condition, financial or otherwise, of your government.

B. An opinion or certificate to the same effect, dated the date of the closing, shall be delivered to the Bond Bank on the date of closing.

C. If any such litigation is pending or threatened, attach a description of the litigation, including caption and case number, description of the relief requested as it pertains to the matters described, and the procedural status of the litigation

Attachment # 11

The facts and representations in this application and all attachments are true and accurate in all respects and no material facts are omitted to the best of my knowledge

Brandi Harbaugh
Name (print)

Kenai Peninsula Borough, Finance Director
Title

Signature

August 6, 2018
Date of Application

Please return all applications to:
Deven Mitchell
Alaska Municipal Bond Bank Authority
Department of Revenue
PO Box 110405
Juneau, AK 99811-0405
(907)465-2388 phone
(907)465-2389 fax
deven_mitchell@revenue.state.ak.us

Attachment # 1

Kenai Peninsula Borough

Ordinance 2018-21

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF THE KENAI PENINSULA BOROUGH THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED FIVE MILLION FOUR HUNDRED FIFTY THOUSAND DOLLARS ($5,450,000) OF GENERAL OBLIGATION BONDS OF THE KENAI PENINSULA BOROUGH TO PAY THE LOCAL REQUIRED MATCH PORTION OF THE COSTS OF THE KACHEMAK-SELO NEW K-12 SCHOOL CONSTRUCTION PROJECT AT AN ELECTION IN AND FOR THE KENAI PENINSULA BOROUGH ON OCTOBER 2, 2018

Introduced by:	Mayor
Date:	05/15/18
Hearing:	06/05/18
Action:	Enacted as Amended
Vote:	9 Yes, 0 No, 0 Absent

KENAI PENINSULA BOROUGH
ORDINANCE 2018-21

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF THE KENAI PENINSULA BOROUGH THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED FIVE MILLION FOUR HUNDRED FIFTY THOUSAND DOLLARS ($5,450,000) OF GENERAL OBLIGATION BONDS OF THE KENAI PENINSULA BOROUGH TO PAY THE LOCAL REQUIRED MATCH PORTION OF THE COSTS OF THE KACHEMAK-SELO NEW K-12 SCHOOL CONSTRUCTION PROJECT AT AN ELECTION IN AND FOR THE KENAI PENINSULA BOROUGH ON OCTOBER 2, 2018

WHEREAS, the Kachemak-Selo New K-12 School Construction project began July 9, 2011 when a petition was submitted to the school board by local residents requesting a public school facility; and

WHEREAS, kindergarten through twelfth grade classes are currently housed in three leased residential facilities that have deteriorated beyond useful capacity; and

WHEREAS, the educational specifications for the new school were funded by a Community Development Block grant in 2013 and subsequently approved by the Department of Education and Early Development ("DEED") during the FY2017 grant application process and awarded $10,010,000 in funding through the State of Alaska 2016-2017 Capital Budget under the School Construction grant program; and

WHEREAS, the $10,010,000 DEED grant requires a 35% match of $5,390,000 be provided by the Kenai Peninsula Borough ("Borough"); and

WHEREAS, the project scope includes planning, design, site acquisition, preparation and development, construction and equipping the Kachemak-Selo K-12 school; and

WHEREAS, this facility will allow the school district to provide kindergarten through twelfth grade education in the geographically isolated Kachemak attendance area located at the head of Kachemak Bay, approximately 30 miles east of Homer Alaska; and

WHEREAS, it is expected that the estimated cost of this construction project will not exceed $15,460,000; and

WHEREAS, the Kenai Peninsula Borough Board of Education at its June 4, 2018, meeting recommended approval; and

WHEREAS, the use of bond proceeds to finance the costs of education capital improvements will occur only if, and to the extent that, such project qualifies for at least 70 percent debt reimbursement under Alaska Statute 14.11.100;

NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. It is hereby determined to be for a public purpose and in the public interest of the Kenai Peninsula Borough, Alaska (the "Borough") to incur general obligation bonded indebtedness in an amount not to exceed five million four hundred fifty thousand dollars ($5,450,000), for the purpose of paying the costs of planning, land acquisition, designing, site preparation, constructing, acquiring, renovating, installing, and equipping the Kachemak-Selo New K-12 School Construction project. The Borough will not issue bonds in a principal amount greater than the total estimated cost of projects approved by the State of Alaska Department of Education and Early Development. Upon completion of the projects, any unexpended bond proceeds, including interest income generated through investment of the bond funds, may be used to fund any other educational capital improvement projects chosen by the borough and approved by the Department of Education and Early Development.

SECTION 2. The sum of not to exceed five million four hundred fifty thousand dollars ($5,450,000) shall be borrowed by, for and on behalf of the Borough for the education capital improvements described above and shall be evidenced by the issuance of general obligation bonds of the Borough. The bond proceeds shall be used only for capital improvements and costs of issuance of the bonds. The full faith and credit of the Borough is pledged for the payment of the principal of and interest on the bonds, and *ad valorem* taxes upon all taxable property in the Borough shall be levied without limitation as to rate or amount to pay the principal of and interest on the bonds when due.

SECTION 3. An election is to be held on October 2, 2018, in and for the Kenai Peninsula Borough, for the purpose of submitting a general obligation bond proposition to the qualified voters of the Borough for approval or rejection. The proposition must receive a majority vote of those in the Borough voting on the question to be approved. The proposition shall be substantially in the following form:

PROPOSITION NO. ___

EDUCATIONAL CAPITAL IMPROVEMENT GENERAL OBLIGATION BONDS

Shall the Kenai Peninsula Borough borrow up to $5,450,000 through the issuance of general obligation bonds?

The general obligation bond proceeds will be used to pay the 35% local required contribution for the costs of planning, land acquisition, designing, site preparation, constructing, acquiring, renovating, installing, and equipping the Kachemak-Selo New K-12 School Construction Project.

The debt will be paid from *ad valorem* taxes on all taxable property levied and collected areawide in the Borough. The Borough will also pledge its full faith and credit for payment of the debt. The approximate annual amount of taxes on $100,000 of assessed real or personal property value (based on the Borough's FY2018 taxable assessed valuation) to retire the debt is $4.95.

(Ordinance No. 2018-21)

SECTION 4. The proposition, both for paper ballots and machine ballots, shall be printed on a ballot which may set forth other general obligation bond propositions, and the following words shall be added as appropriate and next to a square provided for marking the ballot or voting by a machine:

PROPOSITION NO. ____ Yes ☐
No ☐

SECTION 5. Section 2 of this Ordinance shall become effective only if the proposition described in Section 3 is approved by a majority of the qualified voters voting on the proposition at the regular election on October 2, 2018. The remaining sections of this Ordinance shall become effective upon passage and approval.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 5TH DAY OF JUNE, 2018.

Wayne H. Ogle

Wayne H. Ogle, Assembly President

ATTEST:

John Blankenship

Johni Blankenship, MMC, Borough Clerk

Yes:	Bagley, Blakeley, Carpenter, Cooper, Dunne, Fischer, Hibbert, Smalley, Ogle
No:	None
Absent:	None

Attachment #2

Kenai Peninsula Borough

Project description

The Kachemak–Selo School project began on July 9, 2011 when a petition was submitted by the local residents to the school board requesting a public school facility. The school is currently housed in old residential grade leased facilities that have deteriorated to the point that they are no longer viable as an educational facility.

The Educational Specifications for the new school were funded by a Community Development Block Grant in 2013 and approved by the school board on April 14, 2014. The project was submitted to the Department of Education and Early Development (DEED) during the FY17 Grant Application Process and awarded funding through the State of Alaska 2016/2017 Capital Budget, HCS CSSB 138(FIN) am H -DEED "School Construction Fund" pg 3: line 24-25).

The project has been approved for funding as shown below:

65% DEED Approved Grant (State Share):	$10,010,000
35% Local Participating Share(BOND):	$5,450,000
Total DEED Approved Project Cost:	$15,460,000

This project will construct a new 18,599 square foot K-12 facility. The scope of work includes site acquisition, site development, design, and construction. This facility will allow the school district to provide adequate educational opportunities in the geographically isolated Kachemak attendance area located at the head of Kachemak Bay, approximately 30 miles east of Homer Alaska.

DEED letter and budget attached

THE STATE
of ALASKA
GOVERNOR BILL WALKER

Department of Education & Early Development

FINANCE & SUPPORT SERVICES

801 West 10th Street, Suite 200
PO Box 110500
Juneau, Alaska 99811-0500
Telephone: 907.465.6906
Fax: 907.463.5279
E-mail: Tim.Mearig@alaska.gov

June 18, 2018

Charlie Pierce, Borough Mayor
Kenai Peninsula Borough
144 N. Binkley Street
Soldotna, Alaska 99669

Re: Kachemak Selo New K-12 School Construction, DEED # GR-17-001

Mayor Pierce:

Enclosed please find two original project agreements for the capital improvement project funded by SB 138 passed during the 2016 Legislative Session. This agreement has been amended from the prior draft to set the project budget at $15,400,000 and increase the allowable square footage, reflecting department acceptance of the population projection analysis provided by Mr. Kevin Lyon. Please initial each page of the agreements, sign the agreements, and return all originals to the department for final execution. A fully executed original of each project agreement will be returned for borough records.

For more information on the administration of capital improvement projects, please download the department's *Capital Project Administration Handbook* at:

https://education.alaska.gov/Facilities/publications.html

As the projects progress, please note the following:

- Recipients must provide a participating share of the project cost within three years (July 1, 2019). Reference: AS 14.11.008.
- The department must receive notice and give approval of in-kind participating share and district use of force account for construction effort. Notice of intention to use in-kind services for the project's participating share must be received within 30 days of signing of the grant agreement. Reference: 4 AAC 31.023.
- Designers must be selected using a qualifications based open solicitation for services estimated to $50,000. Reference: 4 AAC 31.065.

- The Projected Energy Consumption and Cost report is to be provided either at the Schematic Design or Design Development submittal review for the project. This requirement applies to projects that include new construction, replacement, or major renovation of building systems that will impact the consumption and cost of energy usage for the facility. Reference: AS 14.07.020(a)(11).
- Construction shall be performed by contracts awarded by competitive bid unless otherwise approved for an alternative project delivery method. Reference: 4 AAC 31.080.
- Annual reports on project progress are required by July 31st of each year for as long as the department's project file remains active.

Upon execution of the agreement and DEED approval of a financial structure for the project, an authorization will be given to release Payment #1 funds. Subsequent deliverables are required as established in Appendix B to release additional project funds.

Should questions arise as the project proceeds, please contact me at (907) 465-6906 or Tim.Mearig@alaska.gov.

Sincerely,

Tim Mearig
Facilities Architect

Enclosures

cc: Kevin Lyon, KPB Capital Projects Manager <e-mail>
Sean Dusek, KPBSD Superintendent <e-mail>

PROJECT AGREEMENT

for the project

Kachemak Selo New K-12 School Construction

between

The State of Alaska, Department of Education & Early Development

and

Kenai Peninsula Borough

THIS CONTRACTUAL AGREEMENT, effective **July 1, 2016** is made between the State of Alaska, Department of Education and Early Development (hereinafter called State) and the **Kenai Peninsula Borough** (hereinafter called Recipient). The State and the Recipient are entering into this agreement pursuant to AS 14.11.020 and 4 AAC 31.023 et seq. as applicable to grant funding.

Whereas funds have been appropriated by the Legislature to the Department of Education and Early Development for the project described in Appendix "A" (hereinafter also referred to as "the Project") of this agreement, and whereas the Recipient has made a request to the State that the Recipient be allowed to assume all responsibility for the planning, design and construction of the project, and whereas the scope of this agreement consists of all contract clauses as set forth below and incorporates the provisions and requirements of Appendices A through E as listed below:

Appendix A	Project Scope and Budget
Appendix B	Payment Schedule
Appendix C	Laws, Codes, Regulations, Standards and Guidelines
Appendix D	Submittal Requirements
Appendix E	Budget Category Definitions & Account Codes

The parties enter into the following agreement:

Contract Clauses

1. Assumption of Responsibility: The Recipient agrees to assume all responsibility heretofore held by the Department of Education and Early Development and the Department of Transportation and Public Facilities relating to planning, design, and construction of the project.

2. Project Coordinator: The Recipient's coordinator for this agreement is **Kevin Lyon, Capital Projects Manager**. The Recipient agrees to notify the State of any change in coordinator.

3. Governing Provisions: This agreement shall be governed by the laws of the State of Alaska. The Recipient agrees during the planning, design, and construction to comply with the applicable provisions of law (AS 14.11, AS 35.10, AS 36.05) and regulation (4 AAC 31, 4 AAC 50) for public works.

PROJECT AGREEMENT

The following table lists the subject areas most frequently applied to school capital projects and their citation:

Accessibility	4 AAC 31.014(a)(1)
Bidding and Award	4 AAC 31.080 and AS 36.05
Budget Reductions	4 AAC 31.022(e) & 31.062
Construction Management Costs	AS 14.11.020(c)
Facility Disposal	4 AAC 31.085
Project Agreement	4 AAC 31.023(c)
Project Document Approval	4 AAC 31.040 & 31.062
Project Document Reviews	4 AAC 31.030 & 31.062
Purchase of Temporary Facilities	4 AAC 31.050
Reporting Procedures	4 AAC 31.060
School Space	4 AAC 31.020 & 31.061
Site Acquisition and Selection	4 AAC 31.025
Use of Consultants	4 AAC 31.065

4. Grant Funds: The State agrees to transfer the funds appropriated by the Legislature for the Project to a special account in the state treasury. The Recipient, with the approval of the State, may draw on the special account for the costs of planning, design, and construction of the project. The procedures to be followed by the Recipient drawing on the special account are set out in Appendix "B".

5. Project Document Reviews: The Recipient shall submit the elements of the plan as outlined in 4 AAC 31.030 for department review as they are developed. Drawings must be submitted in Portable Document Format (PDF), and must be clearly indexed on the title sheet or in a cover letter to the department. Other project documentation must be provided in electronic format wherever practicable. Final construction document submittals shall be signed and stamped by the Registered Design Professional (4 AAC 31.040). Each applicable document shall be provided at no cost to the State. Cost estimates are required at each design phase and shall be provided in the State's standard building system estimate format (DEED Cost Format). The Recipient shall also provide an Energy Consumption and Cost report, as necessary, in accordance with AS 14.07.020(a)(11). The Energy Consumption and Cost report will provide estimated annual energy consumption and cost information for electricity and heating following construction of the project in this Agreement.

6. Approvals and Permits: The Recipient shall coordinate all regulatory agency reviews and obtain all necessary written approvals from all agencies having jurisdiction over the Project.

7. Safety Precautions and Programs: The Recipient has the duty of providing for and overseeing all safety orders, precautions and programs necessary to the reasonable safety for the planning, design, and construction of the Project. In this connection, the Recipient shall take reasonable precautions for the safety of all project employees and all other persons whom the Project might affect, all work and materials incorporated in the Project, all property and improvements on the construction site and adjacent thereto, and shall comply with all applicable laws, ordinances, rules, regulations and orders.

PROJECT AGREEMENT

8. Project Scope Review: The Recipient is responsible to ensure the Project as designed conforms to the project scope as described in Appendix "A". Any modifications to the scope and/or budget of the Project will be submitted to the State in a written amendment for review and approval. The project scope may not be expanded beyond the scope of work described in Appendix A of this Agreement. The Recipient shall forward copies of all final bid or proposal documents to the State prior to advertising for bids as set out in 4 AAC 31.040. If any such documents conflict with the project scope, the Recipient will be notified that further payments of grant funds will not be paid by the State until those conflicting aspects are corrected and an amendment is approved.

9. Value Engineering: During the design of the Project, the Recipient, and the Recipient's consultants, shall incorporate value based design efforts with the goal of reducing the cost of the Project without sacrificing value.

10. Project Audit: In accordance with 4 AAC 31.023(c)(3), the Recipient's performance is subject to financial audit at any time. Project records shall be maintained for three (3) years after the project completion and acceptance. Within three hundred and sixty-five (365) days after certification of beneficial occupancy and/or substantial completion, the Recipient agrees to provide an auditable accounting of expenditures of the Project.

11. Project Accounting: Project accounting shall include all sources of revenues and Project expenditures by budgeted expense category. The expense categories shall conform to the categories indicated in Appendix A and defined in Appendix E. If the amount of the funding is more than $300,000, the Recipient may be required to provide an independent project audit. The cost of an audit required by the department is an allowable project expense. Accounting for the Project shall comply with the *Codification of Governmental Accounting and Financial Reporting Standards* as published by the Governmental Accounting Standards Board (GASB).

12. Final Inspection and Acceptance: The State may, in its discretion, participate in the final inspection of the Project. The Recipient shall furnish to the State, project documents certifying beneficial occupancy and/or substantial completion. The State shall have fifteen (15) days after final inspection or after receipt of the Recipient's project deliverables to make objections, after which time the Project shall be deemed accepted by the State. Objections will be presented in writing by the State and must be responded to in a satisfactory manner by the Recipient.

13. Facility Disposal: If, as a result of the Project, a State facility is determined no longer needed for educational purposes, the entity operating this facility shall provide the following for a period not to exceed one year: (1) maintenance of the facility in the condition it was when vacated; (2) sufficient security to discourage vandalism and ensure that the facility is not accessible to unauthorized persons; (3) property loss and liability insurance through the School District's risk management program with the State named as an additional insured. In addition, the School District shall, if requested, act as the agent for the state in disposing of the facility in accordance with 4 AAC 31.085(b)-(h).

14. Project Close-out: Within sixty (60) days of the issuance of final project accounting by the Recipient, the Recipient will return the full amount of the unexpended grant funding to the State of Alaska Department of Education and Early Development. The Recipient may, within sixty (60) days of the issuance of final project accounting, request that the State expand the project

scope of work, as defined in Appendix A. The approval of an expanded scope of work is not to be considered approval of an extension of the five-year term date of this agreement. Interest earned on any money paid to the Recipient under this agreement shall be held by it to pay for project cost overruns, change orders or other legitimate project costs as provided for in 4 AAC 31.063. If at completion of the Project, any money earned as interest remains, the Recipient agrees to transfer that amount to a capital reserve account for school capital projects.

15. Maintenance, Operation, Ownership of the Completed Project: Responsibilities for maintenance, operations, and ownership of the facility shall be borne by the Recipient or their legal designee. The Recipient shall acquire from the project's designers and contractor, project documentation required to establish an effective facility management and preventive maintenance program that satisfies the requirements of AS 14.11.011(b)(4). The Recipient shall provide evidence to the State that the completed project has been incorporated in the district's facility management program and the Recipient, if required, has established legal ownership of the facility.

16. Termination of Contract for Cause: The term of the contract shall not exceed five years from the effective date of the agreement unless an extension is granted by the State. If, through any cause, the Recipient shall fail to fulfill in timely and proper manner its obligations under this contract, or if the Recipient shall violate any of the covenants, agreements or stipulations of this contract, the State shall thereupon have the right to terminate this contract by giving written notice to the Recipient of such termination stating cause and specifying the effective date thereof, at least ten (10) days before the effective date of such termination. The termination shall take effect unless the Recipient presents to the State evidence it has cured the specified failure prior to the effective date or presents a plan for cure including a specific timeline and completion date acceptable to the State in its sole discretion. In the event of termination, all finished or unfinished documents, data, studies, drawings, maps, models, photographs, and reports or other materials prepared by the Recipient under this contract shall, at the option of the State, become the State's property and the Recipient shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and materials. Notwithstanding the above, the Recipient shall not be relieved of any liability to the State for damages sustained by the State by virtue of any breach of the contract by the Recipient, and the State may withhold any payments to the Recipient for the purpose of offset until such time as the exact amount of damages due to the State from the Recipient is determined.

17. Termination for Convenience of the State: The State may terminate this contract at any time by giving written notice to the Recipient of such termination and specifying the effective date thereof, at least thirty (30) days before the effective date of such termination. In that event, all finished or unfinished documents and other materials as described in paragraph 16 above shall, at the option of the State, become the State's property. If the contract is terminated by the State as provided herein, the Recipient shall be reimbursed for that portion of the actual out-of-pocket expenses not otherwise reimbursed under this contract which were incurred by the Recipient during the contract period and which are directly attributable to the Recipient's performance of this contract. If this contract is terminated due to the fault of the Recipient or its subcontractors, paragraph 16 shall apply.

18. Subcontracting: In the event the Recipient subcontracts any work covered by this contract, the Recipient shall require compliance by its subcontractors with wage rates as required by

AS 36.05.010 - AS 36.05.110. In addition, the Recipient shall require compliance with all federal, state, and local laws, regulations and ordinances relating to civil rights.

19. Participating Share: The Recipient agrees to provide the participating share of the total costs of the Project required under AS 14.11.008. If the Recipient is eligible to provide its participating share through a contribution of labor, material or equipment, it must provide notice to the State within thirty (30) days after signing this agreement. A description of the specific in-kind services must be included. The State may not unreasonably withhold its consent, but may impose record keeping requirements that allow it to monitor the incorporation of the local contribution into the Project. [4 AAC 31.023(d)]

20. Percent for Art: For school construction or renovation projects, the Recipient shall expend on art an amount equal to the percentage (as specified in AS 35.27.020) of the cost of construction. Renovations of building shell, structural or mechanical systems are excluded from this provision. Art will be selected by an Artwork Selection Committee consisting of: The superintendent (and or designated client representative), project manager, architect, and a designated individual from the Alaska State Council on the Arts (ASCA). The Project Manager will serve as chair of the Artwork Selection Committee.

21. State Held Harmless: The Recipient shall indemnify, defend, and hold harmless the State of Alaska and the Department of Education & Early Development, its officers, agents, and employees from and against any and all suits, claims, damages, losses and expenses arising out of any act or omission of the Recipient under this agreement or the Project specified hereunder.

22. Reporting Requirements: Annual reports shall be filed by July 31 of each year for grant projects using form 05-08-016 available on the department's website, or upon request.

23. In-House Requests: Recipient may request, in writing, that all or portions of the Project be completed utilizing Recipient employees. A request to utilize in-house forces to complete work on the Project must be approved by the Commissioner prior to initiation of the work. [4 AAC 31.080(a)]

24. Alternative Procurement: Recipient may request, in writing, that an alternative method of procurement be utilized for construction of the Project. A request to utilize alternative procurement methods for construction of the Project must be approved by the Department in advance of advertising for construction. [4 AAC 31.080(f)]

25. Funding Expiration: Project funding for this project expires five years from the date of the project agreement.

Charlie Pierce, Kenai Peninsula Borough Mayor — Date

State of Alaska, Department of Education and Early Development — Date

PROJECT AGREEMENT

APPENDIX A

1. **Project Scope of Work:**
   Eligible Gross Square Footage: *15,226gsf; 4 AAC 31.020(e)*
   Planning, design, construction, and equipping of a new K-12 school facility.
   - Covered exterior areas not to exceed 3,000sf; water and sewer support space not to exceed 761sf.
   - Site selection and acquisition of a new school site will be finalized in accordance with this agreement. The site shall be a maximum of 5 acres. Recipient will establish site control through a deed (if land is purchased) or long-term lease and shall hold title to the facility and improvements.
   - Site improvements may consist of: gravel surface parking and drives, gravel surface shipping/receiving, drives and storage, playground, wood play deck, grass play field(s), site fencing, and traffic control devices; the scope and extent of site improvements will be further established in the design review and approval process.
   - Site utilities may include: water production/treatment; on-site septic; bulk fuel storage, site lighting, electrical power, data/communications, fire protection water storage, and associated piping and conduit; the scope and extent of site utilities will be further established in the design review and approval process.

2. **The Recipient further agrees to comply with the following additional conditions:**
   The District acknowledges the Municipality or Borough may assume any or all of the responsibilities of this grant. (AS 14.14.060)

3. **Project Funds - Kachemak Selo K-12 School Construction**
   Chapter 2/4SSLA 16, page 3, lines 24-25

Grant Amount	**$10,010,000**
Recipient's Participating Share:	**$5,390,000**
Other Funds	**$0**
Project Total (Note 1)	**$15,400,000**

4. **Project Budget**

Cost Category	% of Construction	Total Project Budget
1. Construction Management (by consultant)	2.00%	$244,868
2. Land	N/A	$250,000
3. Site Investigation	N/A	$70,000
4. Design Services	9.00%	$1,101,905
5. Construction	100.00%	$12,243,389
6. Equipment	2.17%	$265,500
7. District Administrative Overhead	4.50%	$550,953
8. Percent for Art	0.50%	$61,217
9. Project Contingency	5.00%	$612,168
Totals	**123.17%**	**$15,400,000**

NOTE 1: Grant is reduced for space eligibility (4 AAC 31.20(d))

PROJECT AGREEMENT

APPENDIX B

PAYMENT SCHEDULE

Upon submission of the following documents, the Recipient shall submit a separate request to the State for payment. Upon receipt of the payment request and verification and/or approval of submittals, the State shall issue a warrant to the grant recipient.

1. Payment #1; [5%]	Project Agreement complete and DEED approval of financial structure. (Required before any payments will be issued).
2. Payment #2; [5%]	DEED receipt/approval of the Recipient's participating share.
3. Payment #3; [10%]	DEED receipt/approval of planning documents to include site selection report, final soils investigation report, condition surveys, updated educational specifications, archeological clearance, and A/E services agreement. (Appendix D; Items 2, 3, and 4)
4. Payment #4; [10%]	DEED receipt/approval of schematic design documents, cost estimate, and value analysis. DEED receipt/approval of an Energy Consumption and Cost report as necessary (Appendix D, Items 5 and 7)
5. Payment #5; [10%]	DEED receipt/approval of design development documents, cost estimate, and sufficient interest in site. DEED receipt/approval of an Energy Consumption and Cost report as necessary, and if not provided with Schematic Design. (Appendix D; Item 6 and 7)
6. Payment #6; [15%]	DEED receipt/approval of design, construction and bid documents, and final cost estimate. (Appendix D; Items 8 and 9)
7. Payment #7; [10%]	DEED receipt/approval of bid tabulations, construction contract, construction schedule, payment/performance bonds and building permit or fire marshal review. (Appendix D; Items 10, 11, 12, and 13)
8. Payment #8; [20%]	A/E certification that project is 50% complete, current RFI log, and current change order log.
9. Payment #9, [10%]	DEED receipt of occupancy permit or A/E certification of substantial completion. (Appendix D; Item 14)
10. Payment #10; [5%]	DEED receipt of Recipient's certification that funds were expended in a manner consistent with the project agreement and submission of closeout documents including a final change order log, a project closeout worksheet, contractor's release of liens, contract termination, and Department of Labor and Department of Revenue clearances. DEED receipt/approval of preventive maintenance & facility management documents including PM components list by building system, PM schedule, custodial care plan, certification of training on building systems, renewal & replacement schedule for DEED standard building systems. (Appendix D; Items 15, 16, 17, 18, 19, 20, 21, 22, and 23)

PROJECT AGREEMENT

APPENDIX C

LAWS, CODES, REGULATIONS, STANDARDS, AND GUIDELINES
(as applicable)

LAWS

P.L. 101-336 Americans with Disabilities Act of 1990; Title II, Part 35, Section 35.151; and Title III, Part 36, Section 36.401 - 36.402 incorporating the Americans with Disabilities Act Accessibility Guidelines (ADAAG)

AS 36.05.010 - 110 Wages and Hours of Labor and regulations covering procurement requirements and wage rates.

CODES AND REGULATIONS

The building code adopted by the Department of Public Safety under 13 AAC 50.020;

Title 14 CFR, Part 77, Federal Aviation Administration Airspace Restrictions as adopted and modified by the Federal Aviation Administration;

The electrical code adopted by the Department of Labor under 8 AAC 70.025;

The plumbing code adopted by AS 18.60.705;

The mechanical code adopted by the Department of Public Safety under 13 AAC 50.023;

National Boiler Inspection Code, as published by the American Society of Mechanical Engineers (ASME) and as adopted by AS 18.60.180;

The fire code adopted by the Department of Public Safety under 13 AAC 50.025.

NOTE:
If a subject is not covered in the building code, mechanical code, or the fire code adopted above, a recognized national standard such as NFPA Vols. 1-6, 1996 Edition will be utilized

Codes adopted by the Department of Environmental Conservation for Wastewater and Sewer under AS 46.03.720, 18 AAC 72 and 18 AAC 80

Fuel handling requirements as specified in 40 C.F.R 112.3(a) (revised as of January 1, 1992) and, if applicable, as described in 40 C.F.R 112.20(f)(6), shall comply with 40 C.F.R. 117.7.1.

STANDARDS

Energy Conservation Requirements A.S.H.R.A.E. 90.1

State of Alaska, Department of Education and Early Development, Accounting Manual and Chart of Accounts

ASTM F1487-98, Standard Consumer Safety Performance Specifications for Playground Equipment for Public Use

PROJECT AGREEMENT

APPENDIX C

LAWS, CODES, REGULATIONS, STANDARDS, AND GUIDELINES
(as applicable)

GUIDELINES

The Council of Educational Facility Planning International, Creating Connections: The CEFPI Guide for Educational Facility Planning

State of Alaska, Department of Education and Early Development, A Handbook to Writing Educational Specifications

State of Alaska, Department of Education and Early Development, Guidelines for School Equipment Purchases

State of Alaska, Department of Education and Early Development, Project Delivery Handbook

State of Alaska, Department of Education and Early Development, Swimming Pool Guidelines

State of Alaska, Department of Education and Early Development, Site Selection Criteria and Evaluation Guideline

State of Alaska, Council on the Arts, Guidelines for Art Requirements for Public Buildings

PROJECT AGREEMENT

APPENDIX D

SUBMITTAL REQUIREMENTS AND REQUIRED APPROVALS
(as applicable)

Item	Agency	Review Only	Review & Approval
1. Annual Report(due July 31)	Department of Education & Early Development	X	
2. Site Selection Report	Department of Education & Early Development		X
3. Educational Specifications	Department of Education & Early Development		X
4. A/E Services Agreement	Department of Education & Early Development	X	
5. Schematic Design Documents	Department of Education & Early Development		X
6. Design Development Documents	Department of Education & Early Development		X
7. Energy Consumption and Cost Report	Department of Education & Early Development		X
8. Construction Documents	Department of Education & Early Development		X
	Department of Public Safety (unless local review authority granted)		X
	Department of Environmental Conservation		X
9. Bid Documents	Department of Education & Early Development		X
10. Building Permit	Department of Education & Early Development	X	
11. Bid Tabulation	Department of Education & Early Development	X	
12. Construction Contract	Department of Education & Early Development	X	
	Department of Labor *(AS 36.05.035 Notification)*	X	
13. Contractor's Payment/Performance Bond	Department of Education & Early Development	X	
14. Substantial Completion Certificate/ Occupancy Permit	Department of Education & Early Development	X	
15. Release of Liens	Department of Education & Early Development	X	
16. Change Order Log	Department of Education & Early Development	X	
17. Release from Contract	Department of Education & Early Development	X	
18. Preventive Maintenance and Facility Management Documents	Department of Education & Early Development		X
19. Recorded Building Title	Department of Education & Early Development	X	
20. Final Project Accounting	Department of Education & Early Development	X	

Evidence of the construction contractor's provision of the following items to the appropriate entity.

21. Corporate Income Tax Clearance	Department of Revenue		X
22. Unemployment Security Tax Clearance	Department of Labor		X
23. Notice of Completion of Public Works	Department of Labor		X

PROJECT AGREEMENT

APPENDIX E

BUDGET CATEGORY DEFINITIONS

Construction Management: By Consultant (CM) includes management of the project's scope, schedule, quality, and budget during any phase of the planning, design and construction of the facility and full time onsite representation. Consultant CM should include all costs incurred by private consultant to perform the CM work. Refer to AS 14.11.020 (c) for the limitations on consultant CM. (DEED Chart of Accounts FC 884, OC 413)

Land includes actual purchase price plus title insurance, fees and closing costs. Land cost is limited to the current fair market value, by appraisal, not to exceed the amount budgeted for land in the project agreement. Land costs are excluded from project percent calculations. (DEED Chart of Accounts FC 882, OC 520)

Site Investigation includes land survey, geotechnical investigation, environmental and cultural survey, and site selection study costs, but not site preparation costs. Site investigation costs are excluded from project percent calculations. (DEED Chart of Accounts FC 882, OC various)

Design Services includes all full standard architectural and engineering services as described in AIA Documents B102-2007, and B201-2007. Additional A/E services such as educational specifications, condition surveys, and post occupancy evaluations should also be categorized as Design Services, however, onsite owner representation and inspections beyond the scope of work described in AIA Documents B102-2007, and B201-2007 should be categorized as CM. (DEED Chart of Accounts FC 883, OC 416)

Construction includes the cost of all material, labor, equipment, and associated expenses required to perform the project's facility construction and site development. Construction costs can be incurred via a competitively awarded contract or, with prior department approval, via the use of in-house labor and procurement of materials per local ordinances. (DEED Chart of Accounts FC 885, OC 500)

Equipment includes all moveable furnishings and instructional devices or aids such as classroom furniture, musical instruments, science lab and physical education equipment and stage/sound equipment. It does not include installed equipment, or consumable supplies, with the exception of the initial purchase of library books. For more information see the DEED publication *Guidelines for School Equipment Purchases*. This item also includes Technology such as electronic and digital equipment with associated software and peripherals such as computers, printers, video projectors, digital cameras, TV/VCRs, telephones, and video cameras. Consultant services necessary to make technology items operational may also be included. (DEED Chart of Accounts FC 886, OC 510)

District Administrative Overhead includes an allocable share of district overhead costs, such as payroll, accounts payable, procurement services, and preparation of the six-year capital improvement plan and specific project applications. It also includes In-House Construction Management (CM) which is similar to CM by Consultant, with the exception that In-house CM includes actual district/borough staff time allocated to the project, staff travel expenses, and other direct costs of the in-house activity. (DEED Chart of Accounts FC 881, OC 528)

Art includes the selection, design/fabrication and installation of works of art. (DEED Chart of Accounts FC 888 [new], OC various)

Project Contingency is a safety factor to allow for unforeseen changes. The use of contingency funds to address budget overruns should be coordinated with the department. No costs shall be accounted for as Contingency expenditures. (DEED Chart of Accounts FC 889 [new], OC [budget account only])

Attachment #3

Timing and scheduling of the project

Under way	Month / Year
Ballot Measure/ RFP / Ordinance	10/1/2018
Request for Proposal - Design \ Bond Sale	11/1/2018
Award of Design Contract	12/1/2018
Design	1/1/2019
Design	2/1/2019
Property Close Design	3/1/2019
Utilities / Bid Process for construction	4/1/2019
Notice to Proceed/ Clearing and Grubbing	5/1/2019
SUBMITALS	6/1/2019
MOB	7/1/2019
Site Work / Excavation	8/1/2019
Excavation / Fill	9/1/2019
Fill / Forms / Foundation	10/1/2019
Framing / Roughin	11/1/2019
Exterior Building Envelope	12/1/2019
Roofing	1/1/2020
Interior Partitions	2/1/2020
Roughin Mechanical Electrical	3/1/2020
Interior / Lighting / Mechanical / Plumbing	4/1/2020
Interior / Lighting / Mechanical / Plumbing	5/1/2020
Finish / FF&E	6/1/2020
Substantial / FF&E	7/1/2020
Final / FF&E	8/1/2020
Startup	9/1/2020
Punch list	10/1/2020
Punch list	11/1/2020
O&M	12/1/2020
Closeout	1/1/2021
Closeout	2/1/2021

Attachment # 4

Kenai Peninsula Borough
Outstanding Bonds
6/30/18

Central Kenai Peninsula Hospital Service Area		
December 2011	20 year debt	$18,315,000 (1)
February 2014	15 year debt	$ 6,640,000 (1)(3)
February 2014	15 year debt	$18,490,000 (1)(4)
June 2015	8 year debt	$ 2,035,000 (1)(3)
June 2016	8 year debt	$ 2,275,000 (1)(3)
November 2017	20 year debt	$28,955,000 (1)(4)
South Kenai Peninsula Hospital Service Area		
August 2007 issue	20 year debt	$ 2,640,000 (1)
September 2011 issue	7 year debt	$ 1,175,000 (1)
June 2015 issue	13 year debt	$ 8,545,000 (1)
April 2017 issue	15 year debt	$ 4,285,000 (1)(5)
Central Emergency Service Area		
October 2014 issue	10 year debt	$ 1,190,000 (1)
February 2016 issue	7 year debt	$ 390,000 (1)
February 2016 issue	15 year debt	$ 1,825,000 (1)
Bear Creek Fire Service Area		
March 2013 issue	20 year debt	$ 1,005,000 (1)
Solid Waste Bonds		
April 2017 issue	6 year debt	$ 4,605,000 (2)(6)
School Bonds		
December 2010	20 year debt	$12,005,000 (2)
September 2011	10 year debt	$ 4,350,000 (2)
November 2013	20 year debt	$18,125,000 (2)

,

(1) General obligations of the Service Area
(2) General obligations of the Borough
(3) Taxable Revenue Bonds of the Hospital
(4) Tax Exempt Revenue Bonds of the Hospital
(5) South Peninsula Hospital bonds scheduled to be issued April 2017
(6) Solid Waste bonds scheduled to be issued April 2017

Attachment # 5

Kenai Peninsula Borough
Authorized but unissued Bonds
06/30/2018

Central Emergency Service Area			
Expected to be issued	fall 2019	15 year debt	$ 1,935,000(1)
Kenai Peninsula Borough			
Central Peninsula Landfill			
Expected to be issued	2022	6 year debt	$ 5,195,000(2)

(1) General obligations of the Service Area
(2) General obligations of the Borough

Forecast of future general obligations

Central Emergency Services

CES is projecting that in FY2022, they will be remodeling Station #1. The estimated cost is approximately $10,900,000 with funding to be provided from by a combination of grants and debt issuance. These bonds would be the responsibility of the Service Area.

Profile of the Kenai Peninsula Borough

The Borough was incorporated in 1964 as a second-class borough. It occupies a geographic area of approximately 25,600 square miles and is located in the south central part of the state of Alaska. The estimated population for the Borough is 58,024.

Local Economy

The Borough economy is highly diverse. The five industry categories that have the most employment are local government, retail trade, leisure and hospitality, natural resources and health care. Together they represent most of the Borough's employment. That diversity allows the Borough to be more resilient to declines in any one industry. The Borough's economy has experienced consistent, gradual growth since the late 1980's. Borough wide, the general government tax rate has decreased from a high of 8.59 mills in FY1996 to its current rate of 4.7 mills. The Borough also has a 3% sales tax, which is applied only to the first $500 of each separate sale. Taxable sales in FY2018 were $1,057 million, an increase of 2% from the prior year but a 20% increase from FY2010. Most of the decrease for FY2016 is attributed a reduction in sales tax collected on fuel sales due to a drop in the price of oil. The overall increase from FY2010 reflects an improving economy recovering from the recession of 2009. Sales tax continues to generate a larger portion of the Borough's revenue; in FY1998, sales tax revenue represented 21% of total General Fund revenues; in FY2017, sales tax revenues represented almost 40%. It should be noted that the sales tax rate went from 2% to 3% effective January 1, 2008.

Oil and gas continues to play a vital role in the Borough's economy, although the players have changed. Large national and multinational companies have been replaced by independents, which resulted in a resurgence in exploration and production. This has led to new wells in the Anchor Point and Kenai area, jack up rigs being used throughout Cook Inlet, along with increased exploration in other areas of the Borough, resulting in an increase in assessed value for oil and gas properties. Assessed values for oil and gas properties increased from $635 million for 2009, to $1,518 million in FY2018. During this same time frame, oil production has increased from approximately 7,500 barrels per day to approximately 17,900 barrels per day.

Increased oil and gas exploration has also had an impact on the Borough's unemployment rate. The unemployment rate decreased from 10.0% in 2010; to 9.5% for 2011; to 8.6% for 2012, 8.0% in 2013 and 7.9% in 2014. The 2015, 2016 and 2017 unemployment rates for the Borough were 7.9%, 8.6%, and 8.5% respectively. The unemployment rate for the first 6 months of 2018 is 7.1%, down compared to the first six months of 2017 at 7.7% Traditionally the Borough's unemployment rate has been 2% to 3% higher than the statewide rate, much of this due to the seasonality of work in the fishing and tourism industry. Due to the decrease in the price of oil, the borough's unemployment rate may increase in 2018 as oil companies have announced a reduction in the amount of drilling and exploration. The impact to the Borough if the global reduction in the price of gas and oil continues is unknown at this time. In addition, with the phase out the tax credit program from the State of Alaska, it is expected that both the Borough and the State will see a reduction in oil and gas exploration.

Kenai Peninsula Borough

Assessed Value and Estimated Acutal Value of Taxable Property

Last Ten Fiscal Years

(in thousands of dollars)

Attachment # 7

Fiscal Year	Total estimated actual value of property less mandatory federal and state exemptions (1)	Assessed Values (1)			Tax Exempt Values (1)		Total Taxable Assessed Value	Total Direct Tax Rate	Assessed Value as a Percentage of Actual Value
		Real	Oil & Gas	Personal Property	Real	Personal			
2009	$ 6,389,337	$ 5,533,793	$ 635,272	$ 220,272	$ 394,457	$ 28,124	$ 5,966,756	4.50	100.00%
2010	6,832,859	5,883,881	703,063	245,915	434,556	29,205	6,369,098	4.50	100.00%
2011	6,875,572	5,901,904	713,954	259,714	451,127	30,914	6,393,531	4.50	100.00%
2012	7,137,074	6,180,464	698,991	257,619	472,878	30,955	6,633,241	4.50	100.00%
2013	7,229,050	6,132,587	810,065	286,398	480,530	32,510	6,716,010	4.50	100.00%
2014	7,484,668	6,202,494	989,766	292,408	492,565	31,907	6,960,196	4.50	100.00%
2015	7,797,118	6,330,107	1,142,158	324,853	826,803 (2)	32,999	6,937,316	4.50	100.00%
2016	8,189,350	6,625,347	1,224,525	339,478	876,966	33,986	7,278,398	4.50	100.00%
2017	8,754,510	6,915,818	1,467,353	371,339	902,055	36,746	7,815,709	4.50	100.00%
2018	9,172,335	7,342,187	1,468,599	361,549	998,047	33,842	8,140,446	4.50	100.00%

Note: Borough code requires a revaluation of all property no less than every 5 years, current average is approximately every 7 years. Figures in this table have been revised from the FY05 CAFR to exclude state and federal exemptions previously included.

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

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

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

Attachments #8, #9, & #10

Attachment #7, the Borough's audited financial statements can be found online at the Borough's web site, or at the following address: https://www.kpb.us/finance-dept/finance-documents

Attachment #8, the Borough's current year budget can be found on the Borough's web site, or at the following address: https://www.kpb.us/finance-dept/finance-documents

Attachment # 9, the Borough's capital improvement plans can be found on pages 333-383 of the Borough's FY2019 budget. The School Revenue fund capital project projections can be found on page 342. A copy of the budget can be found at the following address: https://www.kpb.us/finance-dept/finance-documents

Alaska Municipal Bond Bank
Application Credit Review Summary Page

Applicant:	City and Borough of Sitka
Loan Amount:	Not to exceed $8,600,000 (Application amount was $8,025,000, but ordinance adopted by Sitka increased requested amount to $8.6 million).
Project Type:	Improvements to Sitka's Crescent Harbor
Project Description:	Sitka will replace the deteriorated infrastructure of Crescent Harbor. The project involves replacement of existing wooden floats 1, 2, 3 and 4. In addition, the float used to moor boats, headwalk floats, and walk-down ramps will be replaced. Also included in the project is the replacement of existing potable water, fire protection, electrical infrastructure, and lighting fixtures.
Term of Loan:	20 years
Revenues Pledged to Loan:	Harbor Proprietary Fund revenues
Most recent FY Net Pledged Revenues:	$1.03 million
Estimated Annual Debt Service (includes 2013 loan):	Approximately $890 thousand (2018 loan payments will "wrap" around Sitka's 2013 loan payments).
Total Bond Bank Annual Debt Service:	Approximately $12.8 million
Most Recent FY Debt Service Coverage Ratio:	3.27x
Debt Service Coverage including proposed 2018 loan	1.44x
Most Recent FY State-Shared Revenues (SSR):	$19.9 million
Debt Service Coverage of AMBB DS from SSR:	1.56x
Loan Subject to State Debt Service Reimbursement:	No
Estimated Borrower Savings (Gross):	$450,857
Estimated Borrower Savings (Present Value):	$314,987
No Litigation Letter Received:	Yes

Loan Application Evaluation
City and Borough of Sitka

Introduction

The City and Borough of Sitka ("Sitka") has submitted an application to the Alaska Municipal Bond Bank (the "Bond Bank") for a Revenue Bond Loan totaling an amount not to exceed $8,025,000. Subsequent to submitting the application, Sitka has adopted an ordinance authorizing the City and Borough to borrow an amount not to exceed $8.6 million. The City will use the Bond Bank loan to make improvements to Sitka's Crescent Harbor.

The total project costs, excluding the funding of the debt service reserve fund, are estimated at approximately $14 million, with $5 million of the funding provided by a State of Alaska Municipal Harbor Matching Grant and another $1 million contributed from Sitka.

The Project

The Crescent Harbor Reconstruction Phase 1 (Float Replacement) project is planned to replace the deteriorated infrastructure of Crescent Harbor. Crescent Harbor was constructed in 1965 with additional floats added over the next 5 years. Major repairs were undertaken in 2002 and 2005. The infrastructure built between 1965 and 1970 has reached the end of its services life and has deteriorated to the point that in-house repairs are no longer sufficient to adequately maintain the facility. In addition, portions of the facility do not meet ADA accessibility requirements.

The Bond Bank loan will be used to fund most of Sitka's portion of the overall project cost not provided by a State of Alaska Municipal Harbor Matching Grant. Sitka will contribute to $1,000,000 of Harbor Fund working capital to the project.

The scope of Phase 1 of the project will involve replacement of existing wooden floats 1, 2, 3 and 4. In addition, the floats used to moor boats, headwalk floats, and walk-down ramps will be replaced. Also included in the project scope is the replacement of the existing potable water, fire protection, electrical infrastructure, and lighting fixtures. Slip sizes may be adjusted to accommodate current and future vessel requirements.

Security and Repayment

Sitka will pledge Harbor Proprietary Fund revenues for repayment of the Bond Bank loan. In addition, the City will fund a debt service reserve fund, to be held by the Bond Bank's Trustee, from bond proceeds of the Bond Bank loan.

Sitka forecasts increases in Moorage rates from FY 2018 – FY2037 in order to keep up

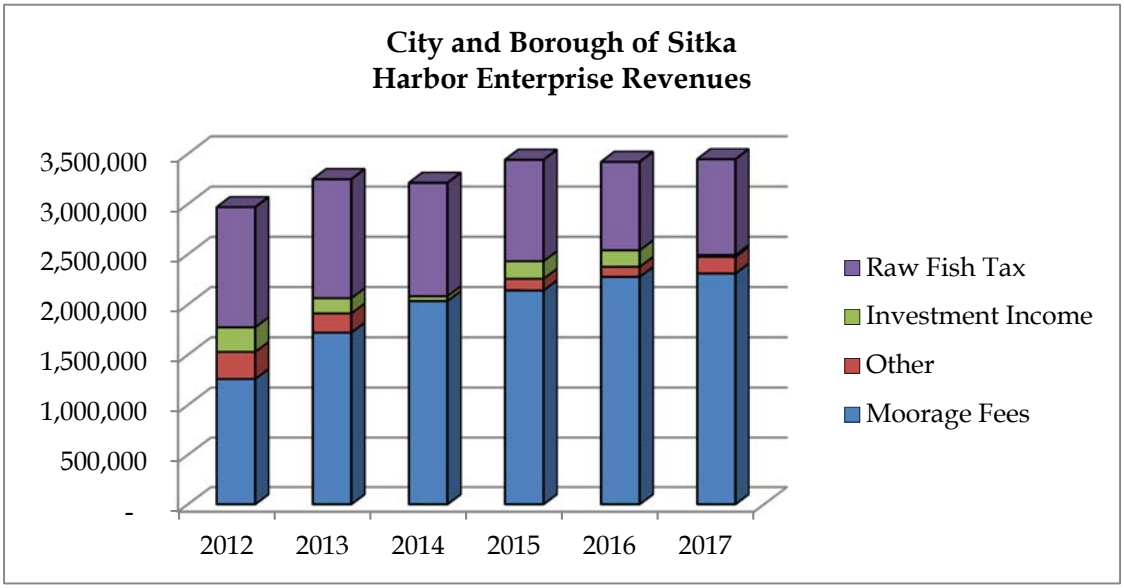
with the expenses required to maintain the quality of Harbor infrastructure and equipment. The following is the schedule of proposed rate increases:

Fiscal Year	Annual Rate Increases
2018 - 32	6.00%
2033	6.30%
2034 - 36	7.50%
2037	2.50%

Below is a rate comparison of Sitka's moorage rates compared to other municipalities before and after the initial 6% increase:

Municipality	rate/ft/year	vessel length	annual total	monthly rate
Juneau-Statter	$ 85.80	36	$ 3,088.80	$ 257.40
Seward	$ 52.10	36	$ 1,875.60	$ 156.30
Juneau-Douglas, Harris, Aurora	$ 51.00	36	$ 1,836.00	$ 153.00
Homer	$ 46.68	36	$ 1,680.48	$ 140.04
Sitka (proposed rates)	**$ 42.09**	**36**	**$ 1,515.24**	**$ 126.27**
Sitka (current rates)	**$ 39.60**	**36**	**$ 1,425.60**	**$ 118.80**
Ketchikan outside city limits	$ 38.32	36	$ 1,379.52	$ 114.96
Ketchikan inside city limits	$ 34.48	36	$ 1,241.28	$ 103.44
Wrangell	$ 34.33	36	$ 1,235.88	$ 102.99
Petersburg	$ 34.00	36	$ 1,224.00	$ 102.00
Hoonah	$ 26.00	36	$ 936.00	$ 78.00

The graph on the following page presents the mix of Harbor Proprietary Fund revenues. As the graph indicates, the majority of revenues are generated by moorage fees. From fiscal year 2012 through fiscal year 2017 moorage fees accounted for approximately 60% of Fund revenues. Fish taxes accounted for approximately 32% of Fund revenues during that period.



The table below presents the financial results of the Fund over the past 7 fiscal years. Net revenues from the Harbor Proprietary Fund are pledged to pay debt service on Sitka's 2013 loan from the Bond Bank which was funded with proceeds of its 2013 Series One Bonds. The estimated debt service on the 2018 harbor loan and the existing debt service is presented and the estimated debt service coverage will be 1.44 times based on the unaudited FY 2018 financial results.

	2012	2013	2014	2015	2016	2017	2018 (Unaudited)
Moorage Fees	$1,259,871	$1,721,046	$2,035,044	$2,140,986	$2,275,333	$2,308,959	$2,289,802
Other	269,700	191,417	1,436	115,958	100,667	165,745	145,467
Investment Income	244,422	151,244	46,971	174,653	164,255	18,186	209,769
Raw Fish Tax	1,195,000	1,183,956	1,127,772	1,009,033	879,793	953,324	900,000
Gross Revenues	2,968,993	3,247,663	3,211,223	3,440,630	3,420,048	3,446,214	3,545,038
Operating Expenses	$2,550,087	$2,376,721	$3,120,673	$2,714,868	$3,193,419	$3,664,706	$3,660,627
Depreciation and Ammortization	(696,092)	(668,511)	(666,074)	(687,501)	(1,086,409)	(1,231,974)	(1,396,738)
Net Expenses	1,853,995	1,708,210	2,454,599	2,027,367	2,107,010	2,432,732	2,263,889
Revenue Available for Debt Service	1,114,998	1,539,453	756,624	1,413,263	1,313,038	1,013,482	1,281,149
Existing Debt Service			272,728	310,700	310,300	309,700	308,900
Estimated Debt Service							581,614
Total Debt Service			272,728	310,700	310,300	309,700	890,514
Estimated DS Coverage			2.77	4.55	4.23	3.27	1.44

State-Aid

In addition to the pledge of Harbor Enterprise Fund revenues by Sitka, the Bond Bank has the ability to intercept state-shared revenues that will otherwise flow to Sitka. This is a significant source of security for this loan. The table below summarizes the revenues subject to intercept, along with the maximum annual debt service on Sitka's bonds, including this proposed loan and loan request related to the Sitka airport.

Shared Taxes and Fees	$1,287,084
Dept. of Transportation Reimbursement	$0
Reimbursement and Other Education Funding	$2,458,721
Education Support Funding	$12,636,519
Matching Grants	$2,601,027
Community Jails	$391,194
PILT Transfers	$0
Revenue Sharing	$543,229
Total Revenue Subject to Intercept	$19,917,774
Fiscal Year 2018 Debt Service (includes 2019 Harbor and Airport Loans DS)	$12,786,962
Debt Service Coverage	**1.56**

Estimated Borrower Savings

Savings to Sitka as a result of borrowing through the Bond Bank are estimated at approximately $451 thousand or $315 thousand on a present value basis. Savings are a result of lower costs of issuance that Sitka will face as a result of issuing through the Bond Bank, as well as lower assumed yields.

Future Capital Plans

No future bonds have currently been authorized, however Sitka plans to borrow an additional $7 million of harbor revenue bonds in 2026 based on the long-term fiscal plan. Sitka has submitted an application to the Bond Bank for $4.5 million in airport revenue bonds. Currently, Sitka has nearly $18 million of general obligation bonds, $113 million in electric revenue bonds and $3.3 million of harbor revenue bonds. Sitka is the largest borrower from the Bond Bank.

Statement of No Litigation

Accompanying the application from Sitka is a letter from Brian Hanson, the Municipal Attorney, stating that "there is no litigation... pending or threatened... affecting the corporate existence... of Sitka... seeking to restrain or enjoin the issuance, sale or delivery of the Bonds or the right of Sitka to establish and collect rates and charges for Sitka's Crescent Harbor renovation project to be pledged to pay the principal of the interest on the Bonds, or in any other way contesting the power of Sitka with respect to the bonds; or against Sitka involving any of the

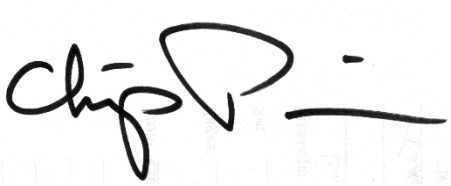
property or assets of or under the control of Sitka that…involves the possibility of any judgement or uninsured liability that may result in any material change in the revenues, properties or assets of Sitka…"

Summary

Based on our assessment, the security offered by Sitka, as set forth in Sitka's loan application and supplemental materials, provides sufficient security to justify approval of the application. This security, which is primarily provided by a net revenue pledge of the Harbor Proprietary Fund, is augmented by the debt service reserve fund held by the Bond Bank's trustee. In addition, state interceptable revenues provide additional loan security.

For these reasons, we recommend approval of this loan application. If you or any of the Board members have any questions regarding our analysis, please feel free to call me at (503) 719-6113.

For PFM Financial Advisors, LLC



Chip Pierce

Sitka Economic and Demographic Information

Sitka is located on the west coast of Baranof Island fronting the Pacific Ocean, on Sitka Sound. An extinct volcano, Mount Edgecumbe, rises 3,200 feet above the community. It is 95 air miles southwest of Juneau, and 185 miles northwest of Ketchikan. The area encompasses 2,874.0 square miles of land and 1,937.5 square miles of water.

Sitka was originally inhabited by a major tribe of Tlingits, who called the village "Shee Atika." The site became "New Archangel" in 1799. St. Michael's Redoubt trading post and fort were built here by Alexander Baranof, manager of the Russian-American company. Tlingits burned down the fort and looted the warehouse in 1802. In 1804, the Russians retaliated by destroying the Tlingit Fort in the Battle of Sitka. This was the last major stand by the Tlingits against the Russians, and the Indians evacuated the area until about 1822. By 1808, Sitka was the capital of Russian Alaska. Baranof was Governor from 1790 through 1818. During the mid-1800s, Sitka was the major port on the north Pacific coast, with ships calling from many nations. Furs destined for European and Asian markets were the main export, but salmon, lumber and ice were also exported to Hawaii, Mexico and California.

After the purchase of Alaska by the U.S. in 1867, it remained the capital of the Territory until 1906, when the seat of government was moved to Juneau. During the early 1900s, gold mines contributed to its growth, and the City was incorporated in 1913. During World War II, the town was fortified and the U.S. Navy built an air base on Japonski Island across the harbor, with 30,000 military personnel and over 7,000 civilians. After the war, the BIA converted some of the buildings to be used as a boarding school for Alaska Natives, Mt. Edgecumbe High School. The U.S. Coast Guard now maintains the air station and other facilities on the Island. A large pulp mill began operations at Silver Bay in 1960. In 1971, the City and Borough governments were unified. Sitka offers abundant resources and a diverse economy.

Sitka has year-round access to outdoor recreation in the Gulf of Alaska and Tongass National Forest. According to Census 2010, there were 4,102 housing units in the community and 3,545 were occupied. Its population was 16.8% American Indian or Alaska Native; 65.3% white; 0.5% black; 6% Asian; 0.3% Pacific Islander; 9.8% of the local residents had multi-racial backgrounds. Additionally, 4.9% of the population was of Hispanic descent. As of 2010, the public sector employed 23.5% of all workers. The local unemployment rate was 6.9%. The percentage of workers not in labor force was 26.9%. The ACS surveys established that average median household income (in 2010 inflation-adjusted dollars) was $62,024. The per capita income (in 2010 inflation-adjusted dollars) was $29,982. About 7.0% of all residents had incomes below the poverty level.

Water is drawn from a reservoir on Blue Lake and Indian River, is treated, stored, and piped to nearly all homes in Sitka. The maximum capacity is 8.6 million gallons per day, with 197 million gallons of storage capacity. 95% of homes are connected to the piped sewage system, which receives primary treatment. Refuse is collected by a private firm under contract to the Municipality and is incinerated. The ash is then disposed of at the permitted, lined landfill. The community participates in annual hazardous waste disposal events. The Municipality owns hydroelectric facilities at Blue Lake and Green Lake, and a diesel-fueled generator at Indian River. Electricity is provided by Sitka Electric Department.

There are 7 schools located in the community, attended by 1,772 students. Local hospitals or health clinics include Mt. Edgecumbe Hospital; Sitka Community Hospital; and the U.S. Coast Guard Air Station. The hospitals are qualified Acute Care facilities. The USCG Air Station provides emergency support only and Medevac Services, and is a qualified Emergency Care Center.

The economy is diversified with fishing, fish processing, tourism, government, transportation, retail, and healthcare services. Cruise ships stimulate tourism industries. In 2010, 563 residents held commercial fishing permits, and fish processing provides seasonal employment. The seafood industry is a major employer. Regional healthcare services, the U.S. Forest Service, and the U.S. Coast Guard also employ residents. Moreover, in 2011, 191 Coast Guard personnel were stationed in Sitka.

The State-owned Rocky Gutierrez Airport on Japonski Island has a 6,500' paved and lighted runway, an instrument landing system, and a 24-hour FAA Flight Service Station. Daily jet service is provided, and several scheduled air taxis, air charters and helicopter services are available. The Municipality operates five small boat harbors with 1,350 stalls, and a seaplane base on Sitka Sound, at Baranof Warm Spring Bay. A boat launch, haul-out, boat repairs and other services are available. Cruise ships anchor in the Harbor and lighter visitors to shore. The Alaska Marine Highway system (state ferry) has a docking facility. Freight arrives by barge and cargo plane.

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2018-16

A RESOLUTION BY THE CITY AND BOROUGH OF SITKA APPROVING SUBMITTAL AND EXECUTION OF AN APPLICATION TO THE ALASKA MUNICIPAL BOND BANK TO ISSUE AN AMOUNT OF HARBOR REVENUE BONDS IN THE AMOUNT OF $8,025,000 THROUGH THE BOND BANK TO FINANCE THE CITY AND BOROUGH OF SITKA'S PORTION OF PHASE 1 OF THE RECONSTRUCTION OF CRESCENT HARBOR

WHEREAS, the City and Borough of Sitka has recognized that the physical condition of Crescent Harbor has deteriorated to the point where in-house repairs are no longer sufficient to adequately maintain the facility; and

WHEREAS, the City and Borough of Sitka recognizes that Crescent Harbor is essential to vibrant commercial and sport fishing industries which are, in turn, vital to the overall economy of Sitka; and

WHEREAS, keeping Crescent Harbor functional will be best accomplished by reconstruction of the harbor in two phases; and

WHEREAS, the projected overall cost of Phase 1 of Crescent Harbor reconstruction is estimated to cost $14,025,000; and

WHEREAS, the City and Borough of Sitka applied for, and has been awarded, a Municipal Harbor Matching Grant by the State of Alaska for the reconstruction of Crescent Harbor in the amount of $5,000,000; and

WHEREAS, the Municipal Harbor Matching Grant must be utilized within 18 months, and, insufficient working capital exists to provide the required match within the time period for the grant; and

WHEREAS, issuing revenue bonds is the most efficient and effective option for raising the proceeds necessary to pay for the Municipality's portion of the project.

NOW, THEREFORE, BE IT RESOLVED by the Assembly of the City and Borough of Sitka that the Administrator is authorized to prepare and submit an application to the Alaska Municipal Bond Bank for the issuance of up to $8,025,000 in harbor revenue bonds through the Alaska Municipal Bond Bank Authority.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska on this 24th day of July, 2018.

Matthew Hunter, Mayor

ATTEST:

Sara Peterson, MMC
Municipal Clerk

1st and final reading 7/24/18
Sponsor: Administrator

I certify that this is a true and correct copy of an original document on file in the City & Borough of Sitka.
Signed and sealed this 26 day of July, 2018
by Sara Peterson Municipal Clerk

NO LITIGATION CERTIFICATE

I, BRIAN E. HANSON, the duly appointed, qualified and acting Municipal Attorney of the City and Borough of Sitka, Alaska ("CBS"), in connection with CBS's application to the Alaska Municipal Bond Bank (the "Bond Bank") relating to CBS's proposed issuance of revenue bonds ("Bonds") to finance a portion of the cost of certain improvements for CBS's Crescent Harbor renovation project, DO HEREBY CERTIFY that as of the date hereof, to my knowledge, there is no litigation pending or threated in any court in any way:

1. affecting the corporate existence of CBS, or the titles of CBS officers to their offices, or seeking to restrain or enjoin CBS's application to the Bond Bank, the proposed issuance of the Bonds, or the right of CBS to establish and collect rates and charges for CBS's Crescent Harbor renovation project to be pledged to pay the principal of the interest on the Bonds, or in any way contesting the power of CBS with respect to the Bonds; or

2. against CBS involving any of the property or assets of or under the control of CBS that, whether individually or in the aggregate, involves the possibility of any judgement or uninsured liability that may result in any material change in the revenues, properties, or assets of CBS, or in the condition, financial or otherwise, of CBS.

DATED this 25th day of July, 2018

CITY AND BOROUGH OF SITKA, ALASKA

Brian E Hanson

By: Brian E. Hanson
Its: Municipal Attorney

Application for Bonds

A request for the Alaska Municipal Bond Bank Authority (the Bond Bank) to purchase a revenue or general obligation bond issue of the applicant. This isn't considered a commitment on the part of the applicant or the Bond Bank. Additional information may be requested before a final recommendation.

I. General Information

A. Name of Governmental Unit (Applicant):

CITY AND BOROUGH OF SITKA, ALASKA

B. Type of government (home rule, first class, authority, etc.):

Unified Home Rule Municipality

C. Contact Person for the government:

Name:	Title:		
John P. (Jay) Sweeney	**Chief Financial & Administrative Officer**		
Address:	City:	State:	Zip:
100 Lincoln Street	**Sitka**	**AK**	**99835**
Phone:	Fax:	E-mail:	
(907)-747-1836	**(907)-747-7403**	**jay.sweeney@cityofsitka.org**	

D. Applicant's Bond Counsel:

Name:	Title:		
David Thompsen	**Attorney, Stradling Yocca Carlson & Rauth**		
Address:	City:	State:	Zip:
999 Third Avenue, Suite 3610	**Seattle**	**WA**	**98104**
Phone:	Fax:	E-mail:	
(206)-829-3006	**(206)-299-4117**	**DThompson@SYCR.com**	

E. Applicant's Financial Advisor or Underwriter (if applicable):

Name:	Title:		
Address:	City:	State:	Zip:
Phone:	Fax:	E-mail:	

II. Issue Information

A. Total amount of bond purchase request:

$8,000,000 in Net Project Proceeds

B. Total term of requested loan: **20** **years**

C. Preferred principal and interest payment months: **Aug/Feb** **principal /interest** **Aug** **interest only**

D. If a bond election is required, provide a copy of the bond election ordinance and ballot propositic

If a bond election has been held, provide the votes for and against the issue(s):

Yes:	No:	Percent of registered voters casting ballots:
		%

Does the municipality intend to pledge any specific assets or taxes in addition to property tax? Provide de

The Municipality will pledge harbor proprietary fund revenues.

E. Will you need interim financing?

1. If applicable, provide interim financing information:

Amount:	Maturity:	Rate:	Lender:

2. Provide information that would impact the Bond Bank's ability to retire the interim financing with permanent financing. ☐ Attached

F. Describe project to be financed, including the information requesting in 1-6. If this information is available in a project feasibility study, you may reference and attach it.

1. Are engineering and specifications completed? ☐Yes ☑No
2. If not, when are they projected for completion? 1/1/2019
3. Have construction bids been awarded? ☐Yes ☑No
4. Are there additional state or local approvals required? ☑Yes ☐No
5. Describe timing/scheduling plan: Design 7/18 - 1/19, bid 2/19, permitting 3/19 - 4/19, construction 10/19 - 3/20
6. What is the projected completion date? 3/20

The Crescent Harbor Reconstruction Phase 1 (Float Replacement) project is planned to replace the deteriorated infrastructure of Crescent Harbor. Crescent Harbor was constructed in 1965 with additional floats added over the next 5 years. Major repairs were undertaken in 2002 and 2005. The infrastrucure built between 1965 and 1970 has reached the end of its service life and has deteriorated to the point wherein in-house repairs are no longer sufficient to adequately maintain the facility. In addition, portions of the facility do not meet ADA accessability

requirements.

Bonding proceeds will be utilized to most of the Municipality's portion of the overall project cost not provided by a State of Alaska Municipal Harbor Matching Grant. The Municipality will contribute $1,000,000 of Harbor Fund working capital to the project.

The scope of Phase 1 of the project will involve replacement of existing wooden floats 1, 2, 3, and 4. In addition, the floats used to moor boats, headwalk floats, and walk-down ramps will be replaced. Also included in the project scope is the replacement of the existing potable water, fire protection, electrical infrastructure, and lighting fixtures. Slip sizes may be adjusted to accommodate current and future vessel requirements.

G. Sources of uses of funds

Sources of Funds		Uses of Funds	
Bonds (this application)	$ 8,025,000	Construction	$ 10,250,000
Federal Funds*	$	Engineering	$ 1,100,000
State Funds*	$ 5,000,000	Contingency	$ 1,600,000
Applicant's Funds	$ 1,000,000	Cost of Issuance	$ 25,000
Other (specify)	$	Other	$
Total:	$ 14,025,000	Total:	$ 14,025,000

*If federal or state funds are involved, provide a compete description of the status and uses of these funds.

* State of Alaska Municipal Harbor Matching Grant

1. Indicate which costs, including costs of issuance, would be paid for with AMBBA bond proceeds:

Bond proceeds would be used to pay for costs of construction, contingencies, and costs of issuance.
Working capital will be used predominantly to pay for engineering costs.

III. Credit Information

A. Provide the loan agreements or copies of the cover page of official statements for your government's outstanding bonds.

All outstanding bonds have been issued through the AMBBA.

B. Has your municipality entered into lease purchase agreements or other financing agreements supported by General Fund revenues? ❑Yes ☑No
If yes, provide amount of financed, purpose and principal amount outstanding. $

The Municipality is applying to issue proprietry fund revenue bonds.

C. Are any of the above referenced issues supported by special assessments on benefited property, revenues, user fees or state reimbursement for school construction projects? ☑Yes ❑No
If yes, please attach details. ❑Attached

Harbor revenue bonds (AMBBA 2013, Series 1) are supported by harbor moorage fees and State of Alaska Fisheries Resource Landing Tax Proceeds ("Raw Fish Tax")

D. Has your government ever failed to meet its debt service coverage requirements or other covenants on general obligation, revenue, or special assessment bonds? ❑Yes ☑No
If yes, please attach an explanation. ❑Attached

E. Has your government ever defaulted on any of its general obligation, revenue, or special assessment bonds? ❑Yes ☑No
If yes, please attach an explanation. ❑Attached

F. Provide information on the amount, timing, and purpose of any bonds you have authorized by the voters, but not yet issued. ❑Attached.

Sitka does not have any bonds authorized by the voters but not yet issued.

G. Attach your government's forecast on amount, timing, and purpose of future general obligation or revenue bond financing. If this information is available in your long-term plan, provide a copy.
❑Attached

Attached long-range fiscal plans detail proposed future revenue bond financings. The attached fiscal plans HAVE NOT been approved by the Assembly, however, and do not constitute a commitment to future debt issuance.

H. Give a brief summary of your local economy. Include major industries and their projections. Describe any positive or negative trends or factors. (If this information is available in an annual report, provide a copy with your application.) ☑Attached (In CAFR)

Are any of the community's major employers expected to make changes in work force or operations?
❑Yes ❑No
If yes, provide an explanations. ❑Attached

J. Please provide population figures for your community for the last five years. Indicate the source of your figures.

Year	Population	Source
	In CAFR	

L. Provide assessed valuation and property tax collected for all taxable property within your corporate limits for the past five years. ❑Attached CAFR

M. Provide your audited financial statements from the last two years (provide your unaduited statement if audit hasn't been preformed). ☑Attached (CAFR)

N. Provide your current year's budget. ☑Attached (BUDGET)

O. Provide your capital improvement plan. ☑Attached (IN BUDGET)

P. Provide any other financial or economic information that will assist evaluation of your application. ❑Attached

IV. Legal Information

A. Provide a certificate of your legal counsel that establishes there is no litigation pending or threatened in any court in any way:

1. affecting the corporate existence of your government, or the titles of officers to their respective offices, or seeking to restrain or enjoin the issuance, sale or delivery of the bonds, or the right of the applicant to levy and collect taxes pledged or to be pledged to pay the principal of and interest on the bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the bonds or the loan agreement between the applicant and the Bond Bank, or contesting the power of your government or your authority with respect to the bonds; or

2. against your government or involving any of the property or assets of or under the control of your government, which , whether individually or in the aggregate involves the possibility of any judgement or uninsured liability which may result in any material change in the revenues properties, or assets, or in the condition, financial or otherwise, of your government.

B. An opinion or certificate to the same effect, dated the date of the closing, shall be delivered to the Bond Bank on the date of closing.

C. If any such litigation is pending or threatened, attach a description of the litigation, including caption and case number, description of the relief requested as it pertains to the matters described, and the procedural status of the litigation

The facts and representations in this application and all attachments are true and accurate in all respects and no material facts are omitted to the best of my knowledge

P. Keith Brady
Name (print)

Municipal Administrator
Title

Signature

7/25/18
Date of Application

Please return all applications to:
Deven Mitchell
Alaska Municipal Bond Bank Authority
Department of Revenue
PO Box 110405
Juneau, AK 99811-0405
(907)465-2388 phone
(907)465-2389 fax
deven_mitchell@revenue.state.ak.us

Alaska Municipal Bond Bank
Application Credit Review Summary Page

Applicant:	City and Borough of Sitka
Loan Amount:	Not to exceed $4,500,000 (application amount was $4,025,000, but ordinance adopted by Sitka increased requested amount to $4,500,000).
Project Type:	Improvements to Sitka's Rocky Gutierrez Airport
Project Description:	Sitka will use the Bond proceeds to renovate the Rocky Gutierrez Airport terminal. The existing airport terminal facility is outdated and can't adequately provide for the efficient flow of embarking and debarking passengers and their baggage, especially in light of TSA security requirements.
Term of Loan:	20 years
Revenues Pledged to Loan:	Airport proprietary fund revenues and passenger facility charges
Most recent FY Net Pledged Revenues:	$323,480 (Figure does not include Passenger Facility Charges imposed May 2018)
Estimated Annual Debt Service:	Approximately $320 thousand
Total Bond Bank Annual Debt Service:	Approximately $12.8 million
Debt Service Coverage Ratio of proposed 2018 loan:	1.5x
Most Recent FY State-Shared Revenues (SSR):	$19.9 million
Debt Service Coverage of AMBB DS from SSR:	1.56x
Loan Subject to State Debt Service Reimbursement:	No
Estimated Borrower Savings (Gross):	$420,876
Estimated Borrower Savings (Present Value):	$296,688
No Litigation Letter Received:	Yes

Loan Application Evaluation
City and Borough of Sitka

Introduction

The City and Borough of Sitka ("Sitka") has submitted an application to the Alaska Municipal Bond Bank (the "Bond Bank") for a Revenue Bond Loan totaling an amount not to exceed $4,500,000. Subsequent to submitting the application, Sitka has adopted an ordinance authorizing the City and Borough to borrow an amount not to exceed $4.5 million. The City will use the Bond Bank loan to make improvements to Sitka's Rocky Gutierrez Airport Terminal.

The total project costs, excluding the debt service reserve fund, are estimated at approximately $4.18 million, with $158,570 of the funding provided from Federal funds.

The Project

The Rock Gutierrez Airport Terminal, in its present state, requires renovation in the very near term. The existing airport terminal facility is outdated and cannot adequately provide for the efficient flow of embarking and debarking passengers and their baggage, especially in light of security requirements.

Bond proceeds will be utilized to cover all costs associated with the project other than renovation of the TSA facilities, which will be paid by the Department of Homeland Security.

Renovation of the Rocky Gutierrez Airport Terminal will be a phased project with construction anticipated over three winter seasons (due to summer visitor traffic). The airport terminal must remain operational during the remodel and expansion.

Security and Repayment

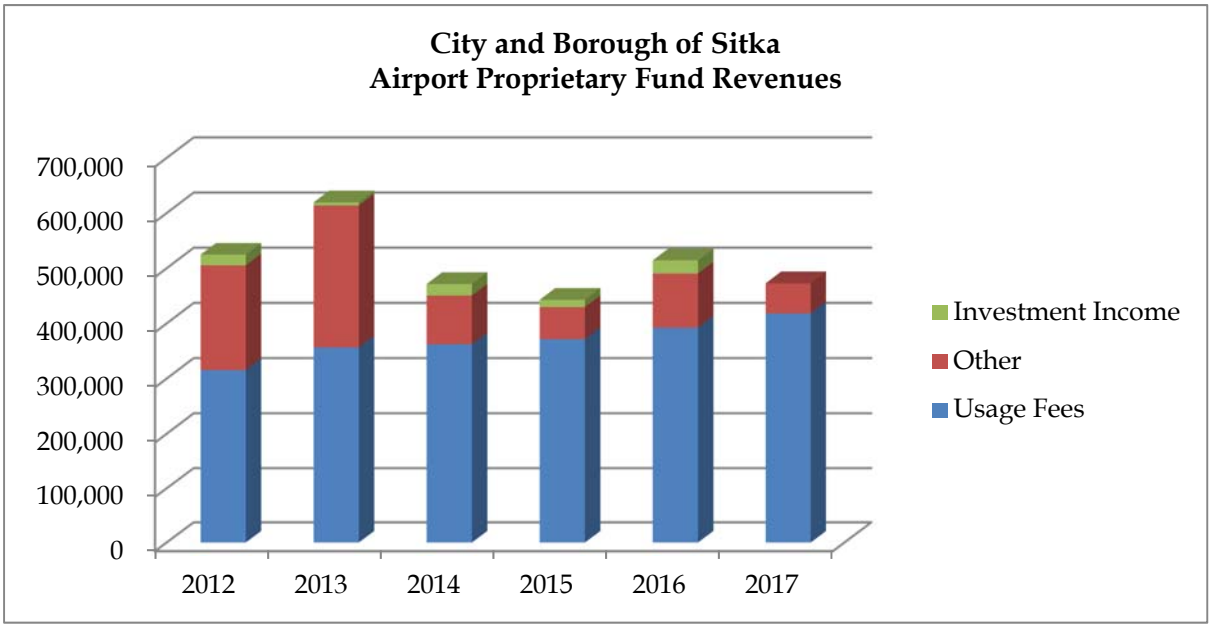
Sitka will pledge Airport Proprietary Fund revenues along with Passenger Facility Charges (PFCs). The Federal Aviation Administration has approved the collection of PFCs in the amount of $4.50 per embarkation for a period commencing May 1, 2018 and ending May 1, 2038. The purpose of the PFC is to help finance eligible terminal improvements that will expand the capacity and improve the operation of airport terminal functions, with a not to exceed total of $6,840,000 to be collected over the 20-year period. The table on the following page shows a pro-forma of the PFCs:

Year	Enplanements	Estimated Revenue	Total Collected
2018 (1)	50,392	226,764	226,764
CY2019	85,321	383,942	610,706
CY2020	86,676	390,040	1,000,746
CY2021	88,052	396,235	1,396,981
CY2022	89,451	402,528	1,799,509
CY2023	90,871	408,920	2,208,429
CY2024	92,314	415,415	2,623,844
CY2025	93,781	422,012	3,045,856
CY2026	95,270	428,715	3,474,571
CY2027	96,783	435,523	3,910,094
CY2028	98,320	442,440	4,352,534
CY2029	99,882	449,467	4,802,001
CY2030	101,468	456,605	5,258,606
CY2031	103,079	463,857	5,722,463
CY2032	104,716	471,224	6,193,687
CY2033	106,380	478,708	6,672,395
CY2034 (2)	108,069	486,311	7,158,706
CY2035	109,785	494,034	7,652,740
CY2036	111,529	501,880	8,154,620
CY2037	113,300	509,851	8,664,471
CY2038	115,100	517,948	9,182,419

(1) Total Revenue reflects the amount of revenue collected starting 5/1/2018 to the end of the year.

(2) $6,840,000 of PFC revenues are projected to be collected by 2034, at which point PFCs will cease. Sitka will have the option to use excess PFC revenues not used to pay debt service to defease remaining maturities of the 2018 loan.

The graph on the following page presents the mix of Airport Proprietary Fund revenues. As the graph indicates, the majority of revenues are generated by usage fees. From fiscal year 2012 through fiscal year 2017 usage fees accounted for approximately 73% of Fund revenues. Other non-operating income accounted for approximately 25% of Fund revenues during that period.



The table below presents the financial results of the Fund over the past 6 fiscal years. Currently the Airport does not have any existing debt. The estimated debt service on the 2018 airport loan is presented and the estimated debt service coverage is 1.5 times based on unaudited FY 2018 financials.

	2012	2013	2014	2015	2016	2017	2018 (Unaudited)
Usage Fees	$315,467	$356,360	$362,356	$371,720	$392,313	$418,148	$398,977
Other	189,639	257,514	88,276	57,966	98,054	54,637	80,273
Investment Income	19,554	5,584	20,899	13,203	23,991	(2,096)	(2,097)
Gross Revenues	524,660	619,458	471,531	442,889	514,358	470,689	477,153
Operating Expenses	$521,261	$561,822	$509,939	$555,508	$573,362	$544,273	$549,741
Depreciation and Ammortizati	(190,041)	(178,130)	(179,953)	(166,954)	(169,897)	(170,300)	(170,300)
Net Expenses	331,220	383,692	329,986	388,554	403,465	373,973	379,441
Passenger Facility Charge (1)							383,942
Revenue Available for Debt Service*	193,440	235,766	141,545	54,335	110,893	96,716	481,654
Estimated Debt Service (2)							320,953
Estimated DS Coverage							1.50

(1) The PFC revenue shown in 2018 reflects the revenues projected to be collected in FY 2019.

(2) The debt service shown in 2018 represents the maximum annual debt service of the proposed 2018 loan.

State-Aid

In addition to the pledge of the Airport Proprietary Fund and PFC revenues by Sitka, the Bond Bank has the ability to intercept state-shared revenues that will otherwise flow to Sitka. This is a significant source of security for this loan. The table below summarizes the revenues subject to intercept, along with the maximum annual debt service on Sitka's bonds, including this proposed loan and loan request related to Sitka harbor.

Shared Taxes and Fees	$1,287,084
Dept. of Transportation Reimbursement	$0
Reimbursement and Other Education Funding	$2,458,721
Education Support Funding	$12,636,519
Matching Grants	$2,601,027
Community Jails	$391,194
PILT Transfers	$0
Revenue Sharing	$543,229
Total Revenue Subject to Intercept	$19,917,774
Fiscal Year 2018 Debt Service (includes 2019 Harbor and Airport Loans DS)	$12,786,962
Debt Service Coverage	**1.56**

Estimated Borrower Savings

Savings to Sitka as a result of borrowing through the Bond Bank are estimated at approximately $421 thousand or $297 thousand on a present value basis. Savings are a result of lower costs of issuance that Sitka will face as a result of issuing through the Bond Bank, as well as lower assumed yields.

Future Capital Plans

No future bonds have been authorized at this point in time. Sitka has submitted an application to the Bond Bank for $8.6 million in harbor revenue bonds. Currently, Sitka has nearly $18 million of general obligation bonds, $113 million in electric revenue bonds and $3.3 million of harbor revenue bonds. Sitka is the largest borrower from the Bond Bank.

Statement of No Litigation

Accompanying the application from Sitka is a letter from Brian Hanson, the Municipal Attorney, stating that "there is no litigation... pending or threatened... affecting the corporate existence... of Sitka... seeking to restrain or enjoin the issuance, sale or delivery of the Bonds or the right of Sitka to establish and collect rates and charges for Sitka's Airport renovation project to be pledged to pay the principal of the interest on the Bonds, or in any other way contesting the power of Sitka with respect to the bonds; or against Sitka involving any of the property or assets

of or under the control of Sitka that…involves the possibility of any judgement or uninsured liability that may result in any material change in the revenues, properties or assets of Sitka…"

Summary

Based on our assessment, the security offered by Sitka, as set forth in Sitka's loan application and supplemental materials, provides sufficient security to justify approval of the application. This security, which is primarily provided by a net revenue pledge of the Airport Proprietary Fund, is augmented by the debt service reserve fund held by the Bond Bank's trustee. In addition, state interceptable revenues provide additional loan security.

For these reasons, we recommend approval of this loan application. If you or any of the Board members have any questions regarding our analysis, please feel free to call me at (503) 719-6113.

PFM Financial Advisors, LLC

Chip Pierce

Sitka Economic and Demographic Information

Sitka is located on the west coast of Baranof Island fronting the Pacific Ocean, on Sitka Sound. An extinct volcano, Mount Edgecumbe, rises 3,200 feet above the community. It is 95 air miles southwest of Juneau, and 185 miles northwest of Ketchikan. The area encompasses 2,874.0 square miles of land and 1,937.5 square miles of water.

Sitka was originally inhabited by a major tribe of Tlingits, who called the village "Shee Atika." The site became "New Archangel" in 1799. St. Michael's Redoubt trading post and fort were built here by Alexander Baranof, manager of the Russian-American company. Tlingits burned down the fort and looted the warehouse in 1802. In 1804, the Russians retaliated by destroying the Tlingit Fort in the Battle of Sitka. This was the last major stand by the Tlingits against the Russians, and the Indians evacuated the area until about 1822. By 1808, Sitka was the capital of Russian Alaska. Baranof was Governor from 1790 through 1818. During the mid-1800s, Sitka was the major port on the north Pacific coast, with ships calling from many nations. Furs destined for European and Asian markets were the main export, but salmon, lumber and ice were also exported to Hawaii, Mexico and California.

After the purchase of Alaska by the U.S. in 1867, it remained the capital of the Territory until 1906, when the seat of government was moved to Juneau. During the early 1900s, gold mines contributed to its growth, and the City was incorporated in 1913. During World War II, the town was fortified and the U.S. Navy built an air base on Japonski Island across the harbor, with 30,000 military personnel and over 7,000 civilians. After the war, the BIA converted some of the buildings to be used as a boarding school for Alaska Natives, Mt. Edgecumbe High School. The U.S. Coast Guard now maintains the air station and other facilities on the Island. A large pulp mill began operations at Silver Bay in 1960. In 1971, the City and Borough governments were unified. Sitka offers abundant resources and a diverse economy.

Sitka has year-round access to outdoor recreation in the Gulf of Alaska and Tongass National Forest. According to Census 2010, there were 4,102 housing units in the community and 3,545 were occupied. Its population was 16.8% American Indian or Alaska Native; 65.3% white; 0.5% black; 6% Asian; 0.3% Pacific Islander; 9.8% of the local residents had multi-racial backgrounds. Additionally, 4.9% of the population was of Hispanic descent. As of 2010, the public sector employed 23.5% of all workers. The local unemployment rate was 6.9%. The percentage of workers not in labor force was 26.9%. The ACS surveys established that average median household income (in 2010 inflation-adjusted dollars) was $62,024. The per capita income (in 2010 inflation-adjusted dollars) was $29,982. About 7.0% of all residents had incomes below the poverty level.

Water is drawn from a reservoir on Blue Lake and Indian River, is treated, stored, and piped to nearly all homes in Sitka. The maximum capacity is 8.6 million gallons per day, with 197 million gallons of storage capacity. 95% of homes are connected to the piped sewage system, which receives primary treatment. Refuse is collected by a private firm under contract to the Municipality and is incinerated. The ash is then disposed of at the permitted, lined landfill. The community participates in annual hazardous waste disposal events. The Municipality owns hydroelectric facilities at Blue Lake and Green Lake, and a diesel-fueled generator at Indian River. Electricity is provided by Sitka Electric Department.

There are 7 schools located in the community, attended by 1,772 students. Local hospitals or health clinics include Mt. Edgecumbe Hospital; Sitka Community Hospital; and the U.S. Coast Guard Air Station. The hospitals are qualified Acute Care facilities. The USCG Air Station provides emergency support only and Medevac Services, and is a qualified Emergency Care Center.

The economy is diversified with fishing, fish processing, tourism, government, transportation, retail, and healthcare services. Cruise ships stimulate tourism industries. In 2010, 563 residents held commercial fishing permits, and fish processing provides seasonal employment. The seafood industry is a major employer. Regional healthcare services, the U.S. Forest Service, and the U.S. Coast Guard also employ residents. Moreover, in 2011, 191 Coast Guard personnel were stationed in Sitka.

The State-owned Rocky Gutierrez Airport on Japonski Island has a 6,500' paved and lighted runway, an instrument landing system, and a 24-hour FAA Flight Service Station. Daily jet service is provided, and several scheduled air taxis, air charters and helicopter services are available. The Municipality operates five small boat harbors with 1,350 stalls, and a seaplane base on Sitka Sound, at Baranof Warm Spring Bay. A boat launch, haul-out, boat repairs and other services are available. Cruise ships anchor in the Harbor and lighter visitors to shore. The Alaska Marine Highway system (state ferry) has a docking facility. Freight arrives by barge and cargo plane.

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2018-17

A RESOLUTION BY THE CITY AND BOROUGH OF SITKA APPROVING SUBMITTAL AND EXECUTION OF AN APPLICATION TO THE ALASKA MUNICIPAL BOND BANK TO ISSUE AN AMOUNT OF AIRPORT TERMINAL REVENUE BONDS UP TO $4,025,000 THROUGH THE BOND BANK TO FINANCE THE CITY AND BOROUGH OF SITKA'S PORTION OF THE RENOVATION OF THE ROCKY GUTIERREZ AIRPORT TERMINAL

WHEREAS, the City and Borough of Sitka has recognized a critical need to improve the efficiency of the Rocky Gutierrez Airport Terminal in accommodating the current volume of air passengers, luggage, and freight; and

WHEREAS, the City and Borough of Sitka recognizes that an efficient airport terminal is essential to maintaining the economic health of the Municipality; and

WHEREAS, the existing airport terminal facility is outdated and can't adequately provide for the efficient flow of embarking and debarking passengers and their baggage, especially in light of security screening requirements; and

WHEREAS, the Transportation Safety Administration has issued an OTA (Other Transaction Agreement) to the City and Borough of Sitka in the amount of $158,570 to pay for an in-line baggage screening system and modified baggage screening area in conjunction with the overall remodel plan; and

WHEREAS, the Federal Aviation Administration has approved the collection of Passenger Facility Charges (PFCs) in the amount of $4.50 per embarkation for a period commencing May 1, 2018 and ending May 1, 2038, the purpose of which is to help finance PFC-eligible terminal improvements that will expand the capacity and improve the operation of airport terminal functions, with an estimated total of $6,840,000 to be collected over the 20-year period in PFCs; and

WHEREAS, PFCs may be used to pay the debt service for revenue bonds issued to obtain the financing for PFC-eligible terminal improvements; and

WHEREAS, the problems and deficiencies with the Rocky Gutierrez Airport Terminal, in its present state, require that the facility be renovated in the very near term; and

WHEREAS, commercial airlines utilizing the Rocky Gutierrez Airport Terminal and the Transportation Safety Administration are supportive of the proposed renovations, and, in the issuance of revenue bonds in order to accomplish the needed renovations in the very near term.

NOW, THEREFORE, BE IT RESOLVED, by the Assembly of the City and Borough of Sitka that the Administrator is authorized to prepare and submit an application to the Alaska Municipal Bond Bank for the issuance of up to $4,025,000 in airport terminal revenue bonds through the Alaska Municipal Bond Bank Authority.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska on this 24th day of July, 2018.

Matthew Hunter, Mayor

ATTEST:

Sara Peterson

Sara Peterson, MMC
Municipal Clerk

1st and final reading 7/24/18
Sponsor: Administrator

I certify that this is a true and correct copy of an original document on file in the City & Borough of Sitka.
Signed and sealed this 26 **day of** July 2018
by Sara Peterson **Municipal Clerk**

NO LITIGATION CERTIFICATE

I, BRIAN E. HANSON, the duly appointed, qualified and acting Municipal Attorney of the City and Borough of Sitka, Alaska ("CBS"), in connection with CBS's application to the Alaska Municipal Bond Bank (the "Bond Bank") relating to CBS's proposed issuance of revenue bonds ("Bonds") to finance a portion of the cost of certain improvements for CBS's Airport renovation project, DO HEREBY CERTIFY that as of the date hereof, to my knowledge, there is no litigation pending or threated in any court in any way:

1. affecting the corporate existence of CBS, or the titles of CBS officers to their offices, or seeking to restrain or enjoin CBS's application to the Bond Bank, the proposed issuance of the Bonds, or the right of CBS to establish and collect rates and charges for CBS's Airport renovation project to be pledged to pay the principal of the interest on the Bonds, or in any way contesting the power of CBS with respect to the Bonds; or

2. against CBS involving any of the property or assets of or under the control of CBS that, whether individually or in the aggregate, involves the possibility of any judgement or uninsured liability that may result in any material change in the revenues, properties, or assets of CBS, or in the condition, financial or otherwise, of CBS.

DATED this 25th day of July, 2018

CITY AND BOROUGH OF SITKA, ALASKA

Brian E Hanson

By: Brian E. Hanson
Its: Municipal Attorney

Application for Bonds

A request for the Alaska Municipal Bond Bank Authority (the Bond Bank) to purchase a revenue or general obligation bond issue of the applicant. This isn't considered a commitment on the part of the applicant or the Bond Bank. Additional information may be requested before a final recommendation.

I. General Information

A. Name of Governmental Unit (Applicant):

CITY AND BOROUGH OF SITKA, ALASKA

B. Type of government (home rule, first class, authority, etc.):

Unified Home Rule Municipality

C. Contact Person for the government:

Name:	Title:		
John P. (Jay) Sweeney	**Chief Financial & Administrative Officer**		
Address:	City:	State:	Zip:
100 Lincoln Street	**Sitka**	**AK**	**99835**
Phone:	Fax:	E-mail:	
(907)-747-1836	**(907)-747-7403**	**jay.sweeney@cityofsitka.org**	

D. Applicant's Bond Counsel:

Name:	Title:		
David Thompsen	**Attorney, Stradling Yocca Carlson & Rauth**		
Address:	City:	State:	Zip:
999 Third Avenue, Suite 3610	**Seattle**	**WA**	**98104**
Phone:	Fax:	E-mail:	
(206)-829-3006	**(206)-299-4117**	**DThompson@SYCR.com**	

E. Applicant's Financial Advisor or Underwriter (if applicable):

Name:	Title:		
Address:	City:	State:	Zip:
Phone:	Fax:	E-mail:	

II. Issue Information

A. Total amount of bond purchase request:

$4,025,000 in Net Project Proceeds

B. Total term of requested loan: **20** **years**

C. Preferred principal and interest payment months: **Aug/Feb** **principal /interest** **Aug** **interest only**

D. If a bond election is required, provide a copy of the bond election ordinance and ballot proposition.

If a bond election has been held, provide the votes for and against the issue(s):

Yes:	No:	Percent of registered voters casting ballots:
		%

Does the municipality intend to pledge any specific assets or taxes in addition to property tax? P rovide details of the additional security.

The Municipality will pledge airport proprietary fund revenues and passenger facility charges.

E. Will you need interim financing?

1. If applicable, provide interim financing information:

Amount:	Maturity:	Rate:	Lender:

2. Provide information that would impact the Bond Bank's ability to retire the interim financing with permanent financing. ❑ Attached

F. Describe project to be financed, including the information requesting in 1-6. If this information is available in a project feasibility study, you may reference and attach it.

1. Are engineering and specifications completed? ❑Yes ❑No
2. If not, when are they projected for completion? **Fall 2019 to Spring 2020**
3. Have construction bids been awarded? ❑Yes ❑No
4. Are there additional state or local approvals required? ❑Yes ❑No
5. Describe timing/scheduling plan:

Renovation of the Rocky Guiterrez Airport Terminal will be a phased project with construction anticipated over three winter seasons (due to summer visitor traffic). Airport terminal must remain operational during the remodel and expansion.

6. What is the projected completion date? **March 31, 2021**

G. Sources of uses of funds

Sources of Funds		Uses of Funds	
Bonds (this application)	**$ 4,025,000**	Construction	**$ 3,083,570**
Federal Funds*	**$ 158,570**	Engineering	**$ 600,000**

State Funds*	$ **TBD (Applying)**	Contingency	$ **300,000**
Applicant's Funds	$	Cost of Issuance	$ **25,000**
Other (specify)	$ **TBD (Applying)**	Other	$ **175,000**
Total:	$ **4,183,570**	Total:	$ **4,183,570**

*If federal or state funds are involved, provide a compete description of the status and uses of these funds.

1. Indicate which costs, including costs of issuance, would be paid for with AMBBA bond proceeds:

All costs other than renovation of TSA facilities would be paid for with AMBBA bond proceeds.

TSA facility renovation will be paid for by Department of Homeland Security.

III. Credit Information

A. Provide the loan agreements or copies of the cover page of official statements for your government's outstanding bonds.

All outstanding bonds have been issued through the AMBBA.

B. Has your municipality entered into lease purchase agreements or other financing agreements supported by General Fund revenues? ❑Yes ❑No
If yes, provide amount of financed, purpose and principal amount outstanding. $

The Municipality is applying to issue proprietry fund revenue bonds.

C. Are any of the above referenced issues supported by special assessments on benefited property, revenues, user fees or state reimbursement for school construction projects? ❑Yes ❑No
If yes, please attach details. ❑Attached

Harbor revenue bonds (AMBBA 2013, Series 1) are supported by harbor moorage fees and State of Alaska Fisheries Resource Landing Tax Proceeds ("Raw Fish Tax")

D. Has your government ever failed to meet its debt service coverage requirements or other covenants on general obligation, revenue, or special assessment bonds? ❑Yes ❑No
If yes, please attach an explanation. ❑Attached

E. Has your government ever defaulted on any of its general obligation, revenue, or special assessment bonds? ❑Yes ❑No
If yes, please attach an explanation. ❑Attached

F. Provide information on the amount, timing, and purpose of any bonds you have authorized by the voters, but not yet issued. ❑Attached.

Sitka does not have any bonds authorized by the voters but not yet issued.

G. Attach your government's forecast on amount, timing, and purpose of future general obligation or revenue bond financing. If this information is available in your long-term plan, provide a copy.
❑Attached

**Attached long-range fiscal plans dteail proposed future revenue bond financings.
The attached fiscal plans HAVE NOT been approved by the Assembly, however, and do not constitute a commitment to future debt issuance.**

H. Give a brief summary of your local economy. Include major industries and their projections. Describe any positive or negative trends or factors. (If this information is available in an annual report, provide a copy with your application.) ❑Attached

Are any of the community's major employers expected to make changes in work force or operations?
❑Yes ❑No
If yes, provide an explanations. ❑Attached

J. Please provide population figures for your community for the last five years. Indicate the source of your figures.

Year	Population	Source

L. Provide assessed valuation and property tax collected for all taxable property within your corporate limits for the past five years. ❑Attached

M. Provide your audited financial statements from the last two years (provide your unaduited statement if audit hasn't been preformed). ❑Attached

N. Provide your current year's budget. ❑Attached

O. Provide your capital improvement plan. ❑Attached

P. Provide any other financial or economic information that will assist evaluation of your application. ❑Attached

IV. Legal Information

A. Provide a certificate of your legal counsel that establishes there is no litigation pending or threatened in any court in any way:

1. affecting the corporate existence of your government, or the titles of officers to their respective offices, or seeking to restrain or enjoin the issuance, sale or delivery of the bonds, or the right of the applicant to levy and collect taxes pledged or to be pledged to pay the principal of and interest on the bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the bonds or the loan agreement between the applicant and the Bond Bank, or contesting the power of your government or your authority with respect to the bonds; or

2. against your government or involving any of the property or assets of or under the control of your government, which , whether individually or in the aggregate involves the possibility of any judgement or uninsured liability which may result in any material change in the revenues properties, or assets, or in the condition, financial or otherwise, of your government.

B. An opinion or certificate to the same effect, dated the date of the closing, shall be delivered to the Bond Bank on the date of closing.

C. If any such litigation is pending or threatened, attach a description of the litigation, including caption and case number, description of the relief requested as it pertains to the matters described, and the procedural status of the litigation

The facts and representations in this application and all attachments are true and accurate in all respects and no material facts are omitted to the best of my knowledge

P. Keith Brady
Name (print)

Municipal Administrator
Title

Signature

7/25/18
Date of Application

Please return all applications to:
Deven Mitchell
Alaska Municipal Bond Bank Authority
Department of Revenue
PO Box 110405
Juneau, AK 99811-0405
(907)465-2388 phone
(907)465-2389 fax
deven_mitchell@revenue.state.ak.us

ALASKA MUNICIPAL BOND BANK
RESOLUTION NO. 2018-01

A SERIES RESOLUTION AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS, 2018 SERIES ONE AND 2018 SERIES TWO OF THE ALASKA MUNICIPAL BOND BANK

ADOPTED ON OCTOBER 8, 2018

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ALASKA MUNICIPAL BOND BANK
RESOLUTION NO. 2018-01

A SERIES RESOLUTION AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS, 2018 SERIES ONE AND 2018 SERIES TWO OF THE ALASKA MUNICIPAL BOND BANK

WHEREAS, the Board of Directors of the Alaska Municipal Bond Bank (the "Bank") by Resolution entitled "A Resolution Creating And Establishing An Issue Of Bonds Of The Alaska Municipal Bond Bank; Providing For The Issuance From Time To Time Of Said Bonds; Providing For The Payment Of Principal Of And Interest On Said Bonds; And Providing For The Rights Of The Holders Thereof," adopted on July 13, 2005, as amended (as further defined in Section 102 hereof, the "Resolution"), has created and established an issue of Bonds of the Bank; and

WHEREAS, the Resolution authorizes the issuance of said Bonds in one or more series pursuant to a Series Resolution authorizing each such series; and

WHEREAS, the Board of Directors of the Bank has determined that it is necessary and desirable that the Bank issue at this time a Series of Bonds in an aggregate principal amount of not to exceed $6,000,000 (or otherwise as provided in Section 201 hereof), to be designated "Alaska Municipal Bond Bank General Obligation Bonds, 2018 Series One," and a Series of Bonds in an aggregate principal amount of not to exceed $14,000,000 (or otherwise as provided in Section 201 hereof), to be designated "Alaska Municipal Bond Bank General Obligation Bonds, 2018 Series Two," in each case to provide moneys to carry out the purposes of the Bank;

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ALASKA MUNICIPAL BOND BANK AS FOLLOWS:

ARTICLE I
AUTHORITY AND DEFINITIONS

Section 101- Series Resolution.

This Series Resolution (the "2018 Series Resolution") is adopted in accordance with the provisions of the Resolution and pursuant to the authority contained in the Act.

Section 102- Definitions.

In this 2018 Series Resolution and with respect to the 2018 Bonds:

(1) Unless otherwise defined in Article I herein, all capitalized terms herein shall have the meanings given to such terms in Article I of the Resolution.

(2) "Approved Bid" shall mean, in the case of a competitive sale, the applicable winning bid submitted for one or more series of the 2018 Bonds.

(3) "Bank" shall mean the Alaska Municipal Bond Bank (in the Act also referred to as the "Alaska Municipal Bond Bank Authority").

(4) "Beneficial Owner" shall mean the person in whose name a 2018 Bond, as applicable, is recorded as the beneficial owner of such 2018 Bond by the respective systems of The Depository Trust Company and Depository Trust Company Participants or the Holder of a 2018 Bond if such 2018 Bond is not then held in book-entry form pursuant to Section 206.

(5) "Bond Purchase Agreement" shall mean, in the case of a negotiated sale, one or more bond purchase agreements entered into among one or more Underwriters and the Bank, providing for the purchase and the terms of one or more series of the 2018 Bonds.

(6) "Bond Year" shall mean each one-year period that ends on an anniversary of the date of issue of the 2018 Bonds.

(7) "Chairman" shall mean the chairman of the Board of Directors of the Bank.

(8) "Code" shall mean the Internal Revenue Code of 1986, together with all regulations applicable thereto.

(9) "Continuing Disclosure Certificate" shall mean the Continuing Disclosure Certificate executed by the Bank and dated the date of issuance and delivery of the 2018 Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

(10) "Depository Trust Company" or "DTC" shall mean The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns.

(11) "Depository Trust Company Participant" or "DTC Participant" shall mean a trust company, bank, broker, dealer, clearing corporation and any other organization that is a participant of Depository Trust Company.

(12) "Excess Investment Earnings" shall mean the amount of investment earnings on gross proceeds of the 2018 Bonds determined by the Bank to be required to be rebated to the United States of America under the Code.

(13) "Financial Advisor" shall mean Western Financial Group, LLC, a wholly-owned subsidiary of PFM Financial Advisors LLC.

(14) "Letter of Representations" shall mean the Blanket Issuer Letter of Representations dated May 2, 1995, from the Bank to DTC, a copy of which is attached hereto as Appendix A, and the operational arrangements referred to therein.

(15) "Loan Agreement" shall mean, collectively, each of the following agreements pertaining to the repayment of a Loan or Loans to the related Governmental Unit as provided for herein: (a) the agreement by and between the Bank and the Kenai Peninsula Borough, Alaska (the "Kenai Peninsula Borough") to finance a portion of the capital costs of the Kachemak-Selo K-12 School construction project; (b) the agreement by and between the Bank and the City and Borough of Sitka, Alaska ("Sitka") to finance a portion of the costs of capital improvements to Sitka's harbor facilities; (c) the agreement by and between the Bank and Sitka to finance a portion of the costs of capital improvements to Sitka's Rocky Gutierrez Airport.

(16) "Notice of Sale" shall mean, in the case of a competitive sale, the Official Notice of Sale and Bidding Instructions for the related series of 2018 Bonds, in substantially the form attached hereto as Appendix D.

(17) "Official Statement" shall have the meaning assigned thereto in Section 211 hereof.

(18) "Preliminary Official Statement" shall have the meaning assigned thereto in Section 211 hereof.

(19) "Record Date" shall mean the date fifteen calendar days preceding each interest payment date with respect to the 2018 Bonds of one or both series.

(20) "Resolution" shall mean the General Bond Resolution, adopted by the Board of Directors on July 13, 2005, as amended by a Supplemental Resolution, Resolution No. 2009-03, adopted by the Board of Directors on May 28, 2009 and effective on August 19, 2009; and by a First Supplemental Resolution, Resolution No. 2013-02, adopted by the Board of Directors on February 19, 2013, the amendments in which are effective after all Bonds issued prior to February 19, 2013 are no longer outstanding and the requirements of such First Supplemental Resolution are satisfied.

(21) "Surety Bond Issuer" shall mean the Credit Enhancement Agency, if any, selected by the Chairman or the Executive Director to provide Credit Enhancement for a portion of the Reserve Fund Requirement.

(22) "Underwriter" shall mean the initial purchaser (or representative of the purchasers, if one or more firms act collectively) of one or more series of the 2018 Bonds.

(23) "2018 Bond Credit Enhancement" shall mean a Credit Enhancement, if any, issued by a 2018 Bond Insurer on the date of issuance of the 2018 Bonds for the purpose of further securing the payment of the principal of and interest on all or a portion of the one or more 2018 Bonds.

(24) "2018 Bond Insurer" shall mean a monoline insurance company, if any, selected by the Chairman or the Executive Director to provide a 2018 Bond Credit Enhancement to further

secure the payment of the principal of and interest on all or a portion of the one or more series of 2018 Bonds.

(25) "2018 Reserve Fund Credit Enhancement" shall mean the Credit Enhancement, if any, issued by a Surety Bond Issuer on the date of issuance of the 2018 Bonds for the purpose of satisfying a portion of the Reserve Fund Requirement.

(26) "2018 Reserve Fund Credit Enhancement Agreement" shall mean if a 2018 Reserve Fund Credit Enhancement is obtained, a reimbursement agreement relating to a letter of credit, a policy from a monoline insurance company or an agreement with the State or with any department, political subdivision or agency thereof, credited to the Reserve Fund to satisfy all or a portion of the Reserve Fund Requirement, approved by the Authorized Officer in accordance with the provisions of Section 302 hereof.

(27) "2018 Bonds" shall mean, collectively, the 2018 Series One Bonds, the 2018 Series Two Bonds and any additional series of Bonds authorized in Article II hereof.

(28) "2018 Series One Bonds" shall mean the Alaska Municipal Bond Bank General Obligation Bonds, 2018 Series One authorized in Article II hereof.

(29) "2018 Series Two Bonds" shall mean the Alaska Municipal Bond Bank General Obligation Bonds, 2018 Series Two authorized in Article II hereof.

(30) "2018 Series One Debt Service Account" shall mean the debt service account of that name established pursuant to Section 503 hereof.

(31) "2018 Series Two Debt Service Account" shall mean the debt service account of that name established pursuant to Section 503 hereof.

ARTICLE II
AUTHORIZATION OF 2018 BONDS

Section 201- Principal Amount, Designation and Series.

Pursuant to the provisions of the Resolution, (i) a Series of Bonds designated as "Alaska Municipal Bond Bank General Obligation Bonds, 2018 Series One" is hereby authorized to be issued in an aggregate principal amount not to exceed $6,000,000 and, (ii) a Series of Bonds designated as "Alaska Municipal Bond Bank General Obligation Bonds, 2018 Series Two" is hereby authorized to be issued in an aggregate principal amount not to exceed $14,000,000. The Chairman or the Executive Director, in consultation with the Bank's Financial Advisor, shall determine the number of series and the series names and designations and the aggregate principal amount of the 2018 Bonds of each series, provided that the aggregate principal amount of all Bonds issued pursuant to this 2018 Series Resolution does not exceed $20,000,000.

The Chairman or the Executive Director is authorized hereby to change the designations of the 2018 Bonds, and/or to establish additional series of 2018 Bonds, and/or to consolidate the 2018 Bonds into a single series and to determine designations thereof.

Section 202- Purposes of the 2018 Bonds.

The purposes for which the 2018 Bonds are being issued are (i) to make Loans to the Governmental Units to the extent and in the manner provided in Article III; (ii) to make a deposit to the Reserve Fund if necessary, as provided in Section 302 hereof; and (iii) to finance costs of issuing the 2018 Bonds.

Section 203- Date, Maturities and Interest Rates.

The 2018 Bonds of each series shall be dated the date the 2018 Bonds of such series are delivered to the Underwriter of such series, subject to the terms and conditions set forth in this 2018 Series Resolution and in the applicable Bond Purchase Agreement or Notice of Sale. Subject to adjustment as provided for in this Section 203, the 2018 Bonds of each series shall mature, or have Sinking Fund Installments due, on December 1, 2019 and thereafter on December 1 in each of the years and in the principal amounts set forth in the Notice of Sale in the case of a competitive sale or in the Bond Purchase Agreement in the case of a negotiated sale.

The number of series of 2018 Bonds, the names and designations of, the aggregate principal amount of, the principal amount of each maturity, the amount of each Sinking Fund Installment, if any, and the maturity dates, Sinking Fund Installment dates and interest rates and payment dates of the 2018 Bonds of each series shall be fixed and determined by the Chairman or by the Executive Director at the time the Approved Bid is accepted, in the case of competitive sale, or at the time a Bond Purchase Agreement is executed and delivered, in the case of a negotiated sale, pursuant to Section 210 hereof, but subject to the limitations set forth in Sections 201 and 210 hereof.

Section 204- Interest Payments.

The 2018 Bonds of each series shall bear interest from their date of delivery to the Underwriter, payable on each June 1 and December 1, commencing June 1, 2019 (or such other date or dates as may be fixed and determined by the Chairman or the Executive Director at the time the Approved Bid is accepted, in the case of a competitive sale, or at the time the Bond Purchase Agreement is signed, in the case of a negotiated sale). Interest shall be computed on the basis of a 360-day year composed of twelve thirty-day months.

Section 205- Denominations, Numbers and Other Designation.

The 2018 Bonds of each series shall be issued in registered form in the denomination of $5,000 or any integral multiple thereof within a maturity and interest rate, not exceeding the aggregate principal amount of the 2018 Bonds authorized herein. The 2018 Bonds of each series

shall be numbered serially with any additional designation that the Chairman or the Executive Director deems appropriate.

Section 206- Securities Depository.

(1) The 2018 Bonds shall be registered initially in the name of "Cede & Co.," as nominee of DTC, and shall be issued initially in the form of a single bond for each series, maturity and interest rate, in the aggregate principal amount for such series, maturity and interest rate. Transfers of ownership of the 2018 Bonds or any portions thereof, may not thereafter be registered except transfers (i) to any successor of DTC or its nominee, provided that any such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (ii) to any substitute depository or such substitute depository's successor; or (iii) to any person as provided in paragraph (4) below.

(2) Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository or a determination by the Bank that it is no longer in the best interest of Beneficial Owners to continue the system of book-entry transfers through DTC or its successors (or any substitute depository or its successor), the Bank may appoint a substitute depository or provide that 2018 Bonds no longer be held by a depository and instead be held as provided in paragraph (4). Any substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

(3) In the case of any transfer pursuant to clause (i) or (ii) of paragraph (1) above, the Trustee shall, upon receipt of all Outstanding 2018 Bonds of a series, together with a written request of an Authorized Officer and a supply of new 2018 Bonds of such series, authenticate a single new 2018 Bonds for the Outstanding 2018 Bonds of such series for each maturity and interest rate, registered in the name of such successor or such substitute depository, or its nominee, as the case may be, all as specified in such written request.

(4) In the event that (i) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or (ii) the Bank determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bond certificates, the ownership of 2018 Bonds of such series may then be transferred to any person or entity as provided in the Resolution and the 2018 Bonds of such series shall no longer be held in book-entry form. An Authorized Officer shall deliver a written request to the Trustee to authenticate 2018 Bonds of such series as provided in the Resolution in any authorized denomination, together with a supply of definitive Bonds. Upon receipt of all then Outstanding 2018 Bonds of such series by the Trustee, together with a written request of an Authorized Officer to the Trustee, new 2018 Bonds of such series shall be issued and authenticated in such denominations and registered in the names of such persons as are requested in such written request.

(5) For so long as the 2018 Bonds are held in book-entry form under this Section, the Bank and the Trustee may treat DTC (or its nominee) or any substitute depository (or its nominee) as the sole and exclusive registered owner of the 2018 Bonds registered in its name for the purposes

of payment of principal or Redemption Price of and interest on such 2018 Bonds, selecting such 2018 Bonds, or portions thereof, to be redeemed, giving any notice permitted or required to be given to Bondholders under the Resolution (except as otherwise provided pursuant to Section 508 hereof), registering the transfer of such 2018 Bonds and obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever; and neither the Bank nor the Trustee shall be affected by any notice to the contrary. Neither the Bank nor the Trustee shall have any responsibility or obligation to any DTC Participant, any person claiming a beneficial ownership interest in the 2018 Bonds under or through DTC or any DTC Participant, or any other person not shown on the registration books of the Trustee as being a registered owner, with respect to the accuracy of any records maintained by DTC or any DTC Participant (or by any substitute depository or participant); the payment by DTC or any DTC Participant (or by any substitute depository or participant) of any amount in respect of the principal or Redemption Price of or interest on the 2018 Bonds, any notice that is permitted or required to be given to Bondholders under the Resolution, the selection by DTC or any DTC Participant (or by any substitute depository or participant) of any person to receive payment in the event of a partial redemption of the 2018 Bonds, or any consent given or other action taken by DTC as Bondholder. The Trustee shall pay from money available under the Resolution all principal and Redemption Price of and interest on the 2018 Bonds only to or upon the order of DTC of the 2018 Bonds are then requested to DTC or its nominee, and all such payments shall be valid and effective to fully satisfy and discharge the Bank's obligations with respect to the principal or Redemption Price of and interest on the 2018 Bonds to the extent of the sum or sums so paid.

Section 207- Places and Manner of Payment.

For so long as all Outstanding 2018 Bonds are registered in the name of Cede & Co. or its registered assigns, payment of principal and interest thereon shall be made as provided in the Letter of Representations and the operational arrangements referred to therein as amended from time to time. In the event that the 2018 Bonds are no longer registered in the name of Cede & Co. or its registered assigns or to a successor securities depository, (i) payment of interest on the 2018 Bonds will be made by check or draft mailed by first class mail to the registered owner, at the address appearing on the Record Date on the bond register of the Bank kept at the corporate trust office of the Trustee, or, upon the written request of a registered owner of at least $1,000,000 in principal amount of 2018 Bonds received at least fifteen (15) days prior to an interest payment date, by wire transfer in immediately available funds to an account in the United States of America designated by such registered owner; and (ii) principal of the 2018 Bonds will be payable at the corporate trust office of the Trustee upon surrender of the 2018 Bonds representing such principal. Both principal of and interest on the 2018 Bonds are payable in any coin or currency of the United States of America which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts.

Section 208- Optional Redemption.

(a) The Chairman and the Executive Director are, and each of them is, hereby authorized to determine the optional redemption provisions, if any, for the 2018 Bonds of each series, and

such provisions shall be included in the applicable Notice of Sale and Approved Bid, in the case of a competitive sale, or in the Bond Purchase Agreement, in the case of a negotiated sale, and in the form of the 2018 Bond of such series.

(b) Unless otherwise determined by the Chairman or Executive Director by the time the Approved Bid is accepted or the Bond Purchase Agreement is signed, as applicable, notice of optional redemption shall be given at least 20 days, and not more than 60 days, prior to the date fixed for redemption of the 2018 Bonds to be redeemed and in addition to the requirements of Section 402(A)(1) through (5) and of Section 402(A)(7) of the Resolution, such notice of optional redemption shall state that it is a conditional notice and that on the date fixed for redemption, provided that moneys sufficient to redeem the 2018 Bonds specified in such notice are on deposit with the Trustee, the redemption price will become due and payable and interest thereon will cease to accrue from and after said date.

Section 209- Mandatory Redemption.

The Chairman or the Executive Director are, and each of them is, hereby authorized to approve the mandatory redemption provisions, if any, for the 2018 Bonds of each series that are term bonds, and such provisions shall be included in the applicable Notice of Sale and in the applicable Approved Bid, in the case of a competitive sale, or in the Bond Purchase Agreement, in the case of a negotiated sale, and in the 2018 Bonds of such series and maturity.

Unless otherwise determined by the Chairman or Executive Director by the time the Approved Bid is accepted or the Bond Purchase Agreement is signed, as applicable, notice of mandatory redemption shall be given at least 20 days, and not more than 60 days, prior to the date fixed for redemption of the 2018 Bonds to be redeemed.

Section 210- Sale of 2018 Bonds.

(a) The 2018 Bonds of each series shall be sold to the applicable Underwriter at competitive sale pursuant to the terms of the applicable Notice of Sale, in the case of a competitive sale, or pursuant to the terms of a Bond Purchase Agreement, in the case of a negotiated sale, as determined by the Executive Director or the Chairman after consulting with the Financial Advisor. The Chairman and the Executive Director are, and each of them is, hereby authorized to (i) amend or supplement the Notice of Sale and to approve and accept an Approved Bid, in the case of a competitive sale, and in the case of a negotiated sale, to approve and execute and deliver a Bond Purchase Agreement, in each case with terms consistent with the provisions of this 2018 Series Resolution; (ii) to determine the number of series of 2018 Bonds, and the name and designation of each such series, and for each series of 2018 Bonds, the dated date and the delivery date, the aggregate principal amount, the principal amount of Bonds of each series, maturity and interest rate, the purchase price, the maturity and the interest payment dates and the redemption provisions and interest rate(s); provided, however, that (A) the aggregate principal amount of the 2018 Bonds shall not exceed $20,000,000; (B) the true interest cost on the 2018 Series One Bonds shall not exceed 4.75 percent; and (C) the true interest cost on the 2018 Series Two Bonds shall not exceed

5.25 percent. Prior to acceptance of the Approved Bid, in the case of a competitive sale, or in the case of a negotiated sale, prior to the execution and delivery of a Bond Purchase Agreement, the Chairman or the Executive Director, with the assistance of the Financial Advisor, shall take into account those factors that, in their judgment, will result in the lowest true interest cost of the 2018 Bonds of each series.

(b) The authority granted to the Chairman and the Executive Director under this Section 210 shall expire one hundred twenty (120) days after the date of adoption of this 2018 Series Resolution.

Section 211- Notice of Sale, Preliminary Official Statement and Official Statement.

The Chairman or the Executive Director are, and each of them is, hereby authorized to approve the final form of, and the distribution in electronic form to prospective purchasers and other interested persons of, the Notice of Sale, in the case of a competitive sale, and the preliminary official statement for the 2018 Bonds of one or both series (including any supplements and amendments thereto prior to acceptance of the Approved Bid and/or the execution and delivery of the Bond Purchase Agreement, the "Preliminary Official Statement"), each substantially in the form submitted to the Board prior to the date the Preliminary Official Statement is approved, with such changes as the Chairman or the Executive Director deems advisable. The distribution of the Notice of Sale (in the case of a competitive sale) and the Preliminary Official Statement is hereby authorized, ratified and approved. The Chairman and the Executive Director are hereby further authorized to approve and execute the final official statement for the 2018 Bonds of one or more series (the "Official Statement") substantially in the form of the Preliminary Official Statement with the addition of pricing information and such changes therein from the Preliminary Official Statement as the Chairman or the Executive Director deems advisable, and to approve and authorize the distribution of the final Official Statement in electronic and printed form.

There is hereby delegated to the Chairman or the Executive Director the authority to "deem final" the Preliminary Official Statement on behalf of the Bank for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1).

ARTICLE III
DISPOSITION OF BOND PROCEEDS

Section 301 - Disposition of Proceeds for Loan Purposes.

(a) Upon the delivery of the 2018 Bonds, the Bank shall apply, in accordance with Article V of the Resolution, proceeds derived from the sale of the 2018 Bonds (i) to make a Loan to the Kenai Peninsula Borough in an aggregate principal amount not to exceed $6,000,000, to finance a portion of the costs of capital improvements to the Kachemak-Selo K-12 School construction project and costs of issuance; (ii) to make a Loan to Sitka in an aggregate principal amount not to exceed $8,600,000, to finance a portion of the costs of capital improvements to Sitka's harbor facilities and costs of issuance; (iii) to make a Loan to Sitka in an aggregate principal amount not

to exceed $4,500,000, to finance a portion of the costs of capital improvements to Sitka's Rocky Gutierrez Airport; (iv) to satisfy the Reserve Fund Requirement as provided in Section 302 hereof; and (v) to finance costs of issuing the 2018 Bonds.

Section 302 - Reserve Fund Deposit; Credit Enhancement.

(a) On or before the date of sale of the 2018 Bonds of each series, but subject to Section 201 hereof, the Chairman or the Executive Director shall determine whether an additional deposit to the Reserve Fund is required and if so, whether it is in the best interest of the Bank to use (1) available cash, (2) a portion of the proceeds received from the sale of the 2018 Bonds of such series, (3) a 2018 Reserve Fund Credit Enhancement or (4) a combination of cash, proceeds from the sale of the 2018 Bonds and/or a 2018 Reserve Fund Credit Enhancement, to satisfy the Reserve Fund Requirement upon delivery of the 2018 Bonds, and shall cause such deposits and/or purchase to be made on or before the date of delivery of the 2018 Bonds.

(b) In the event a deposit to the Reserve Fund is required to satisfy the portion of the Reserve Fund Requirement related to the 2018 Bonds, the Chairman and the Executive Director are each hereby authorized to determine whether to satisfy such requirement by depositing with the Trustee a 2018 Reserve Fund Credit Enhancement in the form of a debt service reserve surety bond; to select a Surety Bond Issuer and purchase such 2018 Reserve Fund Credit Enhancement; and, to negotiate, approve, execute and deliver a 2018 Reserve Fund Credit Enhancement Agreement in form and with terms that comply with the requirements of the Resolution and that, in the Chairman's or Executive Director's judgment after consulting with the Bank's Financial Advisor, are advisable and in the best interest of the Bank.

(c) The Governmental Units' responsibility for paying, or for reimbursing the Bank for the payment of any costs of providing and maintaining the Reserve Fund Requirement and the application (or the method for determining the application) of any moneys in excess of the Reserve Fund Requirement shall be determined by the Executive Director and set forth in each Loan Agreement, as applicable, authorized in Section 507 hereof.

(d) The Chairman and the Executive Director are each hereby authorized to determine whether purchasing a 2018 Bond Credit Enhancement for any of the 2018 Bonds is in the best interest of the Bank and if so, to solicit commitments for such 2018 Bond Credit Enhancement with respect to payment of the interest on and principal of all or a portion of the 2018 Bonds and thereafter to accept one or more such commitments that are in the best interest of the Bank, to purchase such 2018 Bond Credit Enhancement, and to negotiate, approve, execute and deliver a 2018 Bond Credit Enhancement Agreement in form and with terms that comply with the requirements of the Resolution and that, in the Chairman's or Executive Director's judgment after consulting with the Bank's Financial Advisor, are advisable and in the best interest of the Bank.

Section 303- Disposition of Remainder of Bond Proceeds.

The balance of the proceeds received from the sale of the 2018 Bonds, including any premium received over the principal amount of the 2018 Bonds, after deducting the amounts to be paid for costs of issuing the 2018 Bonds, amounts, if any, necessary to ensure the deposit to the Reserve Fund equals the Required Debt Service Reserve, and after deducting the amount allocable to the Reserve Obligations, if any, which amount shall be deposited in the Reserve Fund, shall be deposited with the Governmental Units and applied towards costs of issuance and debt service payments due and owing on their respective Municipal Bonds (as such term is defined in the Loan Agreement, as applicable) or such other permitted purpose, including costs of the projects financed or refinanced with proceeds of the 2018 Bonds.

ARTICLE IV
EXECUTION AND FORM OF 2018 BONDS

Section 401 - Execution and Form of 2018 Bonds.

The 2018 Bonds shall be executed in the manner set forth in Section 303 of the Resolution. Subject to the provisions of the Resolution, the 2018 Bonds, and the Trustee's certificate of authentication, shall be of substantially the following form and tenor:

ALASKA MUNICIPAL BOND BANK
GENERAL OBLIGATION BONDS, 2018 SERIES [ONE/TWO]

INTEREST RATE:	MATURITY DATE:	CUSIP NO.:
_____%	_____ 1, 2018	_____

Registered Owner: CEDE & Co.

Principal Amount: _____ and No/100 Dollars

Alaska Municipal Bond Bank (herein called the "Bank"), a public body corporate and politic, constituted as an instrumentality of the State of Alaska, organized and existing under and pursuant to the laws of the State of Alaska, acknowledges itself indebted to, and for value received, hereby promises to pay to CEDE & CO. or registered assigns, the principal sum specified above on the Maturity Date specified above, and to pay to the registered owner hereof interest on such principal sum from the date hereof to the date of maturity of this Bond at the rate per annum specified above, payable on each _____ 1 and _____ 1, commencing _____, 2019. For so long as this Bond is held in book-entry form, payment of principal and interest shall be made by wire transfer to the registered owner pursuant to written instructions furnished to The Bank of New York Mellon Trust Company, N.A., in San Francisco, California, as trustee under the General Bond Resolution of the Bank, adopted July 13, 2005, as amended (herein called the

"Resolution"), or its successor or assigns as trustee (herein called the "Trustee"). In the event this Bond is no longer held in book-entry form, (i) payment of interest will be made by check or draft mailed by first class mail to the registered owner at the address appearing on the bond register of the Bank kept by the Trustee, or, upon the written request of a registered owner of at least $1,000,000 in principal amount of 2018 Series [One/Two] Bonds received at least 15 days prior to an interest payment date, by wire transfer in immediately available funds to an account in the United States of America designated by such registered owner; and (ii) principal will be payable upon presentation and surrender hereof at the corporate trust office of the Trustee. Interest shall be computed on the basis of a 360-day year composed of twelve thirty-day months. Both principal of and interest on this Bond are payable in any coin or currency of the United States of America which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts.

This Bond is a general obligation of the Bank and is one of a duly authorized issue of Bonds of the Bank designated "Alaska Municipal Bond Bank General Obligation Bonds" (herein called the "Bonds"), issued and to be issued in various series under and pursuant to the Alaska Municipal Bond Bank Act, constituting Chapter 85, Title 44, of the Alaska Statutes (herein called the "Act"), and under and pursuant to the Resolution and a series resolution authorizing each such series. As provided in the Resolution, the Bonds may be issued from time to time pursuant to series resolutions in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and, subject to the provisions thereof, may otherwise vary. The aggregate principal amount of Bonds that may be issued under the Resolution is not limited except as provided in the Resolution, the applicable Series Resolution, and the Act, and all Bonds issued and to be issued under said Resolution are and will be equally and ratably secured by the pledges and covenants made therein, except as otherwise expressly provided or permitted in the Resolution and the applicable Series Resolution.

The Bank is obligated to pay the principal of and premium, if any, and interest on the Bonds, including this Bond, only from the revenues or funds of the Bank pledged under the Resolutions (as defined below), and the State of Alaska is not obligated to pay the principal or premium, if any, or interest on the Bonds. Neither the faith and credit nor the taxing power of the State of Alaska is pledged to the payment of the principal, premium, if any, or interest on the Bonds, including this Bond. The Bank has no taxing power.

This Bond is one of a series of Bonds (the "2018 Series [One/Two] Bonds") issued in the aggregate principal amount of $_____ under the Resolution of the Bank and a series resolution of the Bank, adopted on October 8, 2018, and entitled "A Series Resolution Authorizing the Issuance of General Obligation Bonds, 2018 Series One and 2018 Series Two of the Alaska Municipal Bond Bank" (said resolutions being herein collectively called the "Resolutions").

Copies of the Resolutions are on file at the office of the Bank and at the corporate trust office of the Trustee, and reference to the Resolutions and any and all supplements thereto and modifications and amendments thereof and to the Act is made for a description of the pledges and covenants securing the 2018 Series [One/Two] Bonds; the nature, extent and manner of

enforcement of such pledges; the rights and remedies of the registered owners of the 2018 Series [One/Two] Bonds with respect thereto; and the terms and conditions upon which the Bonds are issued and may be issued thereunder; to all of the provisions of which the registered owner of this Bond, by acceptance of this Bond, consents and agrees. To the extent and in the manner permitted by the terms of the Resolutions, the provisions of the Resolutions or any resolution amendatory thereof or supplemental thereto may be modified or amended by the Bank, with the written consent of the registered owners of at least two-thirds in principal amount of the Bonds then outstanding and, in case less than all of the several Series of Bonds would be affected thereby, with such consent of the registered owners of at least two-thirds in principal amount of the Bonds of each series so affected then outstanding.

The 2018 Series [One/Two] Bonds are subject to redemption prior to their respective scheduled maturities as set forth below.

The 2018 Series [One/Two] Bonds maturing on or after _____ 1, 20_, are subject to redemption, in whole or in part, on or after _____ 1, 20__, at the option of the Bank at a redemption price of 100% of the principal amount thereof to be redeemed plus accrued interest to the date fixed for redemption.

[Unless previously redeemed pursuant to the foregoing optional redemption provisions or purchased for cancellation, the 2018 Series [One/Two] Bonds maturing on _____ 1, 20_ (the "Term Bonds") are subject to mandatory redemption on _____ 1 of the following years and in the following principal amounts at a redemption price equal to 100% of the principal amount of the 2018 Series [One/Two] Bonds to be redeemed plus accrued interest, if any, to the date fixed for redemption.**]**

Term Bonds Due _____ 1, 20_

Year	Sinking Fund Requirement

Notice of redemption (which in the case of optional redemption shall be a conditional notice) will be mailed to registered owners of 2018 Series [One/Two] Bonds called for redemption not less than 20 days or more than 60 days before the date fixed for redemption. Except as provided in the Resolutions, interest on any 2018 Series [One/Two] Bonds called for redemption will cease on the date fixed for redemption.

This Bond is transferable, as provided in the Resolutions, only upon the books of the Bank kept for that purpose at the corporate trust office of the Trustee, by the registered owner hereof in person or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or its attorney duly authorized in writing, and thereupon a new registered 2018 Series [One/Two] Bond or Bonds in the same aggregate principal amount and of the same maturity, in authorized

denominations, shall be issued to the transferee in exchange therefor as provided in the Resolutions and upon the payment of the charges, if any, therein prescribed.

The 2018 Series [One/Two] Bonds are issuable in the denomination of $5,000 or any integral multiple thereof, not exceeding the aggregate principal amount of 2018 Series [One/Two] Bonds maturing in the year of maturity of the Bond for which the denomination of the Bond is to be specified. Subject to such conditions and upon payment of such charges, if any, 2018 Series [One/Two] Bonds, upon surrender thereof at the corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or its attorney duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of registered 2018 Series [One/Two] Bonds of any other authorized denominations, of the same maturity.

This Bond is fully negotiable for all purposes of the Uniform Commercial Code, and each owner of this Bond by accepting this Bond shall be conclusively considered to have agreed that this Bond is fully negotiable for those purposes.

The obligations of the Bank contained in the Resolutions and in this 2018 Series [One/Two] Bonds are the obligations of the Bank and not of any member, director, officer or employee of the Bank, and no recourse shall be had for the payment of the principal or redemption price or interest on this bond or for any claim hereon or on the Resolutions against any member, director, officer or employee of the Bank or any natural person executing the 2018 Series [One/Two] Bonds.

This Bond shall not be entitled to any benefit under the Resolutions or be valid or become obligatory for any purpose until this Bond shall have been authenticated by the execution by the Trustee of the Trustee's Certificate of Authentication hereon.

The Bank modified the Resolution, effective on the date when all Bonds issued prior to February 19, 2013 cease to be Outstanding, by: (i) authorizing the Trustee to release to the Bank amounts held in the Reserve Fund which exceed the Required Debt Service Reserve whenever there is a reduction in the Required Debt Service Reserve; (ii) requiring the Trustee to withdraw earnings and profits realized in the Reserve Fund, and to provide such amounts to the Bank on or before June 30 of each year so long as the balance therein equals the Required Debt Service Reserve; (iii) authorizing certain amendments and modifications to the Resolution effective upon securing the consent of Holders of at least two-thirds in principal amount of Bonds then Outstanding; and (iv) providing that an underwriter or purchaser of a Series of Bonds may consent to a modification of, or amendment to, the Resolution as Holder of such Bonds at the time such Bonds are issued.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and statutes of the State of Alaska and the Resolutions to exist, to have happened and to have been performed precedent to and in the issuance of this Bond, exist, have happened and have been performed in due time, form and manner as required by law and that the issue of the 2018 Series [One/Two] Bonds, together with all other indebtedness of the Bank,

is within every debt and other limit prescribed by law.

IN WITNESS WHEREOF, the Alaska Municipal Bond Bank has caused this Bond to be executed in its name by the manual or facsimile signature of its Chairman and its corporate seal (or a facsimile thereof) to be affixed, imprinted, engraved or otherwise reproduced hereon, and attested by the manual or facsimile signature of its Executive Director all as of the _____ day of _____ 2018.

ALASKA MUNICIPAL BOND BANK

[S E A L]

_____
LUKE WELLES
Chairman

A T T E S T:

_____
DEVEN J. MITCHELL
Executive Director

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Resolutions and is one of the 2018 Series [One/Two] Bonds of the Alaska Municipal Bond Bank.

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.,
as Trustee

Date of Authentication:

_____ _____

Authorized Officer

****

ARTICLE V
MISCELLANEOUS

Section 501 - Paying Agent.

The Bank of New York Mellon Trust Company, N.A., or its successor or assigns, is appointed paying agent for the 2018 Bonds.

Section 502 – Arbitrage Rebate.

Except as otherwise provided in the Bank's applicable tax certificate, within 30 days after the end of every fifth Bond Year and within 60 days after the date on which all of the 2018 Bonds have been retired (and/or at such other times as may be required by the Code and applicable Income Tax Regulations), the Bank shall determine the Excess Investment Earnings and shall pay rebate amounts due to the United States of America as provided in Section 148(f) of the Code.

Section 503 - 2018 Series One and Two Debt Service Accounts.

There is hereby established as special accounts in the Debt Service Fund the "2018 Series One Debt Service Account," for the purpose of receiving amounts in the Debt Service Fund allocable to the 2018 Series One Bonds, and the "2018 Series Two Debt Service Account," for the purpose of receiving amounts in the Debt Service Fund allocable to the 2018 Series Two Bonds; provided, that if so determined by the Chairman or Executive Director, separate debt service accounts for any additional series of 2018 Bonds are hereby authorized to be established. Such amounts and the earnings thereon shall be deposited and held, and separately accounted for, in the applicable 2018 Series One Debt Service Account and the 2018 Series Two Debt Service Account.

Section 504 - Tax Exemption and General Tax Covenant.

The Bank intends that interest on the 2018 Bonds of each series shall be excludable from gross income for federal income tax purposes pursuant to Section 103 and 141 through 150 of the Code, and the applicable regulations. The Bank covenants not to take any action, or knowingly omit to take any action within its control, that if taken or omitted would cause the interest on the 2018 Bonds issued on a tax-exempt basis to be included in gross income, as defined in Section 61 of the Code, for federal income tax purposes.

Section 505 - Arbitrage Covenant.

The Bank shall make no use or investment of the gross proceeds of the 2018 Bonds which will cause the 2018 Bonds to be "arbitrage bonds" subject to federal income taxation by reason of Section 148 of the Code. The Bank hereby covenants that so long as any of the 2018 Bonds are outstanding, the Bank, with respect to the gross proceeds of the 2018 Bonds, shall comply with all requirements of said Section 148 and of all regulations of the United States Department of Treasury issued thereunder, to the extent that such requirements are, at the time, applicable and in effect.

Section 506 - Resolution Clarification.

It shall hereby be clarified that the Resolution, at Section 919, shall only apply to Bonds issued on a tax-exempt basis.

Section 507 - Loan Agreements.

The Chairman and the Executive Director are each hereby authorized to execute the Loan Agreements between the Bank and the Governmental Units referred to therein, each in a form substantially similar to the applicable form attached hereto as Appendix C and submitted to and part of the records of the meeting on October 8, 2018, with such changes as the Chairman or the Executive Director shall deem advisable.

Section 508 - Continuing Disclosure.

The Bank hereby covenants and agrees that it will execute and deliver and will comply with and carry out all of the provisions of the Continuing Disclosure Certificate, the proposed form of which is attached hereto as Appendix B, with such changes as the Chairman or the Executive Director shall deem advisable and in the best interest of the Bank. Notwithstanding any other provision of this 2018 Series Resolution, failure of the Bank to comply with the Continuing Disclosure Certificate shall not be a default of the Bank's obligations under this 2018 Series Resolution, the Resolution or the 2018 Bonds; however, the Beneficial Owner of any 2018 Bonds may bring an action for specific performance, to cause the Bank to comply with its obligations under the Continuing Disclosure Certificate and this Section.

Section 509 - Chairman and Executive Director.

The Chairman and the Executive Director are, and each is, hereby authorized to execute all documents and to take any action necessary or desirable to carry out the provisions of this 2018 Series Resolution and to effectuate the issuance and delivery of the 2018 Bonds, including acceptance of the Approved Bid, or the approval and execution and delivery of one or more of the Bond Purchase Agreements, for the 2018 Bonds of one or both series, and all prior actions taken to effectuate and in connection with the provisions of this 2018 Series One and Two Resolution and the issuance and delivery of the 2018 Bonds are hereby ratified and confirmed. The authority and ratification granted in this Section 509 to the Chairman and the Executive Director includes authorization to determine the manner of sale and authorization to solicit commitments for a policy of insurance with respect to payment of the interest on and principal of all or a portion of the 2018 Bonds and/or a surety policy and thereafter to accept such commitment which is in the best interest of the Bank and enter into such agreement with the bond insurer as shall be in the best interests of the Bank.

Section 510 - Effective Date.

This 2018 Series Resolution shall take effect immediately on the date hereof (October 8, 2018).

APPENDIX A

BLANKET ISSUER LETTER OF REPRESENTATIONS

Blanket Issuer Letter of Representations

[To be Completed by Issuer]

ALASKA MUNICIPAL BOND BANK
(Name of Issuer)

May 2, 1995
(Date)

Attention: Underwriting Department — Eligibility
The Depository Trust Company
55 Water Street; 50th Floor
New York, NY 10041-0099

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request be made eligible for deposit by The Depository Trust Company ("DTC").

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that Issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Note:

Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Very truly yours,

ALASKA MUNICIPAL BOND BANK
(Issuer)

By: Norman J. Levesque
(Authorized Officer's Signature)

NORMAN J. LEVESQUE
Executive Director

Received and Accepted:

THE DEPOSITORY TRUST COMPANY

By: James Eric Freeney

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SAMPLE OFFERING DOCUMENT LANGUAGE
DESCRIBING BOOK-ENTRY-ONLY ISSUANCE
(Prepared by DTC–bracketed material may be applicable only to certain issues)

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries

made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

[6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested

by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

[9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.]

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

APPENDIX B

FORM OF CONTINUING DISCLOSURE CERTIFICATE

Alaska Municipal Bond Bank (the "Issuer") executes and delivers this Continuing Disclosure Certificate (the "Disclosure Certificate") in connection with the issuance of $_____ Alaska Municipal Bond Bank General Obligation Bonds, 2018 Series One, and $_____ Alaska Municipal Bond Bank General Obligation Bonds, 2018 Series Two (collectively, the "Bonds"). The Bonds are being issued under the General Bond Resolution of the Bank entitled "A Resolution Creating And Establishing An Issue Of Bonds Of The Alaska Municipal Bond Bank; Providing For The Issuance From Time To Time Of Said Bonds; Providing For The Payment Of Principal Of And Interest On Said Bonds; And Providing For The Rights Of The Holders Thereof," adopted July 13, 2005, as amended (the "General Bond Resolution"), and Series Resolution No. 2018-01, adopted on October 8, 2018 (the "Series Resolution," and together with the General Bond Resolution, the "Resolutions"). The Issuer covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. The Issuer is executing and delivering this Disclosure Certificate for the benefit of the Beneficial Owners of the Bonds, and to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Resolutions, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any Annual Report provided by the Issuer pursuant to, and as described in, Section 3 of this Disclosure Certificate.

"Fiscal Year" means the fiscal year of the Issuer (currently the 12-month period ending June 30), as such fiscal year may be changed from time to time as required by State law.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriter" means any of the original underwriters of the Bonds of one or both series required to comply with the Rule in connection with the offering of the Bonds of one or both series.

"Rule" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended from time to time.

Section 3. Provision of Annual Reports and Financial Statements. Commencing with its Fiscal Year ending June 30, 2019, the Issuer will provide to the MSRB, in a format as prescribed by the Rule:

(a) Not later than 210 days after the end of each Fiscal Year, an Annual Report for the Fiscal Year. The Annual Report shall contain or incorporate by reference: (i) annual

audited financial statements of the Issuer; (ii) a statement of authorized, issued and outstanding bonded debt of the Issuer; (iii) the Reserve Fund balance; and (iv) statistics regarding Governmental Units similar to those found in Appendix D to the Official Statement as of the end of the prior Fiscal Year. Any or all of these items may be included by specific reference to documents available to the public or the internet website of the MSRB or filed with the Securities and Exchange Commission. The Issuer shall clearly identify each such other document so incorporated by reference. The Annual Report may be submitted as a single document or as separate documents comprising a package, provided that audited financial statements may be submitted separately from the remainder of the Annual Report.

(b) Not later than 120 days after the end of each Fiscal Year, the Issuer will notify each Governmental Unit, who has, or had, an amount of bonds equal to or greater than ten percent (10%) of all outstanding loans under the General Bond Resolution, of its continuing disclosure undertaking responsibility. A list of such Governmental Units for the prior Fiscal Year will be included in the Annual Report.

Section 4. Notice of Failure to Provide Information. The Issuer shall provide in a timely manner to the MSRB notice of any failure to satisfy the requirements of Section 3 of this Disclosure Certificate.

Section 5. Reporting of Significant Events. (a) The Issuer shall file with the MSRB a notice of any of the following events with respect to the Bonds of one or both series, within ten (10) business days of the occurrence of such event:

(1) Principal and interest payment delinquencies.

(2) Unscheduled draws on debt service reserves reflecting financial difficulties.

(3) Unscheduled draws on credit enhancements reflecting financial difficulties.

(4) Substitution of credit or liquidity providers, or their failure to perform.

(5) Adverse tax opinions or events affecting the tax-exempt status of the Bonds which include (i) the issuance by the Internal Revenue Service ("IRS") of proposed or final determinations of taxability, (ii) Notices of Proposed Issues (IRS Form 5701-TEB), (iii) other material notices or determinations with respect to the Bonds, and (iv) other events affecting the tax status of the Bonds.

(6) Defeasances.

(7) Rating changes.

(8) Tender offers.

(9) Bankruptcy, insolvency, receivership or similar proceeding by the Issuer or "obligated person."

(b) The Issuer shall file with the MSRB a notice of any of the following events with respect to the Bonds of one or both series, within ten (10) business days of the occurrence of such event, if material:

(1) Nonpayment-related defaults.

(2) Modifications to rights of holders of the Bonds.

(3) Bond calls, other than mandatory, scheduled redemptions not otherwise contingent on the occurrence of an event.

(4) Release, substitution or sale of property securing repayment of the Bonds.

(5) Other than in the normal course of business, the consummation of a merger, consolidation, or acquisition involving an "obligated person," or the sale of all or substantially all of the assets of the Issuer or "obligated person," or the entry into a definitive agreement to undertake such an action, or a termination of a definitive agreement relating to any such actions, other than in accordance with its terms.

(6) Appointment of a successor or additional trustee or the change in name of the trustee for the Bonds.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

Section 7. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, provided that the amendment meets each of the following conditions:

(a) The amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Issuer;

(b) This Disclosure Certificate, as amended, would have complied with the requirements of the Rule as of the date hereof, after taking into account any amendments or interpretations of the Rule, as well as any changes in circumstances;

(c) The Issuer obtains an opinion of counsel unaffiliated with the Issuer that the amendment does not materially impair the interests of the Beneficial Owners of the Bonds; and

(d) The Issuer notifies and provides the MSRB with copies of the opinions and amendments.

Any such amendment may be adopted without the consent of any Beneficial Owner of any of the Bonds, notwithstanding any other provision of this Disclosure Certificate or the Resolutions.

The first Annual Report containing amended operating data or financial information pursuant to an amendment of this Disclosure Certificate shall explain, in narrative form, the reasons for the amendment and its effect on the type of operating data and financial information being provided.

Section 8. Filing. Any filing required under the terms of this Disclosure Certificate may be made solely by transmitting such filing to the Electronic Municipal Market Access as provided at http://www.emma.msrb.org, or in such other manner as may be permitted from time to time by the Securities Exchange Commission.

Section 9. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any Beneficial Owner may take such actions as may be necessary and appropriate, including an action to compel specific performance, to cause the Issuer to comply with its obligations under this Disclosure Certificate. No failure to comply with any provision of this Disclosure Certificate shall be deemed an Event of Default under the Resolutions, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel specific performance.

Section 10. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Trustee, the Participating Underwriter and the Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

DATED this ___ day of _____ 2018.

ALASKA MUNICIPAL BOND BANK

_____

DEVEN J. MITCHELL
Executive Director

APPENDIX C

FORM OF

LOAN AGREEMENT

THIS LOAN AGREEMENT, dated the ___ day of _____ 20__ (the "Loan Agreement"), between the Alaska Municipal Bond Bank (the "Bank"), a body corporate and politic constituted as an instrumentality of the State of Alaska (the "State") exercising public and essential governmental functions, created pursuant to the provisions of Chapter 85, Title 44, Alaska Statutes, as amended (the "Act"), having its principal place of business at Juneau, Alaska, and the _____, Alaska, a duly constituted _____ [city] [borough] of the State (the "[City] [Borough]"):

W I T N E S S E T H:

WHEREAS, pursuant to the Act, the Bank is authorized to issue bonds and make loans of money (the "Loan" or "Loans") to governmental units; and

WHEREAS, the [City] [Borough] is a "Governmental Unit" as defined in the General Bond Resolution of the Bank hereinafter mentioned and was authorized to accept a Loan from the Bank, evidenced by its municipal bonds; and

WHEREAS, the [City] [Borough] desires to borrow money from the Bank in the amount not to exceed $_____ and has submitted an application to the Bank for a Loan in the amount not to exceed $_____; and

WHEREAS, the [City] [Borough] has duly authorized the issuance of its fully registered bond in the principal amount of $_____ (the "Municipal Bond"), which Municipal Bond is to be purchased by the Bank as evidence of and security for the [City's][Borough's] obligation to repay the Loan in accordance with this Loan Agreement; and

WHEREAS, the application of the [City] [Borough] contains the information requested by the Bank; and

WHEREAS, to provide for the issuance of bonds of the Bank to obtain from time to time money with which to make, and/or to refinance Loans, the Board of Directors of the Bank (the "Board") has adopted its General Obligation Bond Resolution on July 13, 2005 (as amended, the "General Bond Resolution"); and

WHEREAS, the Board approved certain modifications to the General Bond Resolution, effective on the date when all bonds issued under the terms of the General Bond Resolution, prior to February 19, 2013, cease to be outstanding; and

WHEREAS, on _____ __, 2018 the Board adopted Series Resolution No. 20_-01 (the "Series Resolution" and together with the General Bond Resolution, the "Bond Resolution"), authorizing the Bank to, among other things, issue the Bank's General Obligation Bonds, 2018

Series One, and General Obligation Bonds, 2018 Series Two (the "2018 Bonds"), make the Loan to the [City][Borough] and purchase the [City's][Borough's] Municipal Bond.

NOW, THEREFORE, the parties agree as follows:

1. The Bank hereby makes the Loan, and the [City] [Borough], hereby accepts the Loan in the principal amount of $_____. As evidence of the Loan made to the [City] [Borough] and such money borrowed from the Bank by the [City] [Borough], the [City] [Borough] hereby agrees to sell to the Bank the Municipal Bond in the principal amount, with the principal installment payments, and bearing interest from its date at the rate or rates per annum, stated in Exhibit A.

2. The [City] [Borough] represents that it has duly adopted or will adopt all necessary ordinances or resolutions, including [Ordinance] [Resolution] No. _____, adopted on _____ ___, 20_ (the "[City] [Borough] [Ordinance] [Resolution]"). The [City][Borough] further represents to the Bank that the [City][Borough] has taken or will take all other proceedings required by law to enable it to enter into this Loan Agreement and to issue its Municipal Bond to the Bank and that the Municipal Bond will constitute [a general obligation bond, secured by the full faith and credit] [a revenue bond, secured by a special and limited obligation] of the [City] [Borough], all duly authorized by the [City] [Borough] [Ordinance] [Resolution].

The [City][Borough] represents that the [City][Borough] [Resolution] [Ordinance] is in full force and effect and has not been amended, supplemented or otherwise modified, other than as may have been previously certified by the [City][Borough] to the Bank.

3. Subject to any applicable legal limitations, the amounts to be paid by the [City] [Borough] pursuant to this Loan Agreement representing interest due on its Municipal Bond (the "Municipal Bond Interest Payments") shall be computed at the same rate or rates of interest borne by the corresponding maturities of the bonds sold by the Bank in order to obtain the money with which to make the Loan and to purchase the Municipal Bond (the "Loan Obligations") and shall be paid by the [City] [Borough] [for revenue obligations in monthly installments] at least seven (7) Business Days before the Interest Payment Date to provide funds sufficient to pay interest as the same becomes due on the Loan Obligations.

4. The amounts to be paid by the [City] [Borough] pursuant to this Loan Agreement representing principal due on its Municipal Bond (the "Municipal Bond Principal Payments"), shall be paid [for revenue obligations, in monthly installments on the dates and in amounts sufficient] to provide at least seven (7) Business Days before the payment date stated in the Municipal Bond funds sufficient to pay the principal of the Loan Obligations as the same matures based upon the maturity schedule stated in Exhibit A.

5. In the event the amounts referred to in Sections 3 and 4 hereof to be paid by the [City] [Borough] pursuant to this Loan Agreement are not made available at any time specified herein, the [City] [Borough] agrees that any money payable to it by any department or agency of the State may be withheld from it and paid over directly to the Trustee acting under the General Bond Resolution, and this Loan Agreement shall be full warrant, authority and direction to make

such payment upon notice to such department or agency by the Bank, with a copy provided to the [City] [Borough], as provided in the Act.

6. In the event that all or a portion of the Loan Obligations have been refunded and the interest rates the Bank is required to pay on its refunding bonds in any year are less than the interest rates payable by the [City] [Borough] on the Municipal Bond for the corresponding year pursuant to the terms of the Municipal Bond, then both the Municipal Bond Interest Payments and the Municipal Bond Principal Payments will be adjusted in such a manner that (i) the interest rate paid by the [City] [Borough] on any principal installment of the Municipal Bond is equal to the interest rate paid by the Bank on the corresponding principal installment of the Bank's refunding bonds and (ii) on a present value basis the sum of the adjusted Municipal Bond Interest Payments and Municipal Bond Principal Payments is equal to or less than the sum of the Municipal Bond Interest Payments and Municipal Bond Principal Payments due over the remaining term of the Municipal Bond as previously established under this Loan Agreement. In the event of such a refunding of the Loan Obligations, the Bank shall present to the [City] [Borough] for the [City's] [Borough's] approval, a revised schedule of principal installment amounts and interest rates for the Municipal Bond. If approved by the [City] [Borough] the revised schedule shall be attached hereto as Exhibit A and incorporated herein in replacement of the previous Exhibit A detailing said principal installment amounts and interest rates.

7. The [City] [Borough] is obligated to pay to the Bank Fees and Charges. Such Fees and Charges actually collected from the [City] [Borough] shall be in an amount sufficient, together with the [City's] [Borough's] Allocable Proportion (as defined below) of other money available therefor under the provisions of the Bond Resolution, and other money available therefor, including any specific grants made by the United States of America or any agency or instrumentality thereof or by the State or any agency or instrumentality thereof and amounts applied therefor from amounts transferred to the Operating Fund pursuant to Section 606 of the General Bond Resolution:

(a) to pay, as the same become due, the [City's] [Borough's] Allocable Proportion of the Administrative Expenses of the Bank; and

(b) to pay, as the same become due, the [City's] [Borough's] Allocable Proportion of the fees and expenses of the Trustee and paying agent for the Loan Obligations.

The [City's] [Borough's] Allocable Proportion as used herein shall mean the proportionate amount of the total requirement in respect to which the term is used determined by the ratio that the principal amount of the Municipal Bond outstanding bears to the total of all Loans then outstanding to all Governmental Units under the General Bond Resolution, as certified by the Bank. The waiver by the Bank of any fees payable pursuant to this Section 7 shall not constitute a subsequent waiver thereof.

8. The [City] [Borough] is obligated to make the Municipal Bond Principal Payments scheduled by the Bank. The first such Municipal Bond Principal Payment is due at least seven (7) Business Days prior to each date indicated in Exhibit A, and thereafter on the anniversary thereof each year. The [City] [Borough] is obligated to make the Municipal Bond Interest Payments

scheduled by the Bank on a semi-annual basis commencing seven (7) Business Days prior to each date indicated in Exhibit A, and to pay any Fees and Charges imposed by the Bank within 30 days after receiving the invoice of the Bank therefor.

9. The Bank shall not sell and the [City] [Borough] shall not redeem prior to maturity any portion of the Municipal Bond in an amount greater than the related Loan Obligations which are then outstanding and which are then redeemable, and in the event of any such sale or redemption, the same shall be in an amount not less than the aggregate of (i) the principal amount of the Municipal Bond (or portion thereof) to be redeemed, (ii) the interest to accrue on the Municipal Bond (or portion thereof) to be redeemed to the next redemption date thereof not previously paid, (iii) the premium, if any, payable on the Municipal Bond (or portion thereof) to be redeemed, and (iv) the cost and expenses of the Bank in effecting the redemption of the Municipal Bond (or portion thereof) to be redeemed. The [City] [Borough] shall give the Bank at least 50 days' prior written notice of the [City's][Borough's] intention to redeem its Municipal Bond.

In the event the Loan Obligations with respect to which the sale or redemption prior to maturity of such Municipal Bond is being made have been refunded and the refunding bonds of the Bank issued for the purpose of refunding such Loan Obligations were issued in a principal amount in excess of or less than the principal amount of the Municipal Bond remaining unpaid at the date of issuance of such refunding bonds, the amount which the [City] [Borough] shall be obligated to pay or the Bank shall receive under item (i) above shall be the principal amount of such refunding bonds outstanding.

In the event all or a portion of the Loan Obligations have been refunded and the interest the Bank is required to pay on the refunding bonds is less than the interest the Bank was required to pay on the Loan Obligations, the amount which the [City] [Borough] shall be obligated to pay or the Bank shall receive under item (ii) above shall be the amount of interest to accrue on such refunding bonds outstanding.

In the event all or a portion of the Loan Obligations have been refunded, the amount which the [City] [Borough] shall be obligated to pay or the Bank shall receive under item (iii) above, when the refunded Loan Obligations or portion thereof are redeemed, shall be the premium, if any, on the Loan Obligations to be redeemed.

Nothing in this Section shall be construed as preventing the [City] [Borough] from refunding the Municipal Bond in exchange for a new Municipal Bond in conjunction with a refunding of all or a portion of the Loan Obligations.

10. Simultaneously with the delivery of the Municipal Bond to the Bank, the [City] [Borough] shall furnish to the Bank evidence satisfactory to the Bank which shall set forth, among other things, that the Municipal Bond will constitute a valid and binding [general obligation] [special and limited obligation] of the [City] [Borough], secured by the [full faith and credit] [revenue of the _____] of the [City] [Borough].

11. Invoices for payments under this Loan Agreement shall be addressed to the [City] [Borough], Attention: _____, _____, _____, Alaska 99___. The [City] [Borough] shall give the Bank and the corporate trust office of the Trustee under the General Bond Resolution at least 30 days' prior written notice of any change in such address.

12. [The [City] [Borough] hereby agrees that it shall fully fund, at the time of loan funding, its debt service reserve fund (in an amount equal to $ _____) which secures payment of principal and interest on its Municipal Bond, that such fund shall be held in the name of the [City] [Borough] with the Trustee, and that the yield on amounts held in such fund shall be restricted to a yield not in excess of _____ percent. **(Applies to revenue bonds only.)**]

13. **[Rate covenant and other covenant language – if applicable.]**

14. The [City] [Borough] hereby agrees to keep and retain, until the date six years after the retirement of the Municipal Bond, or any bond issued to refund the Municipal Bond, or such longer period as may be required by the [City's] [Borough's] record retention policies and procedures, records with respect to the investment, expenditure and use of the proceeds derived from the sale of its Municipal Bond, including without limitation, records, schedules, bills, invoices, check registers, cancelled checks and supporting documentation evidencing use of proceeds, and investments and/or reinvestments of proceeds. The [City] [Borough] agrees that all records required by the preceding sentence shall be made available to the Bond Bank upon request.

15. Prior to payment of the amount of the Loan or any portion thereof, and the delivery of the Municipal Bond to the Bank or its designee, the Bank shall have the right to cancel all or any part of its obligations hereunder if:

(a) Any representation, warranty or other statement made by the [City] [Borough] to the Bank in connection with its application to the Bank for a Loan shall be incorrect or incomplete in any material respect.

(b) The [City] [Borough] has violated commitments made by it in the terms of this Loan Agreement.

(c) The financial position of the [City] [Borough] has, in the opinion of the Bank, suffered a materially adverse change between the date of this Loan Agreement and the scheduled time of delivery of the Municipal Bond to the Bank.

16. The obligation of the Bank under this Loan Agreement is contingent upon delivery of its General Obligation Bonds, 20__ Series _____ and receipt of the proceeds thereof.

17. The [City] [Borough] agrees that it will provide the Bank with written notice of any default in covenants under the [City] [Borough] [Ordinance] [Resolution] within thirty (30) days after the date thereof.

18. The [City] [Borough] agrees that it shall file, on an annual basis, its annual financial statements with the Municipal Securities Rulemaking Board not later than two hundred ten (210)

days after the end of each fiscal year of the [City] [Borough] for so long as the Municipal Bond remains outstanding. The [City] [Borough] further agrees that filings under this Section 18 shall be made in connection with CUSIP Nos. 01179P, 011798 and 01179R. Additional or alternate CUSIP number(s) may be added from time to time by written notice from the Bank to the [City] [Borough]. The [City] [Borough] agrees that if it shall receive from the Bank CUSIP number(s) in addition to those set forth in this Section then it shall thereafter make its filings using both CUSIP numbers herein stated and any additional CUSIP number(s).

19. The [City] [Borough] agrees that it shall not take, or omit to take, any action lawful and within its power to take, which action or omission would cause interest on the Municipal Bond to become subject to federal income taxes in addition to federal income taxes to which interest on such Municipal Bond is subject on the date of original issuance thereof.

[The [City] [Borough] shall not permit any of the proceeds of the Municipal Bond, or any facilities financed with such proceeds, to be used in any manner that would cause the Municipal Bond to constitute a "private activity bond" within the meaning of Section 141 of the Code.]

The [City] [Borough] shall make no use or investment of the proceeds of the Municipal Bond that will cause the Municipal Bond to be an "arbitrage bond" under Section 148 of the Code. So long as the Municipal Bond is outstanding, the [City] [Borough], shall comply with all requirements of Section 148 of the Code and all regulations of the United States Department of Treasury issued thereunder, to the extent that such requirements are, at the time, applicable and in effect. The [City] [Borough] shall indemnify and hold harmless the Bank from any obligation of the [City] [Borough] to make rebate payments to the United States under said Section 148 arising from the [City's] [Borough's] use or investment of the proceeds of the Municipal Bond.

20. Upon request of the Bank, the [City] [Borough] agrees that if its bonds constitute ten percent (10%) or more of the outstanding principal of municipal bonds held by the Bank under its General Bond Resolution, it shall execute a continuing disclosure agreement prepared by the Bank for purposes of Securities and Exchange Commission Rule 15c2-12, adopted under the Securities and Exchange Act of 1934.

21. The [City] [Borough] agrees that if its bonds constitute ten percent (10%) or more of the outstanding principal of municipal bonds held by the Bank under its General Bond Resolution it shall provide the Bank for inclusion in future official statements, upon request, financial information generally of the type included in Appendix D of the Bank's Official Statement, dated _____ __, 20__, under the heading "Summary of Borrowers Representing 10% or More of Outstanding Bonds Issued Under the 2005 General Bond Resolution," attached hereto as Exhibit B.

22. If any provision of this Loan Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Loan Agreement and this Loan Agreement shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

23. This Loan Agreement may be executed in one or more counterparts, any of which shall be regarded for all purposes as an original and all of which constitute but one and the same instrument. Each party agrees that it will execute any and all documents or other instruments, and take such other actions as are necessary, to give effect to the terms of this Loan Agreement.

24. No waiver by either party of any term or condition of this Loan Agreement shall be deemed or construed as a waiver of any other term or condition hereof, nor shall a waiver of any breach of this Loan Agreement be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different section, subsection, paragraph, clause, phrase or other provision of this Loan Agreement.

25. In this Loan Agreement, unless otherwise defined herein, all capitalized terms which are defined in Article I of the General Bond Resolution shall have the same meanings, respectively, as such terms are given in Article I of the General Bond Resolution.

26. This Loan Agreement shall remain in full force and effect so long as the Municipal Bond remains outstanding.

27. This Loan Agreement merges and supersedes all prior negotiations, representations and agreements between the parties hereto relating to the subject matter hereof and constitutes the entire agreement between the parties hereto in respect thereof.

IN WITNESS WHEREOF, the parties hereto have executed this Loan Agreement as of the date first set forth above.

ALASKA MUNICIPAL BOND BANK

By: _____
DEVEN J. MITCHELL
Executive Director

[CITY] [BOROUGH] OF _____,
ALASKA

By: _____

_____

Its: _____

EXHIBIT A

$_____
[City] [Borough], Alaska
[General Obligation] [Revenue] Bond, 20__
(the "Municipal Bond")

Due (_____ 1)	Principal Amount	Interest Rate

Principal installments shall be payable on _____ 1 in each of the years, and in the amounts set forth above. Interest on the Municipal Bond shall be payable on _____1, 20__, and thereafter on _____1 and _____ 1 of each year.

[Prepayment Provisions: The Municipal Bond principal installments are not subject to prepayment prior to maturity.]

Optional Prepayment: The Municipal Bond principal installments due on or after _____1, 20__ are subject to prepayment in whole or in part at the option of the [City] [Borough] on any date on or after _____1, 20__, at a price of 100% of the principal amount thereof to be prepaid, plus accrued interest to the date of prepayment.

EXHIBIT B

[Information from Appendix D of the Bank's Official Statement to be inserted]

APPENDIX D

FORM OF
OFFICIAL NOTICE OF SALE AND BIDDING INSTRUCTIONS

[ALASKA MUNICIPAL BOND BANK
$_____ GENERAL OBLIGATION BONDS,
2018 SERIES ONE]
[$_____ GENERAL OBLIGATION BONDS,
2018 SERIES TWO]

THE SALE

NOTICE IS HEREBY GIVEN that electronic bids will be received at the place, on the date and until the time specified below for the purchase of all, but not less than all, of [$_____* aggregate principal amount of General Obligation Bonds, 2018 Series One][$_____* aggregate principal amount of General Obligation Bonds, 2018 Series Two] (the "Bonds") to be issued by the Alaska Municipal Bond Bank (the "Bond Bank").

DATE: _____ __, 2018**

TIME: **[**9:00**]** A.M. Pacific Standard Time**

ELECTRONIC BIDS: Must be submitted in their entirety via BiDCOMP™/Parity® as described below. **No other form of bid or provider of electronic bidding services will be accepted.**

ELECTRONIC BIDDING AND BIDDING PROCEDURES

Registration to Bid. All prospective bidders must be contracted customers of BiDCOMP™/Parity® Competitive Bidding System ("BIDCOMP/Parity"). If you do not have a contract with BiDCOMP/Parity, call (212) 849-5021 to become a customer. No other provider of electronic bidding services and no other means of delivery (i.e. telephone, telefax, telegraph, personal delivery, etc.) of bids will be accepted. **If any provision of this Notice of Sale conflicts with information provided by BiDCOMP/Parity as approved provider of electronic bidding services, this Notice of Sale shall control.** Further information about submitting a bid using BiDCOMP/Parity, including any fee charged, may be obtained from BiDCOMP/Parity at (212) 849-5021 or from Chip Pierce, Western Financial Group, LLC, a wholly-owned subsidiary of PFM Financial Advisors LLC, the Bond Bank's Financial Advisor, at (503) 719-6113.

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* Preliminary, subject to change.
** Preliminary, subject to change before the Sale Date and time, as provided in this Notice of Sale.

By submitting a bid for the Bonds, a prospective bidder represents and warrants to the Bond Bank that such bidder's bid for the purchase of the Bonds (if a bid is submitted) is submitted for and on behalf of such prospective bidder by an officer or agent who is authorized to bind the prospective bidder to a legal, valid and enforceable contract for the purchase of the Bonds.

Disclaimer. Each prospective bidder shall be solely responsible to register to bid via BiDCOMP/Parity. Each qualified prospective bidder shall be solely responsible to make necessary arrangements to access BiDCOMP/Parity for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Bond Bank nor BiDCOMP/Parity shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the Bond Bank nor BiDCOMP/Parity shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by BiDCOMP/Parity. The Bond Bank is using BiDCOMP/Parity as a communication mechanism, and not as the Bond Bank's agent, to conduct electronic bidding for the Bonds. The Bond Bank is not bound by any advice and determination of BiDCOMP/Parity to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the "Bidding Procedures" described below. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via BiDCOMP/Parity are the sole responsibility of the bidders, and the Bond Bank is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in registering to bid or submitting, modifying or withdrawing a bid for the Bonds, it should telephone BiDCOMP/Parity or notify the Bond Bank's Financial Advisor by email to piercec@pfm.com.

Bidding Procedures. Bids must be submitted electronically for the purchase of the Bonds (all or none) by means of the Bid Forms via BiDCOMP/Parity by **[**9:00**]** A.M. Pacific Standard Time on _____, _____ __, 2018*, unless postponed as described herein. See "Postponement." Prior to that time, a prospective bidder may input and save proposed terms of its bid in BiDCOMP/Parity. Once the final bid has been saved in BiDCOMP/Parity, the bidder may select the final bid button in BiDCOMP/Parity to submit the bid to BiDCOMP/Parity. Once the bids are communicated electronically via BiDCOMP/Parity to the Bond Bank, each bid will constitute an irrevocable offer to purchase the Bonds on the terms therein provided. For purposes of the electronic bidding process, the time as maintained on BiDCOMP/Parity shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost to the Bond Bank, as described below under "Basis of Award."

No bids will be accepted in written form, by facsimile transmission or in any other medium or on any system other than by means of the Bid Form via BiDCOMP/Parity. No bid will be received after the time specified above for receiving such bids.

Award of the Bonds. The Bond Bank will notify the responsible bidder complying with the terms of this Notice of Sale and offering to purchase the Bonds at the lowest true interest cost to the

* Preliminary, subject to change before the Sale Date and time as provided below. See "Postponement."

Bond Bank of the award the Bonds (or all bids will be rejected) by 12:00 p.m. Pacific Standard Time on _____, _____ __, 2018.*

Basis of Award. The Bonds will be awarded to the bidder whose proposal produces the lowest true interest cost. The true interest cost will be that annual interest rate, which, when compounded semiannually and used to discount all payments of principal and interest payable on the Bonds under such proposal to the date of delivery, results in an amount equal to the purchase price for the Bonds. If two or more bids provide the same lowest true interest cost, the Bond Bank shall determine, in its sole discretion, which bid shall be accepted, and such determination shall be final. See "Interest Rates and Bid Price."

Modifications. The Bond Bank reserves the right to modify any term of this Notice of Sale and/or the Preliminary Official Statement for any other reason by notice on the Amendments Page of the BiDCOMP/Parity website no later than 5:00 p.m., Eastern Standard Time, on _____ _____ __, 2018* (or, in the event of a postponement in accordance herewith, the day prior to the reset bid date).

Postponement. The Bond Bank also reserves the right to postpone the sale and to set a new time for the sale either separately or at one time. Postponement may be effected by 8:00 a.m. Pacific Standard Time on _____ __, 2018,* by a Statement of Postponement carried on the Amendments page of the BiDCOMP/Parity website (the "Statement of Postponement"). At the same time or within 48 hours following the Statement of Postponement, the Bond Bank may reset a new time for the sale. The reset sale notice may state different terms and conditions of sale and may refer to this notice for any or all terms of sale. All bidders will be deemed to have assented to the above conditions by submitting a bid, and lack of actual notice of the postponement or of the reset terms of sale will not be considered.

Right of Rejection. The Bond Bank reserves the right to reject any and all bids, to waive any irregularity or informality in any bid, to take any actions adjourning or postponing the sale of the Bonds or to take any other action that the Bond Bank may deem to be in its best interest. In the event that the Bond Bank rejects all bids, notice of a new sale date, if any, will be carried on the Amendments page of the BiDCOMP/Parity website.

THE BONDS

Bond Details. The Bonds will be dated the date of delivery and will bear interest from their dated date, payable semiannually on each _____ 1 and _____ 1 of each year, commencing on _____ 1, 2018. Interest will be computed upon the basis of a 360-day year of twelve 30-day months. The Bonds will be dated to mature on the following dates and in the following principal amounts:

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* Preliminary, subject to change before the Sale Date and time as provided below. See "Postponement."
* Preliminary, subject to change before the Sale Date and time as provided below.

2018 Series [One][Two]*

$_____ of 2018 Series [One][Two] Bonds will mature on _____ 1, 2018.* The remaining 2018 Series [One][Two] Bonds will mature on _____ 1 in the years and principal amounts set forth below.*

Year (_____1)	Principal Amount*	Year (_____1)	Principal Amount*

2018 Series [One][Two]*

$_____ of 2018 Series [One][Two] Bonds will mature on _____ 1, 2018.* The remaining 2018 Series [One][Two] Bonds will mature on _____ 1 in the years and principal amounts set forth below.*

Year (_____1)	Principal Amount*	Year (_____1)	Principal Amount*

Adjustment of Maturities. The Bond Bank reserves the right to adjust the principal amount of each maturity as may be necessary to achieve structuring objectives related to the underlying loans. The principal amount of any maturity of the Bonds will only be adjusted in increments of $5,000. Notice of any adjustment will be provided within two hours after the time at which bids are opened through BiDCOMP/Parity. The Bond Bank will attempt to maintain the Underwriter's compensation as a percentage of the final principal amount of the Bonds when adjusting the maturities. The successful bidder may not withdraw its bid or change the interest rates bid or the initial reoffering prices as a result of any changes made to the revised amounts within these limits.

Optional Designations of Term Bonds and Mandatory Sinking Fund Redemption. Bidders have the option of specifying in their bid proposal that all of the principal amount of Bonds scheduled to mature in any two or more consecutive years may, in lieu of maturing in each such year, be combined to comprise one or more maturities of the Bonds (the "Term Bonds") scheduled to mature in the latest year of each such combination. The Term Bonds so specified by the bidder will then be subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount thereof, in the principal amount in each year during the combined period of such Term Bonds,

* Preliminary, subject to change. See "Adjustment of Maturities."
* Preliminary, subject to change. See "Adjustment of Maturities."

which otherwise would have been scheduled to mature in such years. If no Term Bonds are designated in the successful bid, the Bonds will mature serially without Term Bonds.

Immobilization of the Bonds. The Bonds are being issued in fully registered form in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), as registered owner of the Bonds, and immobilized in the custody of DTC, which will act as securities depository for the Bonds. A book-entry system will be employed by DTC evidencing ownership of the Bonds in principal amount of $5,000 or any integral multiple thereof, with transfers of beneficial ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC.

The principal of and interest on the Bonds will be payable to DTC or its nominee as registered owner of the Bonds. Transfers of principal and interest payments to participants of DTC will be the responsibility of DTC. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and persons acting through such participants (the "Participants"), and other nominees of beneficial owners. The Bond Bank will not be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, the payment by DTC or by Participants of principal of or interest on the Bonds, any notice to bondholders or any consent given or other action taken by DTC as the registered owner of the Bonds.

Optional Redemption. The Bonds maturing on or after _____ 1, 20__, are subject to redemption at the option of the Bond Bank in whole or in part on any date on or after _____, 20__, at a redemption price of 100% of the principal amount thereof to be redeemed plus accrued interest to the date fixed for redemption.

Security for the Bonds. The Bonds are general obligations of the Bond Bank payable only from revenues or funds of the Bond Bank. The Bond Bank has no taxing power. The State of Alaska is not liable for payment on the Bonds, and the Bonds are not a debt of the State of Alaska. Neither the faith and credit nor the taxing power of the State of Alaska is pledged for payment of the Bonds.

The security for the Bonds is described in the Preliminary Official Statement and the 2005 General Bond Resolution and Series Resolution, and those documents should be consulted for a complete description of the security for the Bonds.

Bond Insurance At Bidder's Option And Expense. Bidders may elect to insure the Bonds at the bidders' risk and expense. The Trustee will only enter into agreements to comply with the administrative requirements of the bond insurer; **the Bond Bank will not amend the General Bond Resolution, the Series Resolution or any of the loan agreements**. The Bond Bank will pay the fee for ratings from S&P Global Ratings and Fitch Ratings, regardless of whether the Bonds are insured.

The Bond Bank is not seeking and has not requested or obtained a commitment for any credit enhancement, including a policy to insure payment of scheduled debt service on the Bonds. If the Bond Bank selects a bid that is based on providing insurance on the Bonds, then the Official Statement and closing certificates will be amended accordingly. No additional security

beyond that described in the Preliminary Official Statement will be allowed, however. **Failure of a bond insurer to deliver a policy of insurance for the Bonds will not release the successful bidder from its obligation to purchase the Bonds.**

Interest Rates and Bid Price. The Bonds will be sold in one block on an "all or none" basis, and **at a price of not less than one hundred percent (100%) of the aggregate principal amount of the Bonds**. **No serial or term bond maturity may bear a price of less than ____ percent (__%).** Bidders must specify the rate(s) of interest to be borne by the Bonds, provided that each rate bid must be a multiple of one-eighth (1/8) of one percent (1%) or one-twentieth (1/20) of one percent (1%). The highest interest rate bid may not exceed ___%. No limitation is imposed upon bidders as to the number of rates which may be used, except that all Bonds of one maturity must bear one and the same interest rate. **The bidding is permitted either with or without bond insurance at the discretion of the bidder. In either event, the winning bid will be selected on the basis of the true interest cost to the Bond Bank, and in all cases the insurance premium will be paid by the bidder.**

Good Faith Deposit. The successful bidder will be required to provide a good faith deposit in the amount of _____ Dollars ($_____) in immediately available funds wired to the Bond Bank's Trustee not later than 2:00 p.m. (Pacific Standard Time) on _____, _____ __, 2018.* Wire information will be provided to the successful bidder by the Financial Advisor upon bid award.

The Good Faith Deposit will be held by the Bond Bank to ensure the successful bidder's compliance with the terms of its bid and the Notice of Sale and Bidding Instructions and will be applied to the purchase price on the date of delivery of the Bonds. Pending delivery of the Bonds, the good faith deposit may be invested for the sole benefit of the Bond Bank. In the event the successful bidder fails or refuses to pay for the Bonds in accordance with its bid, the amount of the good faith deposit and any investment earnings thereon shall be accepted by the Bond Bank as full and complete liquidated damages.

Establishment of Issue Price and Certificate of Successful Bidder; Hold the Offering Price Rule May Apply If Competitive Sale Requirements Are Not Satisfied The successful bidder will be required to provide the Bond Bank within one-half (1/2) hour after the verbal award of the Bonds the initial offering price/yields of the Bonds resold to the Public.

(a) The successful bidder shall assist the Bond Bank in establishing the issue price of the Bonds and shall execute and deliver to the Bond Bank at the closing date of the Bonds an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the Public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the successful bidder, the Bond Bank and Bond Counsel (as defined herein).

* Preliminary, subject to change before the Sale Date and time.

(b) The Bond Bank intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "Competitive Sale Requirements"), which require that:

(1) the Bond Bank disseminates this Notice of Sale to potential Underwriters in a manner that is reasonably designed to reach potential Underwriters;

(2) the Bond Bank provides all bidders shall have an equal opportunity to bid;

(3) the Bond Bank awards the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest overall true interest cost), as set forth in this Notice of Sale; and

(4) the Bond Bank receives bids from at least three Underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds. The Bond Bank intends to satisfy the first three of these requirements.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

(c) In the event that the Competitive Sale Requirements are not satisfied, the Bond Bank shall so advise the successful bidder. The Bond Bank may determine to treat (i) the first price at which 10% of a maturity of the Bonds (and if different interest rates apply within a maturity, to each separate CUSIP number within the maturity) (the "10% test") is sold to the Public as the issue price of that maturity and/or (ii) the initial offering price to the Public as of the Sale Date of any maturity of the Bonds as the issue price of that maturity (the "hold-the-offering-price rule"), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The successful bidder shall advise the Bond Bank if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. The Bond Bank shall promptly advise the successful bidder, at or before the time of award of the Bonds, which maturities (and if different interest rates apply within a maturity, which separate CUSIP number within that maturity) of the Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule. Bids will not be subject to cancellation in the event that the Bond Bank determines to apply the hold-the-offering-price rule to any maturity of the Bonds. Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the Bonds.

(d) By submitting a bid, the successful bidder shall (i) confirm that the Underwriter has offered or will offer the Bonds to the Public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the successful bidder and (ii) agree that the Underwriter will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the Public during the period starting on the Sale Date and ending on the earlier of the following:

(1) the close of the fifth (5th) business day after the Sale Date; or

(2) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the Public at a price that is no higher than the initial offering price to the Public.

The successful bidder shall promptly advise the Bond Bank when the Underwriter has sold 10% of that maturity of the Bonds to the Public at a price that is no higher than the initial offering price to the Public, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

(e) If the Competitive Sale Requirements are not satisfied, then until the 10% test has been satisfied as to each maturity of the Bonds, the successful bidder agrees to promptly report to the Bond Bank the prices at which the unsold Bonds of that maturity have been sold to the Public. That reporting obligation shall continue, whether or not the closing date of the Bonds has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold.

(f) **[**The Bond Bank acknowledges that, in making the representation set forth above, the successful bidder will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the Public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that the Underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the Public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The Bond Bank further acknowledges that the Underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that it shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.]

(g) By submitting a bid, each bidder confirms that any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the successful bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the successful bidder and as set forth in the related pricing wires.

(h) Sales of any Bonds to any person that is a Related Party to an Underwriter shall not constitute sales to the Public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

(i) "Public" means any person other than an Underwriter or a Related Party,

(ii) "Underwriter" means (A) any person that agrees pursuant to a written contract with the Bond Bank (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public),

(iii) a purchaser of any of the Bonds is a "Related Party" to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "Sale Date" means the date that the Bonds are awarded by the Bond Bank to the successful bidder

Delivery. It is expected that the Bonds in definitive form will be issued and available by Fast Automated Securities Transfer for delivery through the facilities of DTC in New York, New York on or about _____ __, 2018,* and closing will take place on the same date in Seattle, Washington or at another location specified by the Bond Bank. The successful bidder will be required to provide the Bond Bank with information as to the initial offering price of the Bonds to the Public (excluding bond-houses, brokers and similar persons acting as Underwriters or wholesalers) at which a substantial amount of the Bonds were sold and the insurance premium (if insurance is purchased by the bidder). Such information must be confirmed with a certificate dated the date of closing of the Bonds, in the form attached to this Notice of Sale as Exhibit A and satisfactory to Bond Counsel.

There will be furnished to the successful bidder without cost, the executed Bonds to be delivered to DTC or its agent and the usual closing documents dated as of the date of delivery of and payment for the Bonds, including a certificate that there is no litigation pending or threatened affecting the validity of the Bonds.

The Bond Bank will confirm to the successful bidder, by a certificate signed on its behalf by the Executive Director or Chairman and delivered at the closing, that at the time of the acceptance of the bid, and at the time of the closing, insofar as the Bond Bank and its affairs, including its financial affairs, are concerned, the Official Statement did not and does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Payment. The successful bidder shall make full payment of the purchase price of the Bonds to the Bond Bank at the time of delivery in federal funds or other immediately available funds without cost to the Bond Bank.

Tax-Exempt Status. [**2018 Series One Bonds**. The opinion of Orrick, Herrington & Sutcliffe LLP, bond counsel to the Bond Bank ("Bond Counsel"), will state that based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance by the Bond Bank and by the Governmental Units with certain covenants, interest on the 2018 Series One Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is not a specific preference item for purposes of the federal alternative minimum tax. For further information, please refer to "TAX MATTERS" in the Preliminary Official Statement.]

[2018 Series Two Bonds (AMT). The opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Bond Bank ("Bond Counsel"), will state that based upon an analysis of existing laws, regulations, rulings and court decisions and assuming, among other matters, the accuracy of certain representations and compliance by the Bond Bank and by the Governmental Units with certain covenants, interest on the 2018 Series Two Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, except that no opinion is expressed as to the status of interest on any 2018 Series Two Bond for any period that such 2018 Series Two Bond is held by a "substantial user" of the facilities financed or refinanced by the 2018 Series Two Bonds or by a "related person" within the meaning Section 147(a) of the Internal Revenue Code of 1986. Bond Counsel will observe that interest on the 2018 Series Two Bonds is a specific preference item for purposes of the federal alternative minimum tax. For further information, please refer to "TAX MATTERS" in the Preliminary Official Statement.]

Legal Opinion. The opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Bond Bank, approving the validity of the Bonds, will be furnished upon delivery of the Bonds. The proposed form of Bond Counsel's opinion is included in the Preliminary Official Statement as an appendix.

CUSIP Numbers. CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such number on any Bonds nor any error with respect thereto shall constitute cause for the successful bidder to fail or to refuse to accept delivery of and to pay for the Bonds. No liability shall attach to the Bond Bank or to any director, officer, employee or agent thereof, including any paying agent or registrar for the Bonds, by reason of such number or by reason of any inaccuracy, error, or omission with respect thereto.

Continuing Disclosure Undertaking. The Bond Bank covenants and agrees to execute and deliver on or before the date of delivery of the Bonds a continuing disclosure certificate constituting an undertaking (the "Undertaking") to provide ongoing disclosure about the Bond Bank for the benefit of the beneficial owners of the Bonds as required under paragraph (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. In the Undertaking, the Bond Bank will undertake to provide certain annual financial information and to provide notices of certain events with respect to the Bonds. The proposed form of the Bond Bank's Undertaking is set forth in the Preliminary Official Statement and will be set forth in the final Official Statement.

The Bond Bank is represented by an Independent Registered Municipal Advisor. The Bond Bank has engaged, is represented by and will rely upon the advice of Western Financial Group, LLC, a wholly-owned subsidiary of PFM Financial Advisors LLC, an independent registered municipal advisor, to advise it on the issuance of the Bonds offered for sale in this Notice of Sale, and other aspects of the financing for which the Bonds are being issued. The Bond Bank intends that (i) this statement constitutes the "required representation" for purposes of the independent registered municipal advisor exemption set forth in SEC Rule 15Ba1-1(d)(3)(vi)(B) and (ii) by publicly making this written statement in this Notice of Sale, all prospective bidders and other market participants may rely on this written statement and receive and use it for purposes of the independent registered municipal advisor exemption set forth in SEC Rule 15Ba1-1(d)(3)(vi).

Additional Information. A Preliminary Official Statement relating to the Bonds and an Official Bid Form for the Bonds may be obtained from Chip Pierce, Western Financial Group, LLC, a wholly-owned subsidiary of PFM Financial Advisors LLC, at piercec@pfm.com, (503) 719-6113 or from Deven J. Mitchell, Executive Director of the Alaska Municipal Bond Bank, 333 Willoughby Avenue, State Office Building, 11th Floor, Juneau, Alaska 99811, (907) 465-3750.

The Preliminary Official Statement, referred to above, has been "deemed final" by the Bond Bank for purposes of SEC Rule 15c2-12(b)(1) but is subject to revision, amendment and completion including by the final Official Statement.

By awarding the Bonds to any Underwriter or underwriting syndicate submitting a bid, the Bond Bank agrees that within seven (7) business days after the date of such award the Bond Bank shall provide the senior managing Underwriter of the successful syndicate with copies of a final Official Statement. The senior managing Underwriter of the successful syndicate will be supplied with final Official Statements in a quantity sufficient to meet its request. Up to 100 copies of the final Official Statement will be furnished without cost.

The Bond Bank designates the senior managing Underwriter of the syndicate to which the Bonds are awarded as its agent for purposes of distributing copies of the final Official Statement to each participating Underwriter. Any Underwriter executing and delivering an Official Bid Form with respect to the Bonds agrees thereby that if its bid is accepted by the Bond Bank, (i) it will accept such designation, (ii) it will enter into a contractual relationship with all participating Underwriters of the Bonds for purposes of assuring the receipt by each such participating Underwriter of the final Official Statement, and (iii) within one business day following the receipt from the Bond Bank, it will file, or cause to be filed, with a the Municipal Securities Rulemaking Board the final Official Statement and the escrow agreement.

DATED: _____, 2018

ALASKA MUNICIPAL BOND BANK

By_____

DEVEN J. MITCHELL
Executive Director

EXHIBIT A

FORM OF

CERTIFICATE OF THE UNDERWRITER'S REPRESENTATIVE

_____ has acted as the Underwriter's Representative in connection with the sale and issuance by the Alaska Municipal Bond Bank (the "Bank") of its [$_____* Alaska Municipal Bond Bank General Obligation Bonds, 2018 Series One, and $_____* Alaska Municipal Bond Bank General Obligation Bonds, 2018 Series Two (the "Bonds"), through its purchase of the Bonds at competitive bid, being issued on the date hereof, and the Underwriter's Representative hereby certifies and represents the following:

Issue Price.

[**AT LEAST 3 BIDS RECEIVED]**

1. The Underwriter's Representative received the notice of sale issued in connection with the sale of the Bonds, submitted a bid that constituted a firm bid to purchase the Bonds, and was not given the opportunity to review other bids prior to submitting its bid. As of [SALE DATE], the Underwriter's Representative reasonably expected to offer the Bonds to the Public at the Initial Offering Prices. The Initial Offering Prices are the prices used by the Underwriter's Representative in formulating its bid to purchase the Bonds. Attached hereto as Schedule 1 is a true and correct copy of the bid provided by Underwriter's Representative to purchase the Bonds.

[LESS THAN 3 BIDS RECEIVED, NOT USING HOLD THE PRICE]

1. As of the date hereof, other than the Bonds listed on Schedule 1 hereto as undersold maturities (the "Undersold Maturities"), the first price or yield at which at least 10% of each Maturity of the Bonds was sold by the Underwriter's Representative to the Public was the price set forth on Schedule 1 hereto.

2. With respect to the Undersold Maturities, the Underwriter's Representative agrees to notify the Bank in writing of the first price or yield at which at least 10% of each such Undersold Maturity is ultimately sold by the Underwriter's Representative to the Public as soon as practicable after such applicable sales have occurred. If all of an Undersold Maturity is sold to the Public but not more than 10% of the Undersold Maturity is sold by the Underwriter's Representative to the Public at any particular price or yield, the Underwriter's Representative agrees to notify the Bank in writing of the amount of the Undersold Maturity sold by the Underwriter's Representative to the Public at each of the respective prices or yields at which the Undersold Maturity is sold to the Public.

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* Preliminary, subject to change.
* Preliminary, subject to change.

[LESS THAN 3 BIDS RECEIVED, USING HOLD THE PRICE]

1. As of [SALE DATE] (the "Sale Date"), all of the Bonds were the subject of an offering to the Public at the Initial Offering Price.

2. [As set forth in the Official Notice of Sale and bid award, and as agreed to in writing by the Underwriter's Representative, the Underwriter's Representative has not offered or sold any Bond to any person at a price higher than or a yield lower than the respective Initial Offering Price for a period of time starting on the Sale Date and ending on the earlier of (a) the date on which 10% of the respective Maturity was sold at one or more prices no higher than or yields no lower than the Initial Offering Price by the Underwriter's Representative or (b) the close of the fifth business day following the Sale Date. Attached hereto as Schedule 1 is a copy of the final pricing wire for the Bonds or an equivalent communication. ***][OR][*** As set forth in the Official Notice of Sale and bid award, the Underwriter's Representative has agreed in writing that, for a period of time starting on the Sale Date and ending on the earlier of (a) the date on which 10% of the respective Maturity was sold at one or more prices no higher than or yields no lower than the Initial Offering Price by the Underwriter's Representative or (b) the close of the fifth business day following the Sale Date (the "Holding Period"), (i) for each Maturity of the Bonds, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "Hold-the-Offering-Price Rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the Hold-the-Offering-Price Rule. Pursuant to such agreement, no Underwriter's Representative (as defined below) has offered or sold any Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.]

[ADD SECTION ON DSRF/QUALIFIED GUARANTEE IF APPLICABLE]

Defined Terms.

(a) *Initial Offering Price* means the prices or yields set forth on the [inside] cover page of the Bank's Official Statement in respect of such Bonds dated [O/S DATE].

(b) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter's Representative or a related party to an Underwriter's Representative.

(d) *Related Party* means any entity if an Underwriter's Representative and such entity are subject, directly or indirectly, to (i) more than 50% common ownership of the

voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profit interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(e) *Underwriter's Representative* means (i) any person that agrees pursuant to a written contract with the Bank (or with the lead underwriter and individual that has formed an underwriting syndicate) to participate in the initial sale of the Bonds to the Public as a representative of the underwriter, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The Underwriter's Representative understands that the foregoing information will be relied upon by the Bank with respect to certain of the representations set forth in the Tax Certificate and Agreement to which this certificate is included as Exhibit A and with respect to compliance with the federal income tax rules affecting the Bonds, and by Orrick, Herrington & Sutcliffe LLP, Bond Counsel, in connection with its opinion as to the exclusion of interest on the Bonds from federal gross income, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Bank from time to time relating to the Bonds. The Underwriter is certifying only as to facts in existence on the date hereof. Nothing herein represents the interpretation of the Underwriter's Representative of any laws; in particular the Treasury Regulations under the Internal Revenue Code of 1986, or the application of any laws to these facts. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein.

Dated: _____

[UNDERWRITER'S REPRESENTATIVE]

By: _____

Authorized Representative

SCHEDULE 1

[IF RECEIVED 3 BIDS]

BIDDING DOCUMENTATION

[IF USING HOLD THE PRICE]

FINAL PRICING WIRE OR EQUIVALENT DOCUMENTATION

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER __, 2018

NEW ISSUE
BOOK-ENTRY ONLY

FITCH RATING: [AA- (Outlook Stable)]
S&P GLOBAL RATING: [AA- (Negative Outlook)]
(See "RATINGS")

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2018 Series One and Two Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, except that no opinion is expressed as to the status of interest on any 2018 Series Two Bond for any period that such 2018 Series Two Bond is held by a "substantial user" of the facilities financed or refinanced by the 2018 Series Two Bonds or by a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986. Bond Counsel observes, however, that interest on the 2018 Series Two Bonds is a specific preference item for purposes of the federal alternative minimum tax. In the further opinion of Bond Counsel, interest on the 2018 Series One Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel also is of the opinion based upon existing laws of the State of Alaska that interest on the 2018 Series One and Two Bonds is exempt from taxation by the State except for transfer, inheritance and estate taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the 2018 Series One and Two Bonds. See "TAX MATTERS."

ALASKA MUNICIPAL BOND BANK
$5,195,000* GENERAL OBLIGATION BONDS, 2018 SERIES ONE (NON-AMT)
$12,625,000* GENERAL OBLIGATION BONDS, 2018 SERIES TWO (AMT)

Dated: Date of Delivery **Due: December 1, as shown on inside cover**

The Alaska Municipal Bond Bank (the "Bond Bank") is issuing $5,195,000* aggregate principal amount of its General Obligation Bonds, 2018 Series One (the "2018 Series One Bonds") and $12,625,000* aggregate principal amount of its General Obligation Bonds, 2018 Series Two (the "2018 Series Two Bonds," and together with the 2018 Series One Bonds, the "2018 Series One and Two Bonds"). The 2018 Series One and Two Bonds initially will be issued as fully registered bonds, in book-entry form only, registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), which will serve as depository for the 2018 Series One and Two Bonds. Individual purchases of the 2018 Series One and Two Bonds of each Series will be made in principal amounts of $5,000 or integral multiples thereof within a maturity. Purchasers of the 2018 Series One and Two Bonds will not receive certificates representing their beneficial ownership interests in the 2018 Series One and Two Bonds. Interest on the 2018 Series One and Two Bonds will accrue from the date of delivery of the 2018 Series One and Two Bonds, or from the most recent interest payment date to which interest has been paid, and is payable on each June 1 and December 1, commencing June 1, 2019.

The Bank of New York Mellon Trust Company, N.A., of San Francisco, California, as the Trustee and Paying Agent for the 2018 Series One and Two Bonds, will make principal and interest payments to DTC as the registered owner of the 2018 Series One and Two Bonds. Disbursement of such payments to DTC Participants is the responsibility of DTC. Disbursement of such payments to the Beneficial Owners is the responsibility of DTC Participants. See "DESCRIPTION OF THE 2018 SERIES ONE AND TWO BONDS" and "APPENDIX I – DTC AND ITS BOOK-ENTRY SYSTEM."

The 2018 Series One and Two Bonds are subject to redemption prior to their stated maturity dates.

The 2018 Series One and Two Bonds will be issued under the General Obligation Bond Resolution, adopted by the Board of Directors of the Bond Bank on July 13, 2005, as amended (the "2005 General Bond Resolution"), as supplemented by Series Resolution No. 2018-01 adopted on October 8, 2018 (the "Series Resolution"). The 2018 Series One and Two Bonds are direct and general obligations of the Bond Bank, and the full faith and credit of the Bond Bank are pledged to the payment of the principal of and interest on the 2018 Series One and Two Bonds, subject to any agreements made with the holders of any other notes or bonds of the Bond Bank pledging any particular revenues or assets not pledged under the 2005 General Bond Resolution. The 2018 Series One and Two Bonds are equally and ratably secured by the pledge and assignment of all Municipal Bonds acquired by the Bond Bank under the 2005 General Bond Resolution on a parity with other Bonds of the Bond Bank issued under the 2005 General Bond Resolution. The 2018 Series One and Two Bonds are the 41st and 42nd Series of Bonds issued under the 2005 General Bond Resolution.

The 2018 Series One and Two Bonds are payable solely from the sources provided in the 2005 General Bond Resolution and the Series Resolution described herein. The 2018 Series One and Two Bonds do not constitute a debt or other liability of the State of Alaska, and the 2018 Series One and Two Bonds do not directly, indirectly or contingently obligate the State of Alaska to levy any form of taxation or make any appropriation for the payment of the 2018 Series One and Two Bonds. Neither the faith and credit nor the taxing power of the State of Alaska is pledged for the payment of the 2018 Series One and Two Bonds. The Bond Bank has no taxing power.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision

The 2018 Series One and Two Bonds are offered when, as and if issued, subject to the approving legal opinion of Orrick, Herrington

* Preliminary, subject to change.

& Sutcliffe LLP, Bond Counsel to the Bond Bank. It is expected that the 2018 Series One and Two Bonds in definitive form will be issued and available by Fast Automated Securities Transfer for delivery through the facilities of DTC in New York, New York, on or about November 27, 2018.

RBC Capital Markets

_____, 2018

ALASKA MUNICIPAL BOND BANK
$5,195,000* General Obligation Bonds, 2018 Series One (Non-AMT)

MATURITIES, AMOUNTS, INTEREST RATES AND YIELDS
(Base CUSIP† No. 01179R)

Due (December 1)*	Principal Amount*	Interest Rate	Yield/Price	CUSIP No.
2019	$170,000	%	%	
2020	175,000			
2021	180,000			
2022	190,000			
2023	195,000			
2024	205,000			
2025	215,000			
2026	225,000			
2027	240,000			
2028	250,000			
2029	265,000			
2030	270,000			
2031	285,000			
2032	295,000			
2033	305,000			
2034	320,000			
2035	330,000			
2036	345,000			
2037	360,000			
2038	375,000			

* Preliminary, subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services ("CGS") is managed on behalf of the American Bankers Association.by S&P Global Market Intelligence. The CUSIP numbers herein are not intended to create a database and do not serve in any way as a substitute for the CGS database. The CUSIP numbers herein are provided for the convenience of reference only and are subject to change. Neither the Bond Bank nor the Underwriter take any responsibility for the accuracy of such CUSIP numbers.

ALASKA MUNICIPAL BOND BANK
$12,625,000* General Obligation Bonds, 2018 Series Two (AMT)

MATURITIES, AMOUNTS, INTEREST RATES AND YIELDS
(Base CUSIP† No. 01179R)

Due (December 1)*	Principal Amount*	Interest Rate	Yield/Price	CUSIP No.
2019	$ 355,000	%	%	
2020	370,000			
2021	380,000			
2022	395,000			
2023	415,000			
2024	430,000			
2025	460,000			
2026	480,000			
2027	505,000			
2028	530,000			
2029	555,000			
2030	580,000			
2031	600,000			
2032	620,000			
2033	645,000			
2034	975,000			
2035	1,015,000			
2036	1,060,000			
2037	1,105,000			
2038	1,150,000			

No dealer, broker, salesperson, or other person has been authorized by the Bond Bank or the Underwriter to give any information or to make any representations with respect to the 2018 Series One and Two Bonds other than those contained in this Official Statement and, if given or made, such information or representations must not be relied upon as having been authorized by the Bond Bank or the Underwriter. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of, the 2018 Series One and Two Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made by use of this Official Statement shall, under any circumstances, create any implication that there has been no change in the affairs of the Bond Bank since the date hereof.

Information on website addresses set forth in this Official Statement is not incorporated into this Official Statement and cannot be relied upon to be accurate as of the date of this Official Statement, nor should any such information be relied upon in making investment decisions regarding the 2018 Series One and Two Bonds.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The 2018 Series One and Two Bonds have not been registered under the Securities Act of 1933, as amended, and the Bond Resolution has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such acts. The 2018 Series One and Two Bonds have not been recommended by any federal or state securities commission or regulatory authority. The foregoing authorities have not confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary may be a criminal offense.

Certain statements contained in this Official Statement reflect not historical facts but forecasts and "forward-looking statements." The words "estimate," "project," "anticipate," "expect," "intend," "believe," "plan," "budget," "forecast," "assume," and similar expressions are intended to identify forward-looking statements. The achievement of certain results or other expectations contained in forward-looking statements involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements are based upon underlying assumptions, many of which in turn are based upon further assumptions. No assurance can be given that the future results or plans discussed herein will be achieved and actual results may differ, perhaps materially, from the plans, budgets, assumptions, forecasts and projections described herein. Except for the historical information described in the continuing disclosure undertaking of the Bond Bank, the Bond Bank does not plan to issue any updates or revisions to any forward-looking statements contained herein. See "CONTINUING DISCLOSURE UNDERTAKINGS."

ALASKA MUNICIPAL BOND BANK

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Juneau, Alaska 99811-0405
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Board of Directors

Luke Welles	Chair
Craig Chapman	[_____]
Lamar Cotton	[_____]
Mike Navarre	[_____]
Sheldon Fisher	[_____]
(Pamela Leary	First Delegate)

Executive Director

Deven J. Mitchell

Finance Director

Ryan S. Williams

Bond Counsel

Orrick, Herrington & Sutcliffe LLP
Seattle, Washington

Trustee

The Bank of New York Mellon Trust Company, N.A.
San Francisco, California

Municipal Advisor

Western Financial Group, LLC, a wholly-owned subsidiary of PFM Financial Advisors LLC
Portland, Oregon

* The Bond Bank's website is not part of this Official Statement, and investors should not rely on information presented in the Bond Bank's website in determining whether to purchase the 2018 Series One and Two Bonds. This inactive textual reference to the Bond Bank's website is not a hyperlink and does not incorporate the Bond Bank's website by reference.

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OFFICIAL STATEMENT

Relating to

ALASKA MUNICIPAL BOND BANK
$5,195,000* GENERAL OBLIGATION BONDS, 2018 SERIES ONE (NON-AMT)
$12,625,000* GENERAL OBLIGATION BONDS, 2018 SERIES TWO (AMT)

INTRODUCTION

General

This Official Statement is furnished by the Alaska Municipal Bond Bank (the "Bond Bank") in connection with the sale of $5,195,000* aggregate principal amount of its General Obligation Bonds, 2018 Series One (the "2018 Series One Bonds"), and $12,625,000* aggregate principal amount of its General Obligation Bonds, 2018 Series Two (the "2018 Series Two Bonds," and together with the 2018 Series One Bonds, the "2018 Series One and Two Bonds"). See "PURPOSE OF THE 2018 SERIES ONE AND TWO BONDS."

The 2018 Series One and Two Bonds will be issued under the General Obligation Bond Resolution, adopted by the Board of Directors of the Bond Bank (the "Board") on July 13, 2005, as amended (the "2005 General Bond Resolution," and as supplemented by Series Resolution No. 2018-01, adopted by the Board on October 8, 2018, the "Bond Resolution"). A copy of the 2005 General Bond Resolution is included in Appendix F.

The Bond Bank was created pursuant to Alaska Statutes 44.85.005 – 44.85.420, as amended (the "Act"), for the primary purpose of lending money to eligible borrowers in the State of Alaska (the "State"), including the purchase of bonds and promissory notes issued by such borrowers. Certain capitalized terms used in this Official Statement, and not otherwise defined herein, are defined in the 2005 General Bond Resolution.

The Bank of New York Mellon Trust Company, N.A., of San Francisco, California, as Trustee under the 2005 General Bond Resolution (the "Trustee"), serves as the Trustee and Paying Agent for the 2018 Series One and Two Bonds.

The 2018 Series One and Two Bonds are direct and general obligations of the Bond Bank, and the full faith and credit of the Bond Bank are pledged to the payment of the principal of and interest on the 2018 Series One and Two Bonds, subject to any agreements made with the holders of any other notes or bonds of the Bond Bank pledging any particular revenues or assets not pledged under the 2005 General Bond Resolution. The 2018 Series One and Two Bonds are equally and ratably secured by the pledge and assignment of all Municipal Bonds acquired by the Bond Bank under the 2005 General Bond Resolution on a parity with other Bonds of the Bond Bank heretofore or hereafter issued under the 2005 General Bond Resolution. The 2018 Series One and Two Bonds are the 41st and 42nd Series of Bonds issued under the 2005 General Bond Resolution. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" and "BONDS OUTSTANDING."

The 2018 Series One and Two Bonds are payable solely from the sources provided in the Bond Resolution. The 2018 Series One and Two Bonds do not constitute a debt or other liability of the State of Alaska, and the 2018 Series One and Two Bonds do not directly, indirectly or contingently obligate the State of Alaska to levy any form of taxation or make any appropriation for the payment of the 2018 Series One and Two Bonds. Neither the faith and credit nor the taxing power of the State of Alaska is pledged for the payment of the 2018 Series One and Two Bonds. The Bond Bank has no taxing power. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

All references herein to agreements and documents are qualified in their entirety by reference to the definitive forms thereof, and all references to the 2018 Series One and Two Bonds are further qualified by reference to the

* Preliminary, subject to change.

provisions with respect thereto contained in the Bond Resolution. All bonds issued under and pursuant to the terms of the 2005 General Bond Resolution are referred to as the "Bonds."

On February 19, 2013, the Board adopted a First Supplemental Resolution that amends certain provisions of the 2005 General Bond Resolution effective as of the first date on which all Bonds issued prior to February 19, 2013 are no longer Outstanding. Holders and beneficial owners of the 2018 Series One and Two Bonds are deemed to have consented to all of the amendments authorized in the 2013 First Supplemental Resolution. See "SUMMARY OF THE 2005 GENERAL BOND RESOLUTION—Modifications to the 2005 General Bond Resolution" and Appendix F—"2005 GENERAL BOND RESOLUTION AND 2013 FIRST SUPPLEMENTAL RESOLUTION."

Each Governmental Unit has covenanted that if its Municipal Bonds constitute ten percent or more of the outstanding principal amount of the Municipal Bonds held by the Bond Bank under the 2005 General Bond Resolution, such Governmental Unit will provide to the Bond Bank for inclusion in future official statements financial information generally of the type included in the Bond Bank's official statements with respect to Governmental Units representing ten percent or more of the Bonds outstanding under the 2005 General Bond Resolution. See Appendix D—"SUMMARY OF BORROWERS REPRESENTING TEN PERCENT OR MORE OF OUTSTANDING BONDS ISSUED UNDER THE 2005 GENERAL BOND RESOLUTION."

Alaska Municipal Bond Bank

The Bond Bank is a public corporation of the State and an instrumentality of the State established and organized by the Act in 1975 within the State of Alaska Department of Revenue (the "DOR"), initially to assist municipalities in the State in accessing the financial markets by lending money through the purchase of municipal general obligation bonds. The Bond Bank is currently administered by staff that is shared with the DOR. A board of five directors authorizes the Bond Bank's actions including issuing bonds and approving loans. See "ALASKA MUNICIPAL BOND BANK."

The Act has been modified from time to time, including changes to allow the Bond Bank to finance loans for revenue bond issues, for other debt obligations, to port authorities, for electrical generation projects including hydroelectric projects, to the Alaska Municipal League Joint Insurance Association, to the University of Alaska and to joint action agencies and regional health organizations. The bonds issued by the Bond Bank for the purpose of making loans to governmental borrowers are issued primarily pursuant to the 2005 General Bond Resolution, and in one instance by the 2010 General Bond Resolution adopted by the Board of Directors of the Bond Bank on October 19, 2010 (the "2010 Master Bond Resolution"). The bonds issued by the Bond Bank for the purpose of making loans to regional health organizations are issued pursuant to the 2016 Master Resolution, adopted by the Board of Directors of the Bond Bank on May 5, 2016 (the "2016 Master Bond Resolution").

The Bond Bank provides capital funds for the majority of eligible borrowers through loans to such entities funded by issuing its bonds and notes in the national market to finance such loans under conditions set forth in the Act and the administrative regulations thereunder (Chapter 144 of the Alaska Administrative Code). Loan payments by Governmental Units to the Bond Bank provide the primary source of funds for payment of principal of and interest on the Bonds, including the 2018 Series One and Two Bonds.

Although payments made by the Governmental Units on their Municipal Bonds are the primary security for the payment of principal of and interest on the Bonds, including the 2018 Series One and Two, the Bond Bank also maintains a reserve account within the Reserve Fund created under the Act as additional security for the payment of the Bonds and separate reserve accounts as security for bonds issued under the 2010 Master Bond Resolution and the 2016 Master Bond Resolution. The Bond Bank is required under the Act to report the sufficiency of the Reserve Fund and to seek appropriations from the Legislature to replenish the Reserve Fund if needed. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—2005 General Bond Resolution Reserve Fund." For information regarding the State of Alaska and its appropriation process, see Appendix G—"STATE OF ALASKA."

PURPOSE OF THE 2018 SERIES ONE AND TWO BONDS

Purpose of the 2018 Series One Bonds

The 2018 Series One Bond proceeds are to be used: (i) to make a new loan to the Kenai Peninsula Borough, Alaska (the "Kenai Peninsula Borough"); and (ii) to pay a portion of the costs of issuing the 2018 Series One Bonds. The loan to the Kenai Peninsula Borough is expected to be used to finance a portion of the costs of capital improvements to the Kachemak-Selo K-12 School construction project.

Purpose of the 2018 Series Two Bonds

The 2018 Series Two Bond proceeds are to be used: (i) to make two new loans to the City and Borough of Sitka, Alaska ("Sitka"); and (ii) to pay a portion of the costs of issuing the 2018 Series Two Bonds. The loans to Sitka are expected to be used to finance (i) a portion of the costs of capital improvements to Sitka's harbor facilities and to make a deposit to the City and Borough of Sitka's borrower reserve account related to the Sitka harbor facilities improvements loan; (ii) a portion of the costs of capital improvements to Sitka's Rocky Gutierrez Airport and to make a deposit to Sitka's borrower reserve account related to Sitka's airport improvements loan.

SOURCES AND USES OF FUNDS

The table below sets forth the sources and uses of funds related to the 2018 Series One and Two Bonds, rounded to the nearest dollar.

	2018 Series One	2018 Series Two
Sources:		
Principal Amount	$	$
[Net] Original Issue Premium/Discount		
Other Sources [(1)]		
Total Sources	**$**	**$**
Uses:		
Loan to Kenai Peninsula Borough	$	$
Loan to Sitka		
Loan to Sitka		
Governmental Unit Reserves [(2)]		
Costs of Issuance [(3)]		
Total Uses	**$**	**$**

(1) Represents Bond Bank contribution to payment of costs of issuance.
(2) See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Municipal Bonds."
(3) Includes Bond Bank and Governmental Unit costs of issuance such as Underwriter's discount, legal fees, financial advisory fees, rating agency fees, Trustee fees, accounting, printing and other costs of issuing the 2018 Series One and Two Bonds.

DESCRIPTION OF THE 2018 SERIES ONE AND TWO BONDS

General Description

The 2018 Series One and Two Bonds are issuable only as fully registered bonds, registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), as securities depository for the 2018 Series One and Two Bonds. Principal of and interest on the 2018 Series One and Two Bonds are payable by the Trustee to DTC which, in turn, is obligated to disburse such principal and interest payments to its participants (the "DTC Participants") in accordance with DTC procedures. See Appendix I—"DTC AND ITS BOOK-ENTRY SYSTEM."

2018 Series One and Two Bonds

The 2018 Series One and Two Bonds mature, subject to prior redemption, on the dates and bear interest at the rates set forth on the inside cover page of this Official Statement. The 2018 Series One and Two Bonds of each Series are issuable in denominations of $5,000 or any integral multiple thereof within a maturity. Interest on the 2018 Series One and Two Bonds will accrue from the date of delivery of the 2018 Series One and Two Bonds, or from the most recent interest payment date to which interest has been paid, and is payable on each June 1 and December 1, commencing June 1, 2019.

Optional Redemption*

The 2018 Series One Bonds maturing on or after December 1, 20__, are subject to redemption in whole or in part at the option of the Bond Bank on any date on or after December 1, 20__, at a price of 100 percent of the principal amount thereof to be redeemed plus accrued interest to the date fixed for redemption. The Loan to the Governmental Unit has corresponding optional prepayment provisions.

The 2018 Series Two Bonds maturing on or after December 1, 20__, are subject to redemption in whole or in part at the option of the Bond Bank on any date on or after December 1, 20__, at a price of 100 percent of the principal amount thereof to be redeemed plus accrued interest to the date fixed for redemption. The Loans to the Governmental Units have corresponding optional prepayment provisions.

Notice and Effect of Redemption

The Bond Resolution provides that at least 20 days, but not more than 60 days, prior to the date upon which any 2018 Series One and Two Bonds are to be redeemed, the Trustee will mail a notice of redemption to the registered owner (DTC so long as all of the 2018 Series One and Two Bonds are held under the DTC book-entry system) of any 2018 Series One and Two Bond all or a portion of which is to be redeemed, at the owner's last address appearing on the registration books of the Bond Bank kept by the Trustee. So long as all of the 2018 Series One and Two Bonds are held under the DTC book-entry system, such notice will be sent only to DTC, and any notice to the beneficial owners of the 2018 Series One and Two Bonds will be the responsibility of DTC Participants. Neither the Bond Bank nor the Trustee will mail redemption notices to the beneficial owners.

The Bond Resolution provides that notice of redemption is required to state that on the date fixed for redemption the redemption price will become due and payable on each 2018 Series One and Two Bond called for redemption, unless, in the case of optional redemption, money sufficient to redeem the 2018 Series One and Two Bonds is not on deposit with the Trustee, and that if sufficient money is on deposit with the Trustee interest thereon will cease to accrue from and after such date. In the case of optional redemptions, the Bond Resolution requires that the notice state that it is a conditional notice and that on the date fixed for redemption, provided that money sufficient to redeem the 2018 Series One or 2018 Series Two Bonds specified in the notice, the redemption price will become due and payable and interest thereon will cease to accrue.

The 2005 General Bond Resolution provides that if at the time of mailing any notice of optional redemption, money sufficient to redeem the 2018 Series One and Two Bonds to be redeemed is not on deposit with the Trustee, the notice is required to state that the redemption is subject to the deposit of the redemption money with the Trustee and that the notice will be of no effect unless such money is so deposited.

Selection of 2018 Series One and Two Bonds for Redemption

If fewer than all of the 2018 Series One and Two Bonds are to be redeemed prior to maturity, the Bond Bank may select the maturity or maturities to be redeemed at the option of the Bond Bank. If, at the time notice of redemption is given the 2018 Series One and Two Bonds are in book-entry form, then DTC will select the 2018 Series One and Two Bonds for redemption within a maturity of a Series in accordance with the Letter of Representations. The 2005 General Bond Resolution provides that if less than all of the Bonds of any maturity of a Series are called for redemption and the Bonds are not in book-entry form, the Bonds to be redeemed are to be selected by lot by the

* Preliminary, subject to change.

Trustee or in any manner as the Trustee, in its sole discretion, may deem appropriate and fair. See Appendix I—"DTC AND ITS BOOK-ENTRY SYSTEM."

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

The Bonds, including the 2018 Series One and Two Bonds, are direct and general obligations of the Bond Bank, and the full faith and credit of the Bond Bank are pledged to the payment of the principal of and interest on the Bonds, subject to any agreements made with the holders of any other notes or bonds of the Bond Bank pledging any particular revenues or assets not pledged under the 2005 General Bond Resolution. In addition to Bonds outstanding under the 2005 General Bond Resolution, the Bond Bank has issued and currently has bonds outstanding under the 2010 Master Bond Resolution and the 2016 Master Bond Resolution, and the revenues and assets pledged under those resolutions are not pledged to or available for payment of Bonds issued under the 2005 General Bond Resolution, including the 2018 Series One and Two Bonds. See "BONDS OUTSTANDING."

The 2018 Series One and Two Bonds are equally and ratably secured by the pledge and assignment of all Municipal Bonds acquired by the Bond Bank under the 2005 General Bond Resolution on a parity with other Bonds of the Bond Bank issued under the 2005 General Bond Resolution. The 2018 Series One and Two Bonds are the 41st and 42nd Series of Bonds issued under the 2005 General Bond Resolution.

The 2018 Series One and Two Bonds are payable solely from the sources provided in the Bond Resolution. The 2018 Series One and Two Bonds do not constitute an indebtedness or other liability of the State of Alaska, and the 2018 Series One and Two Bonds do not directly, indirectly or contingently obligate the State of Alaska to levy any form of taxation or make any appropriation for the payment of the 2018 Series One and Two Bonds. As provided in the Act, the Bond Bank is obligated to pay the principal of and interest on the Bonds only from revenues or funds of the Bond Bank, and the State of Alaska is not obligated to pay the principal of or the interest on the Bonds, including the 2018 Series One and Two Bonds. **Neither the faith and credit nor the taxing power of the State of Alaska is pledged for the payment of the 2018 Series One and Two Bonds. The Bond Bank has no taxing power.**

As additional security for payment of principal of and interest on the 2018 Series One and Two Bonds and the other Bonds issued under the 2005 General Bond Resolution, the Bond Bank has established a common Reserve Fund. See "2005 General Bond Resolution Reserve Fund." The Reserve Fund is a separate reserve account within the reserve fund created by the Act and does not secure the payment of bonds issued under the 2010 Master Bond Resolution, the 2016 Master Bond Resolution or any other resolution. The Reserve Fund is separate from, and the Bonds are not secured by, the reserve accounts established pursuant to the 2010 Master Bond Resolution and the 2016 Master Bond Resolution.

The Act provides that to assure the maintenance of the Reserve Fund Requirement, the Legislature may appropriate annually to the Bond Bank for deposit in the Reserve Fund the amount, if any, necessary to restore the Reserve Fund to an amount equal to the Reserve Fund Requirement. The Chair of the Bond Bank is required annually (before each January 30) to make and deliver to the Governor and to the Legislature a certificate stating the amount, if any, required to restore the Reserve Fund to the amount of the Reserve Fund Requirement. Money received by the Bond Bank from the State pursuant to such certification is required, to the extent such certification was occasioned by the fact that the amount in the Reserve Fund was less than the Reserve Fund Requirement, to be deposited in the Reserve Fund. The Legislature is legally authorized, but not legally obligated, to appropriate such sums during the then-current State fiscal year. The State's fiscal year begins July 1 and ends June 30. This provision of the Act does not create a debt obligation on behalf of the State or a legally enforceable obligation of the State.

Beginning in 2009, the Bond Bank has been obligated by the 2005 General Bond Resolution to seek annually an appropriation within the State's annual operating budget to replenish the Reserve Fund, if necessary. The 2010 Master Bond Resolution and the 2016 Master Bond Resolution also require the Bond Bank to seek an annual appropriation to satisfy any unanticipated deficiency in the Bond Bank's reserve accounts. An appropriation has been included in each State operating budget since the fiscal year 2010 budget, including for the current fiscal year ending June 30, 2019. No such replenishment from State appropriation has been necessary.

If the Bond Bank is required to draw on the Reserve Fund because of a default by a Governmental Unit, the appropriation provides that an amount equal to the amount drawn from the Reserve Fund is appropriated from the State's General Fund to the Reserve Fund. There is no guarantee that the Bond Bank will be able to secure future appropriations within the State's operating budget for replenishment of the Bond Bank's reserve accounts, including the Reserve Fund. See "2005 General Bond Resolution Reserve Fund" and Appendix G—"STATE OF ALASKA—Government Budgets and Appropriations."

Starting in fiscal year 2010 and continuing through fiscal year 2019, the Bond Bank also has obtained annual appropriations of earnings on reserve accounts held by the Bond Bank in excess of the Bond Bank's operating expenses for the fiscal year; the Act otherwise would require such earnings to be appropriated to the State's General Fund. See "2005 General Bond Resolution Reserve Fund—Custodian Account."

Pledge Effected by the 2005 General Bond Resolution

Pursuant to the 2005 General Bond Resolution, all Municipal Bonds, all Municipal Bonds Payments, the investments thereof and the proceeds of such investments, if any, and all funds and accounts established by the 2005 General Bond Resolution to be held by the Trustee are pledged and assigned to secure the payment of the principal of, redemption premium, if any, and interest on all Bonds, subject only to the provisions of the 2005 General Bond Resolution permitting the application thereof for the purposes and on the terms and conditions specified in the 2005 General Bond Resolution.

The Act and the 2005 General Bond Resolution provide among other things that (i) any pledge made in respect of the Bonds will be valid and binding from the time the pledge is made, (ii) the Municipal Bonds, the Municipal Bonds Payments and all other money and securities so pledged and thereafter received by the Bond Bank immediately will be subject to the lien of such pledge without any further act, and (iii) the lien of any such pledge will be valid and binding against all parties having any claims of any kind in tort, contract or otherwise against the Bond Bank irrespective of whether the parties have notice.

Municipal Bonds

Under the provisions of the Act and the 2005 General Bond Resolution, the Bond Bank is authorized to purchase Municipal Bonds from any Governmental Unit. The 2005 General Bond Resolution defines Municipal Bonds as "general obligation bonds, revenue bonds, notes or other evidences of debt issued by any Governmental Unit as now or hereafter defined in the Act which have heretofore been or will hereafter be acquired by the Bond Bank as evidence of a Loan to the Governmental Unit pursuant to the Act."

For each issue of Municipal Bonds that the Bond Bank purchases, the 2005 General Bond Resolution requires the Bond Bank to obtain from bond counsel to the Governmental Unit an opinion stating that (i) such Municipal Bonds are valid obligations of the Governmental Unit as required by the Act and (ii) a Loan Agreement has been duly authorized and executed between the Bond Bank and the Governmental Unit that constitutes a valid and binding obligation of the Governmental Unit.

Each Loan Agreement obligates a Governmental Unit to (i) make interest payments on its Municipal Bond sufficient in amount and at such times to provide the Bond Bank funds to meet interest payments on its Loan Obligations as they become due; and (ii) make principal payments on its Municipal Bond sufficient in amount and at such times to provide the Bond Bank funds to meet principal payments on its Loan Obligations as they become due. Pursuant to the Loan Agreement, the Governmental Unit may be required to pay fees and charges to the Bond Bank to meet the Governmental Unit's allocable portion of certain expenses. Pursuant to each Loan Agreement relating to a revenue bond issued by a Governmental Unit, the Governmental Unit may be required to maintain with the Trustee a separate debt service reserve account to secure payment by the Governmental Unit of its Loan Obligations. Each Loan Agreement also contains restrictions on the sale or redemption of the Governmental Unit's Municipal Bonds.

2005 General Bond Resolution Reserve Fund

To secure the payment of all Bonds issued under the 2005 General Bond Resolution, the 2005 General Bond Resolution established the Reserve Fund to be held by the Trustee and maintained at an amount at least equal to the Reserve Fund Requirement estimated at $[61.98] million following the issuance of the 2018 Series One and Two

Bonds. The Reserve Fund Requirement is equal to the least of the following: (i) 10 percent of the initial principal amount of each Series of Bonds then Outstanding; (ii) Maximum Annual Debt Service with respect to all Bonds Outstanding; (iii) 125 percent of Average Annual Debt Service on all Bonds Outstanding; or (iv) such lower amount as may be required by law. See "DEFINITIONS—Required Debt Service Reserve." The Reserve Fund Requirement may be satisfied entirely, or in part, by a letter of credit, line of credit, credit facility, surety bond, bond insurance, or any other instrument or arrangement obtained in connection with the issuance of a Series of Bonds. See "—Debt Service Reserve Fund Surety Bond."

As of September 30, 2018, the valuation of assets in the Reserve Fund was approximately [$63.16 million, an amount sufficient to satisfy the Reserve Fund Requirement. As of that date, approximately $36.4 million, representing 57.6 percent of the assets in the Reserve Fund, was funded from cash deposits by the Bond Bank from available funds, approximately $8.7 million, representing 13.8 percent, was funded from Bonds issued by the Bond Bank to make deposits in the Reserve Fund ("Reserve Fund Obligations"), and approximately $18.0 million, representing 28.5 percent, was funded with a surety policy (the "Debt Service Reserve Fund Surety Bond") from National Public Finance Guarantee Corporation ("National"). The Reserve Fund currently is funded at a level sufficient to meet the Reserve Fund Requirement with the issuance of the 2018 Series One and Two Bonds.][To be updated] See "—Debt Service Reserve Fund Surety Bond."

The 2005 General Bond Resolution requires the Bond Bank to submit annually to the State a budget request for an appropriation to replenish the Reserve Fund to the Reserve Fund Requirement in the event that there is a deficiency as a result of a default by a Governmental Unit. Since 2009, and continuing through fiscal year 2019, the State has included in its operating budget an appropriation to replenish the Reserve Fund, if necessary. Although the Bond Bank is obligated under the 2005 General Bond Resolution to seek and has obtained an appropriation within the State's annual operating budget in every year since fiscal year 2010, the State is not obligated, legally or otherwise, to include the appropriation in its annual operating budget. The Bond Bank's annual obligation to submit to the State a budget request for an appropriation is in addition to the Bond Bank's obligation to seek an appropriation to restore the Reserve Fund to the amount of the Required Debt Service Reserve as described below. See "—Moral Obligation."

The 2005 General Bond Resolution provides that on or before December 31 of each year, and subject to the requirements of the 2005 General Bond Resolution, the Trustee will transfer from the Reserve Fund any amounts remaining in the Reserve Fund derived from income or interest earned and profits realized by the Reserve Fund due to investments thereof to the Operating Fund, but only to the extent that there remains after such transfer an amount in the Reserve Fund equal to the Required Debt Service Reserve. See "SUMMARY OF THE 2005 GENERAL BOND RESOLUTION—Funds and Accounts—Reserve Fund" and Section 911 of the 2005 General Bond Resolution in Appendix F.

Debt Service Reserve Fund Surety Bond. The amount credited to the Reserve Fund includes the Debt Service Reserve Fund Surety Bond, in the face amount of approximately $18.0 million. The Debt Service Reserve Fund Surety Bond provides that upon notice from the Trustee to National to the effect that insufficient amounts are on deposit in the Debt Service Fund to pay the principal of (at maturity or pursuant to mandatory redemption requirements) and interest on the Bonds, National will be required to deposit with the Trustee an amount sufficient to pay the principal of and interest on the Bonds or the available amount of the Debt Service Reserve Fund Surety Bond, whichever is less. Upon the later of: (i) three days after receipt by National of a demand for payment, duly executed by the Paying Agent; or (ii) the payment date of the Bonds as specified in the demand for payment presented by the Trustee to National, National will be required to make a deposit of funds in an account with U.S. Bank Trust National Association, in New York, New York, or its successor, sufficient for the payment to the Trustee of amounts then due to the Trustee (as specified in the demand for payment), subject to the coverage limits of the Debt Service Reserve Fund Surety Bond.

The available amount of the Debt Service Reserve Fund Surety Bond is the face amount of the Debt Service Reserve Fund Surety Bond then in effect less the amount of any previous deposits by National with the Trustee that have not been reimbursed by the Bond Bank. The Bond Bank and National have entered into a Financial Guaranty Agreement in connection with the Debt Service Reserve Fund Surety Bond. Pursuant to the Financial Guaranty Agreement, the Bond Bank is required to reimburse National, with interest, within one year after any deposit, the amount of such deposit made by National with the Trustee under the Debt Service Reserve Fund Surety Bond. The Bond Bank is also required to obtain National's consent to any amendment or modification of the 2005 General Bond

Resolution that would also require consent of holders of the Bonds. The Financial Guaranty Agreement also provides that no optional redemption of Bonds may be made until the Debt Service Reserve Fund Surety Bond is reinstated.

Moral Obligation. The Bond Bank is required by the Act to deliver a statement to the Governor and the Legislature annually, before January 30, stating the amount, if any, necessary to restore the Reserve Fund to the Required Debt Service Reserve resulting from a draw on the Reserve Fund at any time during the prior year. The Legislature may, but is under no legal obligation to, appropriate money sufficient to restore the Reserve Fund to the Required Debt Service Reserve. Since its creation, the Bond Bank has annually reported a reserve sufficiency in all of the reserve accounts held by the Bond Bank.

Custodian Account. Money not held in the Reserve Fund, loaned to authorized borrowers or held in reserve accounts for bonds issued under other bond resolutions is maintained by the Bond Bank in an account within the Operating Fund referred to as the Custodian Account (the "Custodian Account"). The Custodian Account contains direct and indirect State appropriations, prior year retained earnings and current year investment earnings and as with the Operating Account is not held by the Trustee or pledged to the payment of the Bonds. As of September 1, 2018, the unaudited market value of the Custodian Account was $[11,578,008].

The Act requires that earnings on funds directly appropriated by the State to the Bond Bank, net of the Bond Bank's operating expenses, be transferred to the State in the following fiscal year. Starting in fiscal year 2009, however, and continuing through fiscal year 2019, all fiscal year earnings due to the State's General Fund by statute have been appropriated to the Bond Bank for deposit in the Custodian Account. The Legislature may, but is under no legal obligation to, appropriate statutory earnings back to the Bond Bank. The entire Custodian Account balance is available for appropriation by the Legislature, with a majority vote and the Governor's concurrence or a with three-quarter majority vote to overcome a Governor's veto of the appropriation, during any legislative session. The Legislature has not appropriated funds out of the Custodian Account for non-Bond Bank related purposes in the current, or any prior, fiscal year.

The Bond Bank uses the Custodian Account to pay operating expenses, to make direct loans to eligible borrowers and to make deposits to the Reserve Fund.

State Payments to Governmental Units

The Act provides that, to the extent that any department or agency of the State is the custodian of money payable to a Governmental Unit, at any time after notice from the Bond Bank that the Governmental Unit is in default on the payment of the principal of or interest on its Municipal Bonds then held or owned by the Bond Bank, the department or agency is required to withhold the payment of such money held by it and pay over such money to the Bond Bank for the purpose of paying principal of and interest on the bonds of the Bond Bank. State payments to Governmental Units include, but are not limited to, payments through the School Debt Reimbursement Program and Education Support Funding through the Department of Education and Early Development; and community jail funding through the Department of Corrections. A table in Appendix B sets forth the amount of State payments to Governmental Units that have borrowed from the Bond Bank as well as the fiscal year 2018 Loan Obligations and associated estimated coverage provided by those State payments. Capital spending that is the source of matching grant funding to municipalities has been reduced significantly since fiscal year 2015; the State has restricted and diminished funding for the School Debt Reimbursement Program and the State's practice established in fiscal year 2008 of forward-funding Constitutionally-required K-12 education support payments stopped in fiscal year 2015. Diminished State funding may continue to result in a gradual diminishment of the balances in the matching grant column of the table in Appendix B. There is no guarantee that State payments to Governmental Units will continue, and all of the payments could be reduced from current levels.

The payment and amount of such State payments is uncertain, and legislative authorization for such payments is subject to appropriation and to amendment or repeal. Other State agencies may have similar rights to intercept State payments to local governments or to limit the amount intercepted, and no assurance can be given that the Bond Bank's claim would have priority or that the amount of available State payments would be sufficient. See Appendix G—"STATE OF ALASKA—Government Budgets and Appropriations" and "—Government Funds" and Appendix B—"STATE PAYMENTS TO GOVERNMENTAL UNITS." The Bond Bank has never implemented the State payment intercept remedy.

Pledge and Agreement of the State

In the Act, the State has pledged and agreed with the holders of the Bonds that it will not limit or restrict the rights vested in the Bond Bank by the Act to, among other things, purchase, hold and dispose of Municipal Bonds and fulfill the terms of an agreement (including the 2005 General Bond Resolution) made by the Bond Bank with such holders, or in any way impair the rights or remedies of such holders until the Bonds, including interest on the Bonds and interest on unpaid installments of interest and all costs and expenses in connection with an action or proceeding by or on behalf of such holders, are fully met, paid and discharged.

ALASKA MUNICIPAL BOND BANK

Organization

The powers of the Bond Bank are vested in the Board. The membership of the Board consists of five Directors: the Commissioners of the DOR and the Department of Commerce, Community and Economic Development ("DCCED") of the State and three Directors appointed by the Governor. The three appointees serve four-year staggered terms and must be qualified voting residents of the State. The Commissioners of the DOR and the DCCED may appoint delegates to serve in their absence.

The Act requires the Board in the first meeting of each fiscal year to elect one of the Directors as chair and one of the Directors as vice chair and also to elect a secretary and a treasurer, who need not be Directors. Action may be taken and motions and resolutions adopted by the Board at any meeting by the affirmative vote of at least three Directors. The Directors appoint an Executive Director and a Finance Director to manage the business of the Bond Bank.

Board of Directors

The members of the Board are listed below.

Luke Welles – Chair. Term expires July 15, 2019. Mr. Welles was originally appointed to the Board on May 21, 2008. Mr. Welles became Vice President of Finance of the Arctic Slope Native Association, Ltd in 2011. Prior to his current job, he served as Chief Financial Officer of LifeMed Alaska, LLC, which provides medivac services in Alaska. Previously, Mr. Welles was the Chief Financial Officer for Yukon-Kuskokwim Health Corporation. He has management experience in healthcare, civil construction and commercial real estate. Over the past 15 years he has served on several economic development commissions in the State, as a city council member in Homer, Alaska and on multiple boards. Mr. Welles received a Bachelor of Arts Degree in Foreign Service and International Business from Baylor University.

Craig Chapman – [____]. Term expires July 15, 2021. Mr. Chapman was appointed to the board on July 21, 2017. Mr. Chapman is a lifelong Alaskan. He graduated from Gonzaga University with a Bachelor of Business Administration with an emphasis in accounting. He has been a licensed Certified Public Accountant in the State of Alaska since 1983. In addition to spending six years in in public accounting, Mr. Chapman has over 30 years of experience in private and governmental financial management positions including 20 years at the Kenai Peninsula Borough with almost 12 years as Finance Director. He previously served on the State on Alaska, Board of Public Accountancy.

Mike Navarre – [____]. As Commissioner of the Department of Commerce, Community and Economic Development (the "DCCED"), Commissioner Navarre oversees six divisions and seven corporate agencies. He serves on the boards of the Alaska Housing Finance Corporation, Alaska Marine Pilots, Alaska Industrial Development and Export Authority, Alaska Energy Authority, Alaska Railroad Corporation and Alaska Seafood Marketing Institute. Commissioner Navarre also serves on the Climate Action for Alaska Leadership team and the Alaska Mariculture Task Force. He is an active member of the Kenai Peninsula Boy's and Girl's Club Board, the Kenai River Brown Bears Board and co-chairs the Arctic Power Board. Previously, Commissioner Navarre served three terms as mayor of the Kenai Peninsula Borough, served twice as the president of the Alaska Conference of Mayors, and served in the Alaska House of Representatives for six terms (1985-1996) where he held multiple leadership positions, including Majority Leader, and chair of the Finance and Rules Committees. Commissioner Navarre has over 30 years of business experience in restaurant and retail operations throughout Alaska. He holds a Bachelor's degree in Government with a minor in Economics from Eastern Washington University.

Pamela Leary – [____]. Ms. Leary is the first delegate for the Commissioner of the DOR. She is the Director of the DOR – Treasury Division and serves as the State Treasurer. She previously served in the DOR as State Comptroller from 2007 through 2013. Ms. Leary began her career as an auditor with Price Waterhouse and became a partner in the firm PricewaterhouseCoopers, LLP. After moving to Alaska, Ms. Leary owned and operated a business before reentering the accounting profession with the Alaska Permanent Fund Corporation. She holds a bachelor's degree in economics from the Wharton School, University of Pennsylvania, and is a certified public accountant in the State of Alaska.

Lamar Cotton – [____]. [Bio to be provided].

Management

The Bond Bank is a public corporation of the State of Alaska established and organized within the DOR in 1975. Following creation, the Bond Bank was independently staffed by a full time Executive Director, full-time Secretary, and additional short-term staff and maintained separate offices in Anchorage, Alaska. The Legislature determined in 1997 that the operation and management responsibility for the Bond Bank would be incorporated into the duties of existing DOR – Treasury Division staff. This resulted in the partial delegation of the State's Debt Manager to the Bond Bank. Staffing was augmented in 2013 when the DOR – Treasury Division Operations Research Analyst position was partially delegated to the Bond Bank.

Deven J. Mitchell, who also serves as State Debt Manager and Investment Officer in the DOR – Treasury Division, with responsibility for the management of all debt of the State, was appointed Executive Director of the Bond Bank in 1999. Mr. Mitchell has worked for the DOR since 1992. He previously held several positions in Alaska financial

institutions. Mr. Mitchell holds a Bachelor of Science Degree in Business Administration from Northern Arizona University. He has served as board member and chairman of the Wildflower Court Nursing Home and as board member and president of the Alaska Government Finance Officers Association, and currently is serving on the boards of the Alaska Municipal League and the Alaska Municipal League Joint Insurance Association.

Ryan S. Williams, who also serves as Operations Research Analyst in the DOR – Treasury Division, was appointed Finance Director of the Bond Bank in 2014. Mr. Williams has worked for the DOR since 2009. Mr. Williams holds a Bachelor of Science Degree in Business Administration from the University of Southern California, with a concentration in International Business. He has served as a board member and currently is president of the Alaska Government Finance Officers Association.

The Bond Bank contracts in the private sector for a wide range of professional services. The Executive Director and Finance Director coordinate the activities of these professionals, which include bond counsel, municipal advisor, accountants, auditors, fund trustees, bond trustees, arbitrage rebate consultants and investment managers.

BONDS OUTSTANDING

Under the provisions of the Act, within the limitations described below, the Bond Bank may issue additional Series of Bonds under the 2005 General Bond Resolution and, subject to certain additional limitations, may issue bonds under other resolutions. The total amount of Bond Bank bonds and notes outstanding at any one time may not exceed $1,792.5 million, consisting of statutory authorizations of: $87.5 million for the University of Alaska, $205 million for regional health organizations and $1,500 million for municipalities and all other authorized purposes. As of November 1, 2018, the total principal amount of Bond Bank bonds and notes outstanding, not including the 2018 Series One and Two Bonds, was $[1,157,028,197]. The Bond Bank currently has bonds outstanding under the following resolutions.

2005 General Bond Resolution

The 2018 Series One and Two Bonds are the 41st and 42nd Series of Bonds issued under the 2005 General Bond Resolution. As of November 1, 2018, the Bond Bank has issued [$1,489,445,000 of general obligation bonds under the 2005 General Bond Resolution (not including the 2018 Series One and Two Bonds), $1,002,795,000 of which remains outstanding. After the issuance of the 2018 Series One and Two Bonds, the Bond Bank will have issued $1,518,400,000* of general obligation bonds under the 2005 General Bond Resolution, $1,031,750,000* of which will remain outstanding][To be updated]. Bonds may be issued by the Bond Bank pursuant to the 2005 General Bond Resolution only to finance loans to Governmental Units. The Bond Bank expects to issue additional bonds under the 2005 General Bond Resolution within the next year and to continue to use the 2005 General Bond Resolution as the primary means of financing loans to Governmental Units.

2010 Master Bond Resolution

Bonds issued under the Municipal Obligation Bond Resolution (the "2010 Master Bond Resolution") are general obligations of the Bond Bank, equally and ratably secured by a pledge and assignment of all obligations acquired by the Bond Bank under the 2010 Master Bond Resolution. As of November 1, 2018, the Bond Bank has issued $[4,765,000] of bonds under the 2010 Master Bond Resolution, $[3,860,000] of which remain outstanding. The Bond Bank has no plans at this time to issue additional bonds under the 2010 Master Bond Resolution.

2016 Master Bond Resolution

Bonds issued under the 2016 Master Bond Resolution are general obligations of the Bond Bank, payable solely from the sources provided in and pledged pursuant to the 2016 Master Bond Resolution and the related series resolutions. As of November 1, 2018, the Bond Bank has issued $144,850,0003 of Bonds under the 2016 Master Bond Resolution, $[140,300,000] of which remain outstanding. The Bond Bank expects to continue to use the 2016 Master Bond Resolution as the primary means of financing loans to regional health organizations.

* Preliminary, subject to change.

Coastal Energy Impact Program

In the 1980s, the Bond Bank privately placed conduit bonds with the United States Department of Commerce National Oceanic and Atmospheric Administration ("NOAA") to provide loans to local governments that qualified for aid under the Coastal Energy Impact Program ("CEIP"). CEIP is a federal program designed to provide financial assistance to coastal states and municipalities facing impacts from offshore oil development. NOAA and the Bond Bank entered into an agreement whereby the Bond Bank was the direct lending agency for the CEIP in the State, with $50 million available to make loans to local governments or to establish reserves for loans to local governments.

The CEIP bonds that remain outstanding were issued for the City of Nome and the City of St. Paul. The total amount of CEIP bonds outstanding as of November 1, 2018, is $[10,073,197].

The CEIP loans are administered directly by NOAA without involvement of the Bond Bank. Bonds issued for the CEIP are not liabilities of the Bond Bank and are not secured by a pledge of any amounts held by or payable to the Bond Bank under the 2005 General Bond Resolution, including the Reserve Fund, nor are they secured directly or indirectly by any reserve account created under the Act. The CEIP loans are included, however, when calculating the amount of bonds the Bond Bank may issue under the Act. See Note 8 in Appendix E. The Bond Bank has no plans at this time to issue additional CEIP bonds.

Direct Loans

With money from the Custodian Account, the Bond Bank has periodically acquired certain Municipal Bonds and has defeased certain bonds while retaining the underlying Municipal Bonds. Additionally, on two occasions the State has appropriated funds to the Bond Bank for acquisition of two Municipal Bonds.

In the State's fiscal year 2011 capital budget, $2,450,000 was appropriated to the Bond Bank for the specific purpose of making loans to the City of Galena for electric utility and general fund needs at an interest rate of 1 percent. As of November 1, 2018, the Bond Bank held $[1,167,695] of City of Galena utility revenue bonds and $[127,309] of City of Galena appropriation obligations.

As of November 1, 2018, the Bond Bank held $[5,127,000] of Kenai Peninsula Borough taxable revenue bonds. The related loans were funded with money from the Custodian Account, bear interest at market rates, and are secured by a pledge of gross revenues of the Central Peninsula Hospital and a debt service reserve fund, all on a parity with other loans made for the Central Peninsula Hospital.

Loans by the State of Alaska

The Bond Bank has statutory authority to borrow funds from the State's General Fund at the discretion of the Commissioner of the DOR. In 2010 and 2011 the Bond Bank borrowed money from the State for authorized uses of the Bond Bank. The State's fiscal year 2013 capital budget converted the 2010 and 2011 loans to grants through an appropriation to the Bond Bank. The Bond Bank does not currently have any outstanding loans from the State.

BONDS ISSUED AND OUTSTANDING AS OF NOVEMBER 1, 2018 [To be updated]

	Original Amount Issued	Amount Outstanding
2005 General Bond Resolution Bonds [(1)]	$1,518,400,000	$1,031,750,000
2016 Master Resolution Bonds	144,850,000	140,300,000
1976 Master Bond Resolution Bonds [(2)]	721,985,000	--
2010 Master Bond Resolution Bonds	4,765,000	3,860,000
Coastal Energy Impact Program Loans [(3)]	35,456,046	10,073,197

(1) Includes the 2018 Series One and Two Bonds. Preliminary, subject to change.
(2) As of February 1, 2016, no bonds remain outstanding under the 1976 Master Bond Resolution.
(3) The CEIP loans are not liabilities of the Bond Bank but are included when calculating the amount of bonds outstanding under the Act.

DEBT CAPACITY* [TO BE UPDATED]

Debt Limit [1]		
University of Alaska	$ 87,500,000	
Regional Health Organizations	205,000,000	
All Other Authorized Purposes	1,500,000,000	
		$1,792,500,000
Less Outstanding Debt		
General Obligation Bonds		
2005 General Bond Resolution	1,031,750,000 [2][3]	
2016 Master Resolution	140,300,000 [4]	
2010 Master Bond Resolution	3,860,000	
		$1,175,910,000 [3]
Coastal Energy Impact Program Loans [5]		10,073,197
Total Outstanding Debt		$1,185,983,197 [3]
Remaining Debt Capacity		
University of Alaska	1,415,000	
Regional Health Organizations	64,700,000	
All Other Authorized Purposes	540,401,803 [3]	
		$606,516,803 [3]

(1) Excludes the authority of the Bond Bank (or a subsidiary corporation of the Bond Bank) to issue bonds to finance loans to governmental employers to prepay all or a portion of their shares of the unfunded accrued actuarial liabilities of retirement systems. The Bond Bank has never used this authority and has no current plans to do so. See Appendix G—"STATE OF ALASKA—Public Debt and Other Obligations of the State—Potential State-Supported Pension Obligation Bonds."

(2) Of this amount, $86,085,000 was issued to make a loan to the University of Alaska. Includes the 2018 Series One and Two Bonds.

(3) Preliminary, subject to change.

(4) All of this amount was issued to make loans to regional health organizations.

(5) The CEIP loans are not liabilities of the Bond Bank but are included when calculating the amount of bonds outstanding under the Act.

* Preliminary, subject to change

DEBT SERVICE REQUIREMENTS

BONDS ISSUED AND OUTSTANDING UNDER THE 2005 GENERAL BOND RESOLUTION AND THE 2018 SERIES ONE AND TWO BONDS [TO BE UPDATED]

(Fiscal Years Ending June 30)

		2018 Series One Bonds [1]		2018 Series Two Bonds [1]		
Fiscal Year	[Outstanding Bonds]	Principal	[Interest]	Principal	Interest	[Total [1][2]]
2019	$ 108,375,482	--	$			$ 110,433,145
2020	105,267,413	$ 170,000		355,000		107,329,075
2021	100,516,799	175,000		370,000		102,575,086
2022	96,222,690	180,000		380,000		98,285,103
2023	94,214,778	190,000		395,000		96,273,690
2024	86,388,102	195,000		415,000		88,445,890
2025	76,637,188	205,000		430,000		78,695,976
2026	72,030,614	215,000		460,000		74,092,277
2027	66,969,805	225,000		480,000		69,031,093
2028	67,611,780	240,000		505,000		69,674,318
2029	62,444,638	250,000		530,000		64,504,926
2030	55,050,908	265,000		555,000		57,110,320
2031	54,051,962	270,000		580,000		56,109,999
2032	49,774,657	285,000		600,000		51,834,920
2033	48,883,533	295,000		620,000		50,942,495
2034	42,592,014	305,000		645,000		44,653,102
2035	31,988,193	320,000		975,000		34,049,755
2036	29,128,309	330,000		1,015,000		31,187,509
2037	21,950,937	345,000		1,060,000		24,008,600
2038	21,315,844	360,000		1,105,000		23,373,750
2039	20,203,841	375,000		1,150,000		20,203,841
2040	18,049,163					18,049,163
2041	18,055,900					18,055,900
2042	17,910,700					17,910,700
2043	17,910,000					17,910,000
2044	15,904,975					15,904,975
2045	13,319,800					13,319,800
2046	5,429,750					5,429,750
2047	5,428,500					5,428,500
2048	2,155,000					2,155,000
2049	2,152,500					2,152,500
Total [1][2]	$1,540,823,438	$5,195,000	$	$12,625,000		$1,582,617,921

(1) Preliminary, subject to change.
(2) Totals may not foot due to rounding.

Future Financing Plans

The Bond Bank anticipates issuing additional bonds pursuant to the 2005 General Bond Resolution within the next year and making related loans to eligible borrowers. The principal amount of such additional bonds depends on the number and size of the applications from eligible borrowers.

Debt Payment Record

The Bond Bank has always made principal and interest payments on its general obligation and revenue bonds when due. No deficiencies have arisen in any Bond Bank debt service fund or reserve fund, nor has there been a need to exercise the provision requiring that State payments to Governmental Units be paid to the Bond Bank.

SUMMARY OF THE 2005 GENERAL BOND RESOLUTION

The following is a summary of certain provisions of the 2005 General Bond Resolution. A copy of the 2005 General Bond Resolution, together with the First Supplemental Resolution adopted in February 2013, is included in Appendix F. The 2013 First Supplemental Resolution includes amendments to the 2005 General Bond Resolution that take effect after all Bonds outstanding as of February 19, 2013 are no longer outstanding. See "Modifications to the 2005 General Bond Resolution." Capitalized terms used in this summary are defined in Section 103 of the 2005 General Bond Resolution.

2005 General Bond Resolution Constitutes Contract

The 2005 General Bond Resolution provides that the 2005 General Bond Resolution constitutes a contract between the Bond Bank, the Trustee and the owners from time to time of the Bonds, that the pledges made in the 2005 General Bond Resolution and the covenants and agreements therein set forth to be performed by the Bond Bank will be for the benefit, protection and security of the holders of any and all of the Bonds and that each Bond, Credit Enhancement facility and Interest Rate Exchange Agreement will be of equal rank without preference, priority or distinction.

Obligation of the Bond Bank

The Bonds are general obligations of the Bond Bank, and the full faith and credit of the Bond Bank are pledged for the payment of the principal and redemption premium, if any, of, and interest on the Bonds solely from the sources provided in the 2005 General Bond Resolution and any Series Resolution. The Act and the 2005 General Bond Resolution each provides that the State is not obligated to pay the principal, premium, if any, or interest on the Bonds, and that the Bonds, are not a debt or liability of the State and neither the faith and credit of the State nor the taxing power of the State is pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

Pledge

The Municipal Bonds and the Municipal Bonds Payments, the investments thereof and the proceeds of such investments, if any, and all funds and accounts established by the 2005 General Bond Resolution to be held by the Trustee are pledged and assigned for the payment of the principal of, redemption price of, interest on, and sinking fund installments for, the Bonds in accordance with the terms and provisions of the 2005 General Bond Resolution, subject only to the provisions of the 2005 General Bond Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the 2005 General Bond Resolution. See Section 601 of the 2005 General Bond Resolution in Appendix F. The 2005 General Bond Resolution provides that Municipal Bonds and the Municipal Bonds Payments and all other money and securities pledged pursuant to the 2005 General Bond Resolution immediately will be subject to the lien of such pledge without any further act, and such lien will be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Bond Bank, regardless of whether such parties have notice thereof.

Power to Issue Bonds and Make Pledges

The Bond Bank represents in the 2005 General Bond Resolution that it is duly authorized by law to authorize and issue the Bonds and to pledge the Municipal Bonds Payments, the Municipal Bonds and other money, securities, funds and property purported to be pledged by the 2005 General Bond Resolution, free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge created by the 2005 General Bond Resolution, except for the liens in favor of the Trustee and Paying Agent as provided in the 2005 General Bond Resolution. The Bond Bank covenants in the 2005 General Bond Resolution that it will at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Municipal Bonds Payments, the Municipal Bonds and other money, securities, funds and property pledged under the 2005 General Bond Resolution and all the rights of the Bondholders under the 2005 General Bond Resolution against all claims and demands of all persons whomsoever.

General

The Bond Bank covenants in the 2005 General Bond Resolution that it will do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Bond Bank under law and the 2005 General Bond Resolution in accordance with the terms thereof.

The Act provides that the State will not limit or restrict, and the Bond Bank pledges and agrees in the 2005 General Bond Resolution with the Holders of the Bonds that it will not cause the State to limit or alter, the rights vested by the Act in the Bond Bank to fulfill the terms of any agreements made with Bondholders, or in any way impair the rights and remedies of such Bondholders, until the Bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such Holders, are fully met and discharged.

Waiver of Laws

The Bond Bank covenants in the 2005 General Bond Resolution in addition that it will not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of any stay or extension of law now or at any time hereafter in force which may affect the covenants and agreements contained in the 2005 General Bond Resolution or in any Series Resolution or in the Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the Bond Bank.

Loan Agreement Provisions

The 2005 General Bond Resolution provides that no loan will be made by the Bond Bank from proceeds of the sale of Bonds and no Bonds will be issued for the purpose of providing funds with which to make a loan, unless the Loan Agreement under which such loan is to be made will comply with, among other requirements in the 2005 General Bond Resolution, the following:

(a) The Governmental Unit which is a party to such Loan Agreement must be a Governmental Unit as defined by the 2005 General Bond Resolution, and the Loan Agreement must be executed in accordance with existing laws.

(b) The Governmental Unit, prior to or simultaneously with the issuance of Bonds issued to make a Loan to the Governmental Unit, will issue Municipal Bonds which are valid debt obligations of the Governmental Unit as required by the Act.

(c) The Municipal Bonds Payment to be made by the Governmental Unit under such Loan Agreement will be not less than the interest and principal payments the Bond Bank is required to make on the Loan Obligations and will be scheduled by the Bond Bank in such manner and at such times as to provide funds sufficient to pay principal and interest on the Loan Obligations as the same become due.

(d) The Governmental Unit will be obligated to pay Fees and Charges to the Bond Bank at the times and in the amounts which will enable the Bond Bank to comply with the provisions of the 2005 General Bond Resolution to pay Administrative Expenses and fees and expenses of the Trustee and paying agent.

(e) The Governmental Unit will agree that in the event the Municipal Bonds Payment is not paid by it to the Bond Bank on or before the times specified in the Loan Agreement, any money payable to the Governmental Unit by any department or agency of the State will be withheld from such Governmental Unit and paid over directly to the Trustee acting under the 2005 General Bond Resolution.

(f) The Bond Bank will not sell, and the Governmental Unit will not redeem prior to maturity, any of the Municipal Bonds with respect to which the Loan is made in an amount greater than the Outstanding Bonds issued with respect to such Loan which are then redeemable, and any such sale or redemption of such Municipal Bond will be in an amount not less than the aggregate of (i) the principal amount of the Loan Obligation so to be redeemed (or the amount of Refunding Bonds if the Loan is being refunded), (ii) the interest to accrue on the Loan Obligation so to be redeemed to the next redemption date, (iii) the applicable

premium, if any, payable on the Loan Obligation so to be redeemed, and (iv) the costs and expenses of the Bond Bank in effecting the redemption of the Loan Obligation so to be redeemed.

(g) The Governmental Unit must give the Bond Bank at least fifty (50) days' notice of its intent to redeem its Municipal Bonds.

Modification of Loan Agreement Terms

The Bond Bank covenants in the 2005 General Bond Resolution that it will not consent to the modification of, or modify, the rates of interest of, or the amount or time of payment of any installment of principal of or interest on, any Municipal Bonds evidencing a Loan, or the amount or time of payment of any Fees and Charges payable with respect to such Loan, or the security for or any terms or provisions of such Loan or the Municipal Bonds evidencing the same, in a manner which adversely affects or diminishes the rights of the Bondholders.

Enforcement of Municipal Bonds

The 2005 General Bond Resolution provides that the Bond Bank will diligently enforce, and take all reasonable steps, actions and proceedings necessary for the enforcement of, all terms, covenants and conditions of all Loan Agreements and the Municipal Bonds, including the prompt collection, and the giving of notice to the Commissioner of Revenue, Commissioner of Commerce, Community and Economic Development and the Commissioner of Administration and any other department or agency of the State which is custodian of any money payable to the Governmental Unit of any failure or default of the Governmental Unit in the payment of its Municipal Bonds Payments and will promptly transfer any such money, upon receipt thereof to the Trustee and that in such event, or if such money is paid directly to the Trustee, the Trustee will deposit any such money in the Principal Account and Interest Account in place of said unpaid Municipal Bonds Payment or in the event deficiencies in said Accounts created by such default has been made up by the Reserve Fund, into the Reserve Fund to the extent of such deficiencies.

Funds and Accounts

The 2005 General Bond Resolution established a Debt Service Fund, consisting of an Interest Account, a Principal Account and a Redemption Account; a Reserve Fund; a Rebate Fund, which consists of a separate sub-account for each Series of Bonds; and an Operating Fund. The Debt Service Fund, the Rebate Fund and the Reserve Fund are held by the Trustee. The Operating Fund is held by the Bond Bank and is not pledged to the payment of the Bonds.

Debt Service Fund. The Trustee is required to deposit Municipal Bonds Interest Payments and any other money available for the payment of interest in the Interest Account upon receipt thereof and on or before each interest payment date, to pay out of the Interest Account the amounts required for the payment of the interest becoming due on each Series of Bonds on such interest payment date.

The Trustee is to deposit Municipal Bonds Principal Payments and any other money available for the payment of principal in the Principal Account upon receipt thereof. The Trustee is required, on or before each principal payment date or Sinking Fund Installment date, to pay out of the Principal Account the amounts required for the payment of the principal or Sinking Fund Installment due on each Series of Bonds on such date.

The Trustee establishes in the Redemption Account a separate sub-account for each Series of Bonds. Any money deposited in the Redemption Account from any source other than excess money transferred from the Reserve Fund or certain proceeds received from sales or redemptions of Municipal Bonds pursuant to Section 607 or Section 916 of the 2005 General Bond Resolution will be applied to the purchase or redemption of Bonds. Any money deposited in the Redemption Account from the Reserve Fund because of a reduction in the Required Debt Service Reserve is to be applied to the purchase or redemption of Reserve Fund Obligations.

Reserve Fund. The 2005 General Bond Resolution established the Reserve Fund as a 2005 General Obligation Bond Resolution Reserve Account within the Alaska Municipal Bond Bank Reserve Fund created by the Act and provides that monthly, the Trustee will set aside from amounts in the Reserve Fund derived from investment earnings and profits realized by the Reserve Fund due to investments thereof, an amount which, when added to the

amounts theretofore set aside for such purpose and not paid into the Interest Account, will on such date be equal to the unpaid interest on the Reserve Fund Obligations accrued and to accrue to the last day of such month.

On or before each principal payment date and Sinking Fund Installment payment date of Reserve Fund Obligations, the Trustee is to withdraw from amounts in the Reserve Fund and deposit in the Principal Account an amount which, when added to the amount then on deposit in the Principal Account and derived from sources other than Municipal Bonds Payments, will be equal to the Principal Installment of the Reserve Fund Obligations falling due on such date.

On or before December 31 of each year, after satisfying the deposit requirements described above, the Trustee is to withdraw from the Reserve Fund any amount remaining therein derived from investment earnings or profits due to investments thereof, and pay over said amount to the Bond Bank for deposit in the Custodian Account within the Operating Fund, but only to the extent that there remains after such withdrawal an amount in the Reserve Fund at least equal to the Reserve Fund Requirement.

The 2005 General Bond Resolution provides that the Reserve Fund Requirement may be satisfied with (i) money made available by the State and paid to the Bond Bank for the purpose of the Alaska Municipal Bond Bank Reserve Fund created by the Act in the amount provided by a Series Resolution; (ii) all money paid to the Bond Bank pursuant to the Act for the purpose of restoring the Reserve Fund to the amount of the Reserve Fund Requirement; (iii) such portion of the proceeds of sale of Bonds, if any, as provided by any Series Resolution; (iv) Credit Enhancement; (v) any other money which may be made available to the Bond Bank for the purposes of the Reserve Fund from any other source or sources or (vi) any combination of the foregoing. The Reserve Fund Requirement may be satisfied entirely, or in part, by a letter of credit, a line of credit, a credit facility, a surety bond, bond insurance, or any other instrument or arrangement obtained in connection with the issuance of a Series of Bonds; provided, however, any credit enhancement satisfying all or any part of the Reserve Fund Requirement after the initial issuance of Bonds or issued in substitution for any prior credit enhancement previously issued will not, by itself, cause a withdrawal or downward revision of the ratings maintained by any Rating Agency with respect to the Bonds.

In the event there is a deficiency in the Interest Account on any interest payment date or in the Principal Account on any principal payment date or Sinking Fund Installment payment date, the Trustee is to make up such deficiencies from the Reserve Fund.

Administration of Reserve Fund. The 2005 General Bond Resolution provides that money and securities held in the Reserve Fund will not be withdrawn therefrom at any time in such amount as would reduce the amount in such Fund to an amount less than the Reserve Fund Requirement except for the payment when due of debt service on Reserve Fund Obligations and to cure a deficiency in the Principal Account or the Interest Account.

Rebate Fund. There is to be deposited in the Rebate Fund the amount of the Rebate Requirement for each Series of Bonds, and the Trustee is to pay over to the United States Government such amounts as determined by the Bond Bank and as set forth in the 2005 General Bond Resolution. All amounts held in the Rebate Fund, including income earned from investment of the Rebate Fund, shall be held by the Trustee free and clear of the lien of the 2005 General Bond Resolution.

Operating Fund. The 2005 General Bond Resolution requires the deposit in the Operating Fund of all Fees and Charges, to the extent not otherwise encumbered or pledged, and any other money which may be made available to the Bond Bank for purposes of the Operating Fund from any other source or sources. Money at any time held for the credit of the Operating Fund is to be used for and applied solely to the following purposes: (i) to pay the Administrative Expenses of the Bond Bank; (ii) to pay the fees and expenses of the Trustee and any Paying Agent; (iii) to pay financing costs incurred with respect to a Series of Bonds; and (iv) to pay any expenses in carrying out any other purpose then authorized by the Act.

The Operating Fund is held by the Bond Bank, not by the Trustee, and the 2005 General Bond Resolution provides that all amounts in the Operating Fund will be free and clear of any lien or pledge created by the 2005 General Bond Resolution.

Security for Deposits and Investment of Funds

The 2005 General Bond Resolution provides that all money held by the Trustee under the 2005 General Bond Resolution will be continuously and fully secured, for the benefit of the Bond Bank and the Bondholders in such manner as may then be required or permitted by applicable State or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds but does not require the Trustee or any Paying Agent to give security for the deposit of any money with them held in trust for the payment of the principal or Redemption Price of or interest on any Bonds, or for the Trustee to give security for any money which is represented by obligations purchased under the provisions of the 2005 General Bond Resolution as an investment of such money. The 2005 General Bond Resolution also provides for the investment of funds held by the Trustee. See the definition of "Investment Securities" and Sections 702 and 703 of the 2005 General Bond Resolution in Appendix F.

Payment of Bonds

The Bond Bank covenants in the 2005 General Bond Resolution that it will duly and punctually pay or cause to be paid the principal or Redemption Price, if any, of every Bond and the interest thereon, at the dates and places and in the manner stated in the Bonds according to the true intent and meaning thereof, and will duly and punctually pay, or caused to be paid, all Sinking Fund Installments, if any, becoming payable with respect to any Series of Bonds.

Fees and Charges

The Bond Bank may charge such Fees and Charges to each Governmental Unit to which a Loan is made, and will from time to time revise such Fees and Charges whenever necessary, so that such Fees and Charges actually collected from each such Governmental Unit will at all times produce money which, together with such Governmental Unit's Allocable Proportion of other money available under the provisions of the 2005 General Bond Resolution, and other money available therefor, will be at least sufficient to pay, as the same become due, the Governmental Unit's Allocable Proportion of (i) the Administrative Expenses of the Bond Bank and (ii) the fees and expenses of the Trustee and any Paying Agent.

Issuance of Additional Obligations

The Bond Bank may issue additional Bonds and refunding Bonds pursuant to the terms of the 2005 General Bond Resolution; however, no additional Series of Bonds are to be issued unless:

(a) the aggregate principal amount of Bonds and Notes Outstanding at the time of issuance and delivery of such additional Bonds including the principal amount of such additional Bonds, will not exceed any limit thereon imposed by law;

(b) there is at the time of the issuance of such additional Bonds no deficiency in the amounts required by the 2005 General Bond Resolution or any Series Resolution to be paid into the Debt Service Fund and into the Reserve Fund;

(c) the amount of the Reserve Fund, upon the issuance and delivery of such additional Bonds and the deposit in the Reserve Fund of any amount provided therefor in the Series Resolution authorizing the issuance of such additional Bonds, will not be less than the Required Debt Service Reserve; and

(d) the maturities of, or Sinking Fund Installments for, the additional Bonds representing Loan Obligations, unless such additional Bonds are being issued to refund Outstanding Bonds, will be equal to the scheduled Municipal Bonds Principal Payments to be made in respect of the Loans with respect to which such additional Bonds are to be issued.

The Bond Bank expressly reserves the right to adopt other general bond resolutions and reserves the right to issue Notes and any other obligations so long as the same are not a charge or lien on the Municipal Bonds, the Municipal Bonds Payments and the Fees and Charges or payable from the Debt Service Fund or the Reserve Fund.

Defeasance

If the Bond Bank pays or causes to be paid to the holders of all Bonds then Outstanding, the principal and interest and/or Redemption Price, if any, to become due thereon, at the times and in the manner stipulated therein and in the 2005 General Bond Resolution and also pays or causes to be paid all other sums payable under the 2005 General Bond Resolution by the Bond Bank, including any amounts payable to the United States, then, at the option of the Bond Bank, as expressed in an instrument in writing signed by an Authorized Officer and delivered to the Trustee, the covenants, agreements and other obligations of the Bond Bank to the Bondholders will be discharged and satisfied.

The 2005 General Bond Resolution provides that Bonds may, prior to the maturity or redemption date thereof, be deemed to have been paid if (i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Bond Bank has given to the Trustee in form satisfactory to it irrevocable instructions to publish notice of redemption on said date of such Bonds, and (ii) there has been deposited with the Trustee either monies in an amount which will be sufficient or Investment Securities which are not subject to redemption prior to the dates on which amounts will be needed to make payments on the Bonds and described in clause (1) of the definition of Investment Securities in the 2005 General Bond Resolution, the principal of and the interest on which when due will provide money which, together with the money, if any, deposited with the Trustee or Paying Agent at the same time, is sufficient, to pay, when due, the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as may be the case. See the definition of "Outstanding", the definition of "Investment Securities" and Article XIII of the 2005 General Bond Resolution in Appendix F.

Supplements and Amendments

The Bond Bank may adopt a Series Resolution or Supplemental Resolution without the consent of the Bondholders or the Trustee for various purposes not inconsistent with the 2005 General Bond Resolution, to provide for the issuance of additional Series of Bonds, to impose additional limitations or restrictions on the issuance of Bonds, to impose other restrictions on the Bond Bank, to surrender any right, power or privilege, or to confirm any pledge of or lien upon the Municipal Bonds or the Municipal Bonds Payments or any other funds. The Bond Bank may also supplement the 2005 General Bond Resolution to cure any ambiguity or defect in the 2005 General Bond Resolution, provided such modifications are not contrary to or inconsistent with the 2005 General Bond Resolution as theretofore in effect.

Any other modification or amendment of the 2005 General Bond Resolution and of the rights and obligations of the Bond Bank and of the Bondholders may be made with the written consent (i) of the holders of at least two-thirds in principal amount of the Bonds Outstanding at the time such consent is given, or (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the holders of at least two-thirds in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given; provided, however, that such modification or amendment will not permit (i) a change in the terms of redemption or maturity of the principal of any outstanding Bond or of any installment of interest thereon or Sinking Fund Installment therefor, (ii) a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon, (iii) a reduction of the percentage of the Holders of which is required to effect any such modification or amendment, or (iv) the creation of any lien prior to or on a parity with the lien created by the 2005 General Bond Resolution (except in the manner provided by the 2005 General Bond Resolution) or deprive the Bondholders of the lien created by the 2005 General Bond Resolution, without the consent of the holders of all the Bonds Outstanding or of the Series of Bonds affected by such modification or amendment. To the extent that the full payment of the interest and principal of Bonds of a Series is secured by Credit Enhancement, the Credit Enhancement Agency will be considered to be the Bondholder of all the Bonds of the Series for purposes of exercising any rights with respect to supplements and amendments to the 2005 General Bond Resolution if the Credit Enhancement so provides. See Articles X and XI and the definition of "Bondholder" in the 2005 General Bond Resolution and Section 202 of the 2013 First Supplemental Resolution in Appendix F.

Events of Default and Remedies

Each of the following events is an Event of Default under the 2005 General Bond Resolution:

(a) the Bond Bank defaults in the payment of the principal or Redemption Price of, Sinking Fund Installment for, or interest on, any Bond when and as the same becomes due whether at maturity or upon call for redemption, or otherwise;

(b) the Bond Bank fails or refuses to comply with the provisions of the Act regarding the certification of deficiencies in the 2005 General Bond Resolution Reserve Fund, or such amounts as are certified by the Chair of the Bank to the Governor and to the Legislature pursuant to the Act are not appropriated and paid to the Bond Bank prior to the termination of the then-current State fiscal year; or

(c) the Bond Bank fails or refuses to comply with the provisions of the Act, other than as described in (b) above, or defaults in the performance or observance of any other of the covenants, agreements or conditions on its part in the 2005 General Bond Resolution, any Series Resolution, any Supplemental Resolution, or in the Bonds contained, and such failure, refusal or default continues for a period of 45 days after written notice thereof by the Trustee or the Holders of not less than 25 percent in principal amount of the Outstanding Bonds;

provided, however, that an event of default will not be deemed to exist under the provisions described in clause (c) above upon the failure of the Bond Bank to make and collect Fees and Charges required to be made and collected by the 2005 General Bond Resolution or upon the failure of the Bond Bank to enforce any obligation undertaken by a Governmental Unit pursuant to a Loan Agreement including the making of the stipulated Municipal Bonds Payments so long as the Bond Bank may be otherwise directed by law and so long as the Bond Bank is provided with money from the State or otherwise, other than withdrawals from or reimbursements of the Reserve Fund, sufficient in amount to pay the principal of and interest on all Bonds as the same becomes due during the period for which the Bond Bank is directed by law to abstain from making and collecting such Fees and Charges and from enforcing the obligations of a Governmental Unit under the applicable Loan Agreement.

The 2005 General Bond Resolution provides that upon the happening and continuance of any Event of Default described in paragraph (a) above, the Trustee will proceed, or upon the happening and continuance of any Event of Default described in paragraphs (b) and (c) above, the Trustee may proceed, and upon the written request of the holders of not less than 25 percent in principal amount of the Outstanding Bonds will proceed, in its own name, to protect and enforce its rights and the rights of the Bondholders by such of the following remedies as the Trustee, being advised by counsel, deems most effectual to protect and enforce such rights:

(a) by mandamus or other suit, action or proceeding at law or in equity, enforce all rights of the Bondholders, including the right to require the Bond Bank to make and collect Fees and Charges and Municipal Bonds Payments adequate to carry out the covenants and agreements as to, and pledge of, such Fees and Charges and Municipal Bonds Payments, and other properties and to require the Bond Bank to carry out any other covenant or agreement with Bondholders and to perform its duties under the Act;

(b) by bringing suit upon the Bonds;

(c) by action or suit in equity, require the Bond Bank to account as if it were the trustee of an express trust for the holders of the Bonds;

(d) by action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the holders of the Bonds.

Acceleration. The 2005 General Bond Resolution provides that upon the occurrence of an event of default in the payment of principal or Redemption Price of, Sinking Fund Installment for or interest on Bonds then Outstanding, unless the principal of all Bonds has already become due and payable, the Trustee, by notice in writing to the Bond Bank, may, and upon the written request of the holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding will, declare the principal of all the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same will be

immediately due and payable. This provision, however, is subject to the condition that if, at any time after the principal of the Bonds has been so declared due and payable, and before any judgment or decree for the payment of the money due has been obtained or entered, the Bond Bank deposits with the Trustee a sum sufficient to pay all principal on the Bonds matured prior to such declaration and all matured installments of interest upon all the Bonds, with interest on such overdue installments of principal at the rate borne by the respective Bonds, and the reasonable expenses of the Trustee, and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate have been made therefor, then the holders of at least a majority in aggregate principal amount of the Bonds then outstanding, by written notice to the Bank and to the Trustee, may, on behalf of the holders of all of the Bonds, rescind and annul such declaration and its consequences and waive such default. See Sections 1203 and 1204 in Appendix F.

Bondholders' Direction of Proceedings. The holders of a majority in principal amount of the Bonds then Outstanding will have the right to direct the method of conducting all remedial proceedings to be taken by the Trustee, provided that such direction is not otherwise than in accordance with law or the 2005 General Bond Resolution, and that the Trustee has the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders not parties to such direction.

Limitation on Rights of Bondholders. No holder of any Bond will have any right to institute any suit, action, mandamus or other proceeding in equity or at law under the 2005 General Bond Resolution, or for the protection or enforcement of any right under the 2005 General Bond Resolution or any right under law unless such holder has given to the Trustee written notice of the event of default or breach of duty on account of which such suit, action or proceeding is to be taken, and unless the holders of not less than 25 percent in principal amount of the Bonds then Outstanding have made written request of the Trustee and has afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted under law or to institute such action, suit or proceeding in its name and unless, also, there has been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred thereby, and the Trustee has refused or neglected to comply with such request within a reasonable time. No holder of the Bonds will have any right to affect, disturb or prejudice the security of the 2005 General Bond Resolution, or to enforce any right with respect to the Bonds or the 2005 General Bond Resolution, except in the manner provided in the 2005 General Bond Resolution, and all proceedings at law or in equity will be instituted, held and maintained in the manner provided in the 2005 General Bond Resolution and for the benefit of all Bondholders.

Excess Earnings

The Bond Bank covenants and agrees in the 2005 General Bond Resolution to calculate Rebatable Arbitrage and to pay Rebatable Arbitrage to the United States of America in the manner necessary to comply with the then applicable federal tax law. Within 30 days after the end of every fifth Bond Year, and within 60 days of the date when all of each Series of Bonds have been retired (or at such other time or times as may then be required by the Code and the applicable Income Tax Regulations), the Bond Bank will determine the Rebatable Arbitrage with respect to each Series of Bonds, and pay rebate amounts due the United States of America with respect thereto, as provided in Section 148(f) of the Code.

Modifications to the 2005 General Bond Resolution

In addition to modifications with and without consent of Bondholders, the 2005 General Bond Resolution authorizes modifications of any provision set forth in the 2005 General Bond Resolution by the terms of a Supplemental Resolution, with such modifications becoming effective after all Bonds of each Series Outstanding as of the date of such Supplemental Resolution authorizing such modification cease to be Outstanding. The 2013 First Supplemental Resolution was adopted by the Board on February 19, 2013.

The 2013 First Supplemental Resolution authorizes the following modifications to the 2005 General Bond Resolution: (i) to authorize the Trustee to release to the Bond Bank amounts held in the Reserve Fund which exceed the Required Debt Service Reserve whenever there is a reduction in the Required Debt Service Reserve, (ii) to authorize the Trustee to release to the Bond Bank earnings and profits realized from investments in the Reserve Fund on or before June 30 of each year so long as the balance therein equals the Required Debt Service Reserve, (iii) to allow for certain amendments and modifications to the 2005 General Bond Resolution to be effective upon securing the consent of Holders of at least two-thirds in principal amount of Bonds then Outstanding, and (iv) to establish that

consent of Holders of Bonds, when required under the terms of the 2005 General Bond Resolution, specifically includes the consent of an underwriter or purchaser of a Series of Bonds at the time such Bonds are issued.

The modifications to the 2005 General Bond Resolution set forth in the 2013 First Supplemental Resolution shall become effective after all Bonds issued prior to the 2013 Series Three Bonds cease to be Outstanding and compliance by the Bank with certain requirements set forth in the 2005 General Bond Resolution, at which time these modifications will apply to the 2018 Series One and Two Bonds and govern the rights and obligations of the Holders thereof.

LITIGATION

As a condition to the delivery of the 2018 Series One and Two Bonds, the Alaska Department of Law, as counsel to the Bond Bank, is required to furnish a certificate to the effect that as of the date of delivery, there is no litigation pending against the Bond Bank in any State court to restrain or enjoin the issuance or delivery by the Bond Bank of the 2018 Series One and Two Bonds or contesting the validity or enforceability of the 2018 Series One and Two Bonds, the 2005 General Bond Resolution or pledge made under the Bond Resolution.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2018 Series One and Two Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Internal Revenue Code"), except that no opinion is expressed as to the status of interest on any 2018 Series Two Bond for any period that such 2018 Series Two Bond is held by a "substantial user" of the facilities financed or refinanced by the 2018 Series Two Bonds or by a "related person" within the meaning of Section 147(a) of the Internal Revenue Code. Bond Counsel observes, however, that interest on the 2018 Series Two Bonds is a specific preference item for purposes of the federal alternative minimum tax. In the further opinion of Bond Counsel, interest on the 2018 Series One Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion, based on existing laws of the State, that interest on the 2018 Series One and Two Bonds is exempt from taxation by the State except for transfer, estate and inheritance taxes. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix A.

To the extent the issue price of any maturity of a Series of the 2018 Series One and Two Bonds is less than the amount to be paid at maturity of such 2018 Series One and Two Bonds (excluding amounts stated to be interest and payable at least annually over the term of such 2018 Series One and Two Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the 2018 Series One and Two Bonds which is excluded from gross income for federal income tax purposes. For this purpose, the issue price of a particular maturity of a Series of the 2018 Series One and Two Bonds is the first price at which a substantial amount of such maturity of the 2018 Series One and Two Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of a Series of the 2018 Series One and Two Bonds accrues daily over the term to maturity of such 2018 Series One and Two Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such 2018 Series One and Two Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such 2018 Series One and Two Bonds. Beneficial Owners of the 2018 Series One and Two Bonds should consult their own tax advisors with respect to the tax consequences of ownership of 2018 Series One and Two Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such 2018 Series One and Two Bonds is sold to the public.

2018 Series One and Two Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner's basis in a Premium Bond,

will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Internal Revenue Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the 2018 Series One and Two Bonds. The Bond Bank and each Governmental Unit have made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the 2018 Series One and Two Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the 2018 Series One and Two Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the 2018 Series One and Two Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the 2018 Series One and Two Bonds may adversely affect the value of, or the tax status of interest on, the 2018 Series One and Two Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the 2018 Series One and Two Bonds is excluded from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the 2018 Series One and Two Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Internal Revenue Code or court decisions may cause interest on the 2018 Series One and Two Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Internal Revenue Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the 2018 Series One and Two Bonds. Prospective purchasers of the 2018 Series One and Two Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Bond Bank or the Governmental Units or about the effect of future changes in the Internal Revenue Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Bond Bank and the Governmental Units have covenanted, however, to comply with the requirements of the Internal Revenue Code.

Bond Counsel's engagement with respect to the 2018 Series One and Two Bonds ends with the issuance of the 2018 Series One and Two Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Bond Bank, the Governmental Units or the Beneficial Owners regarding the tax-exempt status of interest on the 2018 Series One and Two Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the Bond Bank, the Governmental Units and their appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Bond Bank or the Governmental Units legitimately disagree, may not be practicable. Any action of the IRS, including but not limited to selection of the 2018 Series One and Two Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the 2018 Series One and Two Bonds, and may cause the Bond Bank, the Governmental Units or the Beneficial Owners to incur significant expense.

CERTAIN LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale by the Bond Bank of the 2018 Series One and Two Bonds are subject to the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Bond Bank. The proposed form of the opinion of Bond Counsel is included herein as Appendix A.

Certain legal matters will be passed upon for (i) the Kenai Peninsula Borough by its bond counsel, Jermain, Dunnagan & Owens, P.C. of Anchorage, Alaska; and (ii) Sitka, by its bond counsel, Stradling Yocca Carlson & Rauth, P.C. of Seattle, Washington.

UNDERWRITING

The 2018 Series One Bonds are to be purchased by RBC Capital Markets, LLC (the "Underwriter"), at a purchase price of $_____ (reflecting the aggregate principal amount of the 2018 Series One Bonds, plus an original issue premium of $_____, less an original issue discount of $_____ and less an Underwriter's discount of $_____).

The 2018 Series Two Bonds are to be purchased by RBC Capital Markets, LLC (the "Underwriter"), at a purchase price of $_____ (reflecting the aggregate principal amount of the 2018 Series Two Bonds, plus an original issue premium of $_____, less an original issue discount of $_____ and less an Underwriter's discount of $_____).

The initial offering prices or prices corresponding to the yields set forth on the inside cover page of this Official Statement may be changed from time to time by the Underwriter without prior notice to any person. The Underwriter may offer and sell the 2018 Series One and Two Bonds to certain dealers, unit investment trusts or money market funds at prices lower than the initial offering prices or prices corresponding to the yields set forth on the inside cover page of this Official Statement.

The Underwriter and its affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, financial advisory, brokerage, and asset management. In the ordinary course of business, the Underwriter and its affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriter and its affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the Bond Bank or the Governmental Units. The Underwriter and its affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the Bond Bank and the Governmental Units.

MUNICIPAL ADVISOR

The Bond Bank has retained Western Financial Group, LLC ("WFG") to serve as municipal advisor to provide certain advice to the Bond Bank with respect to the issuance of the 2018 Series One and Two Bonds. WFG was recently acquired by, and is a wholly-owned subsidiary of, PFM Financial Advisors LLC. WFG is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for, the accuracy, completeness, or fairness of the information contained in this Official Statement. WFG is an independent financial advisory firm registered with the Securities and Exchange Commission and is not engaged in the business of underwriting, trading, or distributing municipal securities or other public securities.

FINANCIAL STATEMENTS

The financial statements of the Bond Bank for the fiscal year ended June 30, 2018, included in this Official Statement as Appendix E, have been audited by BDO USA, LLP, independent certified public accountants, to the extent and for the periods indicated in their report thereon. Such financial statements have been included in reliance upon the report of BDO USA, LLP. The Bond Bank has not requested BDO USA, LLP to provide written consent

for inclusion of the financial statements in this Official Statement.

RATINGS

Fitch Ratings ("Fitch") and S&P Global Ratings ("S&P") have assigned ["AA-" (Outlook Stable)] and ["AA-" (Negative Outlook)] ratings, respectively, to the 2018 Series One and Two Bonds. Such ratings reflect only the views of such organizations, and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: Fitch, One State Street Plaza, New York, New York 10004, (212) 908-0500; S&P, 55 Water Street, New York, New York 10041 (212) 438-1000. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. **There can be no assurance that such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies if, in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price and marketability of the 2018 Series One and Two Bonds.**

CONTINUING DISCLOSURE UNDERTAKINGS

Bond Bank Continuing Disclosure Undertaking

The Bond Bank has covenanted for the benefit of the holders and beneficial owners of the 2018 Series One and Two Bonds to provide, or to cause to be provided, certain historical financial and operating information not later than 210 days after the end of each Fiscal Year (currently June 30) in which any 2018 Series One and Two Bonds are outstanding, commencing with its report for the Fiscal Year ending June 30, 2019 (each an "Annual Report"). In addition, the Bond Bank has covenanted to provide notices of the occurrence of certain enumerated events. The Annual Reports are required to be filed by the Bond Bank with the MSRB through its EMMA system. The specific nature of information to be contained in the Annual Report and the enumerated events of which the Bond Bank is to give notice are set forth in the proposed form of the Continuing Disclosure Certificate of the Bond Bank set forth in Appendix H. These covenants have been made in order to assist the Underwriter in complying with paragraph (b)(5) of Securities and Exchange Commission Rule 15c2-12 ("Rule 15c2-12").

The Bond Bank's continuing disclosure certificate (the "2016A CDC") relating to its Master Resolution General Obligation Bonds, Series 2016A (the "2016A Bonds") requires that the Bond Bank provide an annual report not later than 210 days after the end of each fiscal year, commencing with the Bond Bank's fiscal year ending June 30, 2017. The description of the 2016A CDC in the front of the Official Statement relating to the 2016A Bonds, however, indicated that the first annual report would be filed for the fiscal year ending June 30, 2016. The Bond Bank has filed on EMMA a notice to the affected bondholders clarifying that fiscal year ending June 30, 2017 is the first fiscal year for which the Bond Bank is required to file an annual report.

Governmental Unit Continuing Disclosure Undertakings

Each of the Governmental Units from which the Bond Bank is purchasing Municipal Bonds with proceeds of the 2018 Series One and Two Bonds (the "2018 Series One and Two Governmental Units") has covenanted in its Loan Agreement or will covenant in its Loan Agreement to file with the MSRB, on an annual basis, its audited financial statements no later than 210 days after the end of such Governmental Unit's fiscal year for the term of the Municipal Bonds and any refunding Municipal Bonds. In addition, each of the 2018 Series One and Two Governmental Units has covenanted in its Loan Agreement or will covenant in its Loan Agreement that if its bonds constitute ten percent or more of the outstanding principal amount of the Municipal Bonds held by the Bond Bank under the 2005 General Bond Resolution, such 2018 Series One and Two Governmental Unit will execute a continuing disclosure agreement prepared by the Bond Bank for purposes of complying with Rule 15c2-12. The related proposed forms of continuing disclosure certificates to be signed by the Kenai Peninsula Borough and Sitka are set forth in Appendix H.

Beginning in 2009, each Governmental Unit from which the Bond Bank purchased Municipal Bonds was required to covenant to execute a continuing disclosure certificate if such Governmental Unit's bonds constituted ten percent or more of the outstanding principal amount of the Municipal Bonds held by the Bond Bank under the 2005 General Bond Resolution. See Appendix D—"SUMMARY OF BORROWERS REPRESENTING TEN PERCENT OR MORE OF OUTSTANDING BONDS ISSUED UNDER THE 2005 GENERAL BOND RESOLUTION."

Effective as of October 30, 2014, each Governmental Unit from which the Bond Bank purchased Municipal Bonds or refunding Municipal Bonds is required to covenant to file with the MSRB, on an annual basis, its audited financial statements no later than 210 days after the end of such Governmental Unit's fiscal year for the term of the Municipal Bond and any refunding Municipal Bond.

Compliance with Prior Continuing Disclosure Undertakings

[Bonds Issued Under the 2005 General Bond Resolution. The Bond Bank previously has entered into continuing disclosure undertakings under Rule 15c2-12 in connection with bonds issued under the 2005 General Bond Resolution. The Bond Bank subsequently discovered it had not filed certain event notices in connection with rating downgrades of insurers and underlying ratings upgrades. The Bond Bank subsequently filed event notices.

In addition, the Bond Bank discovered it had not included in its annual report statistics of Governmental Units similar to the statistics set forth in Appendix D of its official statements, as required by prior continuing disclosure undertakings. Such information was included in publicly available official statements prepared by the Bond Bank every year of noncompliance for Bonds issued under the 2005 General Bond Resolution. Such information was, however, dated on or about the date of the official statement rather than as of the end of the Bond Bank's fiscal year end. This technical deficiency was cured and the Bond Bank filed such information with the MSRB.

The Bond Bank has not retained Moody's Investors Service ("Moody's") to rate bonds issued under the 2005 General Bond Resolution since February 20, 2014. Moody's does not rate the 2018 Series One and Two Bonds. Moody's does rate other bonds of the State and on February 29, 2016, when it reduced its rating on the State's general obligation bonds, Moody's also reduced its rating on all of the State's moral obligation debt. This rating change affected bonds issued by the Bond Bank through February 20, 2014. Notices of Moody's downgrades were linked to the CUSIP numbers for the State's bonds and other obligations but were not linked to the CUSIP numbers for the Bond Bank's Bonds. The Bond Bank has subsequently linked the notice to the applicable Bond Bank CUSIP numbers. The Bond Bank also discovered that one of the Governmental Units had not made all of its required disclosures on time and had not disclosed such failures when required. For a discussion of the ratings assigned to the 2018 Series One and Two Bonds by Fitch Ratings and S&P Global Ratings, see "RATINGS."

Other Bonds Issued by the Bond Bank. The Bond Bank previously entered into continuing disclosure undertakings for bonds issued under its 1976 Master Bond Resolution and 2010 Master Bond Resolution. The Bond Bank subsequently discovered it had not filed certain event notices in connection with rating downgrades of insurers and underlying ratings upgrades. The Bond Bank subsequently filed event notices. The Bond Bank discovered that certain annual information relating to the Bond Bank and the borrowers under the 1976 Master Bond Resolution and the 2010 Master Bond Resolution had not been filed in a timely manner. This technical deficiency was cured and such information was filed with the MSRB. As of February 1, 2016, no bonds remain outstanding under the 1976 Master Bond Resolution. The Bond Bank previously entered into continuing disclosure undertakings in connection with certain revenue bonds issued by the Bond Bank. The Bond Bank discovered certain annual financial information relating to governmental units was not filed under the terms of such undertakings. These revenue bonds no longer remain outstanding.

General. The Bond Bank has developed procedures to help ensure its compliance with its continuing disclosure obligations in all material respects. Although there have been instances of technical deficiencies with its previous undertakings, the Bond Bank has established appropriate written policies and procedures, including trainings and identifying a designated point of contact to help ensure future compliance with Rule 15c2-12.

Governmental Units. In 2014, the Bond Bank discovered that certain of the Governmental Units that timely filed annual financial information in accordance with their prior undertakings inadvertently failed to associate that annual financial information with all Bonds issued and Outstanding under the 2005 General Bond Resolution. Effective February 20, 2014, each undertaking and/or Loan Agreement executed by a Governmental Unit includes an express requirement that such filing be linked to the CUSIP numbers for all Outstanding Bonds issued under the 2005 General Bond Resolution. Certain Governmental Units failed to file their financial information or filed late.

The City and Borough of Juneau, one of the Governmental Units representing ten percent or more of the Bonds outstanding under the 2005 General Bond Resolution, failed to file certain required operating data and failed to associate its 2011 financial statements with its outstanding water and sewer revenue bonds. The City and Borough

of Juneau subsequently filed the required operating data, linked the 2011 financial statements to the CUSIP numbers for its water and sewer revenue bonds and filed a notice with the MSRB.

The Bond Bank is under no obligation to ensure continuing disclosure compliance by the Governmental Units.][To be updated]

SOURCES OF CERTAIN INFORMATION

As of November 1, 2018, the Governmental Units that have loan obligations in an amount of ten percent or greater in the pool of loans financed with proceeds of Bonds are Sitka [(13.58 percent)], the City and Borough of Juneau [(12.63 percent)] and the Kenai Peninsula Borough [(10.62 percent)]. These Governmental Units have provided the information set forth in Appendix D.

The Bond Bank makes no representation as to the accuracy or completeness of the information concerning the City and Borough of Sitka, the City and Borough of Juneau and the Kenai Peninsula Borough set forth in Appendix D.

DEFINITIONS

The following terms are used in this Official Statement with the following meanings: See also the definitions in Article I of the 2005 General Bond Resolution in Appendix F.

"Act" — The Alaska Municipal Bond Bank Authority Act, codified as Chapter 85, Title 44, of the Alaska Statutes, as amended.

"Bond Bank" — The Alaska Municipal Bond Bank, a public corporation and instrumentality of the State of Alaska within the Department of Revenue but with legal existence independent of and separate from the State.

"Bonds" — Bonds issued by the Bond Bank under the 2005 General Bond Resolution pursuant to a Series Resolution. These include "Loan Obligations" and "Reserve Fund Obligations" as defined below.

"Code" — Internal Revenue Code of 1986 and the regulations thereunder, as amended.

"Credit Enhancement" — A letter of credit, a line of credit, a credit facility, a surety bond, bond insurance, or any other instrument or arrangement obtained in connection with the issuance of a Series of Bonds to further secure the payment of the Bonds of such Series or to satisfy the Reserve Fund Requirement.

"Credit Enhancement Agency" — Any bank or other institution that provides Credit Enhancement.

"Debt Service Fund" — A fund established by the 2005 General Bond Resolution to be maintained and held by the Trustee. The 2005 General Bond Resolution defines and provides that the "Interest Account," "Principal Account" and "Redemption Account" are maintained within the Debt Service Fund.

"Fees and Charges" — All fees and charges authorized to be charged by the Bond Bank pursuant to Section 44.85.080(8), (15), and (16) of the Act and charged by the Bank to Governmental Units pursuant to the terms and provisions of the Loan Agreements.

"Governmental Unit" — A municipality or such other entity from which the Bond Bank is authorized by law to purchase its revenue bonds, general obligation bonds, notes, or other forms of indebtedness and which otherwise satisfies conditions found in the 2005 General Bond Resolution and in the Loan Agreement.

"Loan Agreement" — An agreement, and any amendments thereto, entered into between the Bond Bank and a Governmental Unit setting forth the terms and conditions of a loan.

"Loan Obligations" — The amount of Bonds and the Bonds themselves issued by the Bond Bank for the purchase of Municipal Bonds of a Governmental Unit.

"Municipal Bonds" — General obligation bonds, revenue bonds, notes or other evidence of debt issued by any Governmental Unit, as defined in the Act, which have been acquired by the Bond Bank as evidence of a loan to the Governmental Unit pursuant to the Act.

"Municipal Bonds Payment" — The amounts paid or required to be paid, from time to time, for principal and interest by a Governmental Unit to the Bond Bank on the Governmental Unit's Municipal Bonds.

"Notes" — Any obligations referred to in the 2005 General Bond Resolution issued by the Bond Bank other than Bonds.

"Operating Fund" — A fund established by the 2005 General Bond Resolution. This fund is not held by the Trustee and money therein is not pledged as security for Bonds.

"Outstanding" — When used with reference to Bonds, as of any date, Bonds theretofore or then being authenticated and delivered under the provisions of the 2005 General Bond Resolution, other than Bonds owned or held by or for the account of the Bond Bank except: (i) any Bonds cancelled by the Bond Bank or the Trustee at or prior to such date, (ii) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds have been authenticated and delivered pursuant to the 2005 General Bond Resolution, and (iii) Bonds deemed to have been paid as provided in the 2005 General Bond Resolution.

"Reserve Fund" — The reserve account established by the 2005 General Bond Resolution and held by the Trustee pursuant to the provisions of the 2005 General Bond Resolution.

"Reserve Fund Obligations" — Bonds issued by the Bond Bank to obtain funds to deposited in the Reserve Fund.

"Reserve Fund Requirement" — The amount required to be on deposit in the 2005 General Bond Resolution Reserve Fund is the least of the following: (i) 10 percent of the initial principal amount of each Series of Bonds then Outstanding; (ii) maximum annual principal and interest requirements on all Bonds then Outstanding; (iii) 125 percent of average annual principal and interest requirements on all Bonds then Outstanding; or (iv) such lower amount as may be required by law. The Reserve Fund Requirement may be satisfied entirely, or in part, by Credit Enhancement; provided, however, any Credit Enhancement satisfying all or any part of the Reserve Fund Requirement after the initial issuance of Bonds or issued in substitution for any prior Credit Enhancement previously issued will not, by itself, cause a withdrawal or downward revision of the ratings maintained by any Rating Agency with respect to the Bonds.

"Required Debt Service Reserve" — As of any date of calculation, the amount required to be on deposit in the Reserve Fund which amount is required to be at least equal to the Reserve Fund Requirement.

"Series Resolution" — A resolution of the Bond Bank authorizing the issuance of a Series of Bonds in accordance with the terms of the 2005 General Bond Resolution.

"2005 General Bond Resolution" — The Bond Bank's General Obligation Bond Resolution adopted July 13, 2005, as amended on August 19, 2009. The amendments adopted in the 2013 First Supplemental Resolution will be effective after all Bonds outstanding on February 19, 2013 no longer are outstanding. See the forms of the 2005 General Bond Resolution and the 2013 First Supplemental Resolution in Appendix F.

MISCELLANEOUS

The summaries or descriptions of provisions in the 2005 General Bond Resolution and all references to other materials not purporting to be quoted in full are only brief outlines of certain provisions thereof and do not constitute complete statements of such documents or provisions, and reference is hereby made to the complete documents and materials, copies of which will be furnished by the Bond Bank on request. The 2005 General Bond Resolution is included herein as Appendix F.

Any statements made in this Official Statement indicated to involve matters of opinion or estimates are represented as opinions or estimates in good faith. No assurance can be given, however, that the facts will materialize as so opined or estimated.

OFFICIAL STATEMENT

The Bond Bank has authorized the execution and distribution of this Official Statement.

ALASKA MUNICIPAL BOND BANK

By: _____
Executive Director

APPENDIX A

PROPOSED FORM OF OPINION OF BOND COUNSEL

[TO COME]

APPENDIX B

STATE PAYMENTS TO GOVERNMENTAL UNITS

[TO BE UPDATED]

The State of Alaska (the "State") disburses to Alaskan cities and boroughs (the "Governmental Units") funds that generally are available for uses other than paying municipal bond debt service. In the event of default by a Governmental Unit with respect to a Loan Agreement, the Bond Bank is authorized to cause such funds, held in custody by the State prior to disbursement, to be paid over to the Bond Bank. The State, however, may at any time reduce or terminate the disbursements or programs under which they are made. In addition, other State agencies have similar rights to intercept State payments to Governmental Units. No assurance can be given that the Bond Bank's claim would have priority over any other eligible State agency's claim. Four of the departments of the State that disburse money to Governmental Units are as follows:

(1) Department of Education and Early Development. The Department of Education and Early Development (DEED) disburses State aid for educational purposes primarily through the school debt reimbursement, the foundation funding, and pupil transportation programs, in addition to funding for boarding homes, residential boarding, youth in detention, special schools, and the Alaska Challenge Youth Academy programs.

The first program provides a system under which the State, subject to annual appropriation by the Legislature, will reimburse municipalities that operate school districts for certain costs of school construction. State reimbursement applies to debt service on locally issued general obligation school bonds. Timing of reimbursements is determined by municipalities' debt service payments, and is made throughout the year. This program provides that subject to statutory and regulatory conditions that the State will reimburse municipalities for a pre-determined percentage of debt service incurred for such bonds, depending on when such bonds were issued and the project components. The State may appropriate less than the full amount to which the municipalities are entitled. When appropriations are less than 100 percent of the entitlement, funds have been allocated pro rata among the eligible school districts. In 2015, the Legislature passed a moratorium on all school debt reimbursement agreements for municipal general obligation bond authorizations approved after January 1, 2015. See Appendix G—"STATE OF ALASKA—Public Debt and Other Obligations of the State—State Debt Capacity." On June 29, 2016, the Governor signed the fiscal year 2017 budgets transmitted by the Legislature and exercised his line-item veto authority to reduce the fiscal year 2017 appropriations by approximately $1.29 billion, including a 25 percent reduction in the School Debt Reimbursement Program. See Appendix G—"STATE OF ALASKA—Government Budgets and Appropriations—General Appropriations."

Under the second program, the State aids local school districts in the payment of operating expenses under the State "K-12 foundation" funding which provides education-related aid for operating costs associated with qualified K-12 schools as well as programs such as the handicapped facilities and nutrition programs. The program provides for monthly distributions to the school districts.

Under the third program, the State aids local school districts for pupil transportation. The program provides for monthly distributions to the school districts.

Under the fourth program, the State has provided one-time grant funds.

(2) Department of Revenue. The Department of Revenue disburses shares of various State taxes collected by the Department of Revenue within the jurisdiction of certain Governmental Units including aviation fuel, commercial passenger vessel, electric, telephone, liquor and fisheries resources landed and business taxes. Payments are distributed both semi-annually in January and July and annually in October depending upon the type of tax.

(3) Department of Commerce, Community and Economic Development. The Department of Commerce, Community and Economic Development (DCCED) administers a payment in lieu of taxes program under which the federal government pays a fee for use of land. The payments received from the federal government are passed through the State to certain Governmental Units. Distributions occur annually in July. The State also disburses money to certain Governmental Units through the DCCED's Capital Matching Grants program to provide assistance in financing capital projects. Distributions are made throughout the year as approved projects are constructed.

Additionally the State Revenue Sharing program provides an annual transfer to certain governmental units based on population. The revenue sharing transfers occur in the first quarter of the fiscal year.

(4) Department of Corrections. The Department of Corrections transfers monthly amounts to pay operational expenses of local communities that house prisoners in municipal-owned facilities.

In addition to the four sources listed above, the State disburses to Governmental Units funds that are not available for intercept by the Bond Bank. A reduction in the amount of such funds and the distribution of such funds, such as State assistance to Governmental Units to address pension liabilities also could have a negative impact on the financial health of Governmental Units.

Sources: State of Alaska Department of Administration – Finance Division; State of Alaska, Office of Management and Budget; and State of Alaska Department of Revenue – Tax Division. Further information regarding the State of Alaska may be found at www.alaska.gov.

Alaska Municipal Bond Bank
Capability to Intercept Funds

[TO BE UPDATED]

	FY 2016 Shared Taxes & Fees one time transfers for 7 categories of tax and license type	FY 2018 DOT Reimbursement Program transferred as debt service comes due semi-annually (current year annual appropriation)	FY 2018 Projected School Debt Reimbursement transferred as debt service comes due semi-annually (current year annual appropriation)	FY 2018 Education Support transferred in 12 level monthly installments during fiscal year (current year annual appropriation)	Active Matching Grants as of October 19, 2017 will be drawn down as projects complete (current and past year capital grant appropriations) (1)	FY 2018 Community Jails - Transferred in 12 level monthly payments during fiscal year (current year annual appropriation)	FY 2018 PILT transfers	Revenue Sharing FY 2018 disbursed at one time by October of fiscal year (current year annual appropriation)	Total Intercept Capability	Fiscal Year 2018 Total Debt Service (2)	Coverage Ratio
Boroughs											
Aleutians East Borough	$1,641,745	$432,335	$714,038	$4,565,444	$2,442,208	0	$0	$315,863	$10,111,633	$2,447,903	4.13
Municipality of Anchorage	1,406,832	0	43,736,375	330,089,598	191,030,885	0	0	7,783,616	574,047,306	294,700	1,947.90
Fairbanks North Star Borough	429,444	332,955	11,643,825	116,690,110	5,397,129	0	0	2,080,456	136,573,919	4,110,525	33.23
Haines Borough	339,555	0	903,280	2,646,614	6,591,765	215,954	0	467,673	11,164,841	1,375,144	8.12
City & Borough of Juneau	4,934,856	0	11,064,402	39,801,982	6,026,499	0	0	1,186,106	63,013,845	20,354,664	3.10
Kenai Peninsula Borough (3)	1,172,433	0	2,861,582	81,595,174	4,841,199	0	0	1,667,403	92,137,791	15,029,301	6.13
Ketchikan Gateway Borough	2,365,736	0	2,696,316	24,699,386	10,608,541	0	0	427,566	40,797,545	5,725,037	7.13
Kodiak Island Borough	1,299,763	0	5,834,655	27,156,437	945,530	0	0	465,942	35,702,327	8,935,271	4.00
Lake & Peninsula Borough	69,855	0	995,365	9,098,241	0	0	0	465,513	10,628,974	1,421,950	7.47
Northwest Arctic Borough	0	0	4,118,853	36,324,476	554,653	0	0	339,350	41,337,332	6,041,890	6.84
Petersburg Borough	344,548	0	470,462	6,169,045	0	173,626	0	378,239	7,535,920	1,454,444	5.18
City & Borough of Sitka	1,137,579	0	2,488,806	13,411,632	6,716,614	391,194	0	595,992	24,741,817	11,884,395	2.08
Municipality of Skagway	4,043,845	0	0	1,011,223	8,845,974	0	0	342,174	14,243,216	1,535,538	9.28
City & Borough of Wrangell	280,608	0	166,915	3,361,983	1,747,266	325,274	0	435,897	6,317,943	267,325	23.63
Cities											
Adak	$150,945	$0		$0	$0	$0	$58,623	$82,655	$292,223	$106,000	2.76
Bethel*	$23,825	0		0	6,594,420	0	886,218	229,695	7,734,158	272,425	28.39
Cordova	953,216	0	963,338	3,952,359	0	135,303	440,819	134,113	6,579,148	2,005,497	3.28
Craig	155,245	0		4,689,635	637,218	322,724	284,075	102,302	6,191,199	134,388	46.07
Dillingham	237,389	0	824,978	6,299,778	133,672	526,851	450,803	132,379	8,605,850	1,146,150	7.51
Hoonah	816,764	0	21,500	2,111,235	2,500,000	0	152,838	94,647	5,696,984	111,625	51.04
Homer*	97,139	0		0	666,943	424,080	0	205,118	1,393,280	287,850	4.84
Ketchikan*	2,385,068	0		0	3,369,314	0	0	277,931	6,032,313	7,958,343	0.76
Kenai*	221,229	0		0	4,710,445	0	0	250,852	5,182,526	176,998	29.28
King Cove*	388,874	0		0	791,545	0	0	97,867	1,278,286	316,791	4.04
Klawock	3,171	0		2,416,519	270,592	0	209,834	95,167	2,995,283	89,950	33.30
Kodiak*	685,304	0		0	409,816	991,552	0	226,722	2,313,394	868,594	2.66
Nome	20,600	0	334,376	8,704,788	2,584,893	0	476,601	168,575	12,289,833	732,775	16.77
North Pole*	26,518	0		0	2,358,029	0	0	128,142	2,512,689	102,550	24.50
Palmer*	173,348	0		0	1,333,867	0	0	230,289	1,737,504	105,800	16.42
Sand Point*	238,143	0		0	0	0	0	98,363	336,506	182,980	1.84
Saxman*	0	0		0	723,858	0	0	85,356	809,214	12,550	64.48
Seward*	744,055	0		0	10,095,936	368,952	0	140,976	11,349,919	3,096,703	3.67
Soldotna*	47,999	0		0	436,877	0	0	183,415	668,291	216,594	3.09
Unalaska	11,820,247	367,895	672,831	3,982,190	0	431,207	843,868	185,199	18,303,437	4,843,438	3.78
Valdez	505,392	207,850	1,686,709	4,666,199	2,895,287	354,749	741,041	174,372	11,231,599	348,250	32.25
Wasilla*	254,732	0		0	3,656,916	0	0	290,641	4,202,289	415,150	10.12
Whittier	809,009	0		0	2,250,710	0	45,819	81,144	3,186,682	155,070	20.55
Other Jurisdictions											
University of Alaska (4)									325,423,350	4,057,863	80.20

*** Communities that are located in a borough which operates the public schools in the community and receives that related Education Support Funding.**
(1) Matching grants are appropriated by the Alaska State Legislature and can vary significantly from year to year.
(2) Includes annual debt service associated with bonds sold under the Bond Bank's 2010 Resolution.
(3) Borrowers to this issue.
(4) Interceptable revenue of the University of Alaska is comprised of direct appropriations from the State of Alaska.

APPENDIX C [TO BE UPDATED]

GOVERNMENTAL UNIT STATISTICS REGARDING PARTICIPATION IN THE BOND BANK

2005 GENERAL BOND RESOLUTION
OUTSTANDING LOAN PRINCIPAL TO GOVERNMENTAL UNIT BORROWERS
AS OF NOVEMBER 1, 2018

(Does Not Include 2018 Series One and Two **Bonds)**

Borrower	Outstanding Principal	Percent of Outstanding
City and Borough of Sitka	136,160,000	13.58%
City and Borough of Juneau	126,640,000	12.63%
Kenai Peninsula Borough	106,515,000	10.62%
City of Ketchikan	93,370,000	9.31%
Kodiak Island Borough	89,670,000	8.94%
University of Alaska	86,085,000	8.58%
City of Unalaska	60,240,000	6.01%
Fairbanks North Star Borough	55,770,000	5.56%
City of Seward	33,030,000	3.29%
Ketchikan Gateway Borough	31,635,000	3.15%
Northwest Arctic Borough	26,665,000	2.66%
Aleutians East Borough	22,670,000	2.26%
Municipality of Skagway	19,760,000	1.97%
City of Cordova	16,340,000	1.63%
Lake & Peninsula Borough	15,835,000	1.58%
City of Kodiak	12,605,000	1.26%
Haines Borough	9,955,000	0.99%
Petersburg Borough	9,435,000	0.94%
City of Dillingham	9,150,000	0.91%
City of Nome	4,030,000	0.40%
Municipality of Anchorage	3,370,000	0.34%
City of Homer	3,200,000	0.32%
City of King Cove	2,760,000	0.28%
City of Sand Point	2,370,000	0.24%
City of Valdez	2,025,000	0.20%
City of Bethel	2,000,000	0.20%
City of Whittier	2,000,000	0.20%
City of Soldotna	1,785,000	0.18%
City of Craig	1,635,000	0.16%
City of Kenai	1,445,000	0.14%
City of Klawock	1,310,000	0.13%
City of Hoonah	950,000	0.09%
City of Wasilla	800,000	0.08%
City and Borough of Wrangell	775,000	0.08%
City of North Pole	685,000	0.07%
City of Palmer	635,000	0.06%
City of Adak	605,000	0.06%
City of Saxman	150,000	0.01%
Reserve Obligations	8,735,000	0.87%
Total Outstanding Par	$1,002,795,000	100.00%

APPENDIX D
[TO BE UPDATED]
SUMMARY OF BORROWERS REPRESENTING TEN PERCENT OR MORE OF OUTSTANDING BONDS ISSUED UNDER THE 2005 GENERAL BOND RESOLUTION

CITY AND BOROUGH OF SITKA
GENERAL OBLIGATION FINANCIAL SUMMARY

Municipal Financial Position	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**Average**
Property Tax Collections								
Borrower's Property Tax Rate per $1,000	$6.00	$6.00	$6.00	$6.00	$6.00	$6.00	$6.00	$6.00
Municipal Levy	$5,799,400	$5,904,617	$5,957,735	$5,901,738	$6,032,826	$6,034,243	$6,352,903	$5,997,637
Current Year's Collections	$5,753,039	$5,874,918	$5,893,452	$5,842,721	$6,006,776	$6,000,364	$6,196,485	$5,938,251
Current Collection Rate	99.20%	99.50%	98.92%	99.00%	99.57%	99.44%	97.54%	99.02%
Total Year's Collections	$5,807,869	$5,909,321	$5,893,452	$5,842,721	$6,006,776	$6,006,776	$6,196,485	$5,951,914
Total Collection Rate	100.15%	100.08%	98.92%	99.00%	99.57%	99.54%	97.54%	99.26%
General Fund								
Unreserved Ending Fund Balance	$ 11,508,475	$ 13,584,873	$ 14,268,394	$ 15,996,580	$ 15,009,733	$ 14,538,862	$ 13,347,603	$ 14,036,360
Expenditures	$ 23,260,649	$ 24,075,729	$ 23,691,912	$ 23,628,379	$ 30,631,277	$ 29,445,103	$ 29,397,149	$ 26,304,314
Fund Balance/Expenditures	49%	56%	60%	68%	49%	49%	45%	53.94%
Total Revenues	$ 24,709,916	$ 26,584,728	$ 25,953,885	$ 26,507,173	$ 29,250,201	$ 28,974,232	$ 29,031,409	$ 27,287,363
Intergovernmental Revenues	$ 2,380,298	$ 2,659,323	$ 2,693,860	$ 2,771,990	$ 1,182,368	$ 2,960,920	$ 3,755,908	$ 2,629,238
Percentage Intergovernmental	10%	10%	10%	10%	4%	10%	13%	9.67%
Overall Municipal Debt Position								
Revenue Debt - Enterprise Funds	$ 68,807,401	$ 68,593,411	$ 106,145,822	$ 108,940,000	$ 149,027,083	$ 144,966,352	$ 143,391,387	
Revenue Debt - Governmental Funds	$ 165,750	$ 156,000	$ 146,250	$ 202,641	$ 189,409	$ 348,675	$ 326,365	
General Obligation Debt - Governmental Funds	$ 36,300,000	$ 32,290,000	$ 31,020,000	$ 28,635,000	$ 25,990,000	$ 23,435,000	$ 20,745,000	
General Obligation Debt - Enterprise Funds	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Total General Obligation Debt	$ 36,300,000	$ 32,290,000	$ 31,020,000	$ 28,635,000	$ 25,990,000	$ 23,435,000	$ 20,745,000	
Total Revenue and General Obligation Debt	$ 105,273,151	$ 101,039,411	$ 137,312,072	$ 137,777,641	$ 175,206,492	$ 168,750,027	$ 164,462,752	
Governmental GO Debt/Taxable Assessed Value	3.69%	3.26%	3.10%	2.91%	2.58%	2.10%	1.93%	
Total Revenue and GO Debt/A.V.	10.69%	10.20%	13.72%	14.01%	17.43%	15.15%	15.31%	
General Obligation Debt Per Capita	$4,138	$3,607	$3,415	$3,152	$2,868	$2,627	$2,336	
Total Revenue and GO Debt Per Capita	$12,000	$11,287	$15,116	$15,167	$19,336	$18,918	$18,518	

General Economic and Demographic Data	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**Annual Growth Rate**
Population	8,773	8,952	9,084	9,084	9,061	8,920	8,881	-1.81%
Taxable Assessed Value	$ 985,073,129	$ 990,930,238	$ 1,001,066,784	$ 983,623,000	$ 1,005,471,000	$ 1,113,635,486	$ 1,074,011,741	13.22%
Assessed Value Per Capita	$ 112,285	$ 110,694	$ 110,201	$ 108,281	$ 110,967	$ 124,847	$ 120,934	
Top 10 Tax Payers as a % of Assessed Value	7.64%	7.57%	7.57%	7.57%	7.57%	7.57%	7.57%	

*For fiscal years ending June 30.

City and Borough of Sitka
Electric Enterprise Fund
Financial Summary

	2011	2012	2013	2014	2015	2016	2017
Assets							
Cash	24,320,421	31,450,650	28,803,187	13,505,669	7,723,850	9,205,421	9,123,930
Restricted Assets	6,871,164	3,595,875	21,197,459	18,121,955	18,457,052	18,483,224	17,247,521
Other Assets	5,010,167	7,266,275	13,897,615	11,777,153	9,308,754	5,367,058	5,514,634
Construction in Progress	11,646,987	18,086,724	58,930,539	137,885,040	173,720,866	3,677,350	654
Utility Plant in Service	63,103,150	61,775,003	59,900,343	59,508,277	57,769,468	226,627,318	224,894,865
Total Assets	110,951,889	122,174,527	182,729,143	240,798,094	266,979,990	263,360,371	256,781,604
Liabilities and Net Assets							
Liabilities							
Other Liabilities	1,722,772	2,477,182	6,355,564	13,017,817	6,482,948	7,103,394	8,934,435
Revenue Bonds Payable	48,700,000	47,570,000	79,485,000	105,100,000	119,510,000	117,555,000	115,520,000
Deferred loss/premium on bonds	1,471,509	(1,711,547)	5,943,338	6,742,293	8,780,609	8,461,133	8,141,657
Revenue Note(s) Payable	8,800,188	8,535,498	7,973,608	7,973,608	10,050,744	9,740,491	9,417,837
Total Liabilities	60,694,469	56,871,133	99,757,510	132,833,718	144,824,301	142,860,018	142,013,929
Net Assets	50,257,420	65,303,394	82,971,633	107,964,376	122,155,689	120,500,353	114,767,675
Operating Revenues	11,401,523	11,611,319	12,077,554	14,240,772	14,623,321	14,251,478	15,846,375
Operating Expenses							
Administrative and General	1,739,698	2,003,768	1,975,492	2,860,066	1,517,973	2,647,835	3,523,456
Operation and Maintenance	5,257,342	5,914,895	5,152,028	4,964,074	7,650,091	6,165,091	6,555,985
Depreciation	1,987,558	1,971,739	1,986,195	1,841,712	1,817,628	4,547,771	7,713,353
Operating Income	2,416,925	1,720,917	2,963,839	4,574,920	3,637,629	890,781	(1,946,419)
Nonoperating revenue (expense)							
Investment Income	490,986	459,107	314,600	196,399	313,069	619,597	(114,229)
Interest Expense	(1,725,198)	(2,848,639)	(1,678,238)	(426,419)	(426,702)	(6,214,978)	(6,137,170)
Other	-	625,748	572,946	812,866	721,127	606,103	574,018
Net Income before contributions and transfers	1,182,713	(42,867)	2,173,147	5,157,766	4,245,123	(4,098,497)	(7,623,800)
Capital contributions	4,039,237	5,266,050	17,169,455	19,455,106	9,968,828	2,294,233	140,674
Extraordinary Item:							
Net Pension Obligation Relief	119,824	139,806	325,771	379,871	197,239	184,928	100,448
Transfer In (Out) net	-	-	(998,128)	-	2,500,000	(36,000)	1,650,000
Change In Net Assets	5,341,774	5,362,989	18,670,245	24,992,743	16,911,190	(1,655,336)	(5,732,678)
Population of City and Borough	8,773	8,952	9,084	9,098	9,061	8,920	8,881
# of electric customers	5,282	5,309	5,403	5,490	5,683	5,283	5,283
KwH Sold	111,795,344	111,048,623	111,155,330	111,155,330	105,293,250	104,156,400	107,102,050
Revenue Bond Debt Service	3,477,959	3,467,567	4,529,240	5,045,158	7,158,839	7,913,317	7,913,517
Revenue Bond Coverage (> 1.25)	1.41	1.43	1.27	1.34	1.27	1.29	1.25

Note: Total of rate Stabilization Fund as of June 30, 2017 - $187,623

*For fiscal years ending June 30.

CITY AND BOROUGH OF SITKA
HARBOR ENTERPRISE FUND
FINANCIAL SUMMARY

	2011	2012	2013	2014	2015	2016	2017
ASSETS							
Plant In-Service (net of depreciation)	14,789,299	14,122,591	13,550,231	13,153,475	12,465,974	19,786,414	24,529,228
Land	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Construction Work in Progress	20,229	57,838	665,476	7,824,365	9,016,110	5,767,143	67
Cash	3,733,467	4,735,101	6,599,187	6,616,954	7,595,507	5,411,769	6,706,461
Restricted Assets	-	-	3,615,663	589,166	317,566	322,299	327,431
Other Assets	1,342,572	1,339,389	1,216,385	1,524,898	1,105,523	1,854,193	1,306,830
Total Assets	19,975,567	20,344,919	25,736,942	29,798,858	30,590,679	33,231,818	32,960,017
LIABILITIES AND NET ASSETS							
Revenue Bonds Payable	0	0	4,569,486	3,840,000	3,705,000	3,565,000	3,420,000
Other Liabilities	1,405,227	1,156,003	1,144,138	1,689,033	2,150,428	2,671,577	2,599,026
Total Liabilities	1,405,227	1,156,003	5,713,624	5,529,033	5,855,428	6,236,577	6,019,026
NET ASSETS	18,570,340	19,188,916	20,023,318	24,269,825	24,735,251	26,995,241	26,940,991
Operating Revenues	2,854,858	3,154,885	3,096,419	3,164,252	2,256,944	2,376,000	2,474,704
Operation and Maintenance	2,492,110	2,434,329	1,708,210	2,454,599	2,027,367	2,107,010	2,432,733
Administrative and General	-	-		-	-	-	-
Depreciation	899,956	986,619	668,511	666,074	687,501	1,086,409	1,231,974
Operating Income (Loss)	(537,208)	(266,063)	719,698	43,579	(457,924)	(817,419)	(1,190,003)
Non-Operating Revenue (Expense)	46,509	155,306	156,844	776,434	1,238,206	933,183	897,205
Net Income (Loss) Before Contribution	(490,699)	(110,757)	876,542	820,013	780,282	115,764	(292,798)
Capital Contributions	1,690,873	2,549,949	0	3,458,599	124,467	2,188,442	19,418
Net Transfers-In (Out)	3,804,600	675,000	(42,141)	(32,105)	72,940	(44,216)	219,131
Special item - NPO/OPEB write off							
Change in Net Assets	5,004,774	3,114,192	834,401	4,246,507	977,689	2,259,990	(54,249)
Population of City	8,773	8,952	9,084	9,098	9,061	8,920	8,881
Revenue Bond Coverage	No Harbor Bonds	No Harbor Bonds	No payments of P&I	5.16	5.31	4.98	1.39

Note: Total of transfers into Rate Stabilization Fund in FY2017 - $1,200,000
Note: Total of Rate Stabilization Fund as of June 30, 2017 - $1,200,000

*For fiscal years ending June 30.

CITY AND BOROUGH OF JUNEAU
FINANCIAL SUMMARY
General Governmental Fund

Municipal Financial Position	2012	2013	2014	2015	2016	Average
Property Tax Collections						
Borrower's Property Tax Rate per $1,000	$10.55	$10.55	$10.66	$10.76	$10.76	$10.66
Municipal Levy	$41,751,673	$44,252,019	$45,108,992	$45,852,292	$47,374,893	$44,867,973.80
Current Year's Collections	$41,431,682	$43,987,108	$44,818,184	$45,548,172	$47,241,356	$44,605,300.40
Current Collection Rate	99.23%	99.40%	99.36%	99.34%	99.72%	99.41%
Total Year's Collections	$41,721,795	$44,200,111	$45,017,746	$45,548,172	$47,241,356	$44,745,836.00
Total Collection Rate	99.93%	99.88%	99.80%	99.34%	99.72%	99.73%
General Fund						
Unassigned Plus Emergency Operating Res (GASB#54)	$ 3,484,161	$ 7,494,734	$ 17,285,667	$ 20,272,312	$ 23,735,313	$ 14,454,437
Expenditures	$ 51,283,781	$ 84,553,473	$ 86,380,150	$ 94,808,876	$ 86,839,645	$ 80,773,185
Fund Balance/Expenditures	6.79%	8.86%	20.01%	21.38%	27.33%	16.88%
Total Revenues	$ 50,036,584	$ 88,778,005	$ 97,936,255	$ 98,018,608	$ 91,369,226	$ 85,227,736
Intergovernmental Revenues	$ 15,464,700	$ 30,635,700	$ 41,429,692	$ 32,072,000	$ 33,339,633	$ 30,588,345
Percentage Intergovernmental	31%	35%	42%	33%	36%	35%
Overall Municipal Debt Position						
Revenue Debt - Enterprise Funds	$ 43,679,682	$ 41,906,067	$ 40,090,908	$ 38,436,443	$ 36,643,222	
Revenue Debt - Governmental Funds	$ 2,861,747	$ 2,091,457	$ 6,807,086	$ 26,972,320	$ 25,565,329	
General Obligation Debt - Governmental Funds	$ 133,446,000	$ 131,385,000	$ 122,068,000	$ 115,314,000	$ 98,879,000	
General Obligation Debt - Enterprise Funds	$ -	$ -	$ -	$ -	$ -	
Total General Obligation Debt	$ 133,446,000	$ 131,385,000	$ 122,068,000	$ 115,314,000	$ 98,879,000	
Total Revenue and General Obligation Debt	$ 179,987,429	$ 175,382,524	$ 168,965,994	$ 180,722,763	$ 161,087,551	
Governmental GO Debt/Taxable Assessed Value	3.28%	3.07%	2.79%	2.57%	2.11%	
Total Revenue and GO Debt/A.V.	4.42%	4.10%	3.86%	4.03%	3.44%	
General Obligation Debt Per Capita	$4,113	$4,023	$3,696	$3,492	$2,971	
Total Revenue and GO Debt Per Capita	$5,548	$5,370	$5,116	$5,472	$4,841	
General Economic and Demographic Data	**2012**	**2013**	**2014**	**2015**	**2016**	**Annual**
Population	32,441	32,660	33,030	33,026	33,277	0.76%
Taxable Assessed Value	$ 4,071,713,732	$ 4,275,067,217	$ 4,379,714,933	$ 4,484,327,332	$ 4,685,425,687	4.48%
Assessed Value Per Capita	$ 125,511	$ 130,896	$ 132,598	$ 135,782	$ 140,801	
Top 10 Tax Payers as a % of Assessed Value	13.73%	13.82%	13.61%	13.61%	12.49%	

*For fiscal years ending June 30.

CITY AND BOROUGH OF JUNEAU
HARBOR ENTERPRISE FUND
FINANCIAL SUMMARY

	2012	2013	2014	2015	2016
ASSETS					
Plant In-Service (net of depreciation)	$12,844,129	$11,875,368	$14,325,870	$17,517,553	$16,269,049
Construction Work in Progress	33,499,769	42,397,974	40,419,697	50,214,768	57,899,679
Cash	4,660,755	3,466,374	4,030,992	3,975,676	4,484,866
Restricted Assets	11,196,479	10,946,328	10,554,614	9,581,172	7,303,802
Other Assets	847,869	543,407	679,907	1,718,645	974,276
Total Assets	63,049,001	69,229,451	70,011,080	83,007,814	86,931,672
LIABILITIES AND NET ASSETS					
Revenue Bonds Payable	9,691,595	9,380,434	9,033,637	9,758,734	9,382,900
Other Liabilities	2,140,909	1,401,365	2,050,500	3,105,738	4,617,646
Total Liabilities	11,832,504	10,781,799	11,084,137	12,864,472	14,000,546
NET ASSETS	51,216,497	58,447,652	58,926,943	70,143,342	72,931,126
Operating Revenues	3,154,885	3,173,272	3,508,430	4,202,862	3,866,406
Operation and Maintenance	2,434,329	2,498,178	2,814,717	3,347,050	3,102,065
Administrative and General	-	-	-	-	-
Depreciation	986,619	968,761	1,003,707	1,150,701	1,248,503
Operating Income (Loss)	(266,063)	(293,667)	(309,994)	(294,889)	(484,162)
Non-Operating Revenue (Expense)	155,306	(214,686)	128,433	501,698	(23,692)
Net Income (Loss) Before Contribution	(110,757)	(508,353)	(181,561)	206,809	(507,854)
Capital Contributions	2,549,949	7,392,466	660,852	5,788,674	2,015,779
Net Transfers-In (Out)	675,000	500,000	0	6,224,425	1,279,859
Special item - NPO/OPEB write off					
Change in Net Assets	3,114,192	7,384,113	479,291	12,219,908	2,787,784
Population of City	32,441	32,660	33,064	33,026	33,277
Revenue Bond Coverage	1.79	1.21	1.67	2.60	1.48

*For fiscal years ending June 30.

CITY AND BOROUGH OF JUNEAU
PORT DEVELOPMENT SPECIAL REVENUE FUND
FINANCIAL SUMMARY

	2012	2013	2014	2015	2016
ASSETS					
Plant In-Service (net of depreciation)					
Construction Work in Progress					
Cash	(208,085)	(252,013)	71,012	2,709,760	506,274
Restricted Assets		-	-	-	-
Other Assets	269,712	484,639	294,257	408,137	412,673
Total Assets	61,627	232,626	365,269	3,117,897	918,947
LIABILITIES AND NET ASSETS					
Revenue Bonds Payable	-	-	-	-	-
Other Liabilities	-	151,020	349,585	642,980	103,345
Total Liabilities	-	151,020	349,585	642,980	103,345
NET ASSETS	61,627	81,606	15,684	2,474,917	815,602
Operating Revenues	2,634,080	2,825,479	2,864,578	2,868,633	2,940,285
Operation and Maintenance	5,500	5,500	5,500	5,500	5,500
Administrative and General	-	-	-	-	-
Depreciation	-	-	-	-	-
Operating Income (Loss)	2,628,580	2,819,979	2,859,078	2,863,133	2,934,785
Non-Operating Revenue (Expense)	-	-	-	-	-
Net Income (Loss) Before Contribution	2,628,580	2,819,979	2,859,078	2,863,133	2,934,785
Capital Contributions	-	-	-	-	-
Net Transfers-In (Out)	(7,310,000)	(2,800,000)	(2,925,000)	(403,900)	(4,594,100)
Change in Net Assets	(4,681,420)	19,979	(65,922)	2,459,233	(1,659,315)
Population of City	32,441	32,660	33,064	33,026	33,277

*For fiscal years ending June 30.

CITY AND BOROUGH OF JUNEAU
CONDUIT DEBT
WILDFLOWER COURT (A not for profit organziation)
FINANCIAL SUMMARY[1]

	2012	2013	2014	2015	2016
ASSETS					
Plant In-Service	4,620,999	4,734,678	3,771,100	3,082,979	2,734,275
Cash	1,752,043	1,437,085	1,970,693	1,956,157	1,903,930
Restricted Assets	2,170,928	1,489,365	1,450,054	1,437,448	1,454,971
Other Assets	1,444,749	1,786,787	1,267,699	1,389,726	1,211,605
Total Assets	9,988,719	9,447,915	8,459,546	7,866,310	7,304,781
LIABILITIES AND NET ASSETS					
Bond Debt	11,705,000	11,596,229	10,204,712	8,688,824	7,437,231
Other Liabilities	2,052,663	1,132,323	996,579	1,012,833	1,004,939
Total Liabilities	13,757,663	12,728,552	11,201,291	9,701,657	8,442,170
NET ASSETS (DEFICIT)	(3,768,944)	3,280,637	(2,741,745)	(1,835,347)	(1,137,389)
Operating Revenues	10,841,324	11,057,791	11,447,862	11,445,168	10,594,909
Operating Expenses	9,594,317	9,666,530	9,961,681	9,745,914	9,503,477
Depreciation	780,765	935,669	1,008,253	841,433	463,252
Operating Income (Loss)	466,243	455,592	477,928	857,821	628,180
Non-Operating Revenue (Expense)	120,890	32,713	60,964	48,577	69,778
Change in Net Assets	587,132	488,305	538,892	906,398	697,958
Revenue Bond Coverage	1.32	1.12	1.10	1.18	1.00

[1] Extracted from audited financial statements.

In 2013 and 2014, Wildflower Court fell short of the required debt service coverage ratio of 1.15 times. Pursuant to the loan agreement between the City and Borough of Juneau and Wildflower Court, Wildflower Court worked with the City and Borough to identify measures to return the facility to compliance with the required debt service coverage ratio in 2015.

*For fiscal years ending December 31.

CITY AND BOROUGH OF JUNEAU
BARTLETT REGIONAL HOSPITAL
FINANCIAL SUMMARY

	2012 Audited	2013 Audited	2014 Audited	2015 Audited	2016 Audited
ASSETS					
Plant In-Service (net of depreciation)	$74,566,327	$74,002,798	$69,208,456	$63,710,212	$65,708,226
Construction Work in Progress	6,202,224	2,826,314	228,425	3,647,565	731,694
Cash	17,386,169	26,113,833	38,596,921	44,834,531	37,638,857
Restricted Assets	6,549,498	5,490,768	5,327,673	5,327,519	11,705,317
Other Assets	23,462,113	25,230,206	20,528,164	23,810,042	32,303,862
Total Assets	128,166,331	133,663,919	133,889,639	141,329,869	148,087,956
LIABILITIES AND NET ASSETS					
Revenue Bonds Payable	24,926,795	25,304,679	24,346,618	24,346,618	23,378,054
Other Liabilities	8,999,867	8,829,067	11,033,875	46,306,102	57,338,557
Total Liabilities	33,926,662	34,133,746	35,380,493	70,652,720	80,716,611
NET ASSETS	94,239,669	99,530,173	98,509,146	70,677,149	67,371,345
Operating Revenues	95,026,373	84,250,207	80,198,274	90,281,184	88,225,331
Operation and Maintenance	89,411,913	76,967,444	78,820,476	92,676,249	88,524,635
Administrative and General	-	-	-	-	-
Depreciation	7,145,290	7,001,295	7,086,559	6,815,728	7,211,054
Operating Income (Loss)	(1,530,830)	281,468	(5,708,761)	(9,210,793)	(7,510,358)
Non-Operating Revenue (Expense)	3,306,366	4,119,820	3,610,234	14,405,416	2,785,553
Net Income (Loss) Before Contribution	1,775,536	4,401,288	(2,098,527)	5,194,623	(4,724,805)
Capital Contributions	471,910	134,658	-	-	-
Net Transfers-In (Out)	1,152,400	1,123,000	1,077,500	1,054,500	1,419,000
Special item - NPO/OPEB write off					
Change in Net Assets	3,399,846	5,658,946	(1,021,027)	6,249,123	(3,305,805)
Population of City	32,441	32,660	33,064	33,026	33,277
Revenue Bond Coverage	3.00	7.34	2.50	8.97	1.91

*For fiscal years ending June 30.

Kenai Peninsula Borough - General Fund
General Obligation Financial Summary

Municipal Financial Position	2013	2014	2015	2016	2017	Average
Property Tax Collections						
Borrower's Property Tax Rate per $1,000	$4.50	$4.50	$4.50	$4.50	$4.50	$4.50
Municipal Levy	$30,823,497	$31,750,392	$31,685,014	$33,108,951	$35,591,917	$32,591,954.20
Current Year's Collections	$30,382,636	$31,332,596	$31,142,025	$32,410,590	$35,157,568	$32,085,083.00
Current Collection Rate	98.57%	98.68%	98.29%	97.89%	98.78%	98.44%
Total Year's Collections	$30,813,293	$31,735,149	$31,457,407	$33,019,679	$35,157,568	$32,436,619.20
Total Collection Rate	99.97%	99.95%	99.28%	99.73%	98.78%	99.52%
General Fund						
Total Ending Fund Balance	$ 23,310,985	$ 24,881,372	$ 28,138,634	$ 25,778,836	$ 22,912,515	
Unrestricted Ending Fund Balance	$ 16,296,148	$ 15,896,686	$ 16,244,676	$ 20,136,610	$ 17,992,541	$17,313,332
Expenditures	$ 72,452,478	$ 73,376,361	$ 78,427,617	$ 78,941,169	$ 79,139,035	$76,467,332
Fund Balance/Expenditures	22%	22%	21%	26%	23%	23%
Total Revenues	$ 74,255,493	$ 74,945,074	$ 78,764,253	$ 76,581,371	$ 76,272,714	$38,081,891
Intergovernmental Revenues	$ 10,392,037	$ 9,486,455	$ 13,584,084	$ 10,037,023	$ 7,713,953	$5,121,355
Percentage Intergovernmental	14%	13%	17%	13%	10%	13%
Overall Municipal Debt Position						
Revenue Debt - Governmental Funds	$ -	$ -	$ -	$ -	$ -	
Revenue Debt - Enterprise Funds	$ -	$ -	$ -	$ -	$ -	
Total Revenue Debt	$ -	$ -	$ -	$ -	$ -	
General Obligation Debt - Governmental Funds	$ 27,953,830	$ 48,107,552	$ 44,631,585	$ 41,928,618	$ 45,138,506	
General Obligation Debt - Enterprise Funds	$ -	$ -	$ -	$ -	$ -	
Total General Obligation Debt	$ 27,953,830	$ 48,107,552	$ 44,631,585	$ 41,928,618	$ 45,138,506	
Total Revenue and General Obligation Debt	$ 27,953,830	$ 48,107,552	$ 44,631,585	$ 41,928,618	$ 45,138,506	
Governmental GO Debt/Assessed Value (mry)	0.42%	0.69%	0.64%	0.58%	0.58%	
Enterprise GO Debt / Assessed Value (mry)	0.00%	0.00%	0.00%	0.00%	0.00%	
Total Revenue and GO Debt/A.V. (mry)	0.42%	0.69%	0.64%	0.58%	0.58%	
General Obligation Debt Per Capita	$493	$846	$781	$726	$777	
Total Revenue and GO Debt Per Capita	$493	$846	$781	$726	$777	

General Economic and Demographic Data	2013	2014	2015	2016	2017	Annual Growth Rate
Population	56,756	56,862	57,147	57,763	58,060	0.80%
Assessed Value	$ 6,716,010,000	$ 6,960,196,000	$ 6,932,443,000	$ 7,278,398,000	$ 7,815,709,000	6.18%
Assessed Value Per Capita	$ 118,331	$ 122,405	$ 121,309	$ 126,005	$ 134,614	
Top 10 Tax Payers as a % of Total Assessed Value	14.38%	16.18%	17.05%	19.51%	25.07%	

(mry): most recent year

(1)2016, 2015, 2014 and 2013 Unreserved Fund Balance is Net of Note Receivable to the City of Homer in the amount of $6,027,900, $11,333,498, $8,944,837 and $6,944,837 respectively for installation of natural gas to community, secured by assessments on all benefited properties

*For fiscal years ending June 30.

Central Peninsula General Hospital
FINANCIAL SUMMARY

	2013 Audited	2014 Audited	2015 Audited	2016 Audited	2017 Unaudited
ASSETS					
Capital Assets (net of depreciation)	$69,429,959	$71,387,990	$93,151,047	$109,253,168	$111,211,292
Cash	35,197,813	35,508,443	37,638,411	34,048,762	41,177,466
Cash held for Plant Replacement	11,322,729	16,447,887	18,838,950	36,058,619	28,890,928
Restricted Assets	500,000	4,693,402	5,069,037	5,225,834	5,420,341
Unspent bond proceeds		31,275,450	18,468,485	1,675,220	299,226
Other Assets	29,863,006	32,652,905	38,942,891	44,115,457	40,059,775
Total Assets	146,313,507	191,966,077	212,108,821	230,377,060	227,059,028
LIABILITIES AND NET ASSETS					
Revenue Bonds Payable	-	32,490,000	33,890,000	34,705,000	34,078,973
GO Bonds Payable	30,130,000	27,905,000	25,670,000	23,330,000	23,339,070
Other Liabilities	18,176,258	20,336,761	24,137,535	19,895,036	15,726,508
Total Liabilities	48,306,258	80,731,761	83,697,535	77,930,036	73,144,551
NET ASSETS	98,007,249	111,234,316	128,411,286	152,447,024	153,914,477
Operating Revenues	123,951,269	126,713,712	144,009,565	159,917,130	148,954,865
Operating Expenses	102,247,165	104,364,018	117,067,440	125,151,972	132,632,299
Depreciation	7,959,305	8,066,688	8,471,959	10,152,657	13,680,869
Operating Income (Loss)	13,744,799	14,283,006	18,470,166	24,612,501	2,641,697
Non-Operating Revenue (Expense)	(1,541,657)	(1,070,583)	(1,300,456)	(1,185,927)	(2,060,815)
Net Income (Loss) Before Contribution	12,203,142	13,212,423	17,169,710	23,426,574	580,882
Capital Contributions	2,004,970	14,644	7,260	609,164	320,730
Change in Net Position	14,208,112	13,227,067	17,176,970	24,035,738	901,612
Population					
Revenue Bond Coverage	NA	NA	NA	NA	NA

Note: In FY2017 the Central Peninsula Health Foundation, a blended component unit of the hospital, was consolidated into the financial statements of the Hospital. The FY2016 financial statements were restated for comparative purposes to include the the Foundation as a blended component unit of the Hospital because it provides services and benefits almost exclusively for the Hospital, however the 2016 Audited data provided above does not reflect the restatement.

*For fiscal years ending June 30.

APPENDIX E

FINANCIAL STATEMENTS OF THE ALASKA MUNICIPAL BOND BANK FOR THE YEAR ENDED JUNE 30, 2018

APPENDIX F

2005 GENERAL BOND RESOLUTION AND 2013 FIRST SUPPLEMENTAL RESOLUTION

APPENDIX G

STATE OF ALASKA
[TO BE UPDATED]

General

Although payments made by the Governmental Units on their Municipal Bonds are the primary security for the payment of principal of and interest on the Bonds, including the 2018 Series One and Two Bonds, the Bond Bank also maintains the Reserve Fund as additional security for the payment of the Bonds. The Bond Bank is required under the Act to annually report the sufficiency of and to seek appropriations from the Legislature to replenish the Reserve Fund if needed. Starting in fiscal year 2010, the Bond Bank has been obligated by resolution to seek an annual appropriation from the State's general fund for the 2005 Reserve Fund in the event of a deficiency due to a payment default. From fiscal year 2010 and each subsequent year including fiscal year 2018 the Bond Bank has obtained annual appropriation from the State's General Fund to replenish the 2005, and subsequently the 2010 and 2016, Reserve Funds in the event of a deficiency due to a payment default. No such defaults have occurred and none of the replenishment appropriation has been used. During these same years the Bond Bank has obtained appropriation of earnings on reserve accounts held by the Bond Bank in excess of the Bond Bank's operating expenses for the fiscal year; the Act otherwise would require such earnings to be appropriated to the State's General Fund. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—2005 General Bond Resolution Reserve Fund" in the front of this Official Statement and "—Government Budgets and Appropriations" below.

Alaska is a sovereign state of the United States of America, located in the far northwest of North America to the west of Canada, with its southeastern border approximately 500 miles north of the State of Washington. Alaska became a state in 1959. The State's population increased approximately 9.6 percent between fiscal year 2006 and fiscal year 2016 (Alaska Department of Labor and Workforce Development, Research & Analysis; November 2016). The State's fiscal year is July 1 to June 30.

Alaska includes approximately 586,412 square miles (approximately 365 million acres) of land and is the largest state of the United States (roughly equivalent in size to one-fifth of all of the other 49 states combined). Unlike the other 49 states, where significant portions of the land may be owned by individuals or entities in the private sector, less than one percent of the land in Alaska is owned by private, non-Alaska Native owners. As described below, most of the State's revenue is derived from resources owned by the State itself, including petroleum and minerals extracted from State-owned lands and securities in funds owned by the State.

State Government

Alaska became the 49th state in 1959 pursuant to the Alaska Statehood Act, which was enacted by the United States Congress in 1958 (the "Statehood Act"). The Alaska Constitution was adopted by the Constitutional Convention on February 5, 1956, ratified by the people of Alaska on April 24, 1956, and became operative with the formal proclamation of statehood on January 3, 1959.

Alaska government has three branches: legislative, executive and judicial. The legislative power of the State is vested in a legislature consisting of a Senate with a membership of 20 and a House of Representatives with a membership of 40 (the "Legislature"). The executive power of the State is vested in the Governor. The judicial power of the State is vested in a supreme court, a superior court and the courts established by the Legislature. The jurisdiction of courts and judicial districts is prescribed by law. The courts constitute a unified judicial system for operation and administration.

The State provides or funds a range of services including education, health and human services, transportation, law enforcement, judicial, public safety, community and economic development, public improvements and general administrative services.

There are 19 organized boroughs in Alaska and 145 cities, 49 of which are located within an organized borough and 96 of which are located within the unorganized borough. Of these, 15 boroughs and 21 cities impose property taxes and 107 cities impose general sales taxes.

State Revenues

The State does not currently impose personal income taxes and has never imposed statewide general sales taxes. The State does, however, impose a number of business-related taxes that, together with rents and royalties and fines and fees, represented nearly 100 percent of designated and unrestricted non-investment General Fund revenue in fiscal year 2018. Grants, contributions and other revenue from the federal government and interest and investment income represent the remaining portions of State revenue.

The key drivers of the Alaska economy include natural resource development, federal (including national defense) and State government, seafood and tourism. Although only approximately 21 percent of the category of expenses categorized as funded by unrestricted general fund, approximately 72 percent (in fiscal year 2016) of the category of State revenue classified as unrestricted general fund arose from the oil and gas sector. Approximately 24.5 percent of the State's total nonfarm employment is derived from government (including federal, State, and local). Other major industries in Alaska include the education and health services industry, and trade, transportation, and utilities, making up 15.0 percent and 19.5 percent of total nonfarm employment, respectively. The State's major exports are oil, seafood (primarily salmon, halibut, cod, pollock and crab), coal, gold, silver, zinc and other minerals.

The Department of Revenue – Tax Division (the "Tax Division") produces a semi-annual revenue sources book. The Fall Revenue Sources Book is the comprehensive annual forecast released in December, and the Spring Revenue Sources Book is an annual, partial update of the Fall forecast. The most recent revenue forecast comes from the Preliminary Fall 2017 Revenue Forecast, which was released by the Tax Division on October 25, 2017.

All values in the Preliminary Fall 2017 Revenue Forecast are based on preliminary information and analysis for fiscal year 2017 and all future years, and is subject to change. The Department of Revenue is in the process of reviewing and updating the data on which the Preliminary Fall 2017 Revenue Forecast was based, and information contained in any future releases of the Revenue Sources Book may contain different results than what was presented in the Preliminary Fall 2017 Revenue Forecast. Additional detail and narrative for the comprehensive Fall 2017 Forecast will be included in the Fall 2017 Revenue Sources Book, with an anticipated release date in December 2017. The State has not yet released its Comprehensive Annual Financial Report ("CAFR") for fiscal year 2017. The State anticipates that the fiscal year 2017 CAFR may be released in December 2017.

A preliminary estimate for general purpose unrestricted revenues in fiscal year 2017 is $1,351.6 million, compared to $1,532.7 million in fiscal year 2016. A preliminary estimate for Alaska North Slope ("ANS") oil price in fiscal year 2017 is $49.43, compared to $43.18 in fiscal year 2016. A preliminary estimate for production in fiscal year 2017 is approximately 526.5 thousand barrels of oil per day, compared to 514.9 thousand barrels of oil per day in fiscal year 2016. The Preliminary Fall 2017 Revenue Forecast includes the State's forecast for a modest recovery in the price of oil ($54.00 for fiscal year 2018 and $60.00 for fiscal year 2019) and general purpose unrestricted revenues of $1,834.3 million for fiscal year 2018 and $2,019.1 million for fiscal year 2019.

Forecast information is derived from a number of sources and is based upon a variety of assumptions, many of which themselves are based upon other forecasts and assumptions and most of which are not within the State's control. Actual budgets, plans and results may differ materially from the plans, budgets and results described herein. As described below, the State's preliminary estimate for unrestricted revenue available for General Fund appropriation has declined in fiscal year 2017 and is forecast to moderately increase in fiscal year 2018 and fiscal year 2019.

Although petroleum-related revenue remains the largest source of unrestricted revenue for the State's General Fund, increased use of currently restricted revenues, which are significantly greater than unrestricted petroleum-related revenue, together with potential sources of new revenues and potential expenditure reductions, are being considered. Revenues customarily treated as restricted, but available for appropriation for any purpose, include realized earnings of the Alaska Permanent Fund, investment earnings and settlement revenue of the Constitutional Budget Reserve Fund (the "CBRF"), royalty revenue deposited in the Alaska Permanent Fund beyond the 25 percent constitutional dedication, and certain revenues deposited in subaccounts of the General Fund. See "Government Budgets and Appropriations" and "Revenue Forecasts" below.

Oil and Gas Revenues. The State's unrestricted General Fund revenues are generated primarily from petroleum production activities. The State receives petroleum revenues (some of which are restricted) from five sources: oil and gas property taxes, oil and gas production taxes, bonuses and rents, oil and gas royalties, and corporate income taxes.

Oil and Gas Property Tax. The State levies an oil and gas property tax on the value of taxable oil and gas exploration, production and pipeline transportation property in the State at a rate of 20 mills (two percent) of the assessed value of the property. This is the only centrally assessed statewide property tax program in Alaska. Oil and gas reserves, oil or gas leases, the rights to explore or produce oil or gas, and intangible drilling expenses are not considered taxable property under the statute. The most notable properties that are subject to this tax are the Trans-Alaska Pipeline System, including the terminal at Valdez ("TAPS") and the field production systems at Prudhoe Bay. The assessed value of all existing properties subject to this tax was $28.4 billion as of January 1, 2017, $27.7 billion as of January 1, 2016, $28.6 billion as of January 1, 2015, $27.4 billion as of January 1, 2014, $28.6 billion as of January 1, 2013, and $24.5 billion as of January 1, 2012.

Property taxes on exploration property are based upon estimated market value of the property. For property taxes on production property, values are based upon replacement cost, less depreciation based on the economic life of the proven reserves (or the economic limit in the case of taxes on offshore platforms or onshore facilities). The amount collected from property taxes on existing production property is expected to decrease in the future. For property taxes on pipeline transportation property (primarily TAPS property), values are determined based upon the economic value, taking into account the estimated life of the proven reserves of gas or unrefined oil expected to be transported by the pipeline and replacement cost, less depreciation based on the economic life of the reserves.

Local governments also may levy a property tax on oil and gas properties at individual mill rates up to 20 mills using the assessed values determined by the State. Taxpayers receive a credit against the State oil and gas property tax for property taxes paid to municipalities on such property up to the amount of State tax that would otherwise be due. Effective July 1, 2014, the State increased one of the limits on the total amount of taxes that may be levied by local governments if the mill rate is less than 20 mills. Of the $551.5 million of gross tax collected in fiscal year 2016 on oil and gas property in the State, the State's share was approximately $111.7 million. In the Preliminary Fall 2017 Revenue Forecast, the State forecasts income from the oil and gas property tax to be approximately $120.4 million in fiscal year 2017 and $117.2 million in fiscal year 2018.

Revenue from oil and gas property taxes is deposited in the General Fund; however, the State Constitution requires that settlement payments received by the State after a property tax assessment dispute be deposited in the CBRF. Per the Preliminary Fall 2017 Revenue Forecast, $481.9 million in total settlements were deposited into the CBRF for fiscal year 2017, and the forecast for settlement deposits for fiscal year 2018 is $100 million. See "Government Funds – The Constitutional Budget Reserve Fund" below.

Oil and Gas Production Taxes. The State levies a tax on oil and gas production income generated from production activities in the State. The tax on production is levied on sales of all onshore oil and gas production, except for federal and State royalty shares and on offshore developments within three miles of shore.

The oil and gas production tax can be a significant source of revenue and in many years has been the State's single largest source of revenue. The production tax is levied differently based upon the type of production (oil versus gas) and the geographical location (North Slope versus Cook Inlet, the State's two producing petroleum basins).

For North Slope and export gas, the tax uses the concept of "Production Tax Value" ("PTV"), which is gross value at the point of production minus lease expenditures. PTV is similar in concept to net profit, but different in that all lease expenditures can be deducted in the year incurred; that is, capital expenditures are not subject to a depreciation schedule. The production tax rate is 35 percent of PTV, with an alternative minimum tax of 0 percent to 4 percent of gross value, with the 4 percent minimum tax applying when oil prices for the year exceed $25 per barrel.

Several tax credits and other mechanisms are available for North Slope oil production to provide incentives for additional investment. A per-taxable-barrel credit is available, which is reduced progressively from $8 per barrel to $0 as wellhead values increase from $80 per barrel to $150 per barrel. This credit cannot be applied against the gross minimum tax. This results in a flattening of the production tax revenue decline at prices lower than $80 per

barrel. An additional incentive applies for qualifying new production areas on the North Slope. The so-called "Gross Value Reduction" (the "GVR") permits a company to exclude 20 percent or 30 percent of the gross value for that production from the tax calculation. Qualifying production includes areas surrounding a currently producing area that may not be commercial to develop, as well as new oil pools that have not been discovered or developed. Oil that qualifies for this GVR receives a flat $5 per taxable barrel credit rather than the sliding-scale credit available for most other North Slope production. As a further incentive, this $5 per taxable barrel credit can be applied against the minimum tax. Effective January 1, 2017, the GVR is available for only seven years of production and ends early if ANS prices exceed $70 per barrel for any three years.

Effective January 1, 2022, for North Slope export gas, the tax rate will be 13 percent of gross value at point of production. Currently there is only a very small amount of gas that is technically export gas, sold for field operations in federal offshore leases. However, this tax rate would apply to a major gas export project.

For the North Slope, a Net Operating Loss ("NOL") credit in the amount of 35 percent of losses is available. This credit can be carried forward to a future tax liability or in some cases transferred or repurchased by the State.

For Cook Inlet oil production, the tax rate officially is 35 percent of PTV. Prior to January 1, 2017, however, the tax was limited to a maximum of zero dollars per barrel; after January 1, 2017, the tax is limited to a maximum of $1.00 per barrel.

For Cook Inlet gas production, the tax rate is 35 percent of PTV, and the tax is limited to a maximum value averaging 17.7 cents per thousand cubic feet. This rate also applies to North Slope gas used for qualifying in-State uses, commonly referred to as "non-export gas."

Taxpayers are required to make monthly estimated payments, based upon activities of the preceding month. These payments are due on the last day of the following month, and taxpayers are required to file an annual tax return to "true up" any tax liabilities or overpayments made during the year. From fiscal year 2007 through fiscal year 2017, as an incentive for new exploration, companies without tax liability against which to apply credits could apply for a refund of the value of most of the credits, subject to appropriation. In fiscal year 2016, the State credited for potential purchase $498 million from companies claiming such credits. For fiscal year 2017, the State appropriated the minimum provided for in the statutorily based formula of $32.7 million for payments of such credits. In the Fall 2016 Revenue Sources Book forecast, the State estimates that as of June 30, 2017, approximately $775 million in outstanding tax credits were eligible for future payment. Payments of these credits are subject to future fiscal year appropriation.

In 2017, HB 111 was signed into law making multiple changes to Alaska's oil and gas production tax and tax credit statutes. Following passage of this legislation most new credits will no longer be eligible for cash repurchase. Instead, companies will retain their credits until such time as they owe a tax liability to the state, at which time the credits could be used to offset the company's oil and gas production taxes.

All unrestricted revenue generated by the oil and gas production taxes ($6.1 billion in fiscal year 2012, $4.1 billion in fiscal year 2013, $2.6 billion in fiscal year 2014, $0.4 billion in fiscal year 2015, $0.2 billion in fiscal year 2016, and projected in the Preliminary Fall 2017 Revenue Forecast to be $0.1 billion in fiscal year 2017 ($0.3 billion in fiscal year 2018, and $0.3 billion in fiscal year 2019) is deposited in the General Fund, except that any payments received as a result of an audit assessment under the oil and gas production tax or as a result of litigation with respect to the tax are deposited into the CBRF. See Table 1.

Oil and Gas Royalties, Rents and Bonuses. In fiscal year 2016, approximately 97 percent of all current oil production in the State, including the reserves at Prudhoe Bay, was from State land leased for exploration and development. As the land owner, through the Department of Natural Resources ("DNR"), the State earns revenue from leasing as (i) upfront bonuses, (ii) annual rent charges and (iii) retained royalty interests in the oil and gas production. State land historically has been leased largely based on a competitive bonus bid system. Under this system, the State retains a statutorily prescribed minimum royalty interest of at least 12.5 percent on oil and gas production from land leased from the State, although some leases contain royalty rates of 16.67 percent and some also include a net profit-share or sliding scale component. Under all lease contracts the State has ever written, the State reserves the right to switch between taking its royalty in-kind or in cash (in cash royalty is valued according to a

formula based upon the contract prices received by the producers, net of transportation charges). When the State elects to take its royalty share in-kind, the State becomes responsible for selling and transporting that royalty share, which means establishing complex contracts to accomplish these tasks. The State regularly negotiates these contracts and has historically sold roughly 95% of North Slope oil royalties in this way. State royalty revenue from production on State land that is not obligated to the Permanent Fund or Public School Trust Fund is unrestricted revenue that is available for general appropriations.

In addition to royalties from production on State land, the State receives 50 percent of royalties and lease bonuses and rents received by the federal government from leases of federal lands in the National Petroleum Reserve Alaska (the "NPR-A"). The State is required to deposit its entire share of lease bonuses, rents and royalties from oil activity in the NPR-A in the NPR-A Special Revenue Fund, from which a portion is used to make grants to municipalities that demonstrate present or future impact from oil development in the NPR-A. Of the revenue in the NPR-A Special Revenue Fund that is not appropriated to municipalities, 50 percent is to be deposited to the Permanent Fund, with up to 0.5 percent to the Public School Trust Fund and then to the Power Cost Equalization Fund. Any remaining amount is then available for General Fund appropriations. The State also receives a portion of revenues from federal royalties and bonuses on all other federal lands located within State borders and from certain federal waters.

Table 1 summarizes the sources and initial applications of oil and other petroleum-related revenue for fiscal years 2007 through 2016, with estimated amounts for fiscal year 2017 from the Preliminary Fall 2017 Revenue Forecast.

Table 1

Sources and Initial Applications of Oil and Other Petroleum-Related Revenue
Fiscal Years Ended June 30, 2007 – 2016

PRELIMINARY FORECAST for Fiscal Year 2017
($ millions)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017[5]
Oil Revenue to the General Fund											
Property Tax	$ 65.6	$ 81.5	$ 111.2	$ 118.8	$ 110.6	$ 111.2	$ 99.3	$ 128.1	$ 125.2	$ 111.7	$ 120.4
Corporate Income Tax [1] .	594.4	605.8	492.2	446.1	542.1	568.8	434.6	316.6	94.8	(58.8)	(59.4)
Production Tax .	2,208.4	6,822.6	3,112.0	2,871.0	4,552.9	6,146.1	4,050.3	2,598.2	389.7	186.0	134.4
Royalties (including bonuses, rents and interest) [2][3]	1,613.0	2,446.1	1,465.6	1,477.0	1,843.3	2,031.7	1,767.8	1,712.4	1,078.2	870.6	680.9
Subtotal	$4,481.4	$9,956.0	$5,181.0	$4,912.9	$7,048.9	$8,857.8	$6,352.0	$4,755.3	$1,687.9	$1,109.5	$ 876.3
Oil Revenue to Other Funds											
Royalties to the Permanent Fund and School Fund [2][3]	$ 545.6	$ 850.5	$ 670.8	$ 707.2	$ 870.9	$ 919.6	$ 855.9	$ 786.2	$ 518.3	$ 396.9	$ 340.5
Tax settlements to CBRF	101.9	476.4	202.6	552.7	167.3	102.1	176.6	141.4	149.0	119.1	481.9
NPR-A royalties, rents and bonuses [4]	12.8	5.2	14.8	21.3	3.0	4.8	3.6	6.8	3.2	1.8	1.4
Subtotal	660.3	1,332.1	888.2	1,281.2	1,041.2	1,026.5	1,036.1	934.4	670.5	517.8	823.8
Total Oil Revenue	$5,141.7	$11,288.1	$6,069.2	$6,194.1	$8,090.1	$9,884.3	$7,388.1	$5,689.7	$2,358.4	$1,627.3	$1,700.1

(1) Corporate income tax collections for fiscal year 2016 and 2017 were negative due to large refunds of prior-year estimated taxes and low estimated taxes for fiscal year 2016 and 2017.

(2) Net of deposits in the Permanent Fund and the CBRF. The State Constitution requires the State to deposit at least 25 percent in the Permanent Fund, and between 1980 and 2003, State statutes required the State to deposit at least 50 percent in the Permanent Fund. The statutory minimum was changed to 25 percent beginning July 1, 2003, and changed back to 50 percent as of October 1, 2008. See "Government Funds – The Alaska Permanent Fund" below.

(3) Includes proceeds of royalties taken in-kind.

(4) By federal statute, the State receives 50 percent of federal revenues from oil and gas lease sales located in the NPR-A.

(5) All values for fiscal year 2017 are estimates, and are based on the Preliminary Fall 2017 Revenue Forecast.

Source: 2007 through 2016 Revenue Sources Books, Preliminary Fall 2017 Revenue Forecast, Tax Division.

Corporate Income Tax. The State levies a corporate income tax on Alaska taxable net income of corporations doing business in Alaska (other than certain qualified small businesses and income received by certain corporations from the sale of salmon or salmon eggs). Corporate income tax rates are graduated and range from zero percent to 9.4 percent of income earned in Alaska. Taxable income generally is calculated using the provisions of the federal Internal Revenue Code, and the calculation of Alaska taxable income varies, depending upon whether the corporation does business solely in Alaska, does business both inside and outside Alaska or is part of a group of corporations that operate as a unit in the conduct of a single business (a "unitary" or "combined" group). Oil and gas

companies are combined on a world-wide basis, although for other industries only the companies doing business in the United States are combined. Taxpayers may claim all federal incentive credits, but federal credits that refund other federal taxes are not allowed as credits against State corporate income taxes. In addition to the federal incentive credits, the State provides additional incentives, including an education credit for contributions made to accredited State universities or colleges for education purposes, a minerals exploration incentive, an oil and gas exploration incentive and a gas exploration and development tax credit.

Most corporate net income tax collections are deposited in the General Fund, although collections from corporate income tax audit assessments of oil and gas corporations are deposited in the CBRF.

Non-Oil Revenues. The State also receives unrestricted and restricted General Fund revenues from activities unrelated to petroleum. The State receives revenues from corporate income taxes paid by corporations other than petroleum producers, cigarette/tobacco (and beginning in fiscal year 2017, marijuana) excise taxes, motor fuel taxes, alcoholic beverage taxes, fishery business taxes, electric and telephone cooperative taxes, insurance premium taxes, commercial passenger vessel excise taxes and service charges, permit fees, fines and forfeitures, mining license taxes and miscellaneous revenues. A number of these non-oil tax, license and fee revenue (but not investment income and federal revenue) are shared with municipalities. In fiscal year 2016 unrestricted revenue unrelated to petroleum production (excluding investment income and federal revenue) was $400.7 million, and in the Preliminary Fall 2017 Revenue Forecast the state forecasts the fiscal year 2017 value to be $457.9 million. The State forecasts unrestricted revenue unrelated to petroleum production of $493.2 million in fiscal year 2018, and $565.5 million in fiscal year 2019. Contained in the non-oil figures is the minerals industry, which contributes State revenue in the form of corporate income tax, mining license tax, and mining rents and royalties.

Federal Revenue. The federal government is a significant employer in Alaska, directly and indirectly, in connection with its military bases and as a result of procurement contracts, grants and other spending. In addition to expenditures in connection with federal military bases and other activities in Alaska, the State receives funding from the federal government, approximately $2.5 billion in fiscal year 2014, $2.5 billion in fiscal year 2015 and $2.6 billion in fiscal year 2016. In the Preliminary Fall 2017 Revenue Forecast, the State forecasts restricted federal revenue to be approximately $2.6 billion in fiscal year 2017 and forecasts approximately $3.8 billion in fiscal year 2018. The forecast represents total budgeted spending authority for federal receipts, and actual federal receipts are subject to change. The federal funds are used primarily for road and airport improvements, aid to schools and Medicaid payments, all of which are restricted by legislative appropriation to specific uses. Federal funds are most often transferred to the State on a reimbursement basis, and all transfers are subject to federal and State audit. Most federal funding requires State matching. The State match for federal spending in fiscal year 2016 was $606.2 million for the operating budget and $74.2 million for the capital budget. In the Fall 2016 Revenue Sources Book, the State forecasted the State match for federal spending for the operating budget and capital budget to be $616.0 million and $79.9 million, respectively, in fiscal year 2017, and $614.7 million and $186.8 million, respectively, in fiscal year 2018.

Investment Revenues. The State earns unrestricted and restricted investment earnings from a number of internal funds. Two primary sources of investment income for the State are the two constitutionally-mandated funds, the Permanent Fund and the CBRF. The Permanent Fund had a fund balance (principal and the earnings reserve) of approximately $59.8 billion as of June 30, 2017. The Permanent Fund had a fund balance of $52.8 billion as of June 30, 2016, $52.8 billion as of June 30, 2015, $51.2 billion as of June 30, 2014, $44.9 billion as of June 30, 2013, and $40.3 billion as of June 30, 2012. The CBRF had an asset balance of approximately $3.9 billion as of June 30, 2017. The CBRF had an asset balance of approximately $7.3 billion as of June 30, 2016, $10.1 billion as of June 30, 2015, $12.8 billion as of June 30, 2014, $11.6 billion as of June 30, 2013, and $10.6 billion as of June 30, 2012. Restricted investment revenue from the CBRF was $94.2 million in fiscal year 2017. In the Preliminary Fall 2017 Revenue Forecast, the State forecasts restricted investment revenue from the CBRF to be approximately $63.3 million in fiscal year 2018. The earnings reserve balance in the Permanent Fund is available for appropriation with a majority vote of the Legislature, while appropriation of the Permanent Fund's principal balance requires amendment of the State Constitution. The balance of the CBRF is available for appropriation with a three-fourths vote of each house of the Legislature, and as described below, the State borrows from the CBRF when needed to address mismatches between revenue receipts and expenditures in the General Fund and/or to balance the budget at the end of the fiscal year. General Fund asset balances listed as of June 30 may include borrowings from the CBRF for future fiscal year operating requirements. All CBRF values for fiscal year 2017 stated above are asset values. The accrual based fund

balance shall appear in the State of Alaska's fiscal year 2017 CAFR, once released. The State anticipates that the fiscal year 2017 CAFR may be released in December 2017. See "Government Funds – The Constitutional Budget Reserve Fund" and "– The Alaska Permanent Fund" below.

In the past, the State has also received earnings on the Statutory Budget Reserve Fund (the "SBRF"). Earnings on the SBRF are considered General Fund unrestricted revenue unless otherwise appropriated back to the fund. Article IX, Section 17(d), of the Alaska Constitution, which provides that the amount of money in the general fund available for appropriation at the end of each succeeding fiscal year shall be deposited in the budget reserve fund until the amount appropriated is repaid. For fiscal year 2016, this resulted in a year-end sweep from the SBRF to the General Fund for transfer to the CBRF in the amount of $288 million. The official fund balance of the SBRF as of June 30, 2016 was zero. The SBRF had a balance of $288 million as of June 30, 2015, $2.8 billion as of June 30, 2014, and $4.7 billion as of June 30, 2013. See "Government Funds – The Statutory Budget Reserve Fund" below.

In addition to investment income from the above-described funds, the State receives investment income (including interest paid) from investment of other unrestricted funds ($22.5 million in fiscal year 2016, $47.9 million in fiscal year 2015, $130.2 million in fiscal year 2014, $28.1 million in fiscal year 2013 and $107.8 million in fiscal year 2012). In the Preliminary Fall 2017 Revenue Forecast, the State forecasts investment revenue of other unrestricted funds to be approximately $17.3 million in fiscal year 2017 and $23.2 million in fiscal year 2018. See "Government Funds" below.

Major Components of State Revenues. Table 2 summarizes the sources of unrestricted and restricted revenues available to the State in fiscal years 2012 through 2016, with a preliminary forecast for fiscal year 2017 and 2018 from the Preliminary Fall 2017 Revenue Forecast.

Table 2

Total State Government Revenue by Major Component
Fiscal Years Ended June 30, 2012 – 2016
PRELIMINARY FORECAST For Fiscal Years Ending June 30, 2017 – 2018
($ millions)

	2012	2013	2014	2015	2016	2017 [2]	2018 [2]
Revenue Source							
Unrestricted							
Oil Revenue	$ 8,857.8	$ 6,352.0	$ 4,755.3	$ 1,687.9	$ 1,109.5	$ 876.4	$ 1,317.8
Non-Oil Revenue	519.6	548.4	508.5	520.7	400.7	457.9	493.2
Investment Earnings	107.8	28.1	130.2	47.9	22.5	17.3	23.2
Subtotal	$ 9,485.2	$ 6,928.5	$ 5,394.0	$ 2,256.5	$ 1,532.7	$ 1,351.6	$ 1,834.2
Restricted							
Oil Revenue [1]	$ 1,062.5	$ 1,036.1	$ 934.4	$ 670.5	$ 517.8	$ 823.8	$ 451.6
Non-Oil Revenue	452.7	485.0	473.5	491.2	647.5	656.3	716.5
Investment Earnings	144.3	4,977.8	7,927.7	2,603.4	556.0	6,832.2	3,427.2
Federal Revenue	2,455.5	2,383.2	2,511.9	2,512.7	2,640.1	2,640.1	3,834.3
Subtotal	4,079.0	8,882.1	11,847.5	6,277.8	4,361.4	10,952.4	8,429.6
Total	$ 13,564.2	$ 15,810.6	$ 17,241.5	$ 8,534.3	$ 5,894.1	$ 12,304.0	$ 10,263.8

[1] "Restricted Oil Revenue" includes oil revenue for NPR-A Rents, Royalties, and Bonuses shared by the federal government. In fiscal year 2016 this equaled approximately $1.8 million.

[2] Values for fiscal year 2017 and 2018 are based on the Preliminary Fall 2017 Revenue Forecast and are subject to change.

Source: 2012 through 2016 Revenue Sources Books, Preliminary Fall 2017 Revenue Forecast, Tax Division.

Government Budgets and Appropriations

The Legislature is responsible for enacting the laws of the State, including laws that impose State taxes, and for appropriating money to operate the government. The State is limited by the State Constitution and statutes and also by policy in how it manages its funds and, as in other states, no funds, regardless of source, may be spent without a valid appropriation from the Legislature. The Legislature has a 90-day statutory time limit, and a constitutional time limit of 120 days with an allowance for up to an additional 10 days, to approve a budget. If the Legislature fails to approve a budget, or if other limited purpose legislation needs to be considered, the Governor or Legislature may call a special session to consider such matters. See "General Appropriations" below.

Budgets. The State's fiscal year begins on July 1 and ends on the following June 30, and the Legislature meets in regular session beginning on the fourth Monday of January in each year. The Governor is required by AS 37.07.020(a) to prepare (1) a statutorily conforming budget for the succeeding fiscal year, including capital, operating and mental health budgets, setting forth all proposed expenditures (including expenditures of federal and other funds not generated by the State) and anticipated income of all departments, offices and agencies of the State; (2) a general appropriation bill to authorize proposed expenditures; and (3) in the case of proposed new or additional revenues, one or more bills containing recommendations for such new or additional revenues. In accordance with AS 37.07.020(b), the Governor also is required to prepare a six-year capital budget covering the succeeding six fiscal years and a 10-year fiscal plan. To assist the Governor in preparing budgets, proposed appropriation bills and fiscal plans, the Tax Division prepares forecasts of annual revenues in December and April of each year. See "State Revenues" above and "General Appropriations," Table 3, "Government Funds" and "Revenue Forecasts" below.

The State Constitution prohibits the withdrawal from the treasury of nearly all funds, regardless of source, without an appropriation. As a consequence, the Governor's proposed budget and the Legislature's appropriation bills include federal and other funds as well as funds from the State and, by practice, funds that may be available for withdrawal without an appropriation. The State has customarily restricted certain revenue sources each fiscal year by practice. Such revenue is nonetheless available for appropriation.

General Appropriations. The Governor is required by State law to submit the three budgets—an operating budget, a mental health budget and a capital budget—by December 15 and to introduce the budgets and appropriation bills formally to the Legislature in January by the fourth day of the regular Legislative session. These three budgets then to go the House Finance Committee and are voted upon by the House of Representatives. The three budgets then go to the Senate Finance Committee, are voted upon by the full Senate and may go to a conference committee to work out differences between the House and Senate versions (and then be submitted to both houses for final votes). Bills passed by both houses are delivered to the Governor for signature. The Governor may veto one or more of the appropriations made by the Legislature in an appropriations bill (a "line-item veto") or may sign the bill or permit the bill to become law without a signature or veto. The Legislature may override a veto by the Governor (by a vote of three-fourths of the members of each house of the Legislature in the case of appropriation bills and by a vote of two-thirds of the members of each house in the case of other bills). Either the Governor or the Legislature may initiate supplemental appropriations during the fiscal year to deal with new or changed revenue receipts, to correct errors or for any other reason. Appropriation is an authorization to spend, not a requirement to spend. Enacted budget appropriations may be expended beginning July 1.

The Governor is permitted to prioritize or restrict expenditures, to redirect funds within an operating appropriation to fund core services and to expend unanticipated federal funds or program receipts. Historically, Alaskan Governors have placed restrictions on authorized operating and capital expenditures during years in which actual revenues were less than forecast and budgeted. Such expenditure restrictions have included deferring capital expenditures, State employment hiring and compensation freezes, lay-offs and furloughs and restrictions on non-core operating expenses. As described below, unrestricted General Fund revenues began declining after the end of fiscal year 2012. See Tables 3 and 4 below. Operating and capital expenditures have generally declined over the same time-period through, among other actions, use of administrative restrictions on spending. See "Public Debt and Other Obligations of the State" below.

Additional options for the State to manage budget funding include reducing State expenditures, transferring spending authority among line items, providing additional incentives to develop petroleum or mining resources, reinstituting a State personal income tax or imposing other broad-based statewide taxes, such as a sales tax. Most of these options, including the imposition of personal income taxes or other taxes, would require action by the Legislature.

On September 22, 2017, the Governor announced a fourth special session with a thirty-day session limit convening October 23, 2017. The Governor is proposing a payroll tax of 1.5% on the first $150,000 of wages earned in Alaska, with preliminary estimates of revenue generation in the approximate range of $300 million to $325 million. It is estimated that fifteen percent of the revenue generation would be paid by non-residents workers in the State of Alaska. There's a proposed maximum tax obligation associated with this payroll tax of $2,200. The State of Alaska currently has the lowest broad-based tax in the nation. The special session will also include discussions regarding public safety (addressing certain items related to Class C felonies).

Appropriations for Debt and Appropriations for Subject-to-Appropriation Obligations. The Governor's proposed appropriations bills include separate subsections for appropriations for State debt and other subject-to-appropriation obligations and specify the sources of funds to pay such obligations. For the State's outstanding, voter-approved general obligation bonds and bond anticipation notes and for revenue anticipation notes to which the State's full faith and credit are pledged, money is appropriated from the General Fund and if necessary, to the General Fund from other funds, including the Permanent Fund, to the State Bond Committee to make all required payments of principal, interest and redemption premium. For these full faith and credit obligations, the State legally is required to raise taxes if State revenues are not sufficient to make the required payments.

The Governor's proposed appropriation bills also include separate subsections for appropriations for subject-to-appropriation obligations, such as outstanding capital leases and lease-purchase financings authorized by law, as well as the School Debt Reimbursement Program and Transportation and Infrastructure Debt Service Reimbursement Authorization for reimbursement to local governments for debt payments on certain general obligation bonds issued by local governments for school construction and certain other limited projects, and for State "moral obligation" debt, appropriations to replenish debt service reserves in the event of a deficiency. Such appropriations are made from the General Fund or from appropriations transferring to the General Fund money available in other funds such as the CBRF, the Power Cost Equalization Fund, unencumbered funds of the State's public corporations and the Permanent Fund earnings reserve.

Appropriation Limits. The State Constitution does not limit expenditures but does provide for an appropriation limit and reserves one-third of the amount within the limit for capital projects and loan appropriations. Because State appropriations have never approached the limit, the reservation for capital projects and loan appropriations has not been a constraint. The appropriation limit does not include appropriations for Permanent Fund dividends described below, appropriations of revenue bond proceeds, appropriations to pay general obligation bonds or appropriations of funds received in trust from a non-State source for a specific purpose, including revenues of a public enterprise or public corporation of the State that issues revenue bonds. In general, under the State Constitution, appropriations that do not qualify for an exception may not exceed $2.5 billion by more than the cumulative change, derived from federal indices, in population and inflation since July 1, 1981. For fiscal year 2016, the appropriations limit was approximately $10.07 billion and is estimated to be $10.16 billion for fiscal year 2017.

As shown in Table 3, State Unrestricted General Fund Revenue has decreased from $2.26 billion in fiscal year 2015 to $1.53 billion in fiscal year 2016, and is projected to decrease to $1.35 billion in fiscal year 2017 and projected to increase to $1.83 billion in fiscal year 2018 per the Preliminary Fall 2017 Revenue Forecast. In response to the diminished State revenue forecasts, for fiscal year 2016 Governor Walker proposed reducing the Unrestricted General Fund Revenues to be spent in the State operating budget by 9 percent and reducing the Unrestricted General Fund Revenues to be spent in the capital budget by more than 80 percent. The Legislature increased the operating budget reduction by more than 12 percent.

Table 3

State of Alaska
Total Unrestricted General Fund Revenue, ANS West Coast Oil Price, and ANS Oil Production
Fiscal Years Ended June 30, 2007 – 2016
PRELIMINARY FORECAST FOR Fiscal Years Ending June 30, 2017 – 2025

Fiscal Year	**Total Unrestricted General Fund Revenue** ($ mil)	**Oil Price** ($/barrel)	**ANS Oil Production** (thousands of barrels per day)
2007	$ 5,159	$61.60	734.2
2008	10,749	96.51	715.4
2009	5,831	68.34	692.8
2010	5,515	74.90	642.6
2011	7,673	94.49	599.9
2012	9,485	112.65	579.3
2013	6,929	107.57	531.6
2014	5,394	107.57	531.1
2015	2,257	72.58	501.5
2016	1,533	43.18	514.9
Projected [(1)]			
2017	1,352	49.43	526.5
2018	1,834	54.00	533.3
2019	2,019	56.00	528.8
2020	2,070	58.00	526.7
2021	2,165	61.00	518.7
2022	2,215	64.00	502.9
2023	2,231	65.00	492.9
2024	2,252	66.00	491.3
2025	2,400	69.00	493.7

(1) The values for fiscal years 2017 through 2025 use projections included in the Preliminary Fall 2017 Revenue Forecast.
Source: 2007 through 2016 Revenue Sources Books, Preliminary Fall 2017 Revenue Forecast, Tax Division.

In addition, Governor Walker issued an Administrative Order to limit or stop State spending on State "Mega Projects" including the Juneau Access road, a proposed bridge from Anchorage to the Matanuska-Susitna Borough across Knik Arm (the "Knik Arm Crossing"), the Susitna Hydroelectric project, a small diameter in-State gas pipeline project, and a proposed State road to the Ambler Mining District. The Governor subsequently discontinued State spending on the Knik Arm Crossing, Susitna Hydroelectric projects, and Juneau Access road.

The State has historically provided fiscal stability by forward funding or endowing programs, including the method used by the State to fund K-12 education. The State's constitutionally based obligation for K-12 education has been one of the largest single recurring budget line items in the State's budget. From fiscal year 2008 through fiscal year 2015, more than $1 billion of the State's current year revenue was set aside annually in the Public Education Fund to pre-fund the State's projected contribution to K-12 education for the succeeding fiscal year. See "Public Debt and Other Obligations of the State – State-Supported Debt – State-Supported Municipal Debt Eligible for State Reimbursement" below.

The Governor's enacted fiscal year 2018 budget includes an approximate $161.6 million decrease in Unrestricted General Fund State operating and capital budget expenditures. The capital budget in the enacted fiscal year 2018 budget is comparable to the capital budget in fiscal year 2017. The Unrestricted General Fund deficit was

approximately $3.7 billion in fiscal year 2016, which was managed by using transfers from a combination of available State reserve funds. The preliminary estimate for Unrestricted General Fund deficit for fiscal year 2017 is $3.2 billion, managed by a draw on reserves. If proposed amendments to the fiscal year 2017 budget had not been vetoed (or if the Governor's vetoes had been overridden), the draw on the State's reserves would have been close to $3.5 billion.

Government Funds

Because the State is dependent upon taxes, royalties, fees and other revenues that can be volatile, the State has developed a framework of constitutionally and statutorily restricted revenue that is held in a variety of reserve funds to provide long-term and short-term options to address cash flow mismatches and budgetary deficits. The State Constitution provides that with three exceptions, the proceeds of State taxes or licenses "shall not be dedicated to any special purpose." The three exceptions are when required by the federal government for State participation in federal programs, any dedication existing before statehood, and when provided by the State Constitution, such as restricted for savings in the Permanent Fund or the CBRF.

Current State funding options available on a statutory basis include unrestricted revenue of the General Fund, use of the earnings or the principal balance of the SBRF, borrowing restricted earnings revenue or principal balance from the CBRF, use of the statutorily restricted oil revenue currently flowing to the Permanent Fund, and use of the unrestricted earnings revenue of the Permanent Fund. To balance revenues and expenditures in a time of financial stress, each of these funds can be drawn upon, following various protocols. The CBRF may be accessed with a majority vote of the Legislature following a year-over-year total decline in total revenue available for appropriation, or in any year by a three-quarters vote of both houses of the Legislature. A simple majority vote is needed to appropriate from the SBRF and from the Permanent Fund earnings reserve.

The General Fund. Unrestricted State revenue is annually deposited in the General Fund, which serves as the State's primary operating fund and accounts for most of the State's unrestricted financial resources. The State has, however, created more than approximately 55 subfunds and "cash pools" within the General Fund to account for funds allocated to particular purposes or reserves, including the CBRF, the SBRF, an Alaska Capital Income Fund, and a debt retirement fund. In terms of long-term and short-term financial flexibility, the CBRF and the SBRF (subfunds within the General Fund) have been of particular importance to the State.

The Constitutional Budget Reserve Fund. The State Constitution requires that oil and gas and mineral dispute-related revenue be deposited in the CBRF. The State Constitution provides that other than money required to be deposited in the Permanent Fund and the Public School Trust Fund, all money received by the State after July 1, 1990 as a result of the termination, through settlement or otherwise, of an administrative proceeding or of litigation involving mineral lease bonuses, rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments or bonuses or involving taxes imposed on mineral income, production or property, are required to be deposited in the CBRF. Money in the CBRF may be appropriated (i) for any public purpose, upon the affirmative vote of three-fourths of the members of each house of the Legislature; or (ii) if the amount available to the State for appropriation for a fiscal year is less than the amount appropriated for the previous fiscal year; however, the amount appropriated may not exceed the amount necessary, when added to other funds available for appropriation, to provide for total appropriations equal to the amount of appropriations made in the previous calendar year for the previous fiscal year. The State Constitution also provides that until the amount appropriated from the CBRF is repaid, excess money in the General Fund at the end of each fiscal year must be deposited in the CBRF.

The fiscal year 2015 capital budget approved by the Legislature included a $3 billion transfer from the CBRF to the Public Employees Retirement System ("PERS") and Teachers Retirement System ("TRS"). PERS received $1 billion and TRS received $2 billion.

The State historically has borrowed from the CBRF as part of its cash management plan to address timing mismatches between revenues and disbursements within a fiscal year and also to balance the budget when necessary at the end of the fiscal year. Prior to draws in fiscal years 2015, 2016, and 2017, the Legislature last appropriated funds from the CBRF in fiscal year 2005. As of June 30, 2009, the balance owed by the General Fund to the CBRF for draws prior to 2005 was completely repaid.

The asset balance in the CBRF as of June 30, 2017, was approximately $3.9 billion, including earnings of $94.2 million. General Fund asset balances listed as of June 30 may include borrowings from the CBRF for future fiscal year operating requirements. All CBRF values for fiscal year 2017 stated are asset values. The accrual based fund balance shall appear in the State of Alaska's fiscal year 2017 CAFR, once released. The State anticipates that the fiscal year 2017 CAFR may be released in December 2017. As of June 30, 2015, the asset balance was approximately $10.1 billion, with earnings of approximately $197.7 million; as of June 30, 2014, the asset balance was approximately $12.8 billion, with earnings of approximately $1.0 billion; and as of June 30, 2013, the asset balance was approximately $11.6 billion, with earnings of approximately $618.1 million.

The Statutory Budget Reserve Fund. The SBRF has existed in the State's accounting structure since 1986. When funded, the SBRF is available for use for legal purposes with a simple majority vote of the Legislature and with approval by the Governor. If the unrestricted amount available for appropriation in the fiscal year is insufficient to cover General Fund appropriations, the amount necessary to balance revenue and General Fund appropriations or to prevent a cash deficiency in the General Fund was appropriated from the SBRF to the General Fund. For fiscal year 2015, this resulted in a year-end transfer from the SBRF to the General Fund of approximately $2.5 billion. As of June 30, 2015, the SBRF held approximately $288 million. Article IX, Section 17(d), of the Alaska Constitution, which provides that the amount of money in the general fund available for appropriation at the end of each succeeding fiscal year shall be deposited in the budget reserve fund until the amount appropriated is repaid. For fiscal year 2016, this resulted in a year-end sweep from the SBRF to the General Fund for transfer to the CBRF in the amount of $288 million. The official fund balance of the SBRF as of June 30, 2016 was zero. Any earnings on the SBRF are considered unrestricted investment revenue and flow to the General Fund.

The Alaska Permanent Fund. The Permanent Fund was established by a voter-approved constitutional amendment that took effect February 21, 1977. The amendment provides that "at least twenty-five percent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments and bonuses received by the State shall be placed in a permanent fund, the principal of which shall be used only for those income-producing investments specifically designated by law as eligible for permanent fund investments" and that "all income from the permanent fund shall be deposited in the General Fund unless otherwise provided by law."

In 1980, legislation was enacted that provided for the management of the Alaska Permanent Fund by the Alaska Permanent Fund Corporation, a public corporation within the DOR, managed by a board of trustees. The same legislation modified the contribution rate to the Permanent Fund from 25 percent (the minimum constitutionally mandated contribution) to 50 percent of all mineral lease rentals, royalties, royalty sale proceeds, net profit shares, federal mineral revenue sharing payments and bonuses received by the State from mineral leases issued after December 1, 1979 or, in the case of bonuses, after May 1, 1980. The statutory contribution rate was changed back to 25 percent by legislation as of July 1, 2003 but then returned to 50 percent as of October 1, 2008. For fiscal year 2017, State oil and mineral revenues deposited in the Permanent Fund were $365 million, compared to $284 million in fiscal year 2016 and $600 million in fiscal year 2015. In addition to these constitutionally and statutorily mandated transfers to the Permanent Fund prior to fiscal year 2006, the Legislature has made special appropriations from the State's General Fund to the Permanent Fund several times, totaling in the aggregate approximately $2.7 billion as of June 30, 2017.

The Permanent Fund tracks earnings on a basis compliant with statements pronounced by the Governmental Accounting Standards Board ("GASB") in the compilation of the financial statements of the Permanent Fund. Fund balance consists of two parts: (1) principal, which is non-spendable, and (2) earnings reserve, which is spendable with an appropriation by the Legislature. By statute, only realized gains are deposited in the earnings reserve. Unrealized gains and losses associated with principal remain allocated to principal. Because realized gains deposited in the earnings reserve are invested alongside the principal, however, the unrealized gains and losses associated with the earnings reserve are spendable with an appropriation of the Legislature.

Pursuant to legislation enacted in 1982, annual appropriations are made from the earnings reserve of the Permanent Fund, first for dividends to qualified Alaska residents and then for inflation-proofing. Between 1982 and 2017, $23.7 billion of dividends were paid to Alaska residents and $16.2 billion of Permanent Fund income has been added to principal for inflation proofing purposes; for fiscal year 2015, the inflation proofing transfer was $624 million, up from the fiscal year 2014 amount of $546 million. For fiscal year 2016 and 2017, there was no appropriation and therefore no transfer from the earnings reserve to principal for inflation-proofing. The dividend

paid in fiscal year 2017 was $1,100 per person. In addition to the statutorily directed inflation proofing transfers, the Legislature has made special appropriations from the earnings reserve account of the Permanent Fund to the principal balance of the Permanent Fund, totaling approximately $4.2 billion as of June 30, 2017.

If any income remains after these transfers (except the portion transferred to the Alaska Capital Income Fund as described below), it remains in the Permanent Fund earnings reserve as undistributed income. The Legislature may appropriate funds from the earnings reserve at any time for any other lawful purpose. The principal portion of the Permanent Fund, approximately $47.0 billion as of June 30, 2017, up from approximately $44.2 billion as of June 30, 2016, may not be spent without amending the State Constitution. The earnings reserve portion of the Permanent Fund, approximately $12.8 billion as of June 30, 2017, up from approximately $8.6 billion as of June 30, 2016, may be spent with a simple majority vote of the Legislature. The Permanent Fund balance as of June 30, 2017 was approximately $59.8 billion.

During fiscal years 1990 through 1999, the Permanent Fund received dedicated State revenues from settlements of a number of North Slope royalty cases (known collectively as State v. Amerada Hess, et al.). The total of the settlements and retained income thereon, as of June 30, 2016, was approximately $424 million. Earnings on the settlements are excluded from the dividend calculation in accordance with State law and beginning in 2005, the settlement earnings have been appropriated to the Alaska Capital Income Fund, a subfund within the General Fund. Funds in the Alaska Capital Income Fund and interest thereon, approximately $25.1 million as of June 30, 2017, up from approximately $18.1 million as of June 30, 2016, are unrestricted and have been appropriated for capital expenditures.

Table 4

State of Alaska
Available Funds and Recurring and Discretionary General Fund Expenditures
Fiscal Years Ended June 30, 2007 – 2016

Fiscal Year	General Purpose Unrestricted Revenue ($ mil)	Recurring & Discretionary General Fund Expenditures ($ mil)	Unrestricted Revenue Surplus/ (Deficit) ($ mil)	Ending SBRF Reserves Available Balance ($ mil)	Ending CBRF Reserves Available Balance ($ mil) [1]	Permanent Fund Earnings Reserve Balance ($ mil)	Oil Price ($/barrel)	ANS Oil Production (thousands of barrels per day)
2007	$ 5,159	$ 4,272	$ 886	$ –	$ 2,549	$4,132	$ 61.60	734.2
2008	10,749	5,473	5,256	1,000	5,601	4,969	96.51	715.4
2009	5,831	6,000	(169)	1,000	7,114	4,401	68.34	692.8
2010	5,515	4,995	520	1,000	8,664	1,210	74.90	642.6
2011	7,673	6,355	1,318	1,248	10,330	2,308	94.49	599.9
2012	9,485	7,252	2,233	2,683	10,642	2,081	112.65	579.3
2013	6,929	7,455	(526)	4,711 [2]	11,564	4,054	107.57	531.6
2014	5,394	7,314	(1,920)	2,791 [2]	12,780	6,211	107.57	531.1
2015	2,257	4,760	(2,503) [3]	288 [2]	10,101	7,162	72.58	501.5
2016	1,533	5,213	(3,680) [3]	0 [2]	7,331	8,570	43.18	514.9

[1] The CBRF available balance represents the historical asset values.

[2] Includes net transfer from the SBRF to the General Fund reconciled at the releases of CAFRs for fiscal years 2013 through 2016.

[3] The SBRF was used to balance the fiscal year 2015 deficit, with $288 million remaining as of June 30, 2015. Article IX, Section 17(d), of the Alaska Constitution, which provides that the amount of money in the general fund available for appropriation at the end of each succeeding fiscal year shall be deposited in the budget reserve fund until the amount appropriated is repaid. For fiscal year 2016, this resulted in a year-end sweep from the SBRF to the General Fund for transfer to the CBRF in the amount of $288 million. The official fund balance of the SBRF as of June 30, 2016 was zero.

Source: State of Alaska Department of Revenue.

Revenue Forecasts

The State regularly prepares revenue forecasts for planning and budgetary purposes. Of necessity, such forecasts include assumptions about events that are not within the State's control. The forecast oil production volumes include only production expected from projects currently under development or evaluation. The forecast does not include any revenues that could be received if a natural gas pipeline is constructed. In making its forecasts, the State makes assumptions about, among other things, the demand for oil and national and international economic factors and assumes that the Legislature will not amend current laws to change materially the sources and uses of State revenue and that no major calamities such as earthquakes or catastrophic damage to TAPS will occur. Portions of TAPS are located in areas that have experienced and may in the future again experience major earthquakes. Actual revenues and expenditures will vary, perhaps materially, from year to year, particularly if any one or more of the assumptions upon which the State's forecasts are based proves to be incorrect or if other unexpected events occur. The State's most recent forecast is set forth in the Preliminary Fall 2017 Revenue Forecast. The State will next update its forecast in the comprehensive Fall 2017 Revenue Sources Book, anticipated to be released in December 2017. The State has provided certain preliminary estimates for fiscal year 2017 and future projections in their Preliminary Fall 2017 Revenue Forecast, released October 25, 2017. See "Government Funds" above for a description of some of the actions the State can take when revenues prove to be lower than expected.

As noted, the State has customarily restricted certain revenue sources each fiscal year by practice. Such revenue is nonetheless available for appropriation. Table 5 provides a summary of the State's most recent forecast for revenues subject to appropriation in fiscal years 2017 through 2022.

Table 5

State of Alaska Revenues Subject to Appropriation
Forecast Summary for Fiscal Years 2017 through 2022 [1]
(millions)

	2017	2018	2019	2020	2021	2022
Petroleum Revenue						
Unrestricted General Fund[3]	$ 876.4	$ 1,317.8	$ 1,405.6	$ 1,444.1	$ 1,522.0	$ 1,570.1
Royalties to Alaska Permanent Fund beyond 25% dedication [2]	79.1	58.3	62.1	76.7	84.9	86.1
Tax and Royalty Settlements to CBRF	481.9	100.0	100.0	100.0	100.0	100.0
Subtotal Petroleum Revenue	**$ 1,437.4**	**$ 1,476.1**	**$ 1,567.7**	**$ 1,620.8**	**$ 1,706.9**	**$ 1,756.2**
Non-Petroleum Revenue						
Unrestricted General Fund	$ 457.9	$ 493.2	$ 565.5	$ 571.3	$ 582.8	$ 578.3
Designated General Fund	395.1	412.9	363.0	367.0	369.7	371.5
Royalties to Alaska Permanent Fund beyond 25% dedication [2]	2.5	2.6	3.1	3.1	3.1	3.1
Tax and Royalty Settlements to CBRF	-1.0	1.4	1.4	1.4	1.4	1.4
Subtotal Non-Petroleum Revenue	**$ 854.5**	**$ 910.1**	**$ 933.0**	**$ 942.8**	**$ 957.0**	**$ 954.3**
Investment Revenue						
Unrestricted General Fund	$ 17.3	$ 23.2	$ 48.0	$ 54.3	$ 60.5	$ 66.8
Designated General Fund	59.4	44.5	36.7	37.3	37.9	38.4
Constitutional Budget Reserve Fund	94.2	63.3	11.3	–	–	–
Alaska Permanent Fund – Realized Earnings	3,239.0	4,425.0	3,983.0	4,147.0	4,314.0	4,480.0
Subtotal Investment Revenue	**$ 3,409.9**	**$ 4,556.0**	**$ 4,079.0**	**$ 4,238.6**	**$ 4,412.4**	**$ 4,585.2**
Total Revenue Subject to Appropriation	**$ 5,701.8**	**$ 6,942.2**	**$ 6,579.7**	**$ 6,802.2**	**$ 7,076.3**	**$ 7,295.7**

(1) This figure presents only the largest known categories of current year funds subject to appropriation. A comprehensive review of all accounts in the state accounting system would likely reveal additional revenues subject to appropriation beyond those identified here.

(2) Estimated based on deposit in Permanent Fund minus 25 percent of total royalties.

(3) Unrestricted General Fund Petroleum and Non-Petroleum revenue for fiscal year 2017 is based on preliminary estimates found in the Preliminary Fall 2017 Revenue Forecast, released October 25, 2017.

Source: Preliminary Fall 2017 Revenue Forecast, Tax Division

Public Debt and Other Obligations of the State

State debt includes general obligation bonds and revenue anticipation notes, and State-supported debt includes lease-purchase financings and revenue bonds. The State also provides guarantees and other support for certain debt and operates a School Debt Reimbursement Program and Transportation and Infrastructure Debt Service Reimbursement Authorization. Other than the Veterans' Mortgage Program, these programs do not constitute indebtedness of the State but do provide, annually on a subject-to-appropriation basis, financial support for general obligation bonds of local governments, and obligations of State agencies.

Outstanding State Debt. State debt includes general obligation bonds and revenue anticipation notes. The State Constitution provides that general obligation bonds must be authorized by law and be ratified by the voters and permits authorization of general obligation bonds only for capital improvements. The amount and timing of a bond sale must be approved by the State Bond Committee. For both general obligation bonds and revenue anticipation notes, the full faith, credit and resources of the State are pledged to the payment of principal and interest. If future State revenues are insufficient to make the required principal and interest payments, the State is legally required to raise taxes to provide sufficient funds for this purpose. Approximately $823.2 million of general obligation bonds were outstanding as of June 30, 2016. See "Summary of Outstanding Debt" and Tables 6 and 7 below.

On November 6, 2012, voters approved $453,499,200 in general obligation bonds for the purpose of design and construction of State transportation projects. To date, the State has obtained $343,150,958 in funding to satisfy the $453,499,200 authorization, leaving $110,348,242 of unissued authority. The State does not anticipate utilizing the remaining authority until after fiscal year 2018.

The following other debt and debt programs of the State were outstanding as of June 30, 2016, except as otherwise noted. The State anticipates releasing the 2017 – 2018 Alaska Public Debt Book in January 2018, which will include updated information as of June 30, 2017.

State Guaranteed Debt. The only purpose for which State guaranteed debt may be issued is for payment of principal and interest on revenue bonds issued for the Veterans Mortgage Program by the Alaska Housing Finance Corporation ("AHFC") for the purpose of purchasing mortgage loans made for residences of qualifying veterans. These bonds are general obligation bonds of the State, and they must be authorized by law, ratified by the voters and approved by the State Bond Committee. These bonds are known as "double-barrel bonds" because there are two distinct forms of security behind the bonds. The principal source of payment is the revenue stream generated by payments on the mortgage loans made from bond proceeds. Additional security to bondholders is provided by the general obligation pledge of the State to make the required debt service payments in the event that pledged revenues from mortgage repayments are insufficient. On November 7, 2010, the voters approved an additional $600 million of State guaranteed veterans' mortgage bonds, and the total current unissued authorization is $694.6 million. As of June 30, 2016, approximately $11.6 million of State guaranteed debt was outstanding. In July 2016, the AHFC issued $50 million aggregate principal amount of State-guaranteed bonds to purchase additional mortgage loans and to refund a portion of the guaranteed bonds that remained outstanding.

State-Supported Debt. State-supported debt is debt for which the ultimate source of payment is, or may include, appropriations from the General Fund. The State does not pledge its full faith and credit to State-supported debt, but another public issuer may have pledged its full faith and credit to it. State-supported debt is not considered "debt" under the State Constitution, because the State's payments on this debt are subject to annual appropriation by the Legislature. Voter approval of such debt is not required. State-supported debt includes lease-purchase financing obligations (structured as certificates of participation ("COPs")) and capital leases the State has entered into with respect to the Atwood Office (with AHFC), the Linny Pacillo Parking Garage (with AHFC), and the Goose Creek Correctional Center (with the Matanuska-Susitna Borough). Approximately $255.6 million of State-supported debt was outstanding as of June 30, 2016.

State-Supported Unfunded Actuarially Assumed Liability (UAAL). In 2008, Senate Bill 125 became law, requiring that the State fund any actuarially determined employer contribution rate above 22 percent for the Public Employees' Retirement System ("PERS") or 12.56 percent for the Teachers' Retirement System ("TRS") out of the State's General Fund, to the extent the actuarially determined employer contribution rate exceeds payment of (i) the employer normal cost and (ii) required employer contributions for retiree major medical insurance, health reimbursement arrangement plans and occupational death and disability benefits. This change was designed to address stress municipal employers were experiencing due to high actuarially determined percentage of payroll amounts to pay for actuarially assumed unfunded liabilities of the retirement systems. In 2015, General Accounting Standards Board Statement 68 (GASB 68) was enacted, updating reporting and disclosure requirements related to pension-related liabilities. One of the key changes was requiring a government that is committed to making payments on a pension system's unfunded actuarially assumed liability ("UAAL") on behalf of another entity to record the liability as a debt of the government making the payment. As a result of GASB 68, $5.8 billion of long-term debt was reflected in the State's CAFR for fiscal year 2015 for a total of $6.0 billion of UAAL owed by the State.

This debt will be paid over the next 23 years with annual payments determined based on a variety of actuarial assumptions, and the evolving experience at it occurs. The assumption with perhaps the greatest impact on future payments is the assumed rate of return on invested assets. While the actuarial assumption is that the PERS and TRS invested assets will earn 8 percent per year over the next 23 years, if the earnings rate is 7 percent, total State payments increase by $8.4 billion. Lower earnings rates may result in similar increases in required State payments.

As long as the Senate Bill 125 statutory framework is in place, the State is statutorily obligated to obtain amounts required to meet all actuarially determined employer contribution rate for PERS employers above 22 percent and TRS employers above 12.56 percent (subject to the exceptions described above). This payment is subject to

annual appropriation. The State GASB determined long-term debt for PERS and TRS UAAL as of June 30, 2016, was $6.0 billion.

State-Supported Municipal Debt Eligible for State Reimbursement. The State administers two programs that reimburse municipalities for municipal debt: the School Debt Reimbursement Program ("SDRP") and the Transportation and Infrastructure Debt Service Reimbursement Program ("TIDSRP"). These programs provide for State reimbursement of annual debt service on general obligation pledges of municipalities for the SDRP and a combination of general obligation and revenue pledges of authorized participants in the TIDSRP. The State may choose not to fund these programs in part or whole. Most recently in fiscal year 2017, the SDRP was funded at 75% of the authorized amount.

The Department of Education and Early Development ("DEED") administers the SDRP, which was created by law in 1970. The SDRP allows municipalities to apply, and if structured correctly be eligible for reimbursement on up to 100 percent of the debt service on general obligation bonds issued for school construction. All underlying municipal bonds are required to be authorized as general obligation bonds of the municipality, providing the ultimate source of payment commitment. The SDRP has been partially funded in a number of years. Access to the SDRP was restricted during the 1990s due to State budgetary pressure. Beginning in the early 2000s, and through 2014, the program was generally available for any qualified municipal project. In 2015, the Legislature passed a moratorium on State school debt reimbursement and eliminated DEED's authority to issue agreements to reimburse debt from school bonds that voters approved after January 1, 2015, and before July 1, 2020. In addition, in June 2016, the Governor signed the fiscal year 2017 budgets transmitted by the Legislature and exercised his line-item veto authority to reduce the fiscal year 2017 appropriations by approximately $1.29 billion, including a 25 percent reduction in the SDRP. As of June 30, 2016, State-supported SDRP debt was $901.0 million.

The Department of Transportation and Public Facilities and the Alaska Energy Authority administer TIDSRP. The program is comprised of 10 participants including the University of Alaska revenue bonds, seven municipalities' general obligation bonds and two electric associations' revenue bonds. There are no additional authorized participants in TIDSRP and no efforts have been made to add to the program since creation in 2002. As of June 30, 2016, State-supported TIDSRP debt was $32.8 million.

State-Supported Toll Revenue Bonds. House Bill 23 was approved in the 2014 Legislative Session authorizing the funding of the proposed Knik Arm Crossing with a combination of (i) up to $300 million of State-supported toll revenue bonds subordinated to a Transportation Infrastructure Finance and Innovation Act ("TIFIA") loan, (ii) a maximized loan under TIFIA of not less than $300 million and estimated to be approximately $350 million and (iii) up to $300 million of appropriations of additional Federal Highway Administration funds to the project. The State expected to pay debt service on the State toll revenue bonds using a combination of annual State appropriations and toll collections that exceeded the TIFIA loan payment. The Governor discontinued all spending on the Knik Arm Crossing in July 2016.

State Moral Obligation Debt. State moral obligation debt consists of bonds issued by certain State agencies or authorities that are secured, in part, by a debt service reserve fund benefited by a discretionary replenishment provision that permits, but does not legally obligate, the Legislature to appropriate to the particular State agency or authority the amount necessary to replenish the debt service reserve fund up to its funding requirement (generally the maximum amount of debt service required in any year). State moral obligation debt is payable in the first instance by revenues generated from loan repayments or by the respective projects financed from bond proceeds. Among those State agencies that have the ability to issue State moral obligation debt are: Alaska Aerospace Development Corporation ("AADC"), which has not issued any debt; Alaska Energy Authority ("AEA"); AHFC; AIDEA; the Alaska Municipal Bond Bank; and Alaska Student Loan Corporation ("ASLC"). Approximately $1,265.5 million of State moral obligation debt was outstanding as of June 30, 2016.

State and University Revenue Debt. This type of debt is issued by the State or by the University of Alaska but is secured only by revenues derived from projects financed from bond proceeds. Revenue debt is not a general obligation of the State or of the University and does not require voter approval. Such debt is authorized by law and issued by the State Bond Committee or the University of Alaska for projects approved by the Commissioner of Transportation and Public Facilities or the University of Alaska. This type of debt includes Sportfish Revenue Bonds, International Airports Revenue Bonds, various University Revenue Bonds and Notes, Clean Water and Drinking

Water Fund Bonds, and Toll Facilities Revenue Bonds. As of June 30, 2016, there was $767.6 million of State and University Revenue Debt outstanding, consisting of $287.8 million of University of Alaska Revenue Bonds, Notes and Contracts, $27.9 million of Sportfish Revenue Bonds and $451.9 million of Airport Revenue Bonds.

State Agency Debt. State agency debt is secured by revenues generated from the use of bond proceeds or the assets of the agency issuing the bonds. This debt is not a general obligation of the State nor does the State provide security for the debt in any other manner, i.e., by appropriations, guarantees, or moral obligation pledges. As of June 30, 2016, there was $568.4 million aggregate principal amount of State agency debt outstanding, consisting of $71.6 million of AHFC obligations, $10.3 million of Bond Bank Coastal Energy Bonds payable to the National Oceanic and Atmospheric Administration, $147.9 million of Alaska Railroad Notes, and $338.6 million of obligations of the Northern Tobacco Securitization Corporation.

State Agency Collateralized or Insured Debt. As security for State agency collateralized or insured debt, the particular State agency pledges mortgage loans or other securities as primary security which, in turn, may be 100 percent insured or guaranteed by another party with a superior credit standing. This upgrades the credit rating on the debt and lowers the interest cost and makes it less likely that the State will assume responsibility for the debt. As of June 30, 2016, the total principal amount outstanding of State agency collateralized or insured debt was approximately $2,129.9 million, consisting of approximately $2,009.9 million issued by AHFC and $120.0 million issued by AIDEA.

Potential State-Supported Pension Obligation Bonds. Through the Alaska Pension Obligation Bond Corporation (the "Corporation"), a public corporation created in 2008 within the DOR, the State is authorized to issue up to $5.0 billion of bonds and/or enter into contracts with governmental employers to finance the payment by governmental employers of their shares of the unfunded accrued actuarial liabilities of the State retirement systems. The State is required by Senate Bill 125 enacted in 2008 to make supplemental contributions to the State retirement system defined benefit plans to reduce the plans' unfunded actuarial liabilities. On September 26, 2016, the Board of Directors of the Corporation authorized the Corporation to issue up to $3.5 billion of pension obligation bonds to finance for the State a portion of its statutorily required contributions to PERS and TRS. The Corporation has not issued bonds. If the Corporation were to issue pension obligation bonds, such bonds would be payable from payments to be made by the State, acting by and through the Department of Administration, which would be subject to annual appropriation by the Legislature.

Summary of Outstanding Debt. Table 6 lists, by type, the outstanding State-related debt as of June 30, 2016.

Table 6

State of Alaska Debt and State-Related Debt by Type as of June 30, 2016
($ millions)

	Principal Outstanding	Interest to Maturity	Total Debt Service to Maturity
State Debt			
State of Alaska General Obligation Bonds	$ 823.2	$ 386.8	$ 1,210.0
State Guaranteed Debt			
Alaska Housing Finance Corporation State Guaranteed Bonds (Veterans' Mortgage Program)	11.6	8.0	19.6
State-Supported Debt			
Certificates of Participation	27.5	10.1	37.6
Lease Revenue Bonds with State Credit Pledge and Payment	228.2	104.1	332.2
Total State-Supported Debt	255.6	114.2	369.8
State-Supported Municipal Debt			
State Reimbursement of Municipal School Debt Service	901.0	298.6	1,199.6
State Reimbursement of capital projects	32.8	13.1	45.9
Total State-Supported Municipal Debt	933.8	311.7	1,245.5
State-Supported Unfunded Pension Liability			
Unfunded Actuarially Assumed Liability	5,990.0	5,240.8	11,230.8
State Moral Obligation Debt			
Alaska Municipal Bond Bank:			
2005, 2010 and 2016 General Resolution General Obligation Bonds	1,090.4	541.7	1,632.1
Alaska Energy Authority:			
Power Revenue Bonds #1 through #6	62.6	10.4	73.0
Alaska Student Loan Corporation:			
Student Loan Revenue Bonds	26.9	0.3	27.2
Education Loan Backed Notes	85.6	2.1	87.7
Total State Moral Obligation Debt	1,265.5	554.5	1,820.0
State Revenue Debt			
Sportfish Revenue Bonds	27.9	8.0	35.9
International Airports Revenue Bonds	451.9	189.0	640.9
University of Alaska Debt			
University of Alaska Revenue Bonds	270.3	156.5	426.8
University Lease Liability and Notes Payable	16.2	4.2	20.4
Installment Contracts	1.3	0.1	1.4
Total University of Alaska Debt	287.8	160.8	448.6
Total State Revenue and University Debt	767.6	349.8	1,117.4
State Agency Debt			
Alaska Housing Finance Corporation:			
Commercial Paper	71.6	N/A	71.6
Alaska Municipal Bond Bank Coastal Energy Loan Bonds	10.3	2.5	12.8
Alaska Railroad	147.9	26.5	174.4
Northern Tobacco Securitization Corporation			
2006 Tobacco Settlement Asset-Backed Bonds [1]	338.6	435.5	774.1
Total State Agency Debt	568.4	464.5	1,032.9
State Agency Collateralized or Insured Debt			
Alaska Housing Finance Corporation:			
Collateralized Home Mortgage Revenue Bonds & Mortgage Revenue Bonds:			
2002 Through 2011 (First Time Homebuyer Program)	799.4	423.7	1,223.1
General Mortgage Revenue Bonds II – 2012	121.6	59.7	181.3
Government Purpose Bonds 1997 & 2001	122.8	30.7	153.5
State Capital Project Bonds, 2002-2011 [2]	147.6	44.8	192.4
State Capital Project Bonds, II 2012-2015	818.5	303.3	1,121.8
Alaska Industrial Development and Export Authority:			
Revolving Fund Bonds	55.6	18.5	74.1
Power Revenue Bonds, First Series (Snettisham Hydro Project)	64.4	33.8	98.2
Total State Agency Collateralized or Insured Debt	2,129.9	914.5	3,044.4
Total State and State Agency Debt	6,622.0		
Total State and State Agency Debt	**$12,745.7**		

[1] "Interest to Maturity" and "Total Debt Service to Maturity" includes accreted interest due at maturity of $125.2 million.
[2] Does not include defeased bonds.

Sources: *2016 – 2017 Alaska Public Debt Book, State of Alaska. Annual reports and financial statements of AHFC, Alaska Municipal Bond Bank, AIDEA, AEA, University of Alaska, Alaska Railroad, Alaska International Airport System and directly from agencies.*

General Fund Supported Obligations. General Fund support is pledged and required for only a portion of the total outstanding Alaska Public Debt. General Obligation Bonds are unconditionally supported, and COPs and Capital Leases are subject-to-appropriation commitments with associated obligations. The SDRP and TIDSRP provide discretionary annual payments to municipal issuers for qualified general obligation bonds that are eligible by statute to participate in the programs. Table 7 sets forth existing debt service on outstanding State-supported debt the State has provided from the General Fund for these outstanding obligations and the forecast support required to retire the outstanding obligations into the future.

Table 7

State of Alaska
Payments on General Fund Paid Debt as of June 30, 2016
($ millions)

Fiscal Year	State G.O. (1)	Lease / Purchase	Capital Leases (2)	School Debt Reimbursement (3)	Capital Project Reimbursements	Statutory Debt Payment to PERS/TRS	Total Debt Service
2017	$78.0	$2.9	$23.0	$ 90.8	$4.6	$215.9	$415.1
2018	85.2	2.9	23.2	110.4	4.6	185.6	411.9
2019	84.8	2.9	19.7	103.9	4.5	241.8	457.6
2020	73.3	2.9	19.7	95.5	4.5	300.6	496.5
2021	72.5	2.9	19.5	93.3	3.6	344.1	535.8
2022	62.0	2.9	19.5	80.9	3.6	358.1	527.0
2023	61.9	2.9	19.5	80.9	3.6	373.9	542.6
2024	61.7	2.9	19.5	65.5	3.6	390.6	543.8
2025	56.8	2.9	19.5	56.3	3.6	409.1	548.2
2026	56.6	2.9	20.9	45.0	2.8	429.6	557.8
2027	56.1	2.9	20.9	40.8	2.6	450.1	573.3
2028	55.6	2.9	17.6	38.1	2.2	470.6	586.9
2029	55.4	2.9	17.6	33.3	0.9	493.9	604.0
2030	55.5	–	17.6	30.6	0.9	518.2	622.8
2031	43.8	–	17.6	28.1	0.4	542.6	632.4
2032	43.7	–	17.6	24.7	–	568.9	654.9
2033	43.6	–	17.6	17.8	–	597.1	676.1
2034	43.5	–	–	15.3	–	627.1	685.9
2035	20.3	–	–	10.1	–	658.4	688.8
2036	20.5	–	–	2.3	–	691.6	714.4
2037	0.1	–	–	–	–	727.8	728.3
2038	12.2	–	–	–	–	769.5	781.7
2039	–	–	–	–	–	865.7	865.7
2040	–	–	–	–	–	–	–

(1) State G.O. debt service is net of federal subsidies for interest expenses.
(2) Two prisons, a building and a parking garage have been financed with capital leases.
(3) Fiscal year 2017-2034 payments are based on actual repayment schedules on file with DEED as of June 30, 2016.
Source: 2016 – 2017 Alaska Public Debt Book, State of Alaska

Payment History. The State has never defaulted on its general obligation bond obligations nor has it ever failed to appropriate funds for any State-supported outstanding securitized lease obligations.

State Debt Capacity. The State has historically used the ratio of debt service to revenue as a guideline for determining debt capacity of the State. This policy was established due to the State's relatively small population and high per capita revenue due to oil resource-generated revenue. Historically the State's policy has been that debt service should not exceed five percent of unrestricted revenue when considering only general obligation bonds and COPs that are State-supported. More recently, the State has included more discretionary General Fund supported obligations and programs, including the SDRP, TIDSRP and certain capital leases. With the more inclusive funding, the State's policy allows the annual payments on these items to range up to eight percent of unrestricted revenue.

Table 8

State of Alaska
Debt Service on Outstanding Obligations to Unrestricted Revenues
Fiscal Years Ended June 30, 1986 – 2016
FORECAST FOR Fiscal Years Ending June 30, 2017 – 2026

Fiscal Year	Unrestricted Revenues ($millions)[1]	State G.O. Debt Service	State-Supported Debt Service	Total State Debt Service	School Debt Reimbursement	Statutory Payment to PERS/TRS	Total Debt Service to Revenues
1986	$ 3,075.5	5.3%	0.4%	5.7%	3.5%	–	9.2%
1987	1,799.4	8.6	0.7	9.3	6.4	–	15.8
1988	2,305.8	6.4	0.6	7.0	4.7	–	11.7
1989	2,186.2	6.2	0.6	6.8	5.0	–	11.9
1990	2,507.2	4.8	0.6	5.4	4.3	–	9.6
1991	2,986.6	3.2	0.5	3.7	3.9	–	7.6
1992	2,462.6	2.8	0.6	3.4	5.2	–	8.5
1993	2,352.0	2.5	0.6	3.2	5.3	–	8.5
1994	1,652.5	2.0	0.5	2.6	6.0	–	8.5
1995	2,082.9	1.1	0.5	1.6	4.5	–	6.1
1996	2,133.3	1.0	0.5	1.5	3.7	–	5.2
1997	2,494.9	0.7	0.4	1.1	2.5	–	3.6
1998	1,825.5	0.8	0.6	1.4	3.4	–	4.7
1999	1,348.4	0.7	1.2	1.8	4.6	–	6.3
2000	2,081.7	0.1	0.9	1.0	3.1	–	4.1
2001	2,281.9	0.0	0.7	0.7	2.3	–	3.0
2002	1,660.3	0.0	1.3	1.3	3.3	–	4.5
2003	1,947.6	0.0	1.1	1.1	2.7	–	3.7
2004	2,345.6	0.8	0.9	1.7	2.6	–	4.3
2005	3,188.8	1.5	0.7	2.2	2.2	–	4.4
2006	4,200.4	1.1	0.6	1.7	1.9	–	3.6
2007	5,158.6	0.9	0.5	1.4	1.7	–	3.1
2008	10,728.2	0.4	0.3	0.6	0.8	–	1.4
2009	5,831.2	0.8	0.6	1.3	1.6	–	2.9
2010	5,513.3	0.9	0.8	1.7	1.7	–	3.4
2011	7,673.0	0.7	0.6	1.3	1.3	–	2.6
2012	9,485.2	0.8	0.4	1.3	1.1	–	2.3
2013	6,928.5	1.1	0.6	1.7	1.6	–	3.3
2014	5,390.1	1.4	0.7	2.1	2.0	–	4.1
2015	2,257.3	3.3	1.6	4.8	5.2	–	10.1
2016	1,539.8	4.9	2.3	7.3	7.1	–	14.4
Forecast							
2017	1,446.7	5.4	2.1	7.5	6.3	14.9%	28.7
2018	1,624.1	5.2	1.9	7.1	6.8	11.4	25.4
2019	1,872.7	4.5	1.4	6.0	5.5	12.9	24.4
2020	1,906.7	3.8	1.4	5.3	5.0	15.8	26.0
2021	1,943.7	3.7	1.3	5.1	4.8	17.7	27.6
2022	2,012.4	3.1	1.3	4.4	4.0	17.8	26.2
2023	2,039.0	3.0	1.3	4.3	4.0	18.3	26.6
2024	2,074.5	3.0	1.3	4.2	3.2	18.8	26.2
2025	2,174.3	2.6	1.2	3.8	2.6	18.8	25.2
2026	2,224.8	2.5	1.2	3.7	2.0	19.3	25.1

[1] Unrestricted revenue projection for fiscal years 2017 through 2026 is based on the Fall 2016 Revenue Sources Book. Debt Service is based on June 30, 2016 balances, not adjusted for cash defeasances. The State anticipates releasing the 2017 – 2018 Alaska Public Debt Book in January 2018, which will include updated information as of June 30, 2017.

Source: 2016 – 2017 Alaska Public Debt Book, State of Alaska

APPENDIX H

PROPOSED FORMS OF CONTINUING DISCLOSURE CERTIFICATES

PROPOSED FORM OF BOND BANK'S CERTIFICATE

Alaska Municipal Bond Bank (the "Issuer") executes and delivers this Continuing Disclosure Certificate (the "Disclosure Certificate") in connection with the issuance of $_____ Alaska Municipal Bond Bank General Obligation Bonds, 2018 Series One and $_____ Alaska Municipal Bond Bank General Obligation Bonds, 2018 Series Two (collectively, the "Bonds"). The Bonds are being issued under the General Bond Resolution of the Bank entitled "A Resolution Creating And Establishing An Issue Of Bonds Of The Alaska Municipal Bond Bank; Providing For The Issuance From Time To Time Of Said Bonds; Providing For The Payment Of Principal Of And Interest On Said Bonds; And Providing For The Rights Of The Holders Thereof," adopted July 13, 2005, as amended (the "General Bond Resolution"), and Series Resolution No. 2018-01, adopted on October 8, 2018 (the "Series Resolution" and together with the General Bond Resolution, the "Resolutions"). The Issuer covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. The Issuer is executing and delivering this Disclosure Certificate for the benefit of the Beneficial Owners of the Bonds, and to assist the Participating Underwriter in complying with Securities and Exchange Commission ("SEC") Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Resolutions, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any Annual Report provided by the Issuer pursuant to, and as described in, Section 3 of this Disclosure Certificate.

"Fiscal Year" means the fiscal year of the Issuer (currently the 12-month period ending June 30), as such fiscal year may be changed from time to time as required by State law.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriter" means any of the original underwriters of the Bonds of one or both series required to comply with the Rule in connection with the offering of the Bonds of one or both series.

"Rule" means Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as amended from time to time.

Section 3. Provision of Annual Reports and Financial Statements. Commencing with its Annual Report for Fiscal Year ending June 30, 2019, the Issuer will provide to the MSRB, in a format as prescribed by the Rule:

(a) Not later than 210 days after the end of each Fiscal Year, an Annual Report for the Fiscal Year. The Annual Report shall contain or incorporate by reference: (i) annual audited financial statements of the Issuer; (ii) a statement of authorized, issued and outstanding bonded debt of the Issuer; (iii) the Reserve Fund balance; and (iv) statistics regarding Governmental Units similar to those found in Appendix D to the Official Statement as of the end of the prior Fiscal Year. Any or all of these items may be included by specific reference to documents available to the public or the internet website of the MSRB or filed with the SEC. The Issuer shall clearly identify each such other document so incorporated by reference. The Annual Report may be submitted as a single document or as separate documents comprising a package, provided that audited financial statements may be submitted separately from the remainder of the Annual Report.

(b) Not later than 120 days after the end of each Fiscal Year, the Issuer will notify each Governmental Unit, who has, or had, an amount of bonds equal to or greater than ten percent (10%) of all outstanding loans under the General Bond Resolution, of its continuing disclosure undertaking responsibility. A list of such Governmental Units for the prior Fiscal Year will be included in the Annual Report.

Section 4. Notice of Failure to Provide Information. The Issuer shall provide in a timely manner to the MSRB notice of any failure to satisfy the requirements of Section 3 of this Disclosure Certificate.

Section 5. Reporting of Significant Events. (a) The Issuer shall file with the MSRB a notice of any of the following events with respect to the Bonds of one or both series, within ten (10) business days of the occurrence of such event:

(1) Principal and interest payment delinquencies.

(2) Unscheduled draws on debt service reserves reflecting financial difficulties.

(3) Unscheduled draws on credit enhancements reflecting financial difficulties.

(4) Substitution of credit or liquidity providers, or their failure to perform.

(5) Adverse tax opinions or events affecting the tax-exempt status of the Bonds which include (i) the issuance by the Internal Revenue Service ("IRS") of proposed or final determinations of taxability, (ii) Notices of Proposed Issues (IRS Form 5701-TEB), (iii) other material notices or determinations with respect to the Bonds, and (iv) other events affecting the tax status of the Bonds.

(6) Defeasances.

(7) Rating changes.

(8) Tender offers.

(9) Bankruptcy, insolvency, receivership or similar proceeding by the Issuer or "obligated person."

(b) The Issuer shall file with the MSRB a notice of any of the following events with respect to the Bonds of one or both series, within ten (10) business days of the occurrence of such event, if material:

(1) Nonpayment-related defaults.

(2) Modifications to rights of holders of the Bonds.

(3) Bond calls, other than mandatory, scheduled redemptions not otherwise contingent on the occurrence of an event.

(4) Release, substitution or sale of property securing repayment of the Bonds.

(5) Other than in the normal course of business, the consummation of a merger, consolidation, or acquisition involving an "obligated person," or the sale of all or substantially all of the assets of the Issuer or "obligated person," or the entry into a definitive agreement to undertake such an action, or a termination of a definitive agreement relating to any such actions, other than in accordance with its terms.

(6) Appointment of a successor or additional trustee or the change in name of the trustee for the Bonds.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

Section 7. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, provided that the amendment meets each of the following conditions:

(a) The amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Issuer;

(b) This Disclosure Certificate, as amended, would have complied with the requirements of the Rule as of the date hereof, after taking into account any amendments or interpretations of the Rule, as well as any changes in circumstances;

(c) The Issuer obtains an opinion of counsel unaffiliated with the Issuer that the amendment does not materially impair the interests of the Beneficial Owners of the Bonds; and

(d) The Issuer notifies and provides the MSRB with copies of the opinions and amendments.

Any such amendment may be adopted without the consent of any Beneficial Owner of any of the Bonds, notwithstanding any other provision of this Disclosure Certificate or the Resolutions.

The first Annual Report containing amended operating data or financial information pursuant to an amendment of this Disclosure Certificate shall explain, in narrative form, the reasons for the amendment and its effect on the type of operating data and financial information being provided.

Section 8. Filing. Any filing required under the terms of this Disclosure Certificate may be made solely by transmitting such filing to the Electronic Municipal Market Access as provided at http://www.emma.msrb.org, or in such other manner as may be permitted from time to time by the Securities Exchange Commission.

Section 9. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any Beneficial Owner may take such actions as may be necessary and appropriate, including an action to compel specific performance, to cause the Issuer to comply with its obligations under this Disclosure Certificate. No failure to comply with any provision of this Disclosure Certificate shall be deemed an Event of Default under the Resolutions, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel specific performance.

Section 10. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Trustee, the Participating Underwriter and the Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

DATED this ___ day of November, 2018.

ALASKA MUNICIPAL BOND BANK

_____

DEVEN J. MITCHELL
Executive Director

PROPOSED FORM OF THE KENAI PENINSULA BOROUGH'S CONTINUING DISCLOSURE CERTIFICATE

The Kenai Peninsula Borough, Alaska (the "Borough") executes and delivers this Continuing Disclosure Certificate (the "Disclosure Certificate") in connection with the issuance of $_____ Alaska Municipal Bond Bank General Obligation Bonds, 2018 Series One and $_____ Alaska Municipal Bond Bank General Obligation Bonds, 2018 Series Two (collectively, the "Bonds"). The Bonds are being issued under the General Bond Resolution of the Issuer entitled "A Resolution Creating And Establishing An Issue Of Bonds Of The Alaska Municipal Bond Bank; Providing For The Issuance From Time To Time Of Said Bonds; Providing For The Payment Of Principal Of And Interest On Said Bonds; And Providing For The Rights Of The Holders Thereof," adopted July 13, 2005, as amended (the "General Bond Resolution"), and Series Resolution No. 2018-01, adopted on October 8, 2018 (the "Series Resolution" and together with the General Bond Resolution, the "Resolutions"). The Borough covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. The Borough is executing and delivering this Disclosure Certificate for the benefit of the Beneficial Owners of the Bonds, and to assist the Participating Underwriter in complying with Securities and Exchange Commission ("SEC") Rule 15c2-12(b)(5). The Borough is an "Obligated Person" within the meaning of the Rule.

Section 2. Definitions. In addition to the definitions set forth in the Resolutions, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any Annual Report provided by the Borough pursuant to, and as described in, Section 3 of this Disclosure Certificate.

"Fiscal Year" means the fiscal year of the Borough (currently the 12-month period ending June 30), as such fiscal year may be changed from time to time as required by State law and the Borough's ordinances.

"Issuer" means the Alaska Municipal Bond Bank.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriter" means any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Rule" means Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as amended from time to time.

Section 3. Provision of Annual Reports and Financial Statements. Commencing with its Annual Report for Fiscal Year ending June 30, 2019, and for so long as the Borough has outstanding with the Issuer an amount of bonds equal to or greater than 10 percent of all bonds outstanding under the General Bond Resolution as of the last day of the fiscal year of the Issuer (currently June 30), the Borough will provide to the MSRB, the following:

(a) Not later than 210 days after the end of each Fiscal Year, an Annual Report for the Fiscal Year. The Annual Report shall contain or incorporate by reference the following annual financial information and operating data: (i) annual financial statements for the Borough, prepared in accordance with generally accepted accounting principles applicable to governmental entities, as such principles may be changed from time to time and (ii) financial information generally of the type included in Appendix D of the Official Statement relating to the Bonds.

Any or all of these items may be incorporated by specific reference to documents available to the public on the internet website of the MSRB or filed with the SEC. The Borough shall clearly identify each such other document so incorporated by reference. The Annual Report may be submitted as a single document or as separate documents comprising a package, provided that audited financial statements of the Borough may be submitted separately from the remainder of the Annual Report.

(b) If not provided as part of the Annual Report, then promptly upon their public release, the audited financial statements of the Borough for each Fiscal Year, prepared in accordance with generally accepted accounting principles applicable to governmental entities, as such principles may be changed from time to time.

Section 4. Notice of Failure to Provide Information. The Borough shall provide in a timely manner to the MSRB notice of any failure to satisfy the requirements of Section 3 of this Disclosure Certificate.

Section 5. Termination of Reporting Obligation. The Borough's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of its loan obligation with the Issuer and as otherwise described in Section 3 of this Disclosure Certificate.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Borough may amend this Disclosure Certificate, provided that the amendment meets each of the following conditions:

(a) The amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Borough;

(b) This Disclosure Certificate, as amended, would have complied with the requirements of the Rule as of the date hereof, after taking into account any amendments or interpretations of the Rule, as well as any changes in circumstances; and

(c) The Borough obtains an opinion of nationally recognized bond counsel to the effect that the amendment will not adversely affect the Issuer's compliance with the Rule or its continuing disclosure undertaking; and

(d) The Borough notifies and provides the Issuer and the MSRB with the copies of the opinions and amendments.

Any such amendment may be adopted without the consent of any Beneficial Owner of any of the Bonds, notwithstanding any other provision of this Disclosure Certificate or the Resolutions.

The first Annual Report containing amended operating data or financial information pursuant to an amendment of this Disclosure Certificate shall explain, in narrative form, the reasons for the amendment and its effect on the type of operating data and financial information being provided.

Section. 7. Default. In the event of a failure of the Borough to comply with any provision of this Disclosure Certificate, any Beneficial Owner may take such actions as may be necessary and appropriate, including an action to compel specific performance, to cause the Borough to comply with its obligations under this Disclosure Certificate. No failure to comply with any provision of this Disclosure Certificate shall be deemed an Event of Default under the Resolutions, and the sole legal remedy under this Disclosure Certificate in the event of any failure of the Borough to comply with this Disclosure Certificate shall be an action to compel specific performance.

Section 8. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Borough, the Issuer, the Trustee, the Participating Underwriter, and the Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 9. Prior Compliance. The Borough is in compliance with all of its prior undertakings pursuant to the Rule.

[SIGNATURE PAGE FOLLOWS]

DATED this ___ day of November, 2018.

KENAI PENINSULA BOROUGH, ALASKA

By: _____
Brandi Harbaugh
Finance Director

PROPOSED FORM OF THE CITY AND BOROUGH OF SITKA CONTINUING DISCLOSURE CERTIFICATE

The City and Borough of Sitka, Alaska (the "Borough") executes and delivers this Continuing Disclosure Certificate (the "Disclosure Certificate") in connection with the issuance of $_____ Alaska Municipal Bond Bank General Obligation Bonds, 2018 Series One and $_____ Alaska Municipal Bond Bank General Obligation Bonds, 2018 Series Two (collectively, the "Bonds"). The Bonds are being issued under the General Bond Resolution of the Issuer entitled "A Resolution Creating And Establishing An Issue Of Bonds Of The Alaska Municipal Bond Bank; Providing For The Issuance From Time To Time Of Said Bonds; Providing For The Payment Of Principal Of And Interest On Said Bonds; And Providing For The Rights Of The Holders Thereof," adopted July 13, 2005, as amended (the "General Bond Resolution"), and Series Resolution No. 2018-01, adopted on October 8, 2018 (the "Series Resolution" and together with the General Bond Resolution, the "Resolutions"). The Borough covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. The Borough is executing and delivering this Disclosure Certificate for the benefit of the Beneficial Owners of the Bonds, and to assist the Participating Underwriter in complying with Securities and Exchange Commission ("SEC") Rule 15c2-12(b)(5). The Borough is an "Obligated Person" within the meaning of the Rule.

Section 2. Definitions. In addition to the definitions set forth in the Resolutions, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any Annual Report provided by the Borough pursuant to, and as described in, Section 3 of this Disclosure Certificate.

"Fiscal Year" means the fiscal year of the Borough (currently the 12-month period ending June 30), as such fiscal year may be changed from time to time as required by State law and the Borough's ordinances.

"Issuer" means the Alaska Municipal Bond Bank.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriter" means any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Rule" means Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as amended from time to time.

Section 3. Provision of Annual Reports and Financial Statements. Commencing with its Annual Report for Fiscal Year ending June 30, 2019, and for so long as the Borough has outstanding with the Issuer an amount of bonds equal to or greater than 10 percent of all bonds outstanding under the General Bond Resolution as of the last day of the fiscal year of the Issuer (currently June 30), the Borough will provide to the MSRB, the following:

(c) Not later than 210 days after the end of each Fiscal Year, an Annual Report for the Fiscal Year. The Annual Report shall contain or incorporate by reference the following annual financial information and operating data: (i) annual financial statements for the Borough, prepared in accordance with generally accepted accounting principles applicable to governmental entities, as such principles may be changed from time to time and (ii) financial information generally of the type included in Appendix D of the Official Statement relating to the Bonds.

Any or all of these items may be incorporated by specific reference to documents available to the public on the internet website of the MSRB or filed with the SEC. The Borough shall clearly identify each such other document so incorporated by reference. The Annual Report may be submitted as a single document or as separate documents comprising a package, provided that audited financial statements of the Borough may be submitted separately from the remainder of the Annual Report.

(d) If not provided as part of the Annual Report, then promptly upon their public release, the audited financial statements of the Borough for each Fiscal Year, prepared in accordance with generally accepted accounting principles applicable to governmental entities, as such principles may be changed from time to time.

Section 4. Notice of Failure to Provide Information. The Borough shall provide in a timely manner to the MSRB notice of any failure to satisfy the requirements of Section 3 of this Disclosure Certificate.

Section 5. Termination of Reporting Obligation. The Borough's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of its loan obligation with the Issuer and as otherwise described in Section 3 of this Disclosure Certificate.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Borough may amend this Disclosure Certificate, provided that the amendment meets each of the following conditions:

(b) The amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Borough;

(b) This Disclosure Certificate, as amended, would have complied with the requirements of the Rule as of the date hereof, after taking into account any amendments or interpretations of the Rule, as well as any changes in circumstances; and

(c) The Borough obtains an opinion of nationally recognized bond counsel to the effect that the amendment will not adversely affect the Issuer's compliance with the Rule or its continuing disclosure undertaking; and

(d) The Borough notifies and provides the Issuer and the MSRB with the copies of the opinions and amendments.

Any such amendment may be adopted without the consent of any Beneficial Owner of any of the Bonds, notwithstanding any other provision of this Disclosure Certificate or the Resolutions.

The first Annual Report containing amended operating data or financial information pursuant to an amendment of this Disclosure Certificate shall explain, in narrative form, the reasons for the amendment and its effect on the type of operating data and financial information being provided.

Section. 7. Default. In the event of a failure of the Borough to comply with any provision of this Disclosure Certificate, any Beneficial Owner may take such actions as may be necessary and appropriate, including an action to compel specific performance, to cause the Borough to comply with its obligations under this Disclosure Certificate. No failure to comply with any provision of this Disclosure Certificate shall be deemed an Event of Default under the Resolutions, and the sole legal remedy under this Disclosure Certificate in the event of any failure of the Borough to comply with this Disclosure Certificate shall be an action to compel specific performance.

Section 8. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Borough, the Issuer, the Trustee, the Participating Underwriter, and the Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 9. Prior Compliance. The Borough is in compliance with all of its prior undertakings pursuant to the Rule.

[SIGNATURE PAGE FOLLOWS]

DATED this ___ day of November, 2018.

CITY AND BOROUGH OF SITKA, ALASKA

By: _____
John P. Sweeney, III
Chief Finance and Administrative Officer

APPENDIX I

DTC AND ITS BOOK-ENTRY SYSTEM

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the 2018 Series One and Two Bonds. The 2018 Series One and Two Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of each Series of the 2018 Series One and Two Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a rating from Standard & Poor's of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of 2018 Series One and Two Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2018 Series One and Two Bonds on DTC's records. The ownership interest of each actual purchaser of each 2018 Series One and Two Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2018 Series One and Two Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2018 Series One and Two Bonds, except in the event that use of the book-entry system for the 2018 Series One and Two Bonds is discontinued.

4. To facilitate subsequent transfers, all 2018 Series One and Two Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2018 Series One and Two Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2018 Series One and Two Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2018 Series One and Two Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2018 Series One and Two Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2018 Series One and Two Bonds, such as

redemptions, tenders, defaults, and proposed amendments to the 2018 Series One and Two Bond documents. For example, Beneficial Owners of 2018 Series One and Two Bonds may wish to ascertain that the nominee holding the 2018 Series One and Two Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the 2018 Series One and Two Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2018 Series One and Two Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Bond Bank as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts 2018 Series One and Two Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Payments on the 2018 Series One and Two Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Bond Bank or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Bond Bank or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments on the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Bond Bank or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the 2018 Series One and Two Bonds at any time by giving reasonable notice to the Bond Bank or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, 2018 Series One and Two Bond certificates are required to be printed and delivered.

10. The Bond Bank may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2018 Series One and Two Bond certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Bond Bank believes to be reliable, but the Bond Bank takes no responsibility for the accuracy thereof.

Alaska Municipal Bond Bank
General Obligation Bonds
2018 Series One (Governmental Purpose)
2018 Series Two (Subject to Alternative Minimum Tax)
Distribution List

Alaska Municipal Bond Bank
Deven Mitchell, Executive Director
Alaska Municipal Bond Bank
333 Willoughby Avenue
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General Obligation Bonds
2018 Series One (Governmental Purpose)
2018 Series Two (Subject to Alternative Minimum Tax)
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ALASKA MUNICIPAL BOND BANK AUTHORITY
(a Component Unit of the State of Alaska)

Financial Statements

For the Year Ended June 30, 2018

Together with Independent Auditor's Report Thereon

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

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3601 C Street, Suite 600
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Independent Auditor's Report

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, 2018, 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, 2018, 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.

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 3-9 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.

Other 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 continuing disclosure 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 supplemental schedules and continuing disclosure tables are 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 supplemental schedules and continuing disclosure tables are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

BDO USA, LLP

September 28, 2018
Anchorage, Alaska

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, 2018. 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 2018 the Bond Bank entered into one loan agreement to fund a $31.2 million loan resulting in an estimated $3.4 million in savings.

In comparison, during fiscal year 2017, the Bond Bank entered into 27 loan agreements to fund $280.7 million of loans resulting in an estimated $41.2 million in savings. In fiscal year 2017, Bond Bank loans funded 8 new construction projects located in 7 communities and refinanced 19 existing loans of 15 communities for savings. Included in fiscal year 2017 totals was a $102.5 million loan to partially fund the Yukon-Kuskokwim Health Corporation's Paul John Calricaraq Project, which included constructing and equipping the expansion of an existing hospital and a new primary care clinic in Bethel, Alaska. This loan still represents the largest single loan issued by the Bond Bank since inception. The Bond Bank issued $255.0 million in bonds during fiscal year 2017 that generated approximately $280.7 million in funding. Bond Bank activity, in fiscal year 2017, resulted in $162.6 million in loans for new capital projects, and $118.1 million to refinance loans for savings. Bond Bank bond activity in fiscal year 2017 resulted in gross savings of approximately $41.2 million to all borrowers.

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, 2018 marked the eleventh consecutive year that the State operating budget has appropriated any excess earnings of the

operating account to the Bond Bank's reserve fund (HB 57, Sec. 39(d)). Interest received on bonds purchased from borrowers is used to pay the Bond Bank's corresponding interest payments on the bonds that it has issued.

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, 2018 and 2017, as well as liabilities and net position:

	As of June 30,		Changes from 2017 to 2018 Increase/(Decrease)	
	2018	2017	Dollars	Percent
Assets:				
Cash and investments	68,247,354	73,287,012	(5,039,658)	-6.88%
Bonds and bond interest receivable	1,154,164,155	1,197,321,224	(43,157,069)	-3.60%
Other receivables	9,323	120,446	(111,123)	-92.26%
Total assets	1,222,420,832	1,270,728,682	(48,307,850)	-3.80%
Liabilities:				
Accounts payable and accrued liabilities	12,208,319	12,705,807	(497,488)	-3.92%
Bonds and bond interest payable	1,156,062,992	1,203,085,677	(47,022,685)	-3.91%
Total liabilities	1,168,271,311	1,215,791,484	(47,520,173)	-3.91%
Net Position:				
Restricted	36,064,283	35,796,462	267,821	0.75%
Unrestricted	18,085,238	19,140,736	(1,055,498)	-5.51%
Total net position	54,149,521	54,937,198	(787,677)	-1.43%

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

The decrease in bonds and bond interest receivable, as well as in bonds and bond interest payable, reflects the single issuance of approximately $29 million in new bonds during the year, net of principal payments on bonds previously issued of approximately $74.9 million. The Bond Bank realized a net decrease in 2018 long term debt balances due to greater principal payments during the fiscal year on bonds previously issued when compared to the issuance activity during the fiscal year. The Bond Bank issued the 2017

Series Three in the principal amount of approximately $29 million during the year to make a loan to an authorized borrower.

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 Bank's changes in net position as of June 30, 2018, and 2017:

	As of June 30,		Changes from 2017 to 2018 Increase/(Decrease)	
	2018	2017	Dollars	Percent
Revenues:				
Interest income on bonds receivable	$ 53,365,097	$ 49,928,101	$ 3,436,996	6.88%
Investment earnings (loss)	34,724	(88,178)	122,902	-139.38%
Other income	-	7,053	(7,053)	100.00%
Total income	53,399,821	49,846,976	3,552,845	7.13%
Expenses:				
Interest expense on bonds payable	53,689,219	50,419,766	3,269,453	6.48%
Operating expenses	498,279	635,772	(137,493)	-21.63%
Total expenses	54,187,498	51,055,538	3,131,960	6.13%
Change in net position	(787,677)	(1,208,562)	420,885	-34.83%
Net position, beginning of period	54,937,198	56,145,760	(1,208,562)	-2.15%
Net position, end of period	$ 54,149,521	$ 54,937,198	$ (787,677)	-1.43%

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 line items of $3.4 million (interest income) and $3.3 million (interest expense) are consistent with the increase in bond receivable and payable balances, respectively.

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 investment returns and 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 another financing source in the governmental funds statement of revenues, expenditures and changes in fund balances, 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, expenditures and changes in fund balances and reduces the liability in the statement of net position.

The following tables show governmental funds' condensed balance sheets and statements of revenues, expenditures and changes in fund balances as of June 30, 2018, and 2017.

General Fund

	As of June 30,		Changes from 2017 to 2018 Increase/(Decrease)	
	2018	2017	Dollars	Percent
Assets:				
Cash, investments and related accrued interest	12,343,305	11,655,396	687,909	5.90%
Bonds and bond interest receivable	5,536,894	6,524,578	(987,684)	-15.14%
Other Receivables	9,323	120,446	(111,123)	-92.26%
Interfund receivable	6,290,067	6,165,108	124,959	2.03%
Total assets	24,179,589	24,465,528	(285,939)	-1.17%
Liabilities:				
Accounts payable and accrued liabilities	81,455	148,510	(67,055)	-45.15%
Fund Balance:				
Restricted for debt service	4,956,430	4,956,430	-	0.00%
Unassigned	19,141,704	19,360,588	(218,884)	-1.13%
Total fund balance	24,098,134	24,317,018	(218,884)	-0.90%
Total liabilities and fund balance	24,179,589	24,465,528	(285,939)	-1.17%

Debt Service Fund

	As of June 30,		Changes from 2017 to 2018 Increase/(Decrease)	
	2018	2017	Dollars	Percent
Assets:				
Cash, investments and related accrued interest	55,904,049	61,631,616	(5,727,567)	-9.29%
Bonds and bond interest receivable	1,148,627,261	1,190,796,646	(42,169,385)	-3.54%
Total assets	1,204,531,310	1,252,428,262	(47,896,952)	-3.82%
Liabilities:				
Accounts payable and accrued liabilities	12,126,864	12,557,297	(430,433)	-3.43%
Interfund payables	6,290,067	6,165,108	124,959	2.03%
Total liabilities	18,416,931	18,722,405	(305,474)	-1.63%
Fund Balance:				
Restricted for debt service	1,186,114,379	1,233,705,857	(47,591,478)	-3.86%
Total liabilities and fund balance	1,204,531,310	1,252,428,262	(47,896,952)	-3.82%

General Fund

	As of June 30,		Changes from 2017 to 2018 Increase/(Decrease)	
	2018	2017	Dollars	Percent
Revenues:				
Interest income	154,435	126,331	28,104	22.25%
Other income	-	7,053	(7,053)	100.00%
Total income	154,435	133,384	21,051	15.78%
Expenditures:				
Operating expenses	498,279	635,772	(137,493)	-21.63%
Deficiency of revenues over expenditures	(343,844)	(502,388)	158,544	31.56%
Other financing sources - transfers	124,960	32,981	91,979	278.88%
Deficiency of revenues and transfers over expenditures	(218,884)	(469,407)	250,523	-53.37%
Fund balance, beginning of period	24,317,018	24,786,425	(469,407)	-1.89%
Fund balance, end of period	24,098,134	24,317,018	(218,884)	-0.90%

Debt Service Fund

	As of June 30,		Changes from 2017 to 2018 Increase/(Decrease)	
	2018	2017	Dollars	Percent
Revenues:				
Interest income on bonds receivable	53,246,419	49,782,385	3,464,034	6.96%
Investment earnings (loss)	(1,033)	(68,793)	67,760	-98.50%
Total revenues	53,245,386	49,713,592	3,531,794	7.10%
Expenditures:				
Interest payments	54,761,904	49,274,139	5,487,765	11.14%
Principal payments	74,905,000	58,405,000	16,500,000	28.25%
Total expenditures	129,666,904	107,679,139	21,987,765	20.42%
Deficiency of revenues over expenditures	(76,421,518)	(57,965,547)	(18,455,971)	-31.84%
Other financing sources (uses):				
Bond proceeds	28,955,000	255,000,000	(226,045,000)	-88.65%
Payments to Bond Escrow Agent	-	(99,400,000)	99,400,000	-100.00%
Transfers	(124,960)	(32,981)	(91,979)	278.88%
Total other financing sources (uses):	28,830,040	155,567,019	(126,736,979)	-81.47%
Excess (deficiency) of revenues and transfers over expenditures	(47,591,478)	97,601,472	(145,192,950)	-148.76%
Fund balance, beginning of period	1,233,705,857	1,136,104,385	97,601,472	8.59%
Fund balance, end of period	1,186,114,379	1,233,705,857	(47,591,478)	-3.86%

Long-term Debt

At June 30, 2018 the Bond Bank had $1,141,665,000 of bonds and notes outstanding, down 3.87% from $1,187,615,000 at June 30, 2017. 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 (8), to the financial statements.

As discussed in the previous section, the net decrease in 2018 long term debt balances is due to greater principal payments during the fiscal year on bonds previously issued as compared to new issuance activity.

Alaska Statute 44.85.180(c) was originally 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 modify the definition of authorized borrowers. At the beginning of fiscal year 2015, the limit was $1.5875 billion.

During fiscal year 2015, the legislature passed, and the Governor signed into law a bill to authorize the Authority to make loans to Joint Action Agencies and Regional Health Organizations, effective May 26, 2015. Joint Action Agency lending is now part of the main political subdivision program. Regional Health Organization lending is limited to no more than $205 million in total, no more than 49% of any single project where the other 51% of the project's funding is in place, and not more than $102.5 million for any single project.

With this legislation, the total debt limit as of June 30, 2018 was $1,792,500,000, comprised of $1.5 billion in authority for political subdivisions, $87.5 million for the University of Alaska, and $205 million for Regional Health Organizations. Total Bond Bank bonds and notes outstanding as of June 30, 2018 was approximately $1,141,665,000. The limit on additional bond issuance as of June 30, 2018 was approximately $650.8 million, of which $582.3 million of authority is available for the main political subdivision program, $1.4 million is available to the University of Alaska, and $67.1 million is available to Regional Health Organizations.

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

	As of June 30,		Changes from 2017 to 2018 Increase/(Decrease)	
	2018	2017	Dollars	Percent
GO bonds payable	1,141,665,000	1,187,615,000	(45,950,000)	-3.87%
	1,141,665,000	1,187,615,000	(45,950,000)	-3.87%

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 Finance Director or the Executive Director of the Bond Bank at (907) 465-2893 or (907) 465-3750 respectively.

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

Statement of Net Position and
Governmental Funds Balance Sheets

June 30, 2018

	General Fund	Debt Service Fund	Total	Adjustments	Statement of Net Position
ASSETS					
Cash and cash equivalents	$ 570,828	$ 6,579,627	$ 7,150,455	$ -	$ 7,150,455
Investments, at fair value (note 4)	11,721,664	49,076,116	60,797,780	-	60,797,780
Accrued interest receivable:					
Bonds receivable	42,378	14,277,261	14,319,639	-	14,319,639
Investment securities	50,813	248,306	299,119	-	299,119
Bonds receivable (note 5)	5,494,516	1,134,350,000	1,139,844,516	-	1,139,844,516
Other receivables	9,323	-	9,323	-	9,323
Interfund receivables	6,290,067	-	6,290,067	(6,290,067)	-
Total assets	$ 24,179,589	$ 1,204,531,310	$ 1,228,710,899	(6,290,067)	1,222,420,832
LIABILITIES					
Accounts payable	$ 21,417	$ -	$ 21,417	-	21,417
Due to Primary Government	60,038	-	60,038	-	60,038
Principal and interest payments received in advance	-	5,133,714	5,133,714	-	5,133,714
Accrued interest payable	-	-	-	14,397,992	14,397,992
Interfund payables	-	6,290,067	6,290,067	(6,290,067)	-
Bond proceeds held in reserve (note 6)	-	6,993,150	6,993,150	-	6,993,150
Long-term liabilities (note 7):					
Portion due or payable within one year:					
General obligation bonds payable	-	-	-	70,205,000	70,205,000
Portion due or payable after one year:					
General obligation bonds payable	-	-	-	1,071,460,000	1,071,460,000
Total liabilities	81,455	18,416,931	18,498,386	1,149,772,925	1,168,271,311
FUND BALANCES/NET POSITION					
Fund balances:					
Restricted (note 2)	4,956,430	1,186,114,379	1,191,070,809	(1,191,070,809)	-
Unassigned	19,141,704	-	19,141,704	(19,141,704)	-
Total fund balances	24,098,134	1,186,114,379	1,210,212,513	(1,210,212,513)	-
Total liabilities and fund balances	$ 24,179,589	$ 1,204,531,310	$ 1,228,710,899		
Net position:					
Restricted (note 2)				36,064,283	36,064,283
Unrestricted				18,085,238	18,085,238
Total net position				$ 54,149,521	$ 54,149,521

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 Statement of Revenues, Expenditures, and
Changes in Fund Balances/Net Position

For the Year Ended June 30, 2018

	General Fund	Debt Service Fund	Total	Adjustments	Statement of Activities
Revenues:					
Investment earnings (loss)	$ 35,757	$ (1,033)	$ 34,724	$ -	$ 34,724
Interest income on bonds receivable	118,678	53,246,419	53,365,097	-	53,365,097
Total revenues	154,435	53,245,386	53,399,821	-	53,399,821
Expenditures / expenses:					
Debt service:					
Principal payments	-	74,905,000	74,905,000	(74,905,000)	-
Interest payments / expense	-	54,761,904	54,761,904	(1,072,685)	53,689,219
Professional services	287,177	-	287,177	-	287,177
Personal services	194,344	-	194,344	-	194,344
Administrative travel	13,577	-	13,577	-	13,577
Office expense	3,181	-	3,181	-	3,181
Total expenditures / expenses	498,279	129,666,904	130,165,183	(75,977,685)	54,187,498
Excess (deficiency) of revenues over expenditures / expenses	(343,844)	(76,421,518)	(76,765,362)	75,977,685	(787,677)
Other financing sources / (uses):					
Proceeds from issuance of bonds	-	28,955,000	28,955,000	(28,955,000)	-
Transfers - internal activities	124,960	(124,960)	-	-	-
Total other financing sources / (uses)	124,960	28,830,040	28,955,000	(28,955,000)	-
Net change in fund balance / net position	(218,884)	(47,591,478)	(47,810,362)	47,022,685	(787,677)
Fund balances / net position:					
Beginning of the year	24,317,018	1,233,705,857	1,258,022,875	(1,203,085,677)	54,937,198
End of the year	$ 24,098,134	$ 1,186,114,379	$ 1,210,212,513	$ (1,156,062,992)	$ 54,149,521

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

(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 commenced operations in August 1975.

The Authority was created for the purpose of making monies available to authorized borrowers within the State to finance capital projects primarily through the issuance of bonds by the Authority. Bond proceeds are then used to purchase, from authorized borrowers, general obligation and revenue bonds.

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.

Alaska Statue (AS) 44.85.180(c) was originally enacted in 1975, limiting Bond Bank outstanding bonds at any time to $150 million. This Statue has been periodically amended to raise the limit, and modify the definition of authorized borrowers. At the beginning of fiscal year 2015, the limit was $1.5875 billion.

During fiscal year 2015, the legislature passed, and the Governor signed into law a bill to authorize the Authority to make loans to Joint Action Agencies and Regional Health Organizations, effective May 26, 2015. Joint Action Agency lending is now part of the main political subdivision program. Regional Health Organization lending is limited to no more than $205 million in total, no more than 49% of any single project where the other 51% of the project's funding is in place, and not more than $102.5 million for any single project.

With the 2015 legislation, the total debt limit as of June 30, 2018 was $1,792,500,000, comprised of $1.5 billion in authority for political subdivisions, $87.5 million for the University of Alaska, and $205 million for Regional Health Organizations. Total Bond Bank bonds and notes outstanding as of June 30, 2018 was approximately $1,141,665,000. The limit on additional bond issuance as of June 30, 2018 was approximately $650.8 million, of which $582.3 million of authority is available for the main political subdivision program, $1.4 million is available to the University of Alaska, and $67.1 million is available to Regional Health Organizations.

(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 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. Monies 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 authorized borrowers 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 authorized borrowers 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 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:

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.

2016 Master 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, 2018, the *2005 General Bond Resolution, 2010 General Bond Resolution* and *2016 Master 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.

(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 $36,064,283 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		13,000,000
Total State of Alaska appropriated equity	$	33,396,046

Restricted for Debt Service:		
Appropriated amounts residing in reserve accounts	$	28,439,616
Appropriated amounts residing in Custodian account		4,956,430
Total State of Alaska appropriated equity		33,396,046
Bond Bank equity residing in reserve accounts		2,668,237
Total restricted for debt service/net position	$	36,064,283

(e) Bond Receivables

Bond receivables are secured by the revenues or are general obligations of the authorized borrowers. 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 refunding is not recorded by the Authority, as the premium or discount is recorded by the authorized borrowers associated with the issuance and amortized by them. Therefore, bonds payable are presented at par. Bond issue costs are generally paid by the authorized borrowers 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. The Bond Bank's arbitrage rebate consultant will update all general obligation bond rebate analysis annually as of June 30. The Bond Bank did not have an arbitrage rebate liability as of June 30, 2018.

(j) Income Taxes

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

(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, 2018 consist of money market accounts held with the trustee or custodial bank.

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

In accordance with the authoritative guidance on fair value measurements and disclosures, the Authority discloses the fair value of its investments in a hierarchy that ranks the inputs to valuation techniques used to measure the fair value. The hierarchy gives the highest ranking to valuations based upon unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest ranking to valuations based upon unobservable inputs that are significant to the valuation (Level 3 measurements). The guidance establishes three levels of the fair value hierarchy as follows:

Level 1 - Quoted prices in active markets for identical assets.

Level 2 - Inputs other than quoted prices that are observable for the assets, including quoted prices for similar investments based on interest rates, credit risk and like factors.

Level 3 - Unobservable inputs for the assets.

Investments are assigned a level based upon the observability of the inputs which are significant to the overall valuation. The inputs and methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The aggregate fair value by input level, as of June 30, 2018 is as follows:

		Level		
Debt Securities	6/30/2018	1	2	3
General Fund				
U.S. Treasury securities	$ 11,624,702	$ 11,624,702	$ -	$ -
U.S. Government agency securities	96,962	-	96,962	-
Total General Fund	11,721,664	11,624,702	96,962	-
Debt Service Fund				
U.S. Treasury securities	47,114,726	47,114,726	-	-
U.S. Government agency securities	1,961,390	-	1,961,390	-
Total Debt Service Fund	49,076,116	47,114,726	1,961,390	-
Total Debt Securities	$ 60,797,780	$ 58,739,428	$ 2,058,352	$ -

U.S. Treasury securities are liquid and have quoted market prices. Fair value of U.S. Treasuries securities is based on live trading feeds. U.S. Treasury securities are categorized in Level 1 of the fair value hierarchy. Government agency securities use market-based and observable inputs. As such, these securities are classified as Level 2 of the fair value hierarchy.

The fair value of debt security investments by contractual maturity as of June 30, 2018 is shown below.

	Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years	Total
General Fund					
U.S. Treasury securities	$ 4,501,521	$ 6,157,946	$ 965,235	$ -	$ 11,624,702
U.S. Government agency securities		96,962	-	-	96,962
Total General Fund	4,501,521	6,254,908	965,235	-	11,721,664
Debt Service Fund					
U.S. Treasury securities	17,287,952	24,284,905	5,541,869	-	47,114,726
U.S. Government agencies securities	-	1,961,390	-	-	1,961,390
Total Debt Service Fund	17,287,952	26,246,295	5,541,869	-	49,076,116
Total investments	$ 21,789,473	$ 32,501,203	$ 6,507,104	$ -	$ 60,797,780

Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without penalty.

(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. The Custodian Account balance must maintain a minimum balance of $5 million, and be forecasted to maintain that $5 million balance 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. Up to $1,000,000 shall be used for longer term, 5 to 10 year U.S. Treasury and Agency securities. The Custodian Account has to maintain sufficient liquidity to meet operating requirements, provide the prior fiscal year's state dividend (if not otherwise appropriated back to the Bond Bank), and to allow transfers to reserves as needed for bond issuance activity. Long-term preservation of principal is the third objective of the Custodian Account's investment program. Investments shall be undertaken in a manner that minimizes the probability of long-term loss.

- There are no arbitrage restrictions.

The bond resolutions limit investments to:

- 5% +/- 2% money market funds (no less than $350,000).
- 95% +/- 3% government agencies and U.S. Treasuries.

- The performance benchmark is 5% +/- 2% three month U.S. Treasury Bill, and 95% +/- 3% Barclays 1-5 year government bond index; Barclays U.S. Aggregate.

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.

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 2005, 2010 and 2016 Reserve Fund bond resolutions limit investments to:

- 90% +/- 10% government agencies and U.S. Treasuries with maturities of less than 5 years.
- 10% +/- 10% government agencies and U.S. Treasuries with maturities of more than 5 years and less than 10 years.
- Performance benchmark is 90% Barclays U.S. 1-5 year government bond index and 10% Barclays U.S. Aggregate 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.

(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 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 and Kenai Peninsula Borough with maturities as follows:

	City of Galena	Kenai Peninsula Borough	Total General Fund Bonds Receivable
2019	$ 167,119	$ 827,000	$ 994,119
2020	168,798	843,000	1,011,798
2021	170,494	861,000	1,031,494
2022	172,207	879,000	1,051,207
2023	173,937	900,000	1,073,937
2024-2028	331,961	-	331,961
	$ 1,184,516	$ 4,310,000	$ 5,494,516

Bonds receivable by debt service program at June 30, 2018 mature in varying annual installments as follows:

Year ending June 30	2005 General	2010 General	2016 General	Total Principal
2019	$ 64,455,000	$ 160,000	$ 4,965,000	$ 69,580,000
2020	63,820,000	165,000	5,225,000	69,210,000
2021	62,805,000	170,000	5,485,000	68,460,000
2022	61,100,000	175,000	7,930,000	69,205,000
2023	59,535,000	180,000	8,280,000	67,995,000
2024-2028	245,175,000	995,000	22,340,000	268,510,000
2029-2033	202,640,000	1,190,000	15,820,000	219,650,000
2034-2038	118,945,000	825,000	19,230,000	139,000,000
2039-2043	73,760,000	-	24,095,000	97,855,000
2044-2048	38,280,000	-	24,505,000	62,785,000
2049-2053	2,100,000	-	-	2,100,000
	$ 992,615,000	$ 3,860,000	$ 137,875,000	$ 1,134,350,000

(6) Authority Reserve Funds Derived from Series 2017A Bond Proceeds

The Authority deposited bond proceeds from the issuance of the Series 2017A bonds to satisfy the Authority's 2016 Master Resolution Reserve requirement. The Yukon-Kuskokwim Health Corporation (2017A Borrower) is obligated by the loan agreement to pay all interest expense associated with the Series 2017A bonds including the bonds that funded the deposit to the 2016 Master Resolution. These reserve funds are held by the Trustee until the maturity of the bonds when per the loan agreement proceeds attributable to funding the Authority's 2016 Master Resolution reserve requirement will be used to repay the 2017A bonds that funded them. The amount initially required to satisfy the Authority's reserve at time of issuance was $6,993,150.

(7) Long–Term Liabilities

During the year ended June 30, 2018 the Authority's long-term liabilities changed as follows:

	Beginning of year	New debt	Repayments/ Adjustments	End of year
General obligation bonds payable	$ 1,187,615,000	$ 28,955,000	$ (74,905,000)	$ 1,141,665,000
Total	$ 1,187,615,000	$ 28,955,000	$ (74,905,000)	$ 1,141,665,000

Bond Bank's long term liabilities consist of the following as of June 30, 2018:

	Debt Service Account		Statutory Reserve Account Ordinary Reserve Sub-Account	
Issue	Interest rate	Principal outstanding	Interest rate	Principal outstanding
2005 Series General Bond Resolution Program:				
2008-One Series	4.00%-5.00%	$ -	5.00%	$ 2,220,000
Dillingham				
Kodiak Island Borough				
Kodiak, City of				
Seward				
2008-Two Series	4.40%-6.00%	-	4.75%-6.00%	820,000
Seward				
Sitka, City and Borough of				
Skagway				
2009-One Series	3.00%-5.63%	835,000	4.00%-5.50%	560,000
Kodiak, City of				
Unalaska, City of				
2009-Two Series	4.00%-6.00%	1,330,000	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%	2,800,000	2.00%-4.00%	495,000
2009-A-Four Series	3.00%-4.00%	-	3.00%-4.00%	430,000
Kenai Peninsula Borough				
Ketchikan Gateway Borough				
2009-B-Four Series - Ketchikan Gateway Borough	4.63%-5.40%	19,225,000	-	-
2010-A-Series One	2.00%-5.00%	3,065,000	-	-
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-B Series Two	3.75%-4.91%	10,040,000	-	-
Juneau, City and Borough of				
Cordova				
King Cove, City of				
2010-A Series Three	2.00%-4.00%	1,035,000	-	-
Aleutians East Borough				
Unalaska				
King Cove, City of				
2010-B Series Three	4.93%-5.43%	6,900,000	-	-
Aleutians East Borough				
Unalaska				
King Cove, City of				
2010-A Series Four	2.00%-5.00%	13,115,000	-	-
Kenai Peninsula Borough				
Ketchikan, City of				
Ketchikan Gateway Borough				
Sitka, City and Borough of				
Sitka , City and Borough of (Refunding)				
Soldotna				

(continued)

Issue	Debt Service Account		Statutory Reserve Account Ordinary Reserve Sub-Account	
	Interest rate	Principal outstanding	Interest rate	Principal outstanding
2010-B Series Four	1.42%-6.26%	43,720,000	-	-
Kenai Peninsula Borough				
Ketchikan, City of				
Ketchikan Gateway Borough				
Sitka, City and Borough of				
Soldotna				
2011-Series One	3.00%-5.13%	5,955,000	-	-
Kodiak Island Borough				
Wrangell				
2011-Series Two	2.00%-4.38%	5,900,000	-	-
Juneau, City and Borough of				
Sitka, City and Borough of				
2011-Series Three	2.00%-5.00%	46,585,000	2.00%-5.00%	1,390,000
Wrangell				
Aleutians East Borough				
Northwest Arctic Borough				
Ketchikan Gateway Borough				
Kenai Peninsula Borough				
Cordova				
Hoonah				
Skagway				
Seward				
Kodiak Island Borough				
2012-Series One	2.00%-5.00%	5,580,000	-	-
Juneau, City and Borough of (Wildflower Court)				
Juneau, City and Borough of				
2012-Series Two	1.75%-5.00%	30,510,000	-	-
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				
2012-Series Three	1.50%-5.00%	12,840,000	-	-
Juneau, City and Borough of (School)				
Juneau, City and Borough of (REF)				
Petersburg				
Haines Borough				
2013-Series One	2.00%-5.00%	84,595,000	-	-
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%	15,050,000	-	-
Homer, City of				
Ketchikan, City of				
Ketchikan, City of (REF)				
Skagway				
2013-Series Two B				
Kodiak Island Borough	3.00%-4.00%	12,820,000	-	-

(continued)

	Debt Service Account		Statutory Reserve Account Ordinary Reserve Sub-Account	
Issue	Interest rate	Principal outstanding	Interest rate	Principal outstanding
2013 Series Three	1.50%-5.00%	64,320,000	-	-
Juneau, City and Borough of				
Kenai Peninsula Borough				
Lake and Peninsula Borough				
Sitka, City and Borough of				
2014-Series One A	0.38%-5.00%	50,080,000	-	-
Juneau, City and Borough of				
Kodiak Island Borough				
Kenai Peninsula Borough- Exempt				
Kenai Peninsula Borough- Taxable				
2014-Series Two A	3.00%-5.00%	43,655,000	-	-
Ketchikan, City of (Harbor)				
Ketchikan, City of (Hospital)				
King Cove, City of				
2014-Series Three	1.25%-5.00%	49,770,000	-	-
City & Borough of Juneau				
City of Saxman				
City & Borough of Sitka				
City of Adak (REF)				
Municipality of Ancorage (Rev REF)				
Haines Borough (REF)				
Kenai Peninsula				
City of Nome (REF)				
Northwest Arctic Borough (REF)				
Petersburg Borough (REF)				
City of Seward (REF)				
City of Seward (REF) - 2				
2015-Series One	2.00%-5.00%	47,995,000	-	-
City of Craig - New Money				
City of Cordova - New Money				
City of Cordova (REF2005A)				
City of Ketchikan (REF2005A)				
Northwest Arctic Borough (REF2005A)				
City and Borough of Sitka (REF2005A)				
City of Unalaska (REF2005A)				
Ketchikan Gateway Borough (REF2005E)				
Aleutians East Borough (REF2006A)				
City of Nome (REF2006A)				
City of Wrangell (REF2006A)				
City and Borough of Sitka (REF2008-2)				
City of Unalaska (REF2009-1)				
City of Cordova (REF2009-2)				
City of Nome (REF2009-2)				
2015-Series Two	2.00%-5.00%	53,645,000	-	-
City of Cordova - CC				
Municipality of Skagway - PSB				
City and Borough of Juneau - PP				
Municipality of Skagway - PP				
City and Borough of Juneau - School				
City and Borough of Juneau (REF2007-3)				
Kenai Peninsula Borough (REF2007-4)				
2015-Series Three	2.00%-5.25%	95,445,000	-	-
University of Alaska				
Haines Borough				
Kodiak Island Brough - School				
Kodiak Island Borough - R&R				
King Cove, City of				

(continued)

Issue	Debt Service Account Interest rate	Debt Service Account Principal outstanding	Statutory Reserve Account Ordinary Reserve Sub-Account Interest rate	Statutory Reserve Account Ordinary Reserve Sub-Account Principal outstanding
2016-Series One	2.00%-5.00%	31,595,000	-	-
Kenai Peninsula Borough CES 7-Year Loan				
Kenai Peninsula Borough CES 15-Year Loan				
City of Klawock				
Kodiak Island Borough - R&R				
Kodiak Island Borough - School				
City of Seward (REF2008-1)				
City of Seward (REF 2008-2)				
2016-Series Two	3.00%-5.00%	53,895,000	-	-
Fairbanks North Star Borough				
Ketchikan, City of				
2016-Series Three	2.00%-5.00%	72,825,000	-	-
City of Petersburg 2007 One Current Refunding				
City of Nome 2007 One Refunding				
Northwest Arctic Borough 2007 One Refunding				
City of Seward 2007 One Refunding				
City of Wasilla 2007 One Refunding				
City and Borough of Sitka 2007 One Refunding				
Aleutians East Borough 2007 Two Refunding				
Kenai Peninsula Borough 2007 Two Refunding				
City of Bethel 2007 Three Refunding				
City of Kodiak 2007 Five Float Refunding				
City of Kodiak 2007 Five Lift Refunding				
City of Dillingham 2008 One Loan Refunding				
City of Kodiak 2008 One Loan Refunding				
Kodiak Island Borough 2008 One Loan Refunding				
City of Skagway 2008 Two Loan Refunding				
City of Kodiak 2009 One Loan Refunding				
City and Borough of Juneau 2006B Refunding				
City and Borough of Juneau New Money				
2016-Series Four	2.00%-5.00%	27,840,000	-	-
City of Ketchikan Port 2006 Two Loan Refunding				
City of Ketchikan Port New Money				
2017-Series One	2.50%-5.00%	11,685,000	-	-
Kenai Peninsula Borough Hospital Loan				
Kenai Peninsula Borough				
Kenai Peninsula Borough Solid Waste Loan				
2017-Series Two	3.63%-5.00%	31,595,000	-	-
City of Unalaska				
City of Whittier				
2017-Series Three				
Central Peninsula Hospital District	3.00%-5.00%	28,955,000	-	-
Total 2005 Bond Resolution		992,615,000		7,315,000
2010 Bond Resolution:				
2010-A-1 Series One - Ketchikan Gateway Borough	3.00%-4.00%	160,000	-	-
2010-A-2 Series One - Ketchikan Gateway Borough	5.78%-6.86%	3,700,000	-	-
Total 2010 Bond Resolution		3,860,000		-
2016 Master Bond Resolution:				
2016-Series A - Tanana Chiefs Conference	5.00%	37,160,000	-	-
2017 Series A - Yukon-Kuskokwim Health Corporation	3.00%-5.50%	100,715,000	-	-
Total 2016 Master Bond Resolution		137,875,000		-
Total Long-Term Liabilities		$ 1,134,350,000		$ 7,315,000

All bonds are secured by bonds receivable and by amounts in the reserve account. The Act further provides that if an authorized borrower 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 authorized borrower 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 fiscal year 2017 the Authority advance refunded a portion of the outstanding 2009-1 general obligation bonds. As a result, these bonds were considered defeased, and the Authority removed the liability from its financial statements. The outstanding principal of the defeased bonds was $825,000 at June 30, 2018.

In fiscal year 2015 the Authority advance refunded a portion of the outstanding 2009-1, and 2009-2 general obligation bonds. As a result, these bonds were considered defeased, and the Authority removed the liability from its financial statements. The outstanding principal of these defeased bonds was $29,895,000 at June 30, 2018.

The above bonds mature in varying annual installments. The maturities at June 30, 2018 are as follows:

	2005 Resolution		2010 Resolution	2016 Resolution
Year ending June 30	General	Reserve	General	General
2019	$ 64,455,000	$ 625,000	$ 160,000	$ 4,965,000
2020	63,820,000	925,000	165,000	5,225,000
2021	62,805,000	-	170,000	5,485,000
2022	61,100,000	235,000	175,000	7,930,000
2023	59,535,000	2,640,000	180,000	8,280,000
2024-2028	245,175,000	2,205,000	995,000	22,340,000
2029-2033	202,640,000	685,000	1,190,000	15,820,000
2034-2038	118,945,000	-	825,000	19,230,000
2039-2043	73,760,000	-	-	24,095,000
2044-2048	38,280,000	-	-	24,505,000
2049-2053	2,100,000	-	-	-
	$ 992,615,000	$ 7,315,000	$ 3,860,000	$ 137,875,000

Year ending June 30	Total Principal	Total Interest
2019	$ 70,205,000	$ 52,140,076
2020	70,135,000	49,111,662
2021	68,460,000	46,023,490
2022	69,440,000	42,883,460
2023	70,635,000	39,652,810
2024-2028	270,715,000	154,401,935
2029-2033	220,335,000	95,784,926
2034-2038	139,000,000	53,754,538
2039-2043	97,855,000	28,563,715
2044-2048	62,785,000	6,743,373
2049-2053	2,100,000	52,499
	$ 1,141,665,000	$ 569,112,484

(8) 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, 2018 the aggregate amount outstanding for conduit debt obligations was $4,004,970.

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 defer payment. As of June 30, 2018 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.

(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 year 2018 as discussed in Note 2(d), included $178,200 of City of Galena loan repayments for the year ended June 30, 2018. There were no excess receipts over operating expenditures during fiscal year 2018.

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 2018; the cumulative state appropriated amount, therefore, remained $33,396,046 at June 30, 2018.

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

(10) Subsequent Events

Subsequent to June 30, 2018, the Bond Bank has not issued additional bonds. At a meeting on March 1, 2018, the Bond Bank Board of Directors approved an application from an authorized borrower. The Bond Bank has scheduled a Board of Directors meeting during the last quarter of calendar year 2018 to consider additional applications and a resolution authorizing the issuance of the Series 2018-01 and the Series 2018-02 bonds. The Bond Bank anticipates the issuance of the Series 2018-01 and the Series 2018-02 bonds before the end of calendar year 2018.

(11) Upcoming Accounting Pronouncements

There are several Governmental Accounting Standards Board standards on several topics that the Bond Bank must consider with upcoming implementation dates as follows:

- GASB 83 – *Certain Asset Retirement Obligations*. Effective for fiscal years beginning after June 15, 2018.
- GASB 84 – *Fiduciary Activities*. Effective for fiscal years beginning after December 15, 2018.
- GASB 86 – *Certain Debt Extinguishment Issues*. Effective for fiscal years beginning after June 15, 2017.
- GASB 87 – *Leases*. Effective for fiscal years beginning after December 15, 2019.
- GASB 88 – *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements.* Effective for fiscal years beginning after June 15, 2018.
- GASB 89 – *Accounting for Interest Cost Incurred before the End of a Construction Period*. Effective for fiscal years beginning after December 15, 2019.
- GASB 90 – *Majority Equity Interests*. Effective for fiscal years beginning after December 15, 2018.

Currently, the Bond Bank does not expect any of these standards to have any significant impact on the financial statements of the Bond Bank.

Supplemental Schedule

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

Supplemental Schedule of Statutory Reserve Accounts - Assets, Liabilities, and Account Reserves

June 30, 2018

	2005 Resolution	2010 Resolution	2016 Resolution	Total
ASSETS				
Cash	$ 127,994	$ 39,838	$ 17,307	$ 185,139
Accrued interest receivable	212,117	2,156	34,033	248,306
Marketable securities	41,912,218	359,449	6,804,449	49,076,116
Total Assets	$ 42,252,329	$ 401,443	$ 6,855,789	$ 49,509,561
LIABILITIES				
Accrued interest payable	$ 120,731	$ -	$ -	$ 120,731
Interaccount payables	5,002,498	16,148	10,647	5,029,293
Bond proceeds held in reserve	-	-	6,993,150	6,993,150
Bonds payable	7,315,000	-	-	7,315,000
Total Liabilities	12,438,229	16,148	7,003,797	19,458,174
RESERVES				
State appropriated	28,046,530	393,086	-	28,439,616
Unappropriated	2,666,773	1,464	-	2,668,237
Unrealized gain (loss)	(899,203)	(9,255)	(148,008)	(1,056,466)
Total Reserves	29,814,100	385,295	(148,008)	30,051,387
Total Liabilities & Reserves	$ 42,252,329	$ 401,443	$ 6,855,789	$ 49,509,561

See Independent Auditor's report

Continuing Disclosure Tables

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 supplemental information related to the 2005, 2010 general and 2016 master resolutions is provided in compliance with the Appendix C filing requirement.

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

Supplemental Schedule of 2005 Bond Resolution Program - Borrower Concentration

June 30, 2018

Borrower	Outstanding Par	Percent of Outstanding
City and Borough of Sitka	$ 134,640,000	13.46%
Kenai Peninsula Borough	132,540,000	13.25%
City and Borough of Juneau	118,980,000	11.90%
City of Ketchikan	91,000,000	9.10%
University of Alaska	86,085,000	8.61%
Kodiak Island Borough	85,265,000	8.53%
City of Unalaska	59,505,000	5.95%
Fairbanks North Star Borough	53,895,000	5.39%
City of Seward	31,650,000	3.17%
Ketchikan Gateway Borough	29,900,000	2.99%
Northwest Arctic Borough	25,475,000	2.55%
Aleutians East Borough	21,900,000	2.19%
Municipality of Skagway	19,120,000	1.91%
Lake & Peninsula Borough	15,835,000	1.58%
City of Cordova	15,515,000	1.55%
City of Kodiak	12,220,000	1.22%
Haines Borough	9,955,000	1.00%
Petersburg Borough	9,260,000	0.93%
City of Dillingham	8,425,000	0.84%
City of Nome	3,850,000	0.39%
Municipality of Anchorage	3,370,000	0.34%
City of Homer	3,060,000	0.31%
City of King Cove	2,640,000	0.26%
City of Sand Point	2,300,000	0.23%
City of Valdez	2,025,000	0.20%
City of Bethel	2,000,000	0.20%
City of Whittier	1,940,000	0.19%
City of Soldotna	1,785,000	0.18%
City of Craig	1,635,000	0.16%
City of Kenai	1,355,000	0.14%
City of Klawock	1,310,000	0.13%
City of Hoonah	950,000	0.10%
City and Borough of Wrangell	750,000	0.08%
City of North Pole	685,000	0.07%
City of Palmer	635,000	0.06%
City of Adak	605,000	0.06%
City of Wasilla	405,000	0.04%
City of Saxman	150,000	0.02%
Reserve Obligations	7,315,000	0.73%
Total Outstanding Par	$ 999,930,000	100.00%

See Independent Auditor's report

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

Supplemental Schedule of 2005 Bond Resolution Program - Debt Service Requirements

June 30, 2018

Borrower	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
City of Unalaska 2009 One Loan	$ 855,875	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City of Unalaska 2009 Two Loan	560,413	-	-	-	-	-	-	-	-	-
City of Cordova 2009 Two Loan	801,338	-	-	-	-	-	-	-	-	-
City of Nome 2009 Two Loan	31,425	-	-	-	-	-	-	-	-	-
City and Borough of Juneau - 2009 Three Loan	1,444,800	1,468,800	-	-	-	-	-	-	-	-
Ketchikan Gateway Borough - 2009 Four Loan	1,754,104	1,743,479	1,731,390	1,722,642	1,707,107	1,694,654	1,684,964	1,664,500	1,652,551	1,633,521
City of Kenai - 2010 One Loan	178,398	172,704	172,011	171,018	164,725	163,433	161,840	159,948	152,339	149,730
Ketchikan Gateway Borough - 2010 One Loan	730,000	728,000	-	-	-	-	-	-	-	-
Northwest Arctic Borough - 2010 One Loan	281,765	280,765	284,565	281,315	276,127	275,640	269,552	268,166	260,484	257,485
Petersburg Borough - 2010 One Loan	234,794	234,894	234,794	238,694	235,849	232,010	227,870	228,281	222,947	217,009
City of Unalaska - 2010 One Loan	424,949	425,949	426,549	424,299	424,017	417,835	411,055	403,675	399,652	389,678
City and Borough of Juneau - 2010 Two Loans	1,117,534	1,107,744	2,472,665	1,820,539	1,779,639	1,517,673	1,742,096	-	-	-
City of Cordova 2010 Two Loan	45,138	48,188	46,070	-	-	-	-	-	-	-
City of King Cove 2010 Two Loan	43,686	42,540	41,363	40,155	38,847	42,319	40,652	38,985	37,246	40,283
Aleutians East Borough - 2010 Loan	396,578	397,966	392,943	390,877	383,441	380,636	372,462	368,918	359,283	353,530
City of King Cove 2010 Three Loan	60,992	59,680	58,205	61,359	59,389	57,419	55,449	53,479	56,271	53,827
City of Unalaska 2010 Three Loan	438,067	433,605	432,617	429,319	420,652	416,616	407,211	397,559	396,616	389,233
Kenai Peninsula Borough 2010 Four Loan	1,431,305	1,411,775	1,395,269	1,376,201	1,358,946	1,338,264	1,314,029	1,291,441	1,264,032	1,232,410
City of Ketchikan 2010 Four Loan	608,190	603,500	597,854	586,163	578,214	568,842	562,857	550,401	540,902	529,470
Ketchikan Gateway Borough 2010 Four Loan	320,209	315,233	314,574	308,091	300,753	292,534	288,269	282,919	-	-
City and Borough of Sitka 2010 Four Loan	4,062,570	4,047,570	4,058,570	4,050,648	4,038,926	4,030,419	4,000,527	3,930,489	3,845,859	3,758,179
City of Soldotna 2010 Four Loan	211,905	211,752	206,311	205,509	199,279	197,602	195,333	192,515	188,948	184,721
City and Borough of Wrangell 2011 One Loan	28,000	27,000	26,000	-	-	-	-	-	-	-
Kodiak Island Borough 2011 One Loan	621,400	622,800	623,600	623,800	625,513	626,275	626,088	624,950	622,863	623,006
City and Borough of Juneau 2011 Two Loan	657,300	659,600	655,200	-	-	-	-	-	-	-
City and Borough of Sitka 2011 Two Loan	410,090	407,590	407,390	411,790	407,690	408,071	411,271	408,871	411,071	407,671
Aleutians East Borough 2011 Three Refunding	229,875	226,000	231,625	230,625	-	-	-	-	-	-
Kenai Peninsula Borough 2011 Three Refunding	1,621,825	1,617,850	967,375	958,750	953,250	-	-	-	-	-
Ketchikan Gateway Borough 2011 Three Refunding	618,800	615,900	616,875	614,000	609,875	-	-	-	-	-
Northwest Arctic Borough 2011 Three Refunding	2,492,025	2,492,700	2,488,875	2,485,000	2,485,625	1,681,000	-	-	-	-
Kenai Peninsula Borough (Central Hospital) 2011 Three	3,520,000	3,521,000	3,525,500	3,528,625	3,533,750	3,520,875	-	-	-	-
City of Cordova 2011 Three	53,375	56,250	54,000	56,375	-	-	-	-	-	-
City of Hoonah 2011 Three	113,250	90,500	93,125	90,375	92,500	89,500	91,700	89,100	91,400	88,250
Kodiak Island Borough 2011 Three	300,975	301,550	301,625	300,125	298,125	300,500	298,600	302,500	300,900	-
Municipality of Skagway 2011 Three	36,800	35,900	35,000	34,000	37,875	36,625	35,500	34,500	33,500	37,250
City of Seward 2011 Three	244,175	244,350	244,275	243,400	242,275	245,775	244,600	243,900	243,000	241,125
Juneau Wildflower Court Refunding 2012 One	1,486,925	1,555,825	437,725	484,575	534,966	583,463	442,172	491,063	-	-
Juneau 2012 Two	1,958,400	-	-	-	-	-	-	-	-	-
City of Ketchikan 2012 Two	352,519	352,019	355,894	355,344	354,294	351,544	353,169	357,306	353,894	354,703
Ketchikan Gateway Borough 2012 Two	689,250	681,625	-	-	-	-	-	-	-	-
Kodiak Island Borough 2012 Two	1,447,950	1,439,025	1,442,275	1,433,950	1,433,125	1,433,250	1,435,000	-	-	-
City of Nome 2012 Two	148,825	147,950	146,825	146,100	150,000	133,250	-	-	-	-
City of North Pole 2012 Two	99,400	100,775	101,900	103,200	104,250	99,750	100,125	101,375	-	-
City of Palmer 2012 Two	108,450	104,850	105,725	106,800	107,625	107,750	107,625	-	-	-
Petersburg Borough 2012 Two	491,075	488,125	488,375	489,750	485,250	468,125	246,000	-	-	-
City and Borough of Sitka 2012 Two	1,456,775	1,455,650	1,456,650	1,451,200	1,453,000	1,450,375	630,375	-	-	-
City of Valdez 2012 Two	351,850	343,725	340,225	342,550	344,125	343,500	317,750	-	-	-
Haines Borough 2012 Three	82,719	85,344	82,844	85,219	87,344	84,344	86,544	83,944	86,594	84,494
Juneau 2012 Three Refunding	928,250	937,125	948,625	947,875	959,750	973,750	-	-	-	-
Juneau 2012 Three School Construction	1,400,375	1,363,625	1,364,875	1,363,125	1,363,250	-	-	-	-	-

(continued)

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

Supplemental Schedule of 2005 Bond Resolution Program - Debt Service Requirements

June 30, 2018

Borrower	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Petersburg Borough 2012 Three	105,000	101,500	102,875	104,000	104,875	105,500	101,450	102,750	99,425	101,500
Kenai Peninsula Borough (Bear Creek Fire) 2013 One	97,020	94,520	97,520	95,320	93,120	95,920	92,920	94,920	96,670	93,170
City and Borough of Juneau (Bartlett Hospital) 2013 One	1,665,563	1,661,863	1,661,513	1,666,713	1,665,313	1,667,513	1,668,263	1,667,663	1,673,913	1,676,063
City and Borough of Juneau 2013 One	199,610	204,610	200,210	200,810	201,210	201,410	200,160	203,660	201,660	199,410
Ketchikan Gateway Borough 2013 One	608,150	608,400	607,600	611,000	608,400	-	-	-	-	-
Kodiak Island Borough 2013 One	1,690,340	1,687,590	1,691,790	1,689,390	1,690,590	1,690,190	1,687,690	1,687,690	1,689,940	1,689,190
City of Sand Point 2013 One	180,180	181,680	183,680	180,480	182,280	183,880	184,380	184,630	184,630	184,380
City and Borough of Sitka (Harbor) 2013 One	307,900	310,150	308,550	311,750	309,550	312,150	307,400	307,400	306,900	310,900
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	288,650	289,300	293,300	291,900	290,300	293,500	294,500	295,000	295,000	294,500
City of Ketchikan 2013 Two	1,068,450	1,072,250	1,069,850	1,071,650	1,072,450	1,077,250	1,079,250	1,079,500	1,078,000	1,079,750
Kodiak Island Borough 2013 Two	1,268,638	1,272,938	1,274,338	1,274,538	1,275,788	1,280,038	1,027,038	1,024,538	1,025,538	1,024,788
Municipality of Skagway 2013 Two	69,250	68,200	71,800	70,200	68,600	72,000	69,750	67,500	70,250	67,750
City and Borough of Juneau 2013 Three	905,450	903,650	902,125	902,000	905,000	902,000	-	-	-	-
Kenai Peninsula Borough	1,625,550	1,626,600	1,627,325	1,628,500	1,627,675	1,630,175	1,630,175	1,627,675	1,627,550	1,629,550
Lake and Peninsula Borough 2013 Three	1,419,850	1,423,900	1,423,250	1,424,250	1,423,500	1,422,000	1,423,375	1,422,500	1,419,375	1,423,750
City and Borough of Sitka 2013 Three	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	1,274,975
Kenai Peninsula Borough 2014 One	2,960,067	2,960,062	2,959,103	2,955,849	2,957,500	2,955,500	2,958,250	2,959,500	2,957,750	2,960,000
Kodiak Island Borough 2014 One	1,772,713	1,775,113	1,772,113	1,776,363	1,773,113	1,772,613	1,769,613	1,774,925	1,772,425	1,772,175
City and Borough of Juneau 2014 One	404,838	406,538	403,138	404,638	405,638	406,138	406,138	404,575	403,825	407,575
City of Ketchikan Hospital (G.O.) 2014 Two	2,553,700	2,551,700	2,552,700	2,556,450	2,557,700	2,556,450	2,557,700	2,561,200	2,561,700	2,559,200
City of Ketchikan Harbor (G.O.) 2014 Two	205,550	205,550	205,300	204,800	209,050	207,800	206,300	209,550	207,300	209,800
City of King Cove Electric 2014 Two	160,050	163,800	42,050	41,050	40,050	39,050	38,050	37,050	41,050	39,800
City and Borough of Juneau 2014 Three	908,400	909,000	911,375	907,625	907,750	911,500	908,875	909,875	909,375	907,375
City and Borough of Sitka 2014 Three	816,250	816,250	816,250	816,250	816,250	816,250	816,250	816,250	816,250	816,250
City of Saxman 2014 Three	12,350	12,125	11,875	11,625	11,375	16,000	15,500	15,000	14,500	14,000
City of Adak Refunding 2014 Three	103,000	104,500	100,500	101,375	102,000	102,375	102,500	-	-	-
Municipality of Anchorage Refunding 2014 Three	294,600	298,500	296,375	294,000	296,250	298,000	294,375	290,500	291,250	296,375
Haines Borough Refunding 2014 Three	1,198,600	1,195,375	1,191,125	1,194,625	1,190,750	1,189,500	1,190,625	1,189,000	-	-
Kenai Peninsula Borough Refunding 2014 Three	180,750	180,000	183,250	181,125	178,750	181,000	177,875	179,375	-	-
City of Nome Refunding 2014 Three	268,650	269,625	269,125	268,125	266,625	269,500	271,625	-	-	-
Northwest Arctic Borough Refunding 2014 Three	448,200	448,875	447,250	449,750	446,375	447,125	442,000	445,875	-	-
Petersburg Borough Refunding 2014 Three	398,750	401,000	401,125	400,500	399,125	401,875	398,750	399,750	-	-
City of Seward 2005 Refunding 2014 Three	107,500	104,125	105,250	106,125	106,750	107,125	102,375	102,500	-	-
City of Seward 2006 Refunding 2014 Three	320,400	320,475	318,975	316,975	319,350	320,975	321,850	637,100	-	-
City of Cordova 2015 One New Money	136,725	134,125	136,075	132,575	133,950	135,075	135,950	136,575	136,950	137,075
City of Cordova 2015 One 2005 Refunding	191,200	193,800	-	-	-	-	-	-	-	-
City of Cordova 2015 One 2009 Refunding	566,950	593,350	1,354,000	1,348,500	1,345,875	1,345,875	1,343,375	1,343,250	1,330,625	1,325,500
City of Craig 2015 One New Money	136,888	134,288	136,238	132,738	134,113	135,238	136,113	136,738	137,113	137,238
Aleutians East Borough 2015 One 2006 Refunding	253,100	250,400	251,375	255,750	269,125	169,125	117,500	97,375	-	-
Ketchikan Gateway Borough 2015 One 2005 Refunding	586,500	-	-	-	-	-	-	-	-	-
Nome 2015 One 2006 Refunding	91,450	83,950	86,125	87,750	89,125	90,250	86,250	87,125	-	-
Nome 2015 One 2009 Refunding	19,700	49,100	52,625	50,875	49,125	52,250	50,250	48,250	51,125	53,750
Northwest Arctic Borough 2015 One 2005 Refunding	1,635,100	1,630,400	1,640,000	-	-	-	-	-	-	-
Sitka 2015 One 2005 Refunding	398,100	397,800	-	-	-	-	-	-	-	-
Sitka 2015 One 2008 Refunding	539,275	535,075	533,500	539,125	538,625	537,688	536,000	537,875	533,625	538,125
Unalaska 2015 One 2005 Refunding	397,900	392,700	-	-	-	-	-	-	-	-
Unalaska 2015 One 2009 Refunding	815,900	1,852,438	1,853,125	1,849,844	1,848,994	1,846,138	1,841,825	1,840,575	1,841,200	1,833,700
Wrangell 2015 One 2006 Refunding	240,050	241,250	240,875	-	-	-	-	-	-	-
Cordova 2015 Two	212,650	212,650	212,400	211,900	211,150	213,750	212,500	211,000	214,250	212,000

(continued)

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

Supplemental Schedule of 2005 Bond Resolution Program - Debt Service Requirements

June 30, 2018

Borrower	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Skagway 2015 Two	680,150	684,400	682,900	680,900	683,400	683,100	684,600	680,350	680,600	680,100
City and Borough of Juneau 2015 Two (G.O. Refunding)	705,750	708,750	-	-	-	-	-	-	-	-
City and Borough of Juneau 2015 Two (Harbor Refunding)	742,100	738,100	738,350	737,600	740,850	741,650	743,150	738,400	737,650	735,650
Kenai Peninsula Borough 2015 Two	1,097,050	1,097,300	1,090,800	1,092,800	1,092,800	1,091,000	1,093,250	1,088,250	1,091,250	1,086,750
Juneau 2015 Two (Cruise Dock)	1,692,500	1,688,250	1,692,250	1,689,000	1,688,750	1,686,250	1,686,500	1,689,250	1,689,250	1,686,500
Skagway 2015 Two (Port)	361,688	363,438	359,688	360,688	361,188	361,188	360,688	359,688	363,188	360,938
University of Alaska 2015 Three	5,586,663	5,589,588	5,585,838	5,587,838	5,590,213	5,587,838	5,590,463	5,587,838	5,589,713	5,585,838
Haines Borough 2015 Three	93,100	91,300	89,300	92,175	89,925	92,550	90,050	92,425	89,675	91,800
Kodiak Island Borough 2015 Three High School	491,313	491,838	490,838	494,213	491,963	494,088	490,588	491,463	491,588	490,963
Kodiak Island Borough 2015 Three Renewal & Replace	224,600	222,500	224,250	225,500	226,250	226,500	226,250	225,500	-	-
King Cove 2015 Three	48,588	48,588	72,963	76,588	75,088	73,588	76,963	75,213	73,463	76,588
Kenai Peninsula Borough CES 7-Year Loan - 2016 One	87,750	89,125	90,250	86,250	87,125	-	-	-	-	-
Kenai Peninsula Borough CES 15-Year Loan - 2016 One	178,188	177,813	177,188	176,313	175,188	178,688	176,813	179,563	179,263	179,513
City of Klawock New Money Loan - 2016 One	87,950	85,950	88,825	86,575	84,325	86,950	89,325	91,450	89,350	87,550
Kodiak Island Borough R&R Loan - 2016 One	676,625	677,750	677,625	676,250	678,500	674,375	678,750	676,500	-	-
Kodiak Island Borough High School Loan - 2016 One	130,544	132,169	133,544	134,669	130,669	131,544	132,169	132,544	134,169	131,169
City of Seward 2008 One Refunding - 2016 One	649,006	1,458,256	1,455,756	1,451,256	1,444,756	1,446,006	1,439,881	1,441,256	1,452,256	1,437,356
City of Seward 2008 Two Refunding - 2016 One	200,700	341,075	337,700	338,950	339,700	339,950	334,825	339,200	341,400	339,400
Fairbanks North Star Borough - 2016 Two	4,109,400	4,113,275	4,111,900	4,110,150	4,112,650	4,109,150	4,109,400	4,112,900	4,109,400	4,110,000
City of Petersburg 2007 One New Money Refunding - 2016 Three	86,800	84,400	86,900	84,300	81,375	83,000	79,500	80,875	82,000	-
City of Petersburg 2007 One Current Refunding - 2016 Three	143,400	138,200	142,800	-	-	-	-	-	-	-
City of Nome 2007 One Refunding - 2016 Three	176,400	174,900	168,300	-	-	-	-	-	-	-
Northwest Arctic Borough 2007 One Refunding - 2016 Three	1,187,700	1,188,800	1,183,200	-	-	-	-	-	-	-
City of Seward 2007 One Refunding - 2016 Three	230,200	232,000	228,500	234,600	-	-	-	-	-	-
City of Wasilla 2007 One Refunding - 2016 Three	413,100	-	-	-	-	-	-	-	-	-
City and Borough of Sitka 2007 One Refunding - 2016 Three	826,200	-	-	-	-	-	-	-	-	-
Aleutians East Borough 2007 Two Refunding - 2016 Three	1,592,650	1,608,050	1,616,550	1,633,050	1,895,625	2,044,875	2,119,750	2,167,375	2,193,625	2,209,000
Kenai Peninsula Borough 2007 Two Refunding - 2016 Three	119,350	119,350	726,950	726,650	722,000	722,625	-	-	-	-
City of Bethel 2007 Three Refunding - 2016 Three	254,750	253,050	251,150	253,950	250,500	255,625	250,250	249,500	253,125	251,125
City of Kodiak 2007 Five Float Refunding - 2016 Three	112,213	115,113	112,913	115,613	112,913	114,788	111,538	113,163	114,538	110,788
City of Kodiak 2007 Five Lift Refunding - 2016 Three	217,250	218,550	219,650	220,550	220,700	220,075	219,200	218,075	216,700	215,075
City of Dillingham 2008 One Loan Refunding - 2016 Three	1,063,450	1,060,550	1,061,550	1,066,250	1,065,500	1,064,000	1,060,500	1,064,750	1,066,500	1,060,875
City of Kodiak 2008 One Loan Refunding - 2016 Three	448,850	450,450	451,650	447,550	446,950	449,575	451,450	447,700	448,325	453,075
Kodiak Island Borough 2008 One Loan Refunding - 2016 Three	615,450	619,250	617,350	619,750	619,000	619,875	619,500	622,750	619,625	620,125
City of Skagway 2008 Two Loan Refunding - 2016 Three	357,100	357,700	357,900	357,700	355,750	356,875	357,250	356,875	355,750	358,750
City of Kodiak 2009 One Loan Refunding - 2016 Three	62,631	61,431	60,231	59,031	62,556	60,806	59,056	62,181	60,181	63,056
City and Borough of Juneau 2006B Refunding - 2016 Three	3,861,500	3,849,800	3,784,100	4,029,000	-	-	-	-	-	-
City and Borough of Juneau New Money - 2016 Three	331,900	332,700	333,100	333,100	331,375	332,750	328,500	328,625	328,000	-
City of Ketchikan Port 2006 Two Loan Refunding - 2016 Four	2,213,250	2,215,500	2,210,375	2,207,875	2,207,750	2,204,875	2,204,125	2,200,375	2,198,500	2,198,250
City of Ketchikan Port New Money - 2016 Four	144,000	145,875	142,625	144,250	145,625	141,875	143,000	143,875	144,500	144,875
Kenai Peninsula Borough Hospital Loan - 2017 One	398,919	397,669	400,919	398,419	400,419	401,669	399,419	399,669	399,169	397,919
Kenai Peninsula Borough Solid Waste Loan - 2017 One	1,065,250	1,063,500	1,064,750	1,063,750	1,060,500	-	-	-	-	-
City of Seward - 2017 One	210,056	210,056	209,806	209,306	208,556	207,556	209,431	207,931	206,181	209,181
City of Unalaska - 2017 Two	1,328,350	2,013,350	2,014,100	2,013,100	2,015,350	2,010,600	2,014,100	2,010,350	2,014,600	2,011,350
City of Whittier - 2017 Two	156,625	159,025	155,525	157,025	158,275	154,275	155,275	156,025	156,525	156,775
Kenai Peninsula Borough Central Hospital - 2017 Three	2,057,663	2,061,663	2,058,288	2,062,413	2,058,913	2,057,788	2,058,788	2,061,663	2,061,288	2,062,538
Total Loan Obligation Debt Service	$ 109,371,152	$ 106,002,619	$ 102,198,578	$ 97,679,472	$ 93,297,809	$ 87,561,566	$ 78,242,082	$ 73,630,881	$ 68,573,198	$ 67,655,421

See Independent Auditor's report

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

Supplemental Schedule of 2010 Bond Resolution Program - Borrower Concentration

June 30, 2018

Borrower	Outstanding Par	Percent of Outstanding
Ketchikan Gateway Borough	$ 3,860,000	100.00%
Total Outstanding Par	$ 3,860,000	100.00%

See Independent Auditor's report

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

Supplemental Schedule of 2010 Bond Resolution Program - Debt Service Requirements

June 30, 2018

Borrower	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Ketchikan Gateway Borough	$ 403,444	$ 400,474	$ 395,791	$ 390,819	$ 385,558	$ 380,007	$ 374,168	$ 372,895	$ 365,080	$ 360,667
Total Loan Obligation Debt Service	$ 403,444	$ 400,474	$ 395,791	$ 390,819	$ 385,558	$ 380,007	$ 374,168	$ 372,895	$ 365,080	$ 360,667

See Independent Auditor's report

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

Supplemental Schedule of 2016 Master Resolution Program - Borrower Concentration

June 30, 2018

Borrower	Outstanding Par	Percent of Outstanding
Tanana Chiefs Conference	$ 37,160,000	30.47%
Yukon-Kuskokwim Health Corporation	100,715,000	69.53%
Total Outstanding Par	$ 137,875,000	100.00%

See Independent Auditor's report

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

Supplemental Schedule of 2016 Master Resolution Program - Debt Service Requirements

June 30, 2018

Borrower	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Tanana Chiefs Conference	$ 6,762,500	$ 6,771,125	$ 6,766,625	$ 6,778,875	$ 6,771,625	$ 6,784,750	$ 3,351,750	$ -	$ -	$ -
Yukon-Kuskokwim Health Corporation	4,833,238	4,833,238	4,833,238	6,955,913	6,944,188	6,932,038	6,940,788	6,929,163	6,924,788	6,919,038
Total Loan Obligation Debt Service	$ 11,595,738	$ 11,604,363	$ 11,599,863	$ 13,734,788	$ 13,715,813	$ 13,716,788	$ 10,292,538	$ 6,929,163	$ 6,924,788	$ 6,919,038

See Independent Auditor's report

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E-mail: ambba@revenue.state.ak.us

TO: AMBBA Board Members
Luke Welles, Craig Chapman, Fred Parady,
Gregory Gursey, Pam Leary

DATE: February 22, 2018

FROM: Deven Mitchell, Executive Director **TELEPHONE:** 465-3750

Following are updates on items not covered in the October 8, 2018 Agenda:

On August 29, 2018 Governor Walker provided a letter thanking Greg Gursey for his service on the Bond Bank Board which is attached.

On September 19, 2018 I travelled to King Cove to tour the community and dedicate the new Waterfall Creek hydroelectric facility funded, in part, by the Bond Bank. Representatives from the Alaska Energy Authority, the Alaska Power Authority, the Aleutians East Borough mayor and administrator, the Governor's Rural Director, Senator Lyman Hoffman, Representative Bryce Edgmun, the King Cove mayor and administrator, and more were present for the dedication.

I have met several times with City of Old Harbor lobbyists Kent Dawson, Kris Knauss, and Royce Weller about the potential of making adjustments to the administration of the State's Power Cost Equalization program to encourage renewable energy projects. There may be legislation developed to provide for these changes which may, in turn, provide financing needs that the Bond Bank would be looked to for funding.

There are several professional services contracts that have recently been extended including audit, investment manager accounting compilation and trustee bank, and financial advisor is in the request for proposal procurement process.

Governor Bill Walker
STATE OF ALASKA

August 29, 2018

Mr. Gregory Gursey
6908 Lowell Circle
Anchorage, AK 99502

Dear Mr. Gursey:

Thank you for your dedicated service to Alaska as a member of the Alaska Municipal Bond Bank Authority. On behalf of all Alaskans, I appreciate your contributions of time and attention throughout your term of service on this important board.

The spirit of volunteerism goes beyond our individual concerns to help others and is an essential component of a healthy Alaska. I am grateful to know we can rely on people like you who offer themselves up by giving back to the society that has given us so much.

Your service on the Board has been deeply appreciated. I wish you all the best in the future.

Sincerely,

Bill Walker
Governor

cc: Deven Mitchell, Executive Director, Alaska Municipal Bond Bank Authority

KING COVE
ALASKA

INVITATION

You are cordially invited to be a guest of the City of King Cove for the Dedication of our **Waterfall Creek Hydroelectric Facility** on Wednesday, September 19, 2018 in King Cove.

The City will be chartering aircraft for the Dedication. The planes will leave Anchorage at 8AM and return around 6PM. It is a 2+ hour flight both to and from King Cove.

Our guests will spend five hours in King Cove touring the community, visiting the school, enjoying lunch, and attending the Dedication ceremony for our new hydro facility.

Additional details regarding the trip, including an activities schedule for the day will be provided by the end of next week.

Thank you. We will be honored to have your presence at this Dedication ceremony!