ALASKA MUNICIPAL BOND BANK AUTHORITY

BOARD OF DIRECTOR'S MEETING

TO BE HELD AT
The ASNA Office
3800 Centerpoint Drive, Suite 202
Anchorage, AK 99503

March 21, 2019

1:00 p.m. ADT

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

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

AGENDA FOR BOARD OF DIRECTOR'S MEETING

Meeting Place:
ASNA Office
3800 Centerpoint Drive, Suite 202
Anchorage, AK 99503
March 21, 2019 at 1:00 p.m. ADT

- **I.** **Call to Order**
- **II.** **Roll Call**
- **III.** **Public Meeting Notice**
- **IV.** **Approval of Agenda**
- **V.** **Minutes of the November 15, 2018 Meeting of the Board of Directors**
- **VI.** **General Business**
  - **A.** **Northwest Arctic Borough Credit Review Update (Kivalina School, Previously Approved March 1, 2018)**
  - **B.** **Fairbanks North Star Borough Loan Application (School Projects, Community Projects, Juanita Helms Administration Center)**
  - **C.** **City of Homer Loan Application (Police Station)**
  - **D.** **City of Dillingham Loan Application (Road Construction and Fire Station)**
  - **E.** **Southeast Alaska Power Agency (Refinance Existing Debt for Savings)**
  - **F.** **Resolution 2019-01 Authorizing the Issuance of Two Series of Bonds Not To Exceed $4,000,000 and $35,000,000 For Loan Funding.**
  - **G.** **New SEC Rule 15c2-12 and Updated Post Issuance Compliance Policy**
  - **H.** **AMBBA 2018 Series One Post Sale Summary**
  - **I.** **Fiscal Year 2018 Annual Report**
  - **J.** **Finance Director's Report**

    - Fiscal Year 2019 Semi-Annual Financial Overview as of 12/31/2018
  - **K.** **Executive Director's Report**
- **VII.** **Public Comments**
- **VIII.** **Board Comments**
- **IX.** **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: ASNA Office, 3800 Centerpoint Drive, Suite 202, Anchorage, AK 99503

Meeting Date and Time: March 21, 2019, at 1:00 PM ADT

The public is invited to attend. Individuals who may need special modifications to participate should call (907) 465-3750 prior to the meeting.

AGENDA for BOARD OF DIRECTOR'S MEETING

I. Call to Order

II. Roll Call

III. Public Meeting Notice

IV. Approval of Agenda

V. Minutes of the November 15, 2018 Meeting of the Board of Directors

VI. General Business

A. Northwest Arctic Borough Credit Review Update (Kivalina School, Previously Approved March 1, 2018)

B. Fairbanks North Star Borough Loan Application (School Projects, Community Projects, Juanita Helms Administration Center)

C. City of Homer Loan Application (Police Station)

D. City of Dillingham Loan Application (Road Construction and Fire Station)

E. Southeast Alaska Power Agency (Refinance Existing Debt for Savings)

F. Resolution 2019-10 Authorizing the Issuance of Two Series of Bonds Not To Exceed $4,000,000 and $35,000,000 For Loan Funding.

G. New SEC Rule 15c2-12 and Updated Post Issuance Compliance Policy

H. AMBBA 2018 Series One Post Sale Summary

I. Fiscal Year 2018 Annual Report

J. Finance Director's Report

- Fiscal Year 2019 Semi-Annual Financial Overview as of 12/31/2018

K. Executive Director's Report

VII. Public Comments

VIII. Board Comments

IX. Adjournment

Attachments, History, Details

Attachments

AMBBA Agenda 3-21-2019.pdf

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MINUTES of the BOARD OF DIRECTORS MEETING

ALASKA MUNICIPAL BOND BANK AUTHORITY

November 15, 2018

I. CALL TO ORDER

Luke Welles called the meeting to order at 11:08 a.m., Alaska Daylight Time. Members participated at the Amalga Conference Room, 333 Willoughby Ave., State Office Building, 11th Floor, Juneau, Alaska 99801, and telephonically.

II. ROLL CALL

Luke Welles
Craig Chapman
Fred Parady (absent)
Pam Leary
Lamar Cotton (absent)

There was a quorum with participating members: Mr. Chapman, Ms. Leary, and Mr. Welles.

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
- Dora Cross, Finance Director, Kodiak Island Borough

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 October 29, 2018, on the official Alaska Online Public Notice website for the November 15, 2018 meeting date.

IV. APPROVAL OF AGENDA

The agenda was reviewed by the board. The agenda was revised to include General Business items "C" and "D," 2018 Series One Post-Sale Summary, and Executive Director's Report, respectively. The amended agenda was approved unanimously without objection.

V. MINUTES of the October 8, 2018 Board of Directors Meeting

The October 8, 2018 minutes of the AMBBA Board of Directors meeting were reviewed by the board. Ms. Leary moved approval of the October 8, 2018 minutes as written, and approval was seconded by Mr. Chapman. There were no further objections, and the amended minutes were approved unanimously.

VI. GENERAL BUISNESS

Kodiak Island Borough – Credit Review and Discussion – Direct Loan Proposal

Mr. Williams presented an application credit review summary for Kodiak Island Borough ('KIB'). The credit review summary was performed internally by the Bond Bank, and the proposed source of the loan is the Bond Bank's Custodian Account. The proposed loan request is not to exceed $550,000, related to KIB's approved General Obligation bond measure for Kodiak High School renovation and expansion projects – the measure was originally approved by voters in October 2009. KIB has approximately $8 million in authorization remaining under this bond measure. Mr. Williams mentioned that school improvements associated with this project have been partially reimbursed by the Department of Education and Early Development ('DEED'). This project was approved prior to the moratorium on school debt reimbursement, and KIB would have to work with DEED individually to pursue any portion of reimbursement associated with this loan request. The term of the loan is 10 years, with a pledge of property taxes. Most recent property tax revenues for KIB were approximately $15.7 million as of their fiscal year 2017 Comprehensive Annual Financial Report

('CAFR'). Estimated debt service on this request is approximately $65,000 annually. With most recent state shared revenues of approximately $33.6 million, and estimated fiscal year 2019 debt service (including this request) of $9.3 million, the debt service coverage of Bond Bank debt service from state shared revenues is 3.61x. Mr. Williams noted the loan proceeds will be used to make a settlement payment related to a lawsuit from the general contractor over the completion of the Kodiak High School. Mr. Williams stated that as of KIB's 2012 CAFR, there was established an Education Support Special Revenue Fund that receives property taxes that formerly flowed from their general fund, and those funds have been combined for reporting ease throughout the report. KIB's general fund derives its revenues primarily from property taxes, 77.6 percent in fiscal year 2017. Property tax revenue has increased from $12.9 million in fiscal year 2013 to $15.7 million in fiscal year 2017. Mr. Williams noted that net taxable assessed value of property in the borough has increased since fiscal year 2008, and the taxable rate has been relatively stable at 10.75 mils. Mr. Williams mentioned that over the past five years, KIB has maintained their general fund balance in a range from $2.3 million to $3.5 million, and at June 30, 2017 the balance was $2.3 million, almost all of which was unassigned. Mr. Williams noted that with the State of Alaska's decrease in school debt reimbursement payments by 25% in fiscal year 2017, the KIB general fund transferred approximately $1 million in unassigned funds to cover required debt service. In fiscal year 2018, State of Alaska school debt reimbursements were restored to their full (100%) original level. KIB also maintains a Facilities Fund with proceeds from the sale of Shukyak Island to the federal government in fiscal year 1996. A portion of interest earnings may be used for debt reimbursement and insurance on KIB Buildings. Mr. Williams went over future capital plans of KIB. KIB's remaining authorization related to the Kodiak High School is approximatly $8 million, and approximately $2.5 million in authorization remains under the 2014 General Obligation Bond Measure for renewal and replacement projects Borough-wide.

Mr. Williams reviewed state shared revenues by category, which the Bond Bank has the ability to intercept before reaching KIB. Most recent revenues subject to intercept were $33.6 million, and estimated fiscal year 2019 debt service, including estimates for this request, is $9.3 million, with coverage of approximately 3.61x.

Mr. Williams noted that staff's assessment shows sufficient security to approve the loan request in the not to exceed amount of $550,000. The Borough has irrevocably covenanted that it will annually levy taxes, without limitation as to the rate or amount, on all taxable property within its boundaries in an amount sufficient to pay principal of and interest on this Bond Bank loan.

Ms. Leary asked for clarification on the use of loan proceeds, either for general school constructions costs, or a payment to the general contractor as mentioned in the report. Mr. Mitchell stated that the Kodiak High School building construction was completed, and there was a dispute related to the school plans resulting in change orders being required, and costs were then disputed by the Borough. Also, from the Bond Bank's perspective, the Bond Bank will buy general obligation bonds of the Borough, and Borough attorneys would have to make the determination as to whether the use of funds would be a legitimate use of general obligation bonding authority, which this security is backed by. Mr. Chapman asked whether the estimated debt service was provided to DEED before their annual October deadline, to be considered for reimbursement in upcoming fiscal year budgets. Mr. Mitchell mentioned that although school debt reimbursement would be a benefit to the Borough, the credit review is not contingent upon reimbursement of a portion of debt service through the State of Alaska. Additionally, Ms. Cross stated that KIB did anticipate that further debt reimbursements were needed, and supplied an estimate for debt service associated with this loan in their October 2018 submittal to the State of Alaska, meeting the deadline for eligibility. KIB would still have to go through the entire application process for any final approvals by DEED / school finance. Mr. Welles asked what the interest rate would be for loan, since it's coming directly from the Bond Bank's Custodian Account. Mr. Williams stated that KIB was given an estimate in late October based on US Treasury rates, which ranged from the mid-2 percent to mid-3 percent range over the 10-year loan period. Mr. Williams mentioned that, should the loan and resolution be approved, the Bond Bank would price using current US Treasury rates on an agreed upon date. Mr. Chapman moved to approve the not to exceed $550,000 direct loan to the Kodiak Island Borough, and Ms. Leary seconded the motion. There was no additional discussion. Mr. Welles called an all-in-favor vote, and there were three 'yes' votes, the loan was approved unanimously by present members.

AMBBA Resolution Number 2018-02 – Authorizing the Use of Authority Funds for a Direct Loan to the Kodiak Island Borough

Mr. Krusen introduced Resolution 2018-02, a resolution authorizing the use of authority fund, in an amount not to exceed $550,000, to make a loan to the

Kodiak Island Borough, approving the form of loan agreement, and providing for related matters. Mr. Krusen mentioned that the Borough has a remaining general obligation bond authorization under the School Construction Ordinance. Mr. Krusen noted that the authority granted under Section 1 of the Resolution shall expire 120 days after the date the Resolution is adopted. The loan shall bear interest at a rate not greater than five percent per annum and shall mature no later than ten years after the effective date. Authorized Officers shall be the Chairman or Executive Director to execute all documents related to this transaction. Ms. Leary made a motion to approve AMBBA Resolution 2018-02, and Mr. Chapman seconded the motion. Mr. Welles called an all-in-favor vote, and there were three 'yes' votes, the loan was approved unanimously by present members.

AMBBA 2018 Series One Bonds – Post-Sale Summary

Mr. Pierce discussed a summary of the pricing that occurred last week for the Bond Bank's 2018 Series One Bonds. These bonds were sold by negotiated sale on November 8, 2018, to RBC Capital Markets as sole manager. On Wednesday, November 7th, RBC went out with a preliminary scale for the transaction to see market interest, and the scale ranged from 35 basis points above the Municipal Market Data (MMD) AAA index on the short-end, to 80 basis points above on the long-end. These bonds are also subject to the alternative minimum tax, so they inherently trade wider than purely governmental purpose bonds. On November 8, 2018, the Bond Bank had to increase the spread by 10 basis points across all maturities. This was due to interest in the transaction, comparable AMT paper sold by the Bond Bank, and similar credits that have sold in the recent marketplace. The preliminary response was full (1x) subscription for the 2019-2023 maturities, nothing on the 2024-2026 maturities, full subscription (1x) for the 2027-2029, nothing from 2030-2034, and full subscription (1x) for the remaining. Since there were definitive pockets of interest and subscription, RBC Capital Markets proposed to underwrite the remaining unsubscribed bonds at the scale that was initially presented (after the 10-basis point adjustment), with minor adjustments such as terming up the 2033 and 2034 maturities. The True Interest Cost of the transaction was 4.195 percent. The proceeds of the 2018 Series One Bonds will be provided to the City and Borough of Sitka for their Harbor and Airport, and they were agreeable with the results from pricing. The transaction is expected to close on November 27, 2018. There was no further discussion.

Executive Director's Report

Mr. Mitchell reported on the following items that were not covered in the November 15, 2018 Agenda:

Mr. Williams and I have been in Anchorage the week of November 12th, attending the Alaska Government Finance Officers Association ('AGFOA'), and Alaska Municipal League ('AML') conferences. Mr. Mitchell asked Mr. Williams to describe the AGFOA conference as outgoing president of the organization. Mr. Williams stated that it was a very informative conference with speakers ranging from economists on the global level to governmental accounting updates. Mr. Williams described the better than estimated attendance levels, with participation from finance and accounting staff at Alaskan communities across the state. The informative educational offerings were well received, and was a great opportunity for peers to come together to discuss current issues in public finance.

Mr. Mitchell mentioned that participation from Bond Bank staff at these conferences is a great opportunity for us to gain perspective into what local communities are faced with, as well as give additional program perspective on the Bond Bank itself. Mr. Mitchell mentioned that he gave a couple presentations at the AML conference, one Bond Bank related, and several of the audience members have worked with the Bond Bank and overall these conferences are an opportunity to foster and maintain positive relationships with community staff that we serve across the state.

Mr. Mitchell mentioned that there are several communities that plan on coming together for a bond issuance in the second quarter of fiscal year 2019, including the Northwest Arctic Borough for the Kivalina school project that was already approved by the board. Others may include the City and Borough of Juneau, Homer, and we project to have a decent size bond issuance. Additionally, the Tanana Chiefs Conference plans to come to the Bond Bank for an additional need in early 2019.

Mr. Mitchell stated that there is a Financial Advisor Request for Proposal currently outstanding, and we will look to board members and staff to complete their independent scoring. The proposal responses will be forthcoming.

VII. PUBLIC COMMENTS

Dora Cross, from KIB, thanked the board for consideration of the loan, and for participation at AGFOA this year.

VIII. BOARD COMMENTS

There were none.

ADJOURNMENT

Mr. Welles adjourned the meeting without objection at 11:43 a.m. ADT.

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Luke Welles, Chairman

Alaska Municipal Bond Bank
Application Credit Review Summary Page

Applicant:	Northwest Arctic Borough
Loan Amount:	$12,700,000
Project Type:	School capital improvements
Project Description:	The Borough will use the Bond Bank loan to construct a new K-12 school approximately 8 miles from the town of Kivalina. The relocation of the school is necessary due to storm-driven coastal erosion and rising sea levels that threaten the existing school facility site. Construction of the Kivalina school is dependent on the construction of a new access road. The road construction project is managed by the Alaska Department of Transportation as a separate project from the Kivalina school project. The school project schedule is dependent on the road project completion.
Term of Loan:	20 years
Loan Security:	Borough's full faith and credit
Revenues Expected to Replay Loan:	Teck Alaska, Inc. payments in lieu of taxes
Estimated Annual Revenues for Repayment	Approximately $14 - $18 million
Estimated Annual Debt Service (2019 One Loan):	$880 thousand
Estimated Annual Debt Service (all Bond Bank loans):	$6.945 million
Most Recent FY Debt Service Coverage Ratio:	N/A
Most Recent FY State-Shared Revenues (SSR):	$41,012,533
Debt Service Coverage of AMBB DS from SSR:	5.91
Loan Subject to State Debt Service Reimbursement:	No (the Borough received an 80% grant for the project)
No Litigation Letter Received:	Yes

Loan Application Evaluation

Northwest Arctic Borough

Introduction

The Northwest Arctic Borough (the "Borough") has submitted an application to the Alaska Municipal Bond Bank (the "Bond Bank") for a General Obligation Bond Loan of $12.7 million. The following is our overview of the project and security provisions associated with the loan from the Bond Bank to the Borough.

The Project

The Borough will use the Bond Bank loan as a portion of the funding to design, acquire property, conduct site preparation, renovate, construct, install and equip educational capital improvements consisting of the Kivalina School Project. The project involves constructing a new K-12 school on an approximately 16 acre site 8 miles from the current town site of Kivalina. This project is among those approved by Borough voters through Proposition One, adopted on February 29, 2000. The total school construction project is estimated to cost in excess of $63 million, with the state contributing 80% toward the project cost.

Proposition One authorized the Borough to issue up to $100,000,000 for "the purpose of planning, designing, acquiring property for, site preparation, constructing, acquiring, renovating, installing and equipping educational capital improvements in the Borough." Thus far, including the loan associated with this application, the Borough will have borrowed $92,930,000 against that voter authorization.

Payment in Lieu of Taxes

The Borough's principal source of revenue is a payment in lieu of taxes ("PILT" payments) received from the Red Dog Mine, operated by Teck Alaska, Inc. ("Teck"). The Red Dog Mine is an open-pit lead and zinc mine owned by NANA Regional Corporation, a corporation established under the Alaska Native Claims Settlement Act, and leased by Teck.

Teck and the Borough entered into a First Amended, Restated Contract for Services effective September 15, 1996 (the "PILOT Agreement"). The PILOT Agreement was renegotiated in August 2000 and again in October 2003, substantially increasing payments. By the terms of the 2003 revised PILOT Agreement, Teck agreed to make payments on a quarterly basis to the Borough. On June 28, 2011, the Borough and Teck Alaska amended this agreement. Teck Alaska agreed to pay the Borough $8,000,000 on June 30, 2011 with $200,000 payment escalations in each fiscal year through June 1, 2015. In addition to the payments stated above, Teck Alaska agreed to pay the Borough a zinc price escalator payment based on the price of zinc. The agreement expired on December 31, 2015.

In 2016 Teck operated the mine without an agreement with the Borough and filed a lawsuit against the Borough challenging the Borough's authority to levy a severance tax against Teck. In May 2017 the Borough announced that it had reached a settlement with Teck on a new 10-year payment in lieu of taxes agreement, beginning effective January 1, 2016 and extending to December 31, 2026, with a five year renewal option.

The mine is the largest zinc mine in the world and is a significant source of revenue for Teck. Red Dog's cost structure places it in the bottom quartile on the global zinc cost curve, making it most able to weather fluctuations in world-wide zinc prices.

The new agreement will provide an increase in annual payments to the Borough, facilitating enhanced benefits and long-term sustainability for the region including, funding aimed at investment in the 11 Borough villages, while also supporting the Red Dog mine's long-term viability.

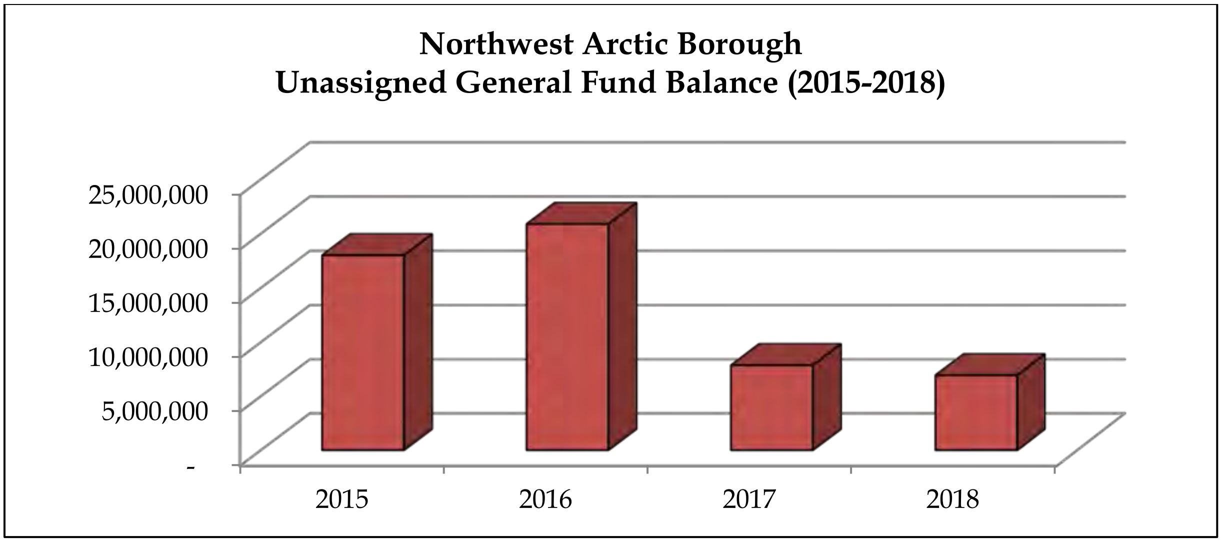
The new agreement has a total estimated value in the range of $20 – $26 million per year over 10 years, comprised of two major components:

♦ An annual payment to NAB based on a percentage of Red Dog's fixed asset value, with an estimated average value in the range of approximately $14 - $18 million per year.

♦ Creation of a new Village Improvement Fund (VIF) with an initial investment of $11 million for calendar year 2016, and funding in subsequent years of between $4 - $8 million, based on a percentage of Red Dog's gross profit. The VIF will be administered by NAB, with input from the 11 villages, and be applied towards community programs, services, infrastructure, and long-term sustainability.

The Agreement exempts Teck Alaska from tax payments to the Borough for the Red Dog Mine for the 10-year agreement term.

The following graph presents the Borough's unassigned General Fund balance for the years 2015 through 2018. Figures for 2018 are, at this point, in draft form. The decrease in unassigned fund balance that took place in 2017 is attributed to the Borough's decision to enforce their investment code. In 2017, the Borough shifted $10 million into the Contingency Reserve and almost $3 million into the Working Capital Reserve which are included in the committed fund balance. In 2018, the Borough deposited approximately $1 million into the Working Capital Reserve. Both the Contingency Reserve and the Working Capital Reserve serve as rainy day funds. Total fund balance for the General Fund was approximately 20.9 million in both 2017 and 2018.



Impact of Proposed Governor's Budget:

We will provide additional details closer to the date of the Board Meeting.

Assessed Valuation

The Borough levies no property taxes. It does levy a tobacco excise tax that produces approximately $500 thousand annually. The Borough receives payments in lieu of taxes from Teck related to the Red Dog Mine and from the Federal Government related to the large amount of publicly held land in the Borough. The Borough's assessed value is $766.5 million as of January 1, 2017.

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	$5,159
Dept. of Transportation Reimbursement	$0
Reimbursement and Other Education Funding	$4,080,264
Education Support Funding	$36,593,090
Matching Grants	$0
Community Jails	$0
PILT Transfers	$0
Revenue Sharing	$334,020
Total Revenue Subject to Intercept	$41,012,533
Fiscal Year 2019 Debt Service (includes 2019 Loans DS)	$6,944,790
Debt Service Coverage	**5.91**

Security and Repayment

The Borough has pledged its full faith and credit to the repayment of the loan. It has pledged to levy, without limit, an ad valorem tax on real and personal property, sufficient to repay the loan. The Borough currently levies no property taxes and therefore any such levy to support the loan would be an entirely new tax subject to the usual concerns about the mechanics of imposing and collecting a new tax. It should be noted that the assessed value of the Borough, currently $766.5 million, is concentrated primarily in the Red Dog mine.

The Borough expects payment for the loan to come from the PILT payments made by Teck. The Red Dog mine is currently operating under agreements with NANA and AIDEA. Given worldwide projections for zinc and the known sources, the Red Dog mine is considered a very efficient mine, which bodes well for the mine's continued operation.

The project financed by the 2018 loan will not receive debt service reimbursement payments from the State. Rather, the State has provided the Borough with a grant for the project. The total project cost is estimated at $63.1 million, of which the State has provided a grant in the amount of $50.5 million.

Borough's Future Debt Plans

As stated previously, Borough voters have authorized $100 million of school general obligation bonds. The Borough's loans from the Bond Bank including the 2018 funded loan, totaling $92,930,000, are the Borough's only outstanding general obligation debt.

In order to proceed with the Kivalina School project, a road to the school site needs to be constructed, a project that will require tens of millions of dollars in funding. The road is considered both a path to the school site and an evacuation route for residents. The cost of the road project could range from $40 million to $70 million, according to the state Department of Transportation and Public Facilities.

Estimated Borrower Savings

Savings to the Borough as a result of borrowing through the Bond Bank are estimated at approximately $1.359 million or $966 thousand on a present value basis. Savings are a result of lower costs of issuance that the Borough will face as a result of issuing through the Bond Bank, as well as significantly lower assumed yields using the Bond Bank, versus what are assumed to be non-investment grade rates if the Borough issued on its own.

Statement of No Litigation

The Borough provided a no litigation letter at the time of the original loan application. Because that letter is not more than one year old, a new no litigation letter will need to be provided prior to the funding of the loan.

Analysis and Summary

There are four fundamental security components associated with the Borough's repayment to the Bond Bank: The Borough's unlimited tax pledge; the PILT payments by Teck; the Bond Bank's ability to intercept state-shared revenues; and the State Reimbursement of a significant portion of the debt service associated with education-related capital improvements (although no such reimbursement exists for the 2010 or 2018 loans). None of these components, by themselves would be considered an investment grade credit.

The Borough is dependent on the continued operation of the Red Dog mine for repayment of its debt. The Red Dog mine is one of the world's largest and most efficient mines, it seems likely that operation will continue as planned.

The history of State funding for the reimbursement program is good, but has been under pressure during periods when the State has struggled to balance its budget. Furthermore, the state intercept provides significant comfort that the Bond Bank would be able to meet the obligations to its bond holders in a timely fashion.

Previously, the Borough has agreed to issue any future general obligation debt through the Bond Bank. This condition provides the Bond Bank with control over the timing and amount of debt issued by the Borough and will hold through the term of the existing PILT Agreement which extends to November 2026.

Lastly, the Borough has demonstrated fiscal prudence in establishing and building its General Fund balance in recent years. The 2017 agreement with Teck, which includes both an escalation of revenues dedicated to Borough operations as well as the establishment of the Village Improvement Fund, place the Borough on a firmer financial footing than has been the case in several years.

Based on the Borough's general obligation pledge, the Borough's very healthy General Fund balance, the PILT agreement, and the Borough's agreement to issue future general obligation bonds through AMBB, I recommend approval of this loan application subject to receipt of an updated no litigation letter. The uncertainty associated with the timing for the Borough to secure that funding necessarily means the timing of the Bond Bank loan for the school project is unclear.

If you have any questions regarding this report, please feel free to call me at 503-719-6113.

For PFM Financial Advisors LLC

Chip Pierce

Northwest Arctic Borough Economic and Demographic Information

In 1986, the Northwest Arctic Borough was incorporated. It became a Home Rule Borough in 1987. The area of the Borough totals approximately 35,863 square miles of land and 4,799 square miles of water. It is comprised of the Kotzebue Sound and cities along the Noatak and Kobuk Rivers in Northwest Alaska. The area has been occupied by Inupiat Eskimos for at least 10,000 years.

The current population of the Borough, based on the Department of Labor's 2018 estimate, is 7,791. Alaska Natives represent 82% of the population. The Borough population is primarily Inupiat Eskimo, and subsistence activities are an integral part of the lifestyle. Caribou, beluga whale, seal and fish are important subsistence foods. During the 2010 U.S. Census, there were 2,707 total housing units, and 29.1% of these were vacant and 68.8% of those vacant units were designated by being used seasonally. The median household income was $63,971, per capita income was $21,543 and 22.8% of residents were living in poverty.

Kotzebue Sound was first explored by Europeans in 1818 by the German Lt. Otto Von Kotzebue on behalf of Russia. In 1899 a post office was established in Kotzebue.

Most cities in the Borough developed as supply stations for Interior Alaska gold mining. Activities related to transportation, retail, services, oil and minerals exploration and development contribute to the economy.

The Red Dog Mine is the largest economic project in the region, and provides approximately 600 full-time direct jobs and an estimated $39.3 million of wages in the Borough in 2015. The mine is the largest producer of zinc concentrate in the world. The mine is owned by NANA Regional Corporation and leased to Teck Alaska, Inc. The mine will mark its thirtieth anniversary in 2019. The mine is expected to continue producing until at least 2031.

Government services provide nearly half of the employment in the Borough. The largest employers are Teck, Nana Regional Corporation, the Northwest Arctic Borough School District, Maniilaq Association, Veco Construction and Kikkiktagruk Inupiat Corporation. Subsistence food-gathering and Native craft-making are the primary activities in the smaller communities of the Borough. 155 borough residents hold commercial fishing permits.

The City of Kotzebue is the transfer point between ocean and inland shipping for northwest Alaska. While there is no natural harbor, and it is ice-free for only 3 months each year, it offers access to the river system. Deep draft vessels must anchor 15 miles out, and cargo is lightered to the docking facility. For several years the Borough has been evaluating the viability of deepening the port to avoid lightering. Local barge services provide cargo to area communities. Ralph Wien Memorial Airport supports daily jet service and air taxis to Anchorage. The area experiences a transitional climate, characterized by long, cold winters and cool summers. Temperatures range from -52 to 85. Snowfall averages 47 inches, with total average precipitation of 9 inches per year. Communities located within the Borough include Ambler, Buckland, Deering, Kiana, Kivalina, Kobuk, Kotzebue, Noatak, Selawik, and Shungnak. There are 13 schools in the area attended by 2,100 students.

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):

Northwest Arctic Borough

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

Home Rule

C. Contact Person for the government:

Name:	Title:		
Clement Richards	Mayor		
Address:	**City:**	**State:**	**Zip:**
163 Lagoon Street	Kotzebue	AK	99752

Phone:	Fax:	E-mail:
907-442-8201	907-442-2930	crichards@nwabor.org

D. Applicant's Bond Counsel:

Name:	Title:		
Thomas Klinkner	Bond Counsel		
Address:	**City:**	**State:**	**Zip:**
510 L Street, Suite 700	Anchorage	AK	99501

Phone:	Fax:	E-mail:
907-360-9303	907-276-3680	tklinkner@bhb.com

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

Name:	Title:		
Not Applicable			
Address:	**City:**	**State:**	**Zip:**

Phone:	Fax:	E-mail:

II. Issue Information

A. Total amount of bond purchase request:

$ 12,700,000

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

C. Preferred principal and interest payment months: January **principa l/interest** July **interest only**

D. If a bond election is required, provide a copy of the bond election ordinance and ballot proposition. ☒ **Attached** ***See Section II (D) Resolution approving special election***

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

Yes:	No:	Percent of registered voters casting ballots:
782	304	29%

Does the municipality intend to pledge any specific assets or taxes in addition to property tax? Provide details of the additional security. ☒Attached ***See Section II(D)(2) Pledge of Taxes***

E. Will you need interim financing?

1. If applicable, provide interim financing information:

Amount:	Maturity:	Rate:	Lender:
Not Applicable			

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? No later than August 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: ***See Section II (F)5 Kivalina Schedule***

6. What is the projected completion date? August 2022

G. Sources of uses of funds

Sources of Funds		**Uses of Funds**	
Bonds (this application)	$12,700,000	Construction	$53,050,000
Federal Funds*	$	Engineering	$4,727,170
State Funds*	$50,475,822	Contingency	$2,651,107
Applicant's Funds	$	Cost of Issuance	$35,000
Other (specify)	$	Other	$2,666,500
Total:	$63,175,822	Total:	$63,129,777

*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:

See Section II (G)1 Use of proceeds

III. Credit Information

A. Provide the loan agreements or copies of the cover page of official statements for your government's outstanding bonds. ☒Attached ***See Section III (A) Official Statements***

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. $

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

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. ***Currently, the only planned bond issuances with the 2000 authorization are for the Kivalina School.***

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 ***See Section III (G) NAB Bond Analysis for Kivalina School Bond***

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 ***See Section III (H) Local Economy***

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
2017	7850	Alaska Department of Labor
2016	7937	Alaska Department of Labor
2015	7883	Alaska Department of Labor
2014	7810	Alaska Department of Labor
2013	7808	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. ***NAB does not levy a property tax.***

M. Provide your audited financial statements from the last two years (provide your unaudited statement if audit hasn't been preformed). ☒Attached ***See Section III (M)***

N. Provide your current year's budget. ☒Attached ***See Section III (N) FY18 Budget***

O. Provide your capital improvement plan. ☐Attached ***NAB does not have a capital improvement plan.***

P. Provide any other financial or economic information that will assist evaluation of your application. ☒Attached ***See Section III (P) Signed PILT and MOC***

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

Clement Richards
Name (print)

Mayor
Title

Clement Richards
Signature

2-20-18
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:	Fairbanks North Star Borough ("FNSB")
Loan Amount:	$10,745,000 ($6,950,000 Tax-Exempt and $3,795,000 Taxable)
Project Type:	Capital improvements
Project Description:	FNSB will use the tax-exempt proceeds to fund roof and window improvements for Joy Elementary School, Ladd Elementary School, North Pole High School, and Juanita Helms Administration Center. FNSB will use the taxable proceeds to fund capital improvements to the John Carlson Community Activity Center, Pioneer Park, and the Civic Center.
Term of Loan:	20 years
Revenues Pledged to Loan:	Property taxes
Most recent FY Net Pledged Revenues:	General Fund: $47,233,846 Total Property Tax Collections: $102,692,437
Estimated Annual Debt Service (2019 One and Two Loan):	Approximately $760 thousand
Estimated Annual Debt Service (all Bond Bank loans):	$4.87 million
Most Recent FY Debt Service Coverage Ratio:	N/A
Most Recent FY State-Shared Revenues (SSR):	$135,912,698
Debt Service Coverage of AMBB DS from SSR:	27.92
Loan Subject to State Debt Service Reimbursement:	No
No Litigation Letter Received:	Yes

Loan Application Evaluation
Fairbanks North Star Borough

Introduction

The Fairbanks North Star Borough ("FNSB") has submitted an application to the Alaska Municipal Bond Bank (the "Bond Bank") for a General Obligation Bond Loan totaling $10,745,000. FNSB will use the Bond Bank loan to make capital improvements to the following entities:

- Joy Elementary School
- Ladd Elementary School
- North Pole High School
- Juanita Helms Administration Center
- Carlson Community Activity Center
- Pioneer Park
- Civic Center

The total project cost is estimated at approximately $10.7 million with all of the funding to come from FNSB.

The Project

Bond proceeds will be used to fund the following projects:

Ladd Elementary
The roof at Ladd Elementary is leaking. To protect against further leakage and potential interior damage as well as to improve the building's energy efficiency, the district is proposing to replace the roof and upgrade the exterior of the school. The improvements will increase the roof insulation factor from R30 to R100. The exterior upgrades will also contribute to greater energy efficiency and lowered utility costs. The Ladd project accounts for $3.5 million of the total bond proposition.

North Pole High
The windows and clearstory (clear glass that lets natural light in) at North Pole High have wood frames and many are leaking. Several of the windows are non-functional. Replacing the windows and clearstory will preserve the interior of the building from further damage. The North Pole High project accounts for $1.36 million of the bond proposition.

Joy Elementary
A portion of the Joy Elementary School roof is leaking. To protect against further leakage and potential interior damage, the district is proposing to replace the roof, insulation and clearstories. In addition to preventing further damage to the building, the improvements will also increase the roof insulation factor from R30 to R100, making the building more energy efficient to operate. The Joy project accounts for $1.1 million of total bond proposition.

Juanitas Helms Administration Center ("JHAC")
JHAC plans to remove their existing roofing assembly and install a new roofing assembly with additional insulation and associated parapet modifications.

John Carlson Community Activity Center ("JCCAC")
JCCAC plans to remove their existing roofing assembly and install new roofing assembly with added insulation and associated parapet modifications. Additionally, JCCAC will also replace their obsolete HVAC control system and provide miscellaneous associated mechanical upgrades.

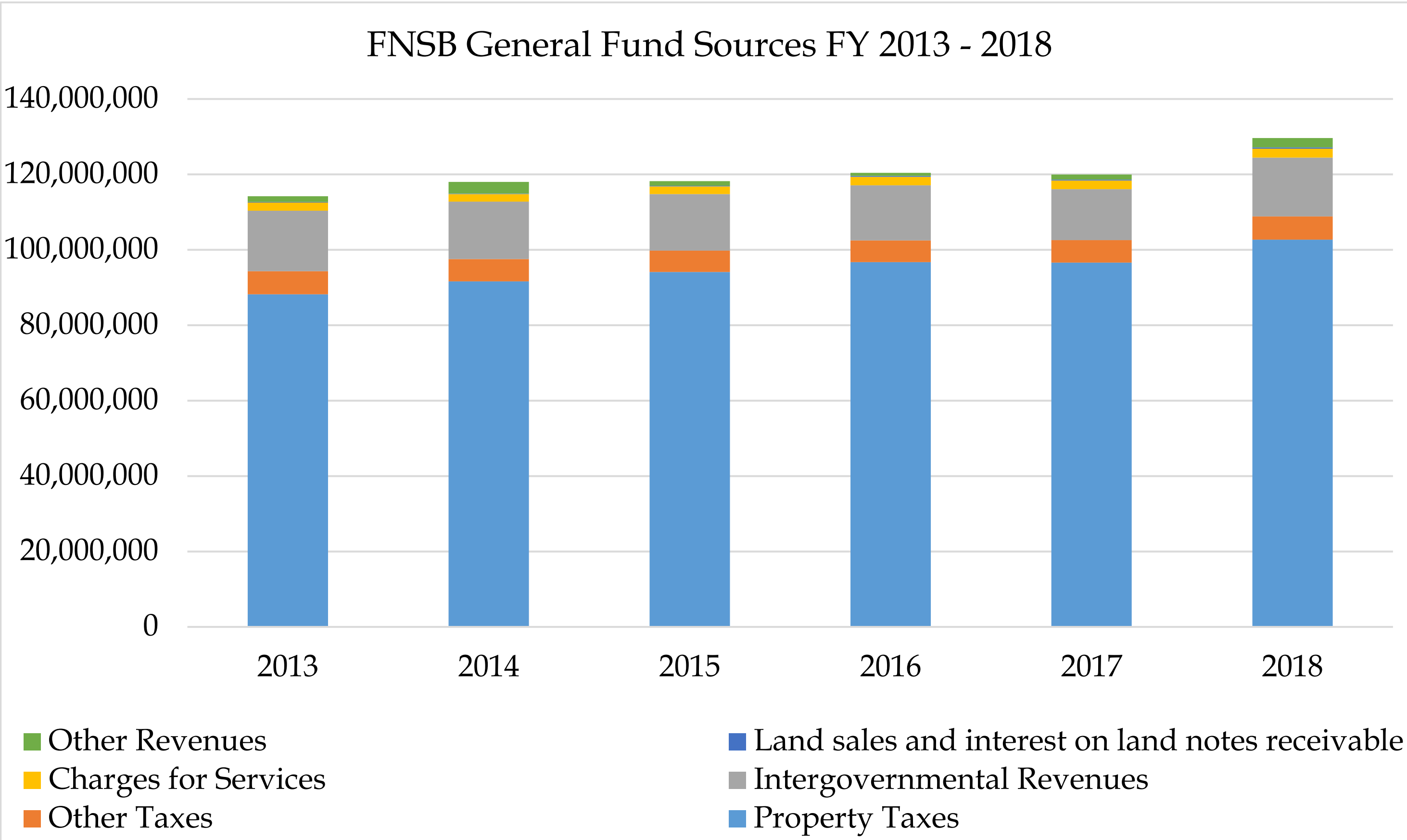
Pioneer Park ("PP")
PP will start phases 1 and 2 of electric system improvements. The planned improvements will replace the electric system's transformers and failing electrical distribution system with modern code-compliant equipment for improved safety and reliability. PP will also undergo a multi-phase roof and wall improvement project to repair the leaking roofs and decaying walls on miscellaneous buildings throughout the park.

Civic Center ("CC")
CC originally intended to remove and replace their failing exterior wood structural columns with metal structural columns and repair/replace wooden canopy over the main entrance. Upon further investigation CC determined that there would be more extensive repairs to the structure required and the project was halted.

Borough Financial Position

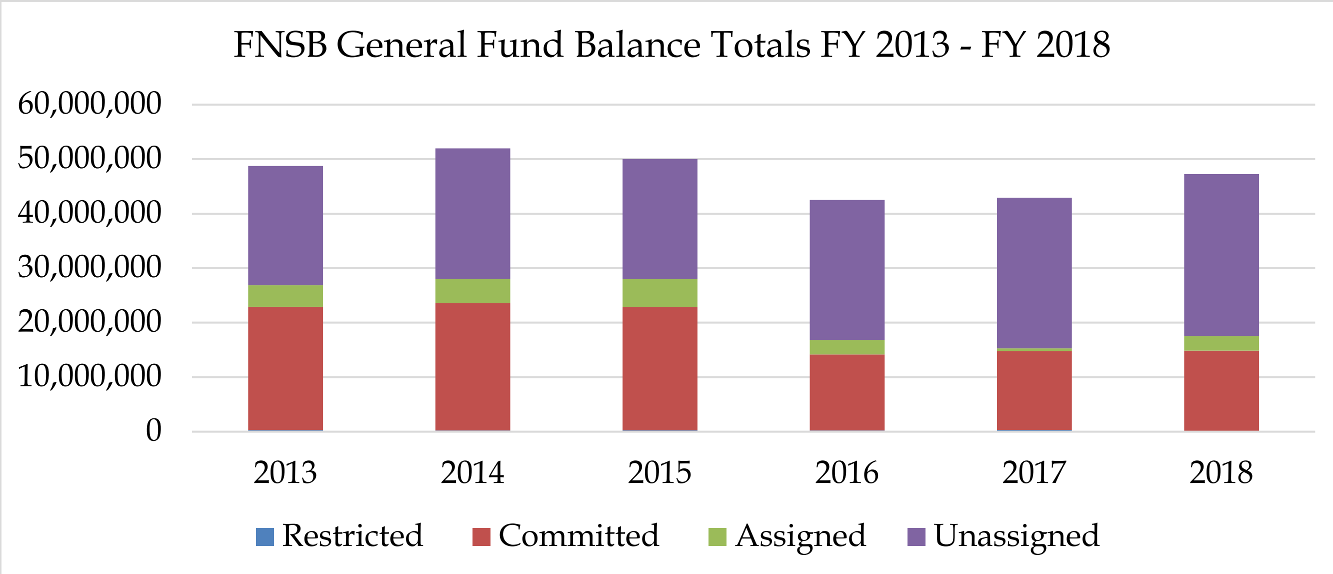
In FY 2018 the Borough derived its revenues primarily from property taxes which have ranged from $88.2 million to $102.7 million over the past 6 years. Property taxes have increased every year during this reporting period, recently increasing $6.08 million year over year (from FY17 to FY18).

The following graph depicts the stability of FNSB's General Fund revenue distribution, increasing from $114.2 million in fiscal year 2013 to $129.6 million in fiscal year 2018. The highest revenue year, over this period, was fiscal year 2018. Property tax collections have consistently been the primary source of general fund revenues, with intergovernmental revenue coming in directly behind property taxes each year.



For over 20 years (fiscal years 1994 through 2015), area-wide mill rates trended downward, with a flattening in the last six of those years. The fiscal year 2016 mill rate was increased 2.1 percent over 2015 to partially cover a budget shortfall at the FNSB School District. For the fiscal year 2017 budget, the mill rate was reduced by 1.6 percent. In fiscal year 2018 budget, despite a general fund budget that was down by 2.3 percent from the fiscal year 2017 revised budget, the mill rate was increased by 4.3 percent, primarily due to reduced State revenues.

An increase in the primary residence exemption was approved by the voters in October 2016, effective for the tax year beginning January 1, 2018. The total of all local-option assessed value exemptions increased by over $452 million to $741 million. The bulk of the optional exemptions are for properties that are the taxpayer's primary residence. To offset the $452 million increase in the optional exemptions, the fiscal year 2019 mill rate was higher by 0.735 mills, equating to a 6.17 percent increase in the mill rate. Excluding the effect of the increase in the optional exemptions, the fiscal year 2019 mill rate increased by 1.70 percent over the fiscal year 2018 mill rate. Taxes were levied to the maximum allowed by the local tax revenue limit to make up for another low year for new construction values, the lowest in 16 years, and to make the largest possible contribution to FNSB's facilities maintenance reserve account. Even with the increase in the fiscal year 2019 mill rate, it is still lower than any mill rate in the 16-year period from fiscal year 1992 through fiscal year 2007.



At the end of fiscal year 2018 the total general fund balance was $47.2 million. The total general fund balance increased by approximately $4.2 million during fiscal year 2018, compared to a $426 thousand increase in the prior year. The unassigned value makes up a majority of the classification for general fund balances, and totaled $29.7 million at the end of fiscal year 2018. The City has a policy of targeting unassigned fund balance at 17% of General Fund expenditures and is currently above that target. For the past six years, unassigned fund balance has grown at an average rate of 6.6% every year.

Impact of the Proposed Governor's Budget

The following table, provided by the Borough, shows the estimated total impact of the Governor's proposed budget to the Borough.

		FNSB Budget Impact	FNSB School District Budget Impact	Fairbanks Borough Community Impact	Totals
Reductions to Revenue Sources (those subject to appropriation and not requiring statutory changes)					
Base Student Allocation (22.9% reduction)	*estimate* [1]		$26,074,600		$26,074,600
State Aid for School Construction (debt service reimbursement)	*estimate* [2]	$ 9,028,431			$ 9,028,431
Community Assistance Program - FNSB	*estimate* [3]	$ 1,488,406			$ 1,488,406
Community Assistance Program - Unincorporated Communities	*estimate* [3]			$ 173,679	$ 173,679
Human Services Community Matching Grant (HSCMG)	*estimate* [4]			$ 271,458	$ 271,458
FNSB Indirect on HSCMG		$ 12,845			$ 12,845
		$10,529,682	**$26,074,600**	**$445,137**	**$37,049,419**
Reductions Requiring Statutory Changes					
SB57 Municipal Tax on Oil & Gas Properties	*estimate* ^	$11,472,129		$ 415,236	**$11,887,365**

[1] *based on Superintendent's Proposed FY20 budget https://www.k12northstar.org/cms/lib/AK01901510/Centricity/Domain/1129/2019-20%20Proposed%20Budget_Web_Full%20Version%20Bookmarked.pdf*

[2] *FY19-20 FNSB Administration forecasted debt service reimbursement entitlement*

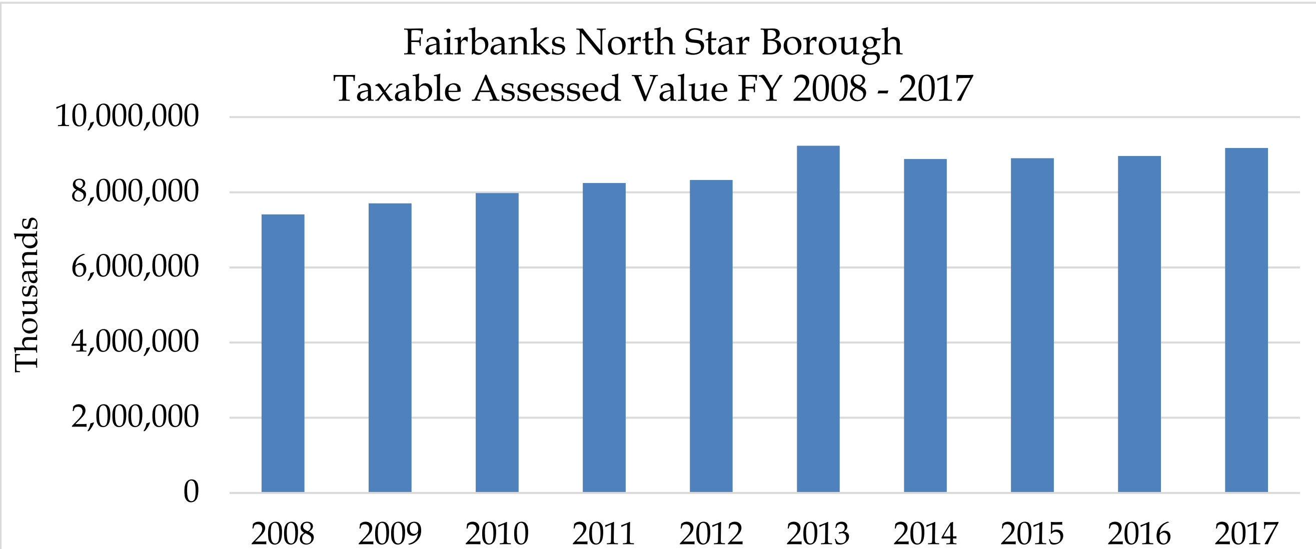
[3] *FY19-20 calculation based AS 29.60.850 and estimated FNSB population; would be effective FY21*

[4] *based on status quo from prior FY and estimated population reduction in FNSB*

^ *based on Tax Year 2018 (FY19) levied amounts across all FNSB taxing jurisdictions; would be effective FY21*

Security and Repayment

FNSB will pledge the full faith, credit and resources for repayment of the Bond Bank loan. The taxable value of the Borough is $9.1 billion. The graph below presents the assessed value of the Borough over the past 9 years.



State-Aid

In addition to the pledge of FNSB's full faith, credit, and resources, the Bond Bank has the ability to intercept state-shared revenues that will otherwise flow to FNSB. 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 FNSB's bonds, including this proposed loan.

Shared Taxes and Fees	$433,150
Dept. of Transportation Reimbursement	$338,287
Reimbursement and Other Education Funding	$10,064,193
Education Support Funding	$116,886,028
Matching Grants	$6,492,200
Community Jails	$0
PILT Transfers	$0
Revenue Sharing	$1,698,840
Total Revenue Subject to Intercept	$135,912,698
Fiscal Year 2019 Debt Service (includes 2019 Loans DS)	$4,868,168
Debt Service Coverage	**27.92**

Future Capital Plans

The Borough does anticipate issuing more General Obligation bonds in the future to fund a portion of its Capital Improvement Plan, however the Borough has no plans to seek additional GO authorization currently.

Statement of No Litigation

Accompanying the application from the Municipality is a letter from Jill S. Dolan, the Borough Attorney, stating that "there is no litigation... pending or threatened... affecting the corporate existence... of FNSB... seeking to restrain or enjoin the issuance, sale or delivery of the Bonds or the right of FNSB to levy and collect taxes to pay the principal of and interest on the Bonds, or in any other way contesting the power or affecting the validity or enforceability of the Bonds; or against FNSB involving any of the property or assets of or under the control of FNSB that…involves the possibility of any judgement or uninsured liability that may result in any material change in the revenues, properties or assets of FNSB…"

Summary

Based on our assessment, the security offered by FNSB, as set forth in FNSB's loan application and supplemental materials, provides sufficient security to justify approval of the application. This security, which is primarily provided by pledge of the full faith, credit and resources of FNSB, is augmented by the ability to intercept state revenues that would otherwise flow to the Borough.

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

Fairbanks North Star Borough Economic and Demographic Information

The Fairbanks North Star Borough (the "Borough") is a second-class borough incorporated on January 1, 1964 under the provisions of the State of Alaska Borough Act (1963), as amended. The Borough covers 7,361 square miles within the Tanana River valley of the interior region of Alaska. The Borough population is 97,738 and has an assessed valuation for real property of $9.9 billion, of which $742.7 million is related to the trans-Alaska oil pipeline system. There are two incorporated cities located within the Borough's boundaries: North Pole with 2,124 residents and Fairbanks with a population of 31,905. There are also two large military installations within the Borough, Fort Wainwright army post and Eielson air force base.

Fairbanks is 200 miles south of the Arctic Circle with a semi-arid climate and very little wind. Precipitation averages just under 11 inches each year, including an annual snowfall of around five and a half feet. There is snow on the ground from October to April. By summer solstice, there are almost 22 hours of sunlight and the average high temperature in July is 73° F. Temperatures often reach into the 80s and can occasionally reach 90° F during the short summer. In the coldest month, January, the average low and high temperatures are -13° F and 2° F. At winter solstice, the sun is up for less than four hours. It is not uncommon for the temperature to get down to -40° F a few times each winter and even down to -60° F in some winters.

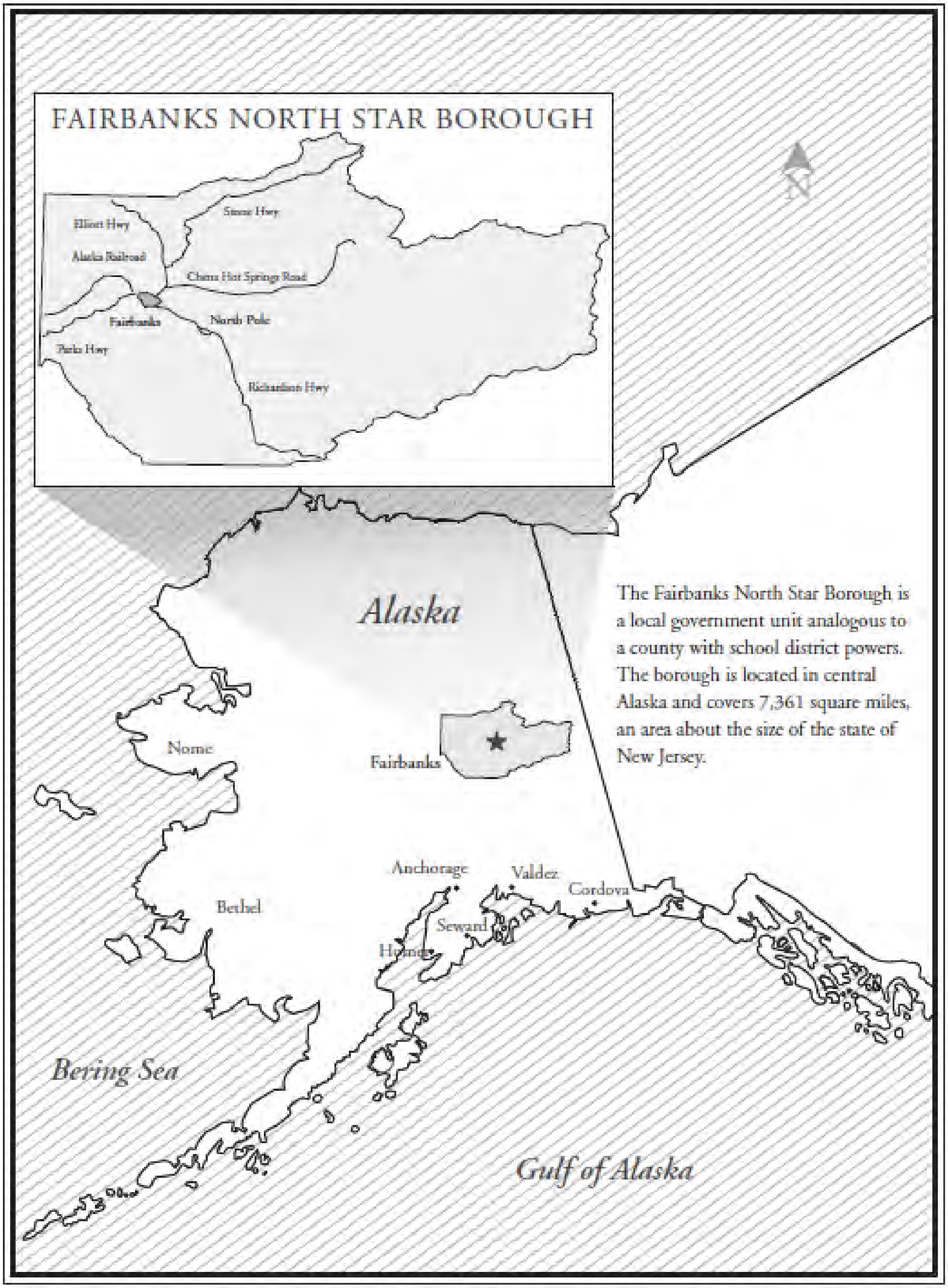
From Fairbanks International Airport, it is 50 minutes by air to Anchorage, four hours to Seattle, eight hours to Tokyo, eight and a half hours to New York, and nine and a half hours to London. Two domestic and seven regional carriers, along with two cargo-only carriers, serve Fairbanks year round, with another domestic and seven international carriers providing seasonal or charter services. All major highways in interior Alaska converge on Fairbanks. The Parks Highway connects the interior with Denali National Park and Anchorage. The Steese, Elliott, and Dalton Highways extend north and east to the Yukon River at Circle, north and west to the Tanana River at Manley Hot Springs, and north to the Arctic Ocean and the North Slope oil fields. The Richardson and Alaska Highways link Fairbanks to Valdez to the south and southeast to Dawson Creek, British Columbia, Canada. Fairbanks is the northern terminus of the Alaska Railroad, which carries freight and passengers to and from Denali National Park, Anchorage, Whittier, and Seward.

The University of Alaska Fairbanks (UAF) is the flagship campus of the State university system. UAF employs 1,790 regular staff (full and part-time). Fall 2018 undergraduate enrollment reached 6,504 students (2,783 full-time and 3,721 part-time), with 975 students enrolled in graduate studies. In fiscal year 2018, 1,352 students graduated from an academic program. UAF expended $140.9 million in research in fiscal year 2018. The university has an exceptional museum which received 86,687 visitors in fiscal year 2018. UAF's excellent research facilities include the Geophysical Institute's Poker Flat Rocket Range, the only university-owned and operated sounding rocket launch facility in the world. UAF is a Land, Sea, and Space Grant institution, one of only a handful of such universities in the country.

The Fairbanks area provides a rich offering of arts, cultural, and recreational activities throughout the year. The Borough operates an outstanding library system and over 100 parks. A major attraction among the parks is the 44-acre Pioneer Park -- a look at yesteryear -- with historic buildings, a stern-wheeler riverboat, and small shops. The largest of the Borough parks is the

2,200-acre Chena Lake Recreation Area with 80 campsites, swimming, and boating. The second largest is the 780-acre Tanana Lakes Recreation Area, with a swim beach, picnic area, and calm-water boat launch (to the Tanana River) and dock facility. The Borough's parks and recreational facilities include over 850 miles of summer and winter trails, playgrounds, picnic areas and pavilions, indoor and outdoor ice rinks, a community activity and convention center, numerous athletic fields, and three indoor swimming pools.

In the Borough, there are 51 hotels, motels, and lodges. In addition, 180 bed and breakfasts and several recreational vehicle parks and campgrounds supply accommodations in the area.



The Fairbanks North Star Borough is a local government unit analogous to a county with school district powers. The borough is located in central Alaska and covers 7,361 square miles, an area about the size of the state of New Jersey.

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):

Fairbanks North Star Borough

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

Second class borough

C. Contact Person for the government:

Name:		Title:		
Debbie Brady		Chief Financial Officer		
Delivery Address:		City:	State:	Zip:
907 Terminal Street		Fairbanks	AK	99701
Mailing Address:		City:	State:	Zip:
PO Box 71267		Fairbanks	AK	99707
Phone:	Fax:	E-mail:		
907-459-1394	907-459-1379	brady.dlr@co.fairbanks.ak.us		

D. Applicant's Bond Counsel:

Name:		Title:		
David O. Thompson, Stadling Yocca Carlson & Rauth PC		Partner		
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:		
Alex Handlers, Bartle Wells Associates		Principal		
Address:		City:	State:	Zip:
1889 Alcatraz Avenue		Berkeley	CA	94703
Phone:	Fax:	E-mail:		
510-653-3399, x109	510-563-3769	alex@bartlewells.com		

II. Issue Information

A. Total amount of bond purchase request:

$10,745,000 Total: $6,950,000 Tax-Exempt and $3,795,000 Taxable

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

C. Preferred principal and interest payment months: October **principa l/interest** April **interest only**

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

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

Yes:	No:	Percent of registered voters casting ballots:			
7357	4803	17.90%	10/4/2016	Prop 1	Plan of Capital Maintenance

Does the municipality intend to pledge any specific assets or taxes in addition to property tax? Provide details of the additional security. ❑Attached No

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 N/A

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. *See attached Excel workbooks.

1. Are engineering and specifications completed? ❑Yes ❑No
2. If not, when are they projected for completion? ______
3. Have construction bids been awarded? ❑Yes ❑No
4. Are there additional state or local approvals required? ❑Yes ❑No
5. Describe timing/scheduling plan: ______
6. What is the projected completion date? Various - See Excel workbooks.

G. Sources of uses of funds * See attached Excel workbooks.

Sources of Funds		**Uses of Funds**	
Bonds (this application)	$	Construction	$
Federal Funds*	$	Engineering	$
State Funds*	$	Contingency	$
Applicant's Funds	$	Cost of Issuance	$
Other (specify)	$	Other	$
Total:	$	Total:	$

*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:

III. Credit Information

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

B. Has your municipality entered into lease purchase agreements or other financing agreements supported by General Fund revenues? ☒ Yes ☐No See attached Summary.
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
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
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. It is expected that the 2016 authorization will be complete with this sale.

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 Ordinance No. 2018-17 was adopted on 8/1/2018 and the ballot proposition for GO bonding was before the voters on 10/2/18. The ballot proposition was defeated. There are no other propositions planned at this time.

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. Find our summary in the FY18 Comprehensive Annual Financial Report Transmittal Letter as well as the State of Alaska, DOL&WD "Alaska Economic Trends" for April 2018.

I. 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 See FY18 CAFR Transmittal Letter.

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

Year	Population	Source
2017	99,703	https://factfinder.census.gov
2016	100,602	
2015	99,643	
2014	99,308	
2013	100,898	

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. See attached.

O. Provide your capital improvement plan. ☒ Attached

P. Provide any other financial or economic information that will assist evaluation of your application.
☒Attached See FNSB Community Research Quarterly Fall 2018.

IV. Legal Information

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

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

Debra L. R. Brady
Name (print)

Chief Financial Officer, Fairbanks North Star Borough
Title

Debra L. R Brady
Signature

1/4/2019
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

Fairbanks North Star Borough Department of Law
907 Terminal Street • PO Box 71267 • Fairbanks, AK 99707 - (907) 459-1318 FAX 459-1155

NO LITIGATION CERTIFICATE

I, JILL S. DOLAN, the duly appointed, qualified and acting Borough Attorney of the Fairbanks North Star Borough ("Borough"), in connection with the Borough's application to the Alaska Municipal Bond Bank relating to the Borough's issuance of voter-approved general obligation bonds (the "Bonds") to finance the cost of certain capital improvements to Borough facilities, DO HEREBY CERTIFY that as of the date hereof, to my knowledge, there is no litigation pending or threatened in any court in any way:

1. affecting the corporate existence of the Borough, or the titles of Borough officers to their offices, or seeking to restrain or enjoin the issuance, sale or delivery of the Bonds, the right of the Borough to levy and collect taxes to pay the principal of and interest on the Bonds or to pledge its full faith and credit to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds or the loan agreement proposed to be entered into between the Borough and the Bond Bank, or contesting the power of the Borough with respect to the Bonds; or

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

DATED this 2nd day of January, 2019.

FAIRBANKS NORTH STAR BOROUGH

By Jill S Dolan
Jill S. Dolan, Borough Attorney

Alaska Municipal Bond Bank
Application Credit Review Summary Page

Applicant:	City of Homer
Loan Amount:	$5,000,000
Project Type:	Police Station
Project Description:	Construction of a police station and funding public safety
Term of Loan:	20 years
Revenues Pledged to Loan:	Sales tax
Most recent FY Net Pledged Revenues:	Sales tax: $6,640,036
Estimated Annual Debt Service (2019 One Loan):	$354 thousand
Estimated Annual Debt Service (Total Bond Bank loans):	$642 thousand
Most Recent FY Debt Service Coverage Ratio:	N/A
Most Recent FY State-Shared Revenues (SSR):	$922,858
Debt Service Coverage of AMBB DS from SSR:	1.44
Loan Subject to State Debt Service Reimbursement:	No
No Litigation Letter Received:	Yes

Loan Application Evaluation
City of Homer

Introduction

The City of Homer (the "City") has submitted an application to the Alaska Municipal Bond Bank Authority (the "Bond Bank") for a General Obligation Bond Loan totaling approximately $5,000,000. The City will use its loan to construct a police station. We have completed our review of this application and following is our overview of this project and the security provisions associated with the loan.

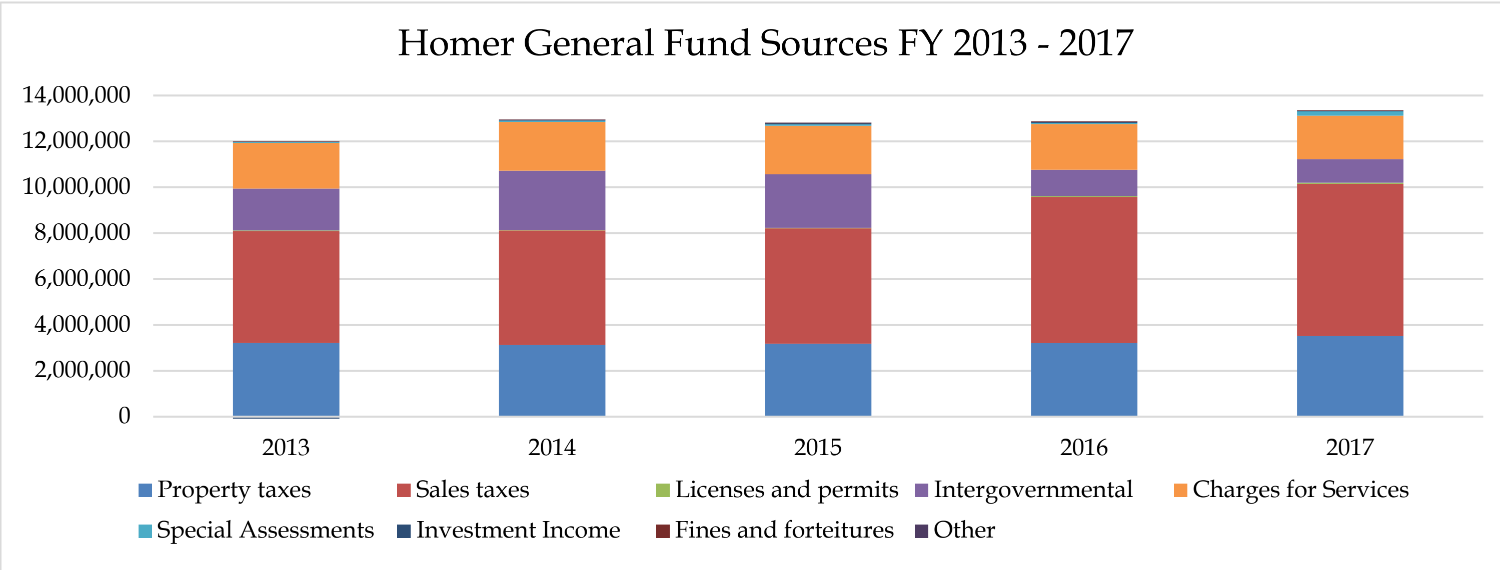
The Project

The City of Homer residents approved the issuance of up to $5,000,000 in general obligation bonds to fund the construction of a police station. Homer voters narrowly rejected a $12 million bond authorization in October 2016, but passed the smaller authorization in June 2018 by a 64% to 36% margin. The City's existing police station facilities are aging and inadequate to meet current demand.

City's Financial Position

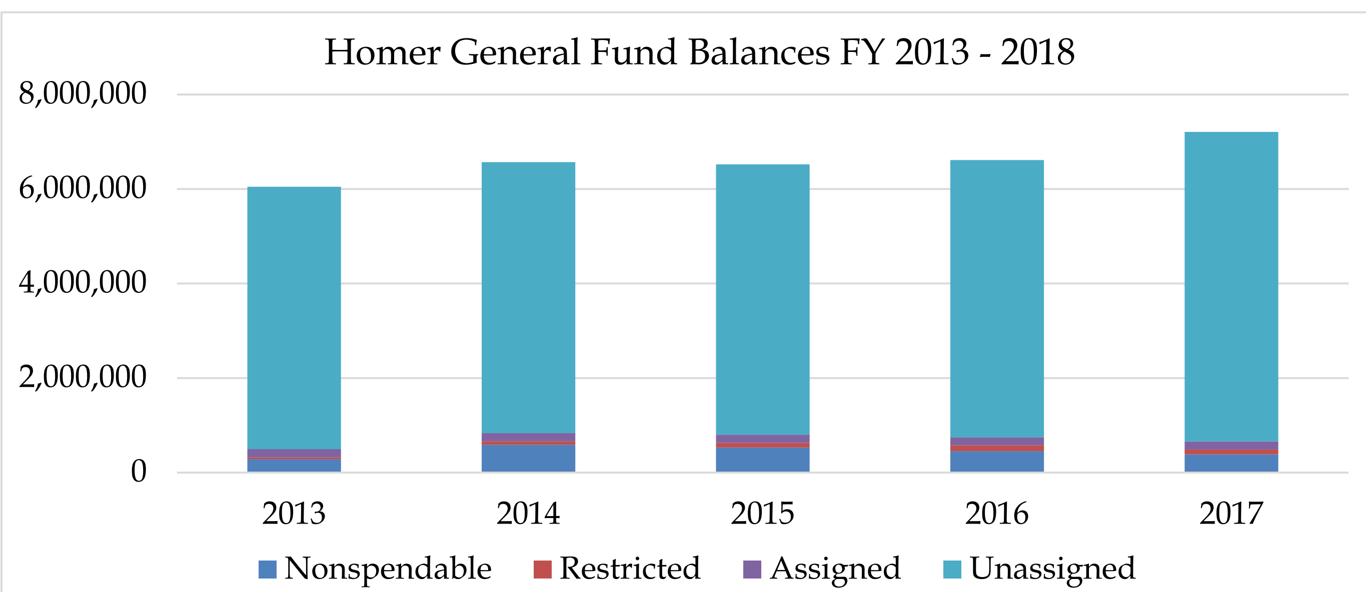
The City's General Fund derives its revenues primarily from sales taxes (49.7% in fiscal year 2017) and property taxes (26.3% in fiscal year 2017). Charges for Services made up 14.2% of General Fund revenues in fiscal year 2017.

The following graph presents the City's stable General Fund revenue distribution over the past five fiscal years. The graph shows that sales taxes have consistently been the primary source of General Fund revenue, accounting for nearly 44% of General Fund resources over the past five years. Sales taxes were at their peak in FY 2017, compared to recent years, when collections exceeded $6.6 million. Property taxes are next in importance, averaging approximately 25% during that period. Revenues from Charges for Services have averaged nearly 15% over those years.



For several years the combination of sales taxes and property taxes have accounted for approximately 69% of the City's General Fund revenue sources. From FY 2013 to FY 2017 the City's sales tax revenues as a percentage of total General Fund revenues have increased by about 9%, while property taxes have remained fairly level as a percent of total General Fund revenues.

At the end of FY 2017, total fund balance for the General Fund was $7.2 million, an increase of $594 thousand from FY 2017. The assigned and unassigned fund balance for FY 2017, not including the amount that was budgeted for FY 2018 expenditures, is $6.7 million. This compares to the FY 2016 amount of $6.0 million. This represents 52.63% of the total General Fund expenditures and transfers balance, and compares to 47.25% as of June 30, 2016, 45.78% as of June 30, 2015 and 47.48% as of June 30, 2014. The graph below presents the General Fund year-end balance for fiscal years 2013 through 2018.



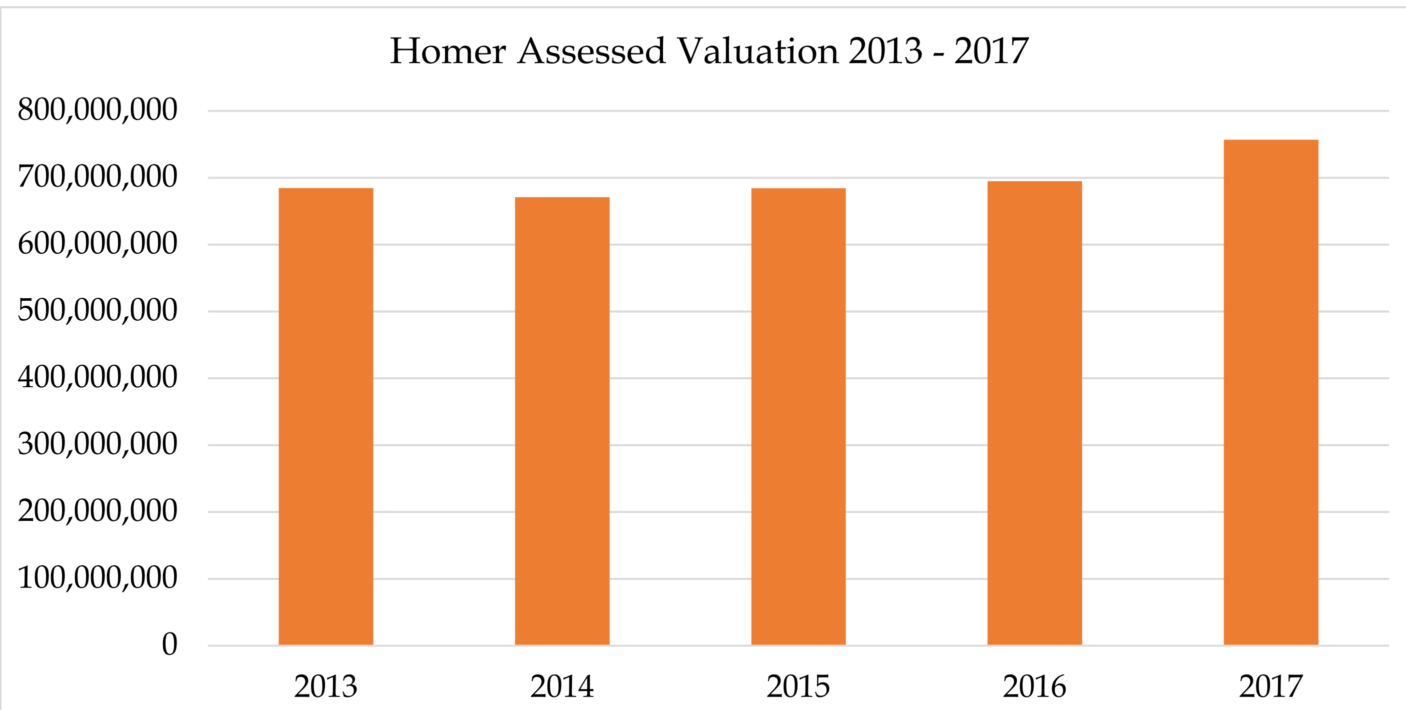
Impact of Proposed Governor's Budget

The City's Finance Director believes the Governor's proposed budget will have minimal direct impact on the city's financial position, however, the City's general fund revenues could potentially be lowered by reduced economic activity, and the local schools would receive less support from Kenai Peninsula Borough due to reduced funding from the State.

Security and Repayment

The full faith and credit and taxing ability of the City is pledged to the Bond Bank loan. The taxable value of the City is $756 million. The following graph presents the assessed value of the City over the past 5 years.

The City will pledge its general obligation secured by sales and property taxes to the Bond Bank for this loan. The City increased its sales tax by 0.35% in June of 2018 for the purpose of funding public safety and the construction of a police station. 0.30% of this tax increase goes to funding for bond payment. Assessed value in the City has grown at an average of 2.62% annually over the past 5 years, with the FY 2017 growth rate climbing to 8.93%.



With the issuance of the Bond Bank's 2019 Series One Bonds, the City will have $8.06 million of general obligation bonds outstanding to the Bond Bank. The proposed loan will mature in 20 years.

Future Capital Plans

The City does not have current plans of issuing more GO debt to fund future capital projects.

State-Aid Intercept

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

Shared Taxes and Fees	$166,010
Dept. of Transportation Reimbursement	$0
Reimbursement and Other Education Funding	$0
Education Support Funding	$0
Matching Grants	$155,596
Community Jails	$424,080
PILT Transfers	$0
Revenue Sharing	$177,172
Total Revenue Subject to Intercept	$922,858
Fiscal Year 2019 Debt Service (includes 2019 Loans DS)	$642,650
Debt Service Coverage	**1.44**

Statement of No Litigation

A no litigation letter has been received from Holly C. Wells with the firm Birch, Horton, Bittner and Cherot, the General Counsel to the City of Homer. The letter states, in part, that "no litigation is pending (or to our knowledge, threatened) against the City in any court: 1) affecting the corporate existence of the City... 2) seeking to restrain or enjoin the issuance, sale or delivery of the Bond, or the right of the City collect revenues and other moneys pledged or to be pledged to pay the principal of and interest on the Bond… or in any way contesting or affecting the validity or enforceability of the Bond or any possible loan agreement between the City and the Bond Bank… or 3) involving any of the property or assets of or under the control of City, which, whether individually or in the aggregate involves the possibility of any judgment or uninsured liability which may result in any material change in the revenues, properties or assets, or in the condition, financial or otherwise, of the City."

Summary

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

Chip Pierce

City of Homer Economic and Demographic Information

The City of Homer is located in the southcentral region of the State at the southern tip of the Kenai Peninsula. Anchorage is 227 highway miles north via the Sterling and Seward Highways. Two commercial airlines provide service to Anchorage, which by air is a 40 minute trip. The population of Homer has been quite stable over the past decade. Over the past five years, the City's population has grown from 5,155 in 2013 to 5,313 in 2017. Located in the City are four public schools and a branch of the statewide community college system. South Kenai Peninsula Hospital, located in the City, provides medical services for the region.

Homer is a first class city organized under a council-manager form of government. Homer was incorporated on March 31, 1964. Powers exercised by the City include police, water and sewer utilities, roads, port and harbor, zoning, parks and recreation, library and a volunteer fire department. Homer is included as a unit of government within the Kenai Peninsula Borough, an organized second class borough. The Borough has four area-wide powers; assessment and taxes; education; planning and zoning; and solid waste collection.

Tourism is an increasingly important component of the City's economy, driven by sports fishing and the City's majestic setting. Each year the City of Homer hosts the Kachemak Bay Shorebird Festival as a celebration and an awareness of the annual migration of birds through Homer. During the first two weeks in May each year, approximately 100,000 shorebirds pass through Mud Bay. This is one of the largest migration points on the road system. In addition Bald eagles can be seen year around with a winter concentration of sometimes more than 100 at a time on the Spit.

Homer has become a center for halibut fishing, with that season beginning in May of each year. There is also year around fishing for king salmon. Memorial Day weekend marks the opening of the king salmon fishing. The sports fishing industry continues to grow each year and to bring more tourists and commercial fisherman to Homer. Salmon makes up a large portion of the fish sold in the commercial fishing industry in Homer.

The City has a deep water dock and ferry dock. The main dock is shared by the Alaska Marine Highway System and the U.S. Coast Guard. The Coast Guard is replacing the existing ship that it keeps in Homer with a new ship that requires a bigger/deeper dock. In addition, cruise ships historically had difficulty docking at the deep water dock. Consequently, the City recently completed the replacement of the existing dock with a multi-purpose ocean dock.

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 of Homer (Alaska)

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

First class municipality

C. Contact Person for the government:

Name	Title		
Katie Koester	City Manager		
Address	**City**	**State**	**Zip**
491 E. Pioneer Avenue	Homer	AK	99603
Phone	**Fax**	**E-mail**	
907-435-3102	907-235-3148	citymanager@ci.homer.ak.us	

D. Applicant's Bond Counsel:

Name	Title		
Thomas F. Klinkner			
Address	**City**	**State**	**Zip**
510 L Street, Suite 700	Anchorage	AK	99501
Phone	**Fax**	**E-mail**	
907-263-7219	907-276-3680	tklinkner@bhb.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:

$5,000,000.00

B. Total term of requested loan: 20 years

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. q Attached

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

Yes:	No:	Percent of registered voters casting ballots:		
505	289	17%		

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

Proposition 1 (June 2018) increased the City's sales tax by 0.35% for the purpose of funding public safety and the construction of a police station. 0.30% of this tax increase goes to funding for bond payment.

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 X No
2. If not, when are they projected for completion? June 2019
3. Have construction bids been awarded? ❑Yes X No
4. Are there additional state or local approvals required? X Yes ❑No *(CUP, DAP, SWP, ACOE, FM etc)*
5. Describe timing/scheduling plan *Design – Oct 1, 2018 thru April 1, 2019. Construction: April 1, 2019 thru April 2020.*
6. What is the projected completion date? April 2020

G. Sources of uses of funds

Sources of Funds		Uses of Funds	
Bonds (this application)	$5,000,000	Construction	$4,533,460
Federal Funds*	$	Engineering	473,829
State Funds*	$177,172 (Ord.18-40)	Contingency	658,299
Applicant's Funds	$2,322,828	Cost of Issuance	$
Other (specify)	$	Other	$1,834,412
Total:	$7,500,000	Total:	$7,500,000

*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:

III. Credit Information

A. Provide the loan agreements or copies of the cover page of official statements for your government's outstanding bonds. Attached. 2013 Harbor Revenue Bond issued through Alaska Municipal Bond Bank Authority

B. Has your municipality entered into lease purchase agreements or other financing agreements supported by General Fund revenues? ☒Yes No Attached is our debt schedule (two agreements relating to GF - Dump Truck and Gas Line)
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
If yes, please attach details. ☒Attached Gas Line - Special Assessment on benefited property (reso 15-017)

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. *Ord. 18-26(a)(s)(a) for this application, the Police Station.*

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

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 *2016 - 2017 Annual Report*

Are any of the community's major employers expected to make changes in work force or operations?
☐Yes xNo
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
2017	5313	Alaska Dept. of Labor and Workforce Dev.
2016	5255	Alaska Dept. of Labor and Workforce Dev.
2015	5148	Alaska Dept. of Labor and Workforce Dev.
2014	5133	Alaska Dept. of Labor and Workforce Dev.
2013	5155	Alaska Dept. of Labor and Workforce Dev.

L. Provide assessed valuation and property tax collected for all taxable property within your corporate limits for the past five years. xAttached *Assessed values from KPB*

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

N. Provide your current year's budget. ☒Attached *Draft 2019 attached (final will be available in February 2019)*

O. Provide your capital improvement plan. X 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

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

Elizabeth Walton

Name (print)

Finance Director

Title

Elizabeth Walton

Signature

1/18/19

Date of Application

Birch Horton Bittner & Cherot
a professional corporation

Holly C. Wells
Respond to Anchorage Office
T 907.263.7247 • F 907.276.3680
hwells@bhb.com

December 7, 2018

Alaska Municipal Bond Bank
Department of Revenue
333 Willoughby Avenue
Juneau, AK 99811-0405

RE: Proposed Issuance of City of Homer General Obligation Police Station Bonds, 2019 Series A
City of Homer
Our File No.: 506,742.224

Ladies and Gentlemen:

We are the duly appointed and qualified general counsel to the City of Homer, Alaska (the "City"). Based on such inquiry and investigation as we have deemed sufficient we hereby certify that no litigation is pending (or, to our knowledge, threatened) against the City in any court in any way:

1. Affecting the corporate existence of the City, or the titles of its officers to their respective offices;

2. Seeking to restrain or enjoin the issuance, sale or delivery of the bonds referred to above, or the right of the City 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 City and the Alaska Municipal Bond Bank, or contesting the power of the City or its authority with respect to the bonds; or

3. Against the City or involving any of the property or assets of or under the control of the City, which, whether individually or in the aggregate involves the possibility of any judgment or uninsured liability which may result in any material adverse change in the revenues, properties or assets, or in the condition, financial or otherwise, of the City.

Sincerely,

BIRCH HORTON BITTNER & CHEROT

Holly C. Wells

HCW:psc

Alaska Municipal Bond Bank
Application Credit Review Summary Page

Applicant:	City of Dillingham (the "City" or "Dillingham")
Loan Amount:	Loan 1: $644,000 (Lake Road Fire Hall) Loan 2: $3,409,364 (Road Improvements)
Project Type:	Construct fire station and rehabilitate local road
Project Description:	Loan 1: Construction of new fire station Loan 2: Make capital improvements for road rehabilitation
Term of Loans:	20 years
Revenues Pledged to Loan:	Property taxes, marijuana sales tax, tobacco tax and general fund reallocations
Most recent FY Net Pledged Revenues:	General Fund: $3,602,827 Total Property Tax Collections: $2,261,255
Estimated Annual Debt Service (2019 One Loan):	$282,000
Estimated Annual Debt Service (all Bond Bank loans):	$1,345,000
Most Recent FY Debt Service Coverage Ratio:	N/A
Most Recent FY State-Shared Revenues (SSR):	$8,796,068
Debt Service Coverage of AMBB DS from SSR:	6.54x
Loan Subject to State Debt Service Reimbursement:	No
No Litigation Letter Received:	Yes

Loan Application Evaluation
City of Dillingham

Introduction

The City of Dillingham ("Dillingham") has submitted an application to the Alaska Municipal Bond Bank Authority (the "Bond Bank") for a General Obligation Bond Loan totaling approximately $4,055,000. The City will use its loans to construct a fire station and make local road improvements. We have completed our review of this application and following is our overview of this project and the security provisions associated with the loans.

The Project

This Lake Road Fire Hall project consists of a new addition of 1,680 square feet that will be used to house two more fire service vehicles in the fleet. The project will also require the water service housing to be removed and replaced. The addition, will improve the Fire Department's response capacity. Absent this project, the downtown fire station will continue to deteriorate and offers limited functionality due to its design limitations. The City has already invested $57,000 on the renovation design phase of this project.

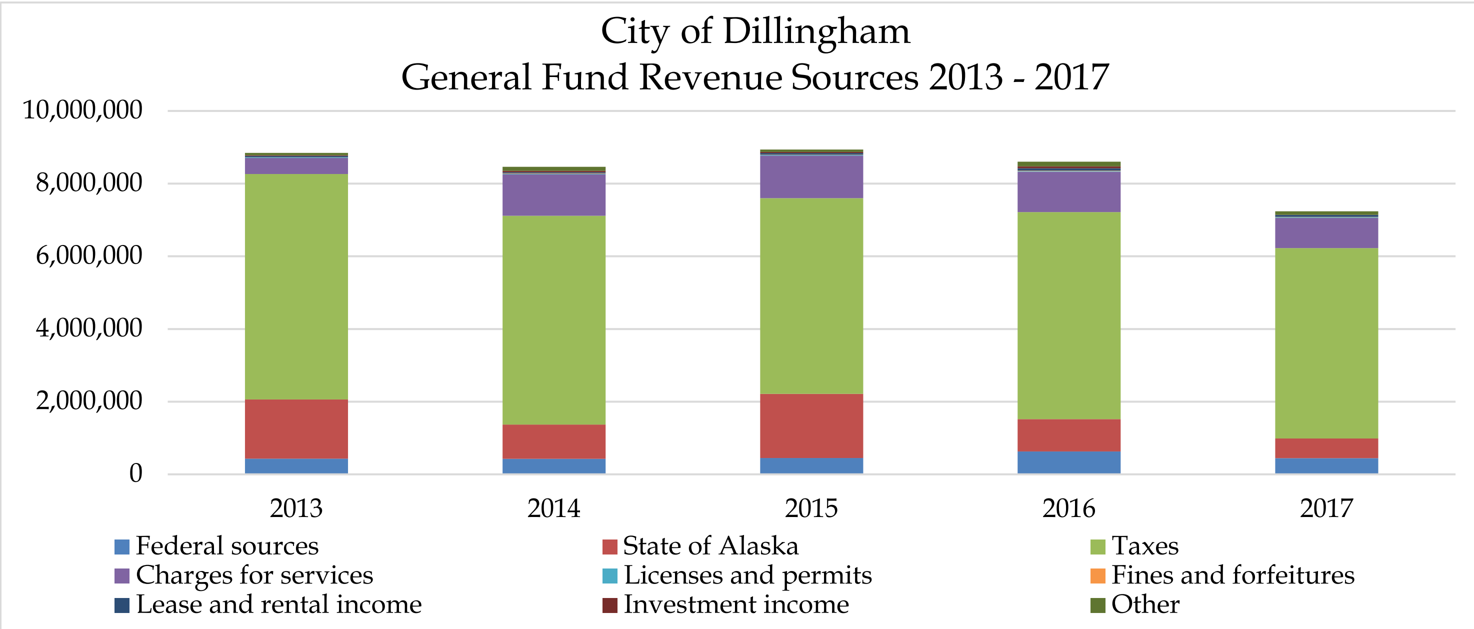
The objective of the City's road improvement project is to realign and rehabilitate D Street, 2nd Avenue and Main Street in downtown Dillingham. These streets form a loop and are in poor condition due to deteriorating asphalt and curb and gutter. In addition, two intersections: Main Street/2nd Avenue/Alaska Street and Main Street/Port Access Road, will be realigned. The project will be designed to be cost effective, compliant with current design standards, and meet the needs of the traveling public through 2035.

Pedestrian facilities will be upgraded because the current pedestrian facilities are discontinuous and the few existing crossings are not well marked. The roadway pavement section will be rehabilitated including curb, gutter, and sidewalks. The rehabilitation will bring the facilities into compliance with the Americans with Disabilities Act. The project will correct existing right-of-way discrepancies by obtaining permanent and temporary easements prior to construction.

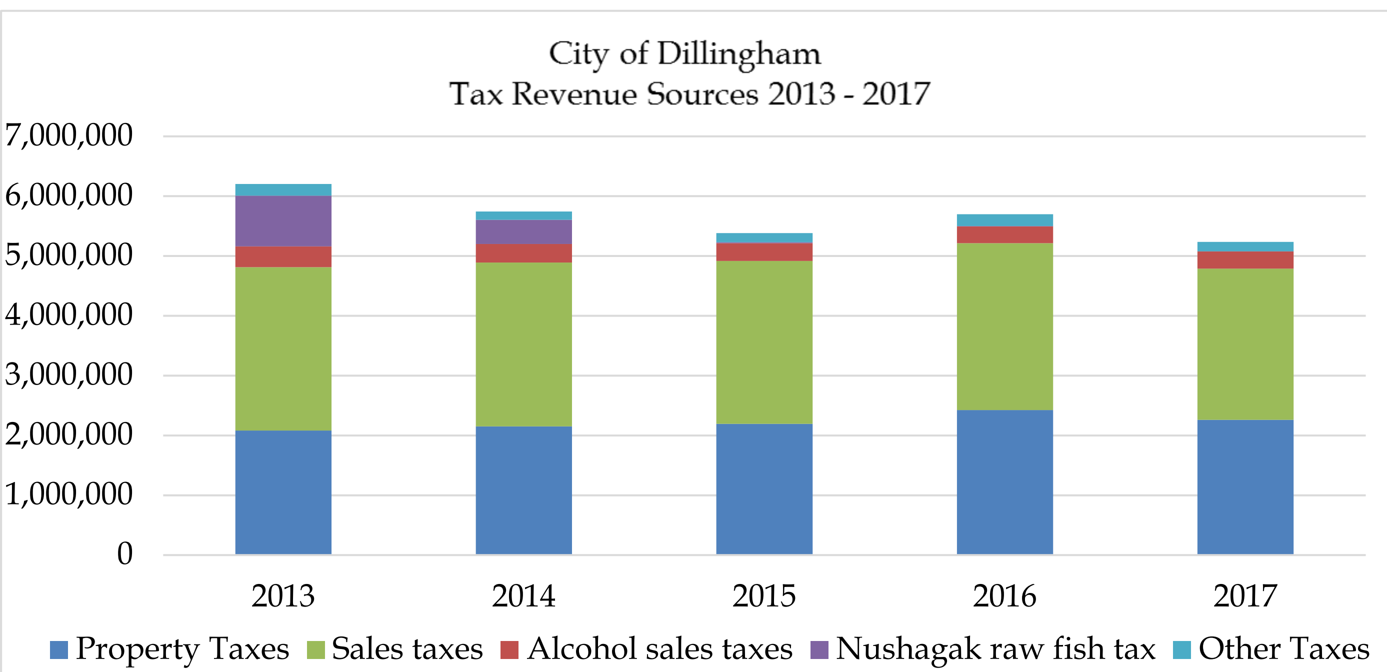
City Financial Position

The City's General Fund derives its revenues primarily from taxes (72.4% in fiscal year 2017) and charges for services (11.5% in 2017).

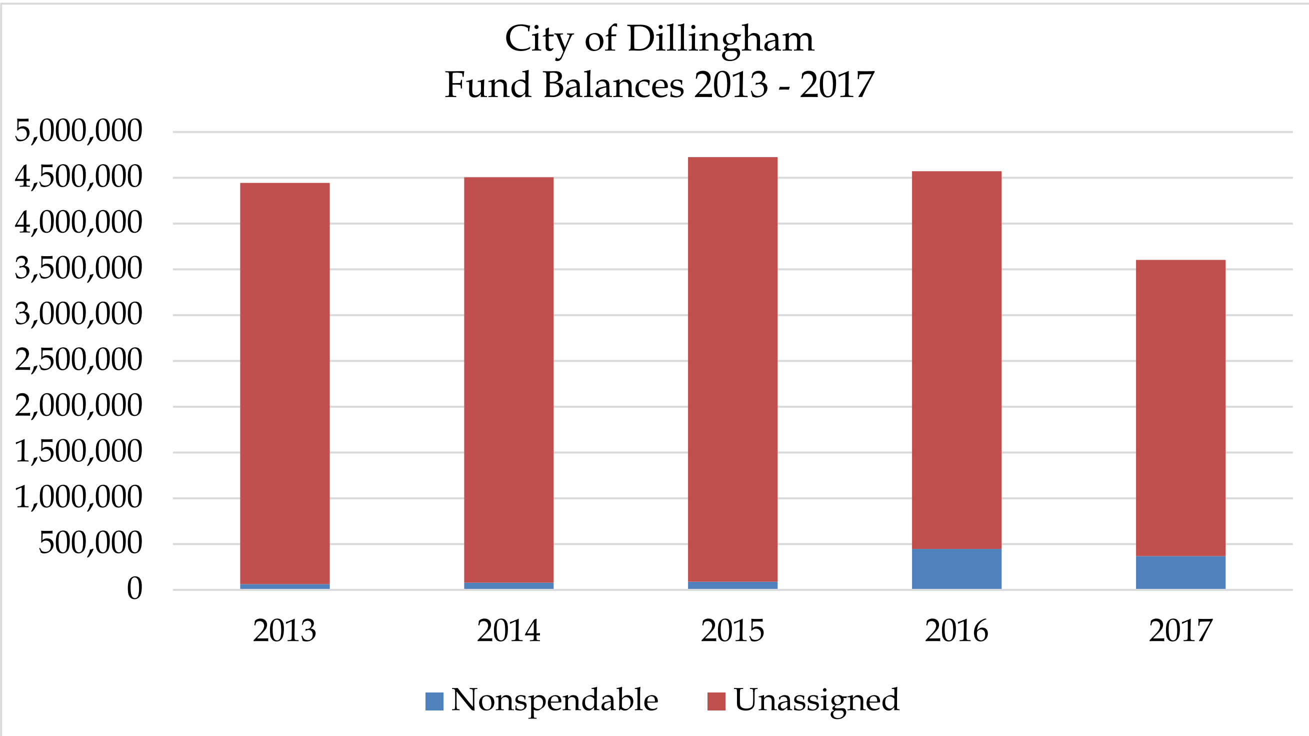
The following graph presents the City's stable General Fund revenue distribution over the past five fiscal years. The graph shows that tax revenues have consistently been the primary source of General Fund revenue, accounting for approximately 67% of General Fund resources over the past five years. Charges for services are next in importance, averaging approximately 11% during that period.



The graph below illustrates the different sources that contribute to the City's tax revenues. For several years the combination of property taxes and sales taxes have accounted for approximately 85% of the City's General Fund revenue sources. Over the past five years the City's property tax revenues have increased as a percentage of total General Fund revenues, while sales taxes have decreased as a percent of the total General Fund revenues. Tax revenues were highest in 2013 and have decreased by $967 thousand by fiscal year 2017. In FY 2019, the City implemented a Tobacco Excise Tax that has generated $154,000 in the first seven months of fiscal year 2019, which is greater than the budgeted amount for the full fiscal year. The City is also exploring the possibility of creating a marijuana sales tax.



At the end of fiscal year 2017, total fund balance for the General Fund was $3.6 million, a decrease of $969 thousand from FY 2016. The decrease in fund balance is due to expenses outpacing revenues. The revenue options that have been implemented or are being evaluated by the City are intended to address, in part, the decline in General Fund balances.



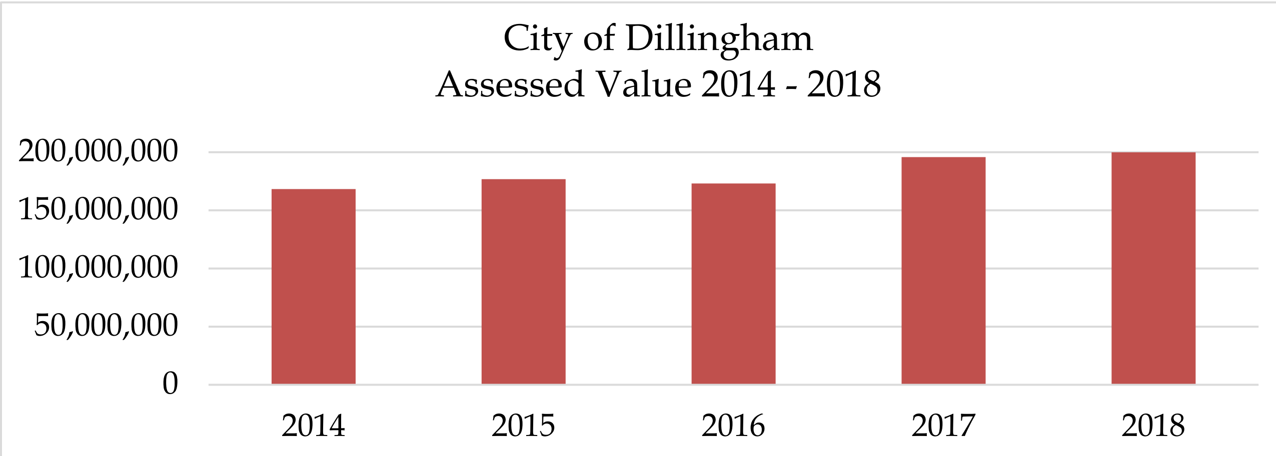
<u>Impact of Proposed Governor's Budget</u>

Currently the City receives financial support from the State primarily through Revenue Sharing ($120,000), Raw Fish Tax ($443,000) and PILT ($459,000). The State also pays approximately 70% of the debt service for bonds issued for school-related purposes, amounting to approximately $745,000 annually. Altogether, the City could lose an estimated $2 million in direct and indirect support if the Governor's proposed budget is approved. The City is evaluating cost cutting measures, such as closing down a local library and senior center, if State funding cuts such as those contemplated in the Governor's budget are implemented.

<u>Security Pledge</u>

The full faith and credit and taxing ability of the City is pledged to the Bond Bank loan. The taxable value of the City is $200 million. The following graph presents the assessed value of the City over the past 5 years.

Assessed value in the City fell by 2% in 2016 and rebounded 13% in 2017. Over the 2014 – 2018 period, assessed value grew at an average of 4.55% annually. The City changed assessors in 2016 and again in 2017. The varying methodologies the assessors used to bring assessed value to current levels is the cause for the fluctuation. With the issuance of the Bond Bank's 2019 Series One Bonds, the City will have approximately $12.5 million of general obligation bonds outstanding to the Bond Bank. Additionally, the City has an existing loan outstanding in the amount of $880,523 secured by General Fund revenues. The proposed loans will mature in 20 years.



Future Capital Plans

The City does not currently have plans to issue additional General Obligation bonds to fund future capital projects.

State-Aid Intercept

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

Shared Taxes and Fees	$517,530
Dept. of Transportation Reimbursement	$0
Reimbursement and Other Education Funding	$744,230
Education Support Funding	$6,334,185
Matching Grants	$93,528
Community Jails	$526,851
PILT Transfers	$459,841
Revenue Sharing	$119,903
Total Revenue Subject to Intercept	$8,796,068
Fiscal Year 2019 Debt Service (includes 2019 Loans DS)	$1,345,450
Debt Service Coverage	**6.54**

Statement of No Litigation

The City provided a letter from the law firm of Boyd, Chandler, Falconer & Munson LLP dated February 12, 2019 that stated, in part, that "there is no litigation pending or threatened that we are aware of that would… seek to restrain or enjoin the issuance, sale or delivery of the Bonds or the exercise by the City of any of its powers, duties or obligations under the ordinances authorizing the issuance of the Bonds…and the payment, collection or application of revenues or other funds pursuant to the Ordinances…or contesting the power of the City or its authority with respect to the Bonds …"

Summary

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

Chip Pierce

City of Dillingham Economic and Demographic Information

Dillingham is located at the extreme northern end of Nushagak Bay in northern Bristol Bay, at the confluence of the Wood and Nushagak Rivers. It lies 327 miles southwest of Anchorage, and is a 6 hour flight from Seattle. Dillingham is located in the Bristol Bay Recording District. The area encompasses 33.6 square miles of land and 2.1 square miles of water. The primary climatic influence is maritime, however, the arctic climate of the interior also affects the Bristol Bay coast. Average summer temperatures range from 37 to 66 degrees Fahrenheit. Average winter temperatures range from 4 to 30 degrees Fahrenheit. Annual precipitation is 26 inches, and annual snowfall is 65 inches. Heavy fog is common in July and August. Winds of up to 60-70 mph may occur between December and March. The Nushagak River is ice-free from June through November.

The area around Dillingham was inhabited by both Eskimos and Athabascans and became a trade center when Russians erected the Aleksandrovsk Redoubt (Post) in 1818. Local Native groups and Natives from the Kuskokwim Region, the Alaska Peninsula and Cook Inlet mixed together as they came to visit or live at the post. The community was known as Nushagak by 1837, when a Russian Orthodox mission was established. In 1881 the U.S. Signal Corps established a meteorological station at Nushagak. In 1884 the first salmon cannery in the Bristol Bay region was constructed by Arctic Packing Co., east of the site of modern-day Dillingham. Ten more were established within the next seventeen years. The post office at Snag Point and town were named after U.S. Senator Paul Dillingham in 1904, who had toured Alaska extensively with his Senate subcommittee during 1903. The 1918-19 influenza epidemic struck the region, and left no more than 500 survivors. A hospital and orphanage were established in Kanakanak after the epidemic, 6 miles from the present-day City center. The Dillingham town site was first surveyed in 1947. The City was incorporated in 1963.

The City of Dillingham has a large commercial fishing presence with two seafood processing operations and the largest Sockeye Salmon fishery in the world. The fishery has been a consistent and significant factor in the income of local residents for decades. The past two years have produced record catches in Bristol Bay with the 2019 season projected to be another exceptional year.

There is also a large year-round and seasonal support industry for the commercial fishing business. Boat repair, net repair, fishing equipment and repair are a few of the support businesses in Dillingham that employ a large number of area residents. The City has a population of 2382.

Dillingham is a hub community for the Bristol Bay area with much of the area's commerce flowing through the city throughout the year. Being a hub community, Dillingham has a number of regional organizations that provide support to area villages. These headquarters provide a significant number of high paying jobs, which in turn provide a stable and consistent tax base in Dillingham. Dillingham has: the Bristol Bay Area Health Corporation (Kanankanak Hospital), the Bristol Bay Native Association, the Bristol Bay Economic Development Corporation, the Bristol Bay Housing Authority, Togiak National Wildlife Refuge Headquarters, Dillingham City School District, the City of Dillingham, and numerous other federal and state offices. Dillingham has a higher per capita income than most locations in Southwest Alaska.

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 of Dillingham Alaska

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

First Class City

C. Contact Person for the government:

Name:		Title:			
Tod Larson		City Manager			
Address:		**City:**		**State:**	**Zip:**
141 Main Street, P.O. Box 889		Dillingham		AK	99576
Phone:	**Fax:**		**E-mail:**		
(907) 842-5148	(907) 842-5148		Manager@dillinghamak.us		

D. Applicant's Bond Counsel:

Name:		Title:			
Marc Greenough		Attorney			
Address:		**City:**		**State:**	**Zip:**
1111 Third Avenue, Suite 3000		Seattle		WA	98101
Phone:	**Fax:**		**E-mail:**		
(206) 447-7888	(206) 749-2088		marc.greenough@foster.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:

$644,000

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

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

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

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

Yes:	No:	Percent of registered voters casting ballots:	
		%	City of Dillingham Bond Election Scheduled for March 26, 2019.

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

Primarily Property & Personal Property Tax, however, Marijuana Sales Tax, Tobacco Tax and some general fund reallocation will be utilized to support the bond payments.

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 N/A

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? X Yes No
2. If not, when are they projected for completion?
3. Have construction bids been awarded? ❑Yes X No
4. Are there additional state or local approvals required? ❑Yes X No
5. Describe timing/scheduling plan: March 26, 2019 Bond Election, April 2019 RFPs released, May 2019 construction begins, December 2020 construction complete.
6. What is the projected completion date? 12/31/2020

G. Sources of uses of funds

Sources of Funds		**Uses of Funds**	
Bonds (this application)	$644,000	Construction	$499,000
Federal Funds*	$0	Engineering	$60,000
State Funds*	$0	Contingency	$56,000
Applicant's Funds	$60,000	Cost of Issuance	$5,000
Other (specify)	$0	Constuction Management	$84,000
Total:	$704,000	Total:	$704,000

*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:

The bond would cover the cost of construction, the contingency, the cost of issuance, and construction management

III. Credit Information

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

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. $883,523.06

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? X Yes ❑No
If yes, please attach details. X 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
If yes, please attach an explanation. ❑Attached N/A

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 N/A

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

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 N/A

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 X No
If yes, provide an explanations. ❑Attached N/A

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

Year	Population	Source
2018	2,382	State of Alaska, Dept of Labor
2017	2,335	State of Alaska, Dept of Labor
2016	2,318	State of Alaska, Dept of Labor
2015	2,384	State of Alaska, Dept of Labor
2014	2,444	State of Alaska, Dept of Labor

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

M. Provide your audited financial statements from the last two years (provide your unaudited statement if audit hasn't been performed). X Attached (FY16 & FY17 Audits included as attachments - FY18 audit near completion as of this application date….I will provide it to the AMBBA immediately upon its completion).

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

O. Provide your capital improvement plan. X Attached

P. Provide any other financial or economic information that will assist evaluation of your application. X Attached
The City of Dillingham maintains $4M in investments in its portfolio. The City also maintains a GF balance between $3.5M & $4.5M over the past five years.

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

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

Tod Larson

Name (print)

City Manager

Title

Tod Larson

Signature

2/10/19

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

Application for Bonds

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City of Dillingham Alaska

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First Class City

C. Contact Person for the government:

Name:	Title:		
Tod Larson	City Manager		
Address:	**City:**	**State:**	**Zip:**
141 Main Street, P.O. Box 889	Dillingham	AK	99576

Phone:	Fax:	E-mail:
(907) 842-5148	(907) 842-5148	Manager@dillinghamak.us

D. Applicant's Bond Counsel:

Name:	Title:		
Marc Greenough	Attorney		
Address:	**City:**	**State:**	**Zip:**
1111 Third Avenue, Suite 3000	Seattle	WA	98101

Phone:	Fax:	E-mail:
(206) 447-7888	(206) 749-2088	marc.greenough@foster.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:

$3,409,364

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

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

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

X Attached

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

Yes:	No:	Percent of registered voters casting ballots:	
		%	City of Dillingham Bond Election Scheduled for March 26, 2019.

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

Primarily Property & Personal Property Tax, however, Marijuana Sales Tax, Tobacco Tax and some general fund reallocation will be utilized to support the bond payments.

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 N/A

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 X No
2. If not, when are they projected for completion? Mar-19
3. Have construction bids been awarded? ❑Yes X No
4. Are there additional state or local approvals required? ❑Yes X No
5. Describe timing/scheduling plan: March 26, 2019 Bond Election, April 2019 RFPs released, May 2019 construction begins, December 2020 construction complete.
6. What is the projected completion date? 12/31/2020

G. Sources of uses of funds

Sources of Funds		**Uses of Funds**	
Bonds (this application)	$3,396,253	Construction	$2,362,610
Federal Funds*	$0	Engineering	$89,645
State Funds*	$0	Contingency	$590,653
Applicant's Funds	$89,645	Cost of Issuance	$20,000
Other (specify)	$0	Constuction Management	$422,990
Total:	$3,485,898	Total:	$3,485,898

*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:

The bond would cover the cost of construction, the contingency, the cost of issuance, and construction management

III. Credit Information

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

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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 N/A

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 N/A

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

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 N/A

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 X No
If yes, provide an explanations. ❑Attached N/A

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M. Provide your audited financial statements from the last two years (provide your unaduited statement if audit hasn't been performed). X Attached (FY16 & FY17 Audits included as attachments - FY18 audit near completion as of this application date....I will provide it to the AMBBA immediately upon its completion).

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

O. Provide your capital improvement plan. X Attached

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

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

Tod Larson

Name (print)

City Manager

Title

Tod Larson

Signature

2/10/19

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

BOYD, CHANDLER, FALCONER & MUNSON, LLP
Attorneys At Law
Suite 302
911 West Eighth Avenue
Anchorage, Alaska 99501
Telephone: (907) 272-8401
Facsimile: (907) 274-3698
bcf@bcfaklaw.com

February 12, 2019

Alaska Municipal Bond Bank
Department of Revenue
P.O. Box 110405
Juneau, Alaska 99811-0405

RE: Application for and Proposed Issuance of City of Dillingham General Obligation Bonds for Lake Road Fire Hall and D Street and Seward Street Rehabilitation

Ladies and Gentlemen:

We are the duly appointed and qualified general counsel to the City of Dillingham, Alaska (the "City"). Based on such inquiry and investigation as we have deemed sufficient we hereby certify that no litigation is pending (or, to our knowledge, threatened) against the City in any court in any way:

1. Affecting the corporate existence of the City, or the titles of its officers to their respective offices;

2. Seeking to restrain or enjoin the issuance, sale or delivery of the bonds referred to above (the "Bonds"), or the exercise by the City of any of its powers, duties or obligations under the ordinances (the "Ordinances") authorizing the issuance of the Bonds or with respect to any assets and amounts pledged under the Ordinances, including the application of proceeds of the sale of the Bonds and the payment, collection or application of revenues or other funds pursuant to the Ordinances; in any way contesting or affecting the validity or enforceability of the Bonds, the Ordinances or any Loan Agreement between the City and the Alaska Municipal Bond Bank; or contesting the power of the City or its authority with respect to the Bonds; or

3. Against the City or involving any of the property or assets of or under the control of the City, which, whether individually or in the aggregate involves the possibility of any judgment or uninsured liability which may result in any material change in the revenues, properties or assets, or in the condition, financial or otherwise, of the City.

Sincerely,

BOYD, CHANDLER,
FALCONER & MUNSON, LLP

BY: Brooks Chandler

Brooks W. Chandler

Alaska Municipal Bond Bank
Application Credit Review Summary Page

Applicant:	The Southeast Alaska Power Agency ("SEAPA" or "Agency")
Loan Amount:	$5,590,000
Project Type:	Current refunding for savings
Project Description:	Refunding of the Series 2009 Electric Revenue Refunding Bonds
Term of Loan:	5 years
Revenues Pledged to Loan:	Electric System Revenues
Most recent FY Net Pledged Revenues:	$5.11 million
Estimated Annual Debt Service (2019 One Loan):	$990 thousand
Estimated Annual Debt Service (all Bond Bank loans):	$990 thousand
Most Recent FY Debt Service Coverage Ratio:	3.21
Loan Subject to State Debt Service Reimbursement:	No
No Litigation Letter Received:	Yes

Loan Application Evaluation
Southeast Alaska Power Agency

Introduction

Southeast Alaska Power Authority ("SEAPA") has submitted an application to the Alaska Municipal Bond Bank Authority (the "Bond Bank") for an Electric Revenue Bond Loan totaling approximately $5,590,000. SEAPA will use its loan to refund the existing Series 2009 Electric Revenue Refunding Bonds to achieve savings. 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 SEAPA Board of Directors and member cities approved the issuance of up to $5,590,000 in electric revenue bonds to refund the existing 2009 bonds.

Electric Operating Enterprise

SEAPA owns the Swan Lake and Tyee Lake hydroelectric facilities, 14 miles of submarine cables, and 175 miles of overhead transmission lines serving the municipalities of Ketchikan, Wrangell, and Petersburg, Alaska. SEAPA provides 62% of the total power consumed by these three member-utility communities and also provides a broad range of important ancillary services that help ensure safe and reliable delivery of power over an interconnected system.

Operating revenues are derived solely from power generated at SEAPA's two hydroelectric facilities and sold to its three member-utility customers. Displaced Power Sales are compensation for power generated by a member-utility facility that could have otherwise been sold by SEAPA. The Long- Term Power Sales Agreement (PSA) requires that member utilities purchase power from SEAPA prior to power generated by any facilities added after the PSA was signed. A True-Up Agreement between SEAPA and Ketchikan established the process for which SEAPA is compensated for power generated by Ketchikan's Whitman Lake facility that could have otherwise been sold by SEAPA. The Whitman facility began operations in October 2014. Under the agreement, displaced sales are reviewed on a quarterly basis and invoiced at the end of each calendar year.

Operations and maintenance at both of SEAPA's hydroelectric facilities had historically been contracted to the member municipalities prior to 2014. During that year, operations at the Tyee Lake facility were assumed by hiring the experienced, existing staff as SEAPA employees. SEAPA is now in the process of assuming operations and maintenance responsibilities of the Swan Lake facility. The Agency anticipates adding a Roving Relief Operator to improve vacation coverage and continuity across both facilities and this will initially result in higher operational expense. However, having both facilities under SEAPA's direct control will allow for standardization of training and procedures. This will help lower overall long-term risk at the projects.

A Rate Stabilization Fund was established in July 2018 with an opening deposit of $2 million. The fund is intended to improve the long-term fiscal health of the agency by reserving a portion of excess revenues. The fund may be used to reduce the impact of future extraordinary capital projects or bond issuances and to ensure compliance with bond covenants as needed. Both deposits to and withdrawals from the Rate Stabilization Fund must be authorized by the Board and will be reviewed at least annually.

SEAPA financial operations have been stable in recent years. During fiscal years 2013 through 2018, operating revenues have ranged from $9.5 million to $11.4 million, with operating expenses during those years ranging from $9.7 million to $11.1 million.

	2013	2014	2015	2016	2017	2018*
Operating Revenues	$10,407,976	$11,594,500	$9,545,427	$10,782,692	$10,189,527	$11,439,368
Operating Expenses	9,707,047	9,858,218	10,401,729	9,941,059	10,354,585	11,153,135
Operating Income	700,929	1,736,282	-856,302	841,633	-165,058	286,233
Investment Income	91,823	95,775	126,936	79,304	9,221	49,767
Add-Back Depreciation	3,912,905	4,046,332	4,070,540	4,187,221	4,414,025	4,775,039
Net Revenues	4,705,657	5,878,389	3,341,174	5,108,158	4,258,188	5,111,039
Existing Debt Service	1,355,863	1,358,925	1,359,425	1,622,842	1,590,694	487,688
2019 Debt Service						986,572
Debt Service Coverage	3.47x	4.33x	2.46x	3.15x	2.68x	3.47x

*Debt service and debt service coverage are based on the estimated debt service payment of the 2019 refunding bonds. Current coverage with the existing 2009 bonds' debt service is 3.21x.

Impact from Proposed Governor's Budget

Per SEAPA personnel, the Governor's proposed budget will not have an impact on the agency's financial position.

Security Pledge

SEAPA's loan will be secured with net revenues from its electric enterprise system. SEAPA is required to set the firm wholesale rate at a level sufficient to meet its commitments under the indenture and to operate its projects. The additional bonds test requires 1.2x coverage, equal to the agency's rate covenant. SEAPA's debt service coverage levels have been very strong in the past 6 years with the lowest debt service coverage level being 2.46x. If net revenue in any year is insufficient to cover debt service without taking into account any withdrawals from the rate stabilization fund, the agency is required to retain a rate consultant to review rates and make whatever adjustments it deems necessary. The agency anticipates funding annual capital needs from funds on hand and additional deposits to the R&R fund. The source of these deposits is the surplus revenue after O&M and debt service provided by the firm wholesale power rate. Bond provisions also required a debt service reserve fund funded at the least of 10% of par, 125% of average annual debt service, or maximum annual debt service.

Future Capital Plans

No current plans of issuing additional bonds to fund future capital projects.

Statement of No Litigation

Accompanying SEAPA's application was a letter from Joel R. Paisner, Partner at Ascent Law Partners LLP which states, in part "In connection with the…application of the Southeast Alaska Power Agency (applicant) we have been asked to provide the following certificate to the Bond Bank: There is no litigation, in any court, affecting the corporate existence of the applicant's government…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 in any way contesting or affecting the validity or enforceability of the bonds or the loan agreement between the applicant and the Bond Bank…There is no litigation against the applicant's government…"

Summary

Based on our assessment, the security offered by SEAPA, as set forth in the Agency's loan application and supplemental materials, provides sufficient security to justify approval of the application. The security for this loan, which is primarily provided by a pledge of SEAPA's electric system revenues, is enhanced by the deposit of a debt service reserve fund with the Bond Bank.

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

SEAPA Member Community Economic and Demographic Information

City of Ketchikan

The City of Ketchikan is located on Revillagigedo Island and serves as a major port of call for cruise ships, commercial vessels, and state ferries, and serves as a regional hub for the Ketchikan Gateway Borough. The city had a population of 8,272 as of 2017 and served 7,799 customers, with residential customers representing 41% of retail revenue. The city's economy is based on fishing, seafood processing, maritime, transportation, government, and tourism. Ketchikan is a major port of call for cruise ships, with about a million visitors annually from cruises alone. Unemployment in the borough is 6.3% and the utility's customer base is diverse, with the leading 10 customers representing 18.0% of revenue. Rates are very low: We calculate the weighted average system rate at 9.9 cents per kWh, or just 55% of the state average, and median household effective buying income is 101% of the national average. The utility's coverage metrics have been extremely strong, with fixed-charge coverage averaging 2.3x during fiscal years 2015 to 2017 and with liquidity at a very strong $21.8 million, or 257 days of operations, in 2017.

City and Borough of Wrangell

The City and Borough of Wrangell is located on the northern tip of Wrangell Island and has a population of 2,521 as of 2017. In 2017, the utility served a total of 2,034 customers, with residential customers representing 43% of retail revenue. The city's economy is based on timber and forest products, fishing, seafood processing, and tourism; as with Ketchikan, the city has some cruise ship activity. Unemployment in the borough is 7.7% and the utility's customer base is moderately concentrated, with the leading 10 customers representing 34% of retail revenue. Rates are very low: we calculate the weighted average system rate at 11.23 cents per kWh, or just 63% of the state average, and median household effective buying income is 98% of the national average. The utility's coverage metrics have been extremely strong, with fixed-charge coverage averaging 2.5x during fiscal years 2015 to 2017 and with liquidity at an adequate $2.5 million, or 244 days of operations, in 2017. Wrangell has no direct system debt.

Petersburg Borough

Petersburg Borough is located on Mitkof Island and has a population of about 3,000. In 2017, the utility served 2,139 customers, with residential customers representing 38% of retail revenue. The city's economy is based primarily on commercial fishing and seafood processing. Unemployment in the borough is high at 9.9% and the utility's customer base is moderately concentrated, with the leading 10 customers representing 29% of retail revenue. Rates are very low: we calculate the weighted average system rate at 11.50 cents per kWh, or just 64% of the state average, and median household effective buying income is strong at 129% of the national average. The utility's coverage metrics have been strong, with fixed-charge coverage averaging 1.8x during fiscal years 2015 to 2017 and with liquidity at a very strong $7.8 million, or 506 days of operations, in 2017.

ALASKA MUNICIPAL BOND BANK AUTHORITY

Application for Bonds

A request for the Alaska Municipal Bond Bank Authority (the Bond Bank) to purchase a revenue or general oblibgation 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):

THE SOUTHEAST ALASKA POWER AGENCY

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

JOINT ACTION AGENCY

C. Contact Person for the government:

Name:	Title:		
TREY ACTESON	**CEO**		
Address:	**City:**	**State:**	**Zip:**
1900 FIRST AVE, SUITE 318	**KETCHIKAN**	**AK**	**99901**

Phone:	Fax:	E-mail:
907.228.2281	**907.225.2287**	**tacteson@seapahydro.org**

D. Applicant's Bond Counsel:

Name:	Title:		
DAVID THOMPSON, STRADLING ATTORNEYS AT LAW			
Address:	**City:**	**State:**	**Zip:**
999 THIRD AVE, STE 3610	**SEATTLE**	**WA**	**98104**

Phone:	Fax:	E-mail:
206.829.3000	**206.299.4224**	**dthompson@sycr.com**

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

Name:	Title:		
TBD			
Address:	**City:**	**State:**	**Zip:**

Phone:	Fax:	E-mail:

II. Issue Information

A. Total amount of bond purchase request:

$5,590,000

B. Total term of requested loan: **6** **years**

C. Preferred principal and interest payment months: **720** **principal /interest** ________ **interest only**

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

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

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

NOT APPLICABLE

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

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

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 **NOT APPLICABLE**
2. If not, when are they projected for completion?
3. Have construction bids been awarded? ❑Yes ❑No
4. Are there additional state or local approvals required? ❑Yes ❑No
5. Describe timing/scheduling plan:
6. What is the projected completion date?

G. Sources of uses of funds

Sources of Funds		**Uses of Funds**	
Bonds (this application)	$5,590,000	Construction	$
Federal Funds*	$	Engineering	$
State Funds*	$	Contingency	$
Applicant's Funds	$	Cost of Issuance	$
Other (specify)	$	Other	$5,590,000
Total:	$	Total:	$5,590,000

*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:

Costs of issuance and early refunding of 2009 Series Bonds

III. Credit Information

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

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. $

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

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. **N/A**

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 **(4R Plan)**

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 ***(contained in Official Statement)***

Are any of the community's major employers expected to make changes in work force or operations?
❑Yes ☒ No If yes, provide an explanation.
❑Attached ***Shipyard stated it would reduce work force by 40-50 employees effective December 2018***

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

Year	Population	Source
		Documented in 2015 Official Statement
		(attached)

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

M. Provide your audited financial statements from the last two years (provide your unaudited statement if audit hasn't been performed). ☒ Attached **(Audits FYE June 30, 2018 & 2017)**

N. Provide your current year's budget. ☒ Attached **(FY2019 Budget)**

O. Provide your capital improvement plan. ☒ Attached **(4R Plan and FY2019 Budget: RR Summary)**

P. Provide any other financial or economic information that will assist evaluation of your application. ☒Attached **(4R Plan)**

IV. Legal Information

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

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

Trey Acteson

Name (print)

CEO

Title

T.A

Signature

2/14/2019

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

ASCENT
LAW PARTNERS LLP

Joel R. Paisner
Partner
P 206.420.4923
E joel@ascentllp.com
www.ascentllp.com

February 12, 2019

Sent via e-Mail

Deven Mitchell
Alaska Municipal Bond Bank Authority
Department of Revenue
PO Box 110405
Juneau, AK 99811-0405
deven_mitchell@revenue.state.ak.us

Re: A Certificate Of No Litigation For The Alaska Municipal Bond Bank Authority (The Bond Bank) to Purchase a Revenue or General Oblibgation Bond Issue – Application of Southeast Alaska Power Agency

Dear Sir:

In connection with the above referenced application of the Southeast Alaska Power Agency (applicant) we have been asked to provide the following certificate to the Bond Bank:

1. There is no litigation, in any court, affecting the corporate existence of the applicant's 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 the applicant's government or the applicant's authority with respect to the bonds;

2. There is no litigation against the applicant's government or involving any of the property or assets of or under the control of the applicant's 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.

If you need further information, please contact me.

Very truly yours,

ASCENT LAW PARTNERS, LLP

Joel Paisner

cc: Trey Acteson, CEO, Southeast Alaska Power Agency

ALASKA MUNICIPAL BOND BANK
RESOLUTION NO. 2019-01

A SERIES RESOLUTION AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS, 2019 SERIES ONE AND 2019 SERIES TWO OF THE ALASKA MUNICIPAL BOND BANK

ADOPTED ON MARCH 21, 2019

4159-5545-0650.4

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ALASKA MUNICIPAL BOND BANK
RESOLUTION NO. 2019-01

A SERIES RESOLUTION AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS, 2019 SERIES ONE AND 2019 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 $35,000,000 (or otherwise as provided in Section 201 hereof), to be designated "Alaska Municipal Bond Bank General Obligation Bonds, 2019 Series One," and a Series of Bonds in an aggregate principal amount of not to exceed $4,000,000 (or otherwise as provided in Section 201 hereof), to be designated "Alaska Municipal Bond Bank General Obligation Bonds, 2019 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 "2019 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 2019 Series Resolution and with respect to the 2019 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 2019 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 2019 Bond, is recorded as the beneficial owner of such 2019 Bond by the respective systems of The Depository Trust Company and Depository Trust Company Participants or the Holder of a 2019 Bond if such 2019 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 2019 Bonds.

(6) "Bond Year" shall mean each one-year period that ends on an anniversary of the date of issue of the 2019 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 2019 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 2019 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 form of Blanket Issuer Letter of Representations from the Bank to DTC, to be executed prior to the issuance of the 2019 Bonds, 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 Fairbanks North Star Borough, Alaska ("Fairbanks") to finance a portion of the capital costs related to various school construction projects and capital improvements to the Juanita Helms Administration Center; (b) the agreement by and between the Bank and Fairbanks to finance a portion of the costs related to capital improvements to the Carlson Center and Pioneer Park; (c) the agreement by and between the Bank and the City of Homer, Alaska ("Homer") to finance a portion of the capital costs related to the acquisition and construction of a police station; (d) the agreement by and between the Bank and the Northwest Arctic Borough, Alaska (the "Northwest Arctic Borough") to finance a portion of the capital costs related to school construction projects; (e) the agreement by and between the Bank and the City of Dillingham, Alaska ("Dillingham") to finance a portion of the capital costs related to road construction projects; (f) the agreement by and between the Bank and Dillingham to finance a portion of the capital costs related to the Lake Road Fire Hall addition; and (g) the Agreement by and between the Bank and the Southeast Alaska Power Agency ("SEAPA") to finance a portion of the costs of refunding all or a portion of the 2009 SEAPA Bonds.

(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 2019 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 2019 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 2019 Bonds.

(23) "2009 SEAPA Bonds" shall mean the Southeast Alaska Power Agency Electric Revenue Refunding Bonds, Series 2009, issued by SEAPA, which are currently outstanding in the principal amount of $5,590,000.

(24) "2019 Bond Credit Enhancement" shall mean a Credit Enhancement, if any, issued by a 2019 Bond Insurer on the date of issuance of the 2019 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 2019 Bonds.

(25) "2019 Bond Insurer" shall mean a monoline insurance company, if any, selected by the Chairman or the Executive Director to provide a 2019 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 2019 Bonds.

(26) "2019 Reserve Fund Credit Enhancement" shall mean the Credit Enhancement, if any, issued by a Surety Bond Issuer on the date of issuance of the 2019 Bonds for the purpose of satisfying a portion of the Reserve Fund Requirement.

(27) "2019 Reserve Fund Credit Enhancement Agreement" shall mean if a 2019 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.

(28) "2019 Bonds" shall mean, collectively, the 2019 Series One Bonds, the 2019 Series Two Bonds and any additional series of Bonds authorized in Article II hereof.

(29) "2019 Series One Bonds" shall mean the Alaska Municipal Bond Bank General Obligation Bonds, 2019 Series One authorized in Article II hereof.

(30) "2019 Series Two Bonds" shall mean the Alaska Municipal Bond Bank General Obligation Bonds, 2019 Series Two authorized in Article II hereof.

(31) "2019 Series One Debt Service Account" shall mean the debt service account of that name established pursuant to Section 503 hereof.

(32) "2019 Series Two Debt Service Account" shall mean the debt service account of that name established pursuant to Section 503 hereof.

ARTICLE II
AUTHORIZATION OF 2019 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, 2019 Series One" is hereby authorized to be issued in an aggregate principal amount not to exceed $35,000,000 and, (ii) a Series of Bonds designated as "Alaska Municipal Bond Bank General Obligation Bonds, 2019 Series Two" is hereby authorized to be issued in an aggregate principal amount not to exceed $4,000,000. 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 2019 Bonds of each series, provided that the aggregate principal amount of all Bonds issued pursuant to this 2019 Series Resolution does not exceed $39,000,000.

The Chairman or the Executive Director is authorized hereby to change the designations of the 2019 Bonds, and/or to establish additional series of 2019 Bonds, and/or to consolidate the 2019 Bonds into a single series and to determine designations thereof.

Section 202- Purposes of the 2019 Bonds.

The purposes for which the 2019 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 2019 Bonds.

Section 203- Date, Maturities and Interest Rates.

The 2019 Bonds of each series shall be dated the date the 2019 Bonds of such series are delivered to the Underwriter of such series, subject to the terms and conditions set forth in this 2019 Series Resolution and in the applicable Bond Purchase Agreement or Notice of Sale. Subject to adjustment as provided for in this Section 203, the 2019 Bonds of each series shall mature, or have Sinking Fund Installments due, on May 1, 2020 and thereafter on May 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 2019 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 2019 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 2019 Bonds of each series shall bear interest from their date of delivery to the Underwriter, payable on each May 1 and November 1, commencing November 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 2019 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 2019 Bonds authorized herein. The 2019 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 2019 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 2019 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 2019 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 2019 Bonds of a series, together with a written request of an Authorized Officer and a supply of new 2019 Bonds of such series, authenticate a single new 2019 Bonds for the Outstanding 2019 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 2019 Bonds of such series may then be transferred to any person or entity as provided in the Resolution and the 2019 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 2019 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 2019 Bonds of such series by the Trustee, together with a written request of an Authorized Officer to the Trustee, new 2019 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 2019 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 2019 Bonds registered in its name for the purposes of payment of principal or Redemption Price of and interest on such 2019 Bonds, selecting such 2019 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 2019 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 2019 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 2019 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 2019 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 2019 Bonds only to or upon the order of DTC of the 2019 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 2019 Bonds to the extent of the sum or sums so paid.

(6) In connection with any proposed transfer outside the book-entry system, prior to or in conjunction with the issuance of certificated Series 2019 Bonds the Bondholder (including, without limitation, DTC) shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045. The Bank acknowledges such tax reporting obligations and, if necessary, and at the written

request of the Trustee, shall provide such information to the Trustee, to the extent that such information is in the Bank's possession. Any transferor of the 2019 Series One Bonds or 2019 Series Two Bonds (to the extent not within the book-entry system) shall also provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045. The Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

Section 207- Places and Manner of Payment.

For so long as all Outstanding 2019 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 2019 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 2019 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 2019 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 2019 Bonds will be payable at the corporate trust office of the Trustee upon surrender of the 2019 Bonds representing such principal. Both principal of and interest on the 2019 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 2019 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 2019 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 2019 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 2019 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 2019 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 2019 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 2019 Bonds to be redeemed.

Section 210- Sale of 2019 Bonds.

(a) The 2019 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 2019 Series Resolution; (ii) determine the number of series of 2019 Bonds, and the name and designation of each such series, and for each series of 2019 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 2019 Bonds shall not exceed $39,000,000; (B) the true interest cost on the 2019 Series One Bonds shall not exceed 4.50 percent; and (C) the true interest cost on the 2019 Series Two Bonds shall not exceed 5.00 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 2019 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 2019 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 2019 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 2019 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 2019 Bonds, the Bank shall apply, in accordance with Article V of the Resolution, proceeds derived from the sale of the 2019 Bonds (i) to make a Loan to Fairbanks in an aggregate principal amount not to exceed $6,950,000, to finance a portion of the capital costs related to various school construction projects and capital improvements to the Juanita Helms Administration Center and to pay costs of issuance; (ii) to make a Loan to Fairbanks in an aggregate principal amount not to exceed $3,795,000, to finance a portion of the costs related to capital improvements to the Carlson Center and Pioneer Park and to pay costs of issuance; (iii) to make a Loan to Homer in an aggregate principal amount not to exceed $5,000,000, to finance a portion of the capital costs of related to the acquisition and construction of a police station and to pay costs of issuance; (iv) to make a Loan to the Northwest Arctic Borough in an aggregate principal amount not to exceed $12,700,000, to finance a portion of the capital costs related to school construction projects and to pay costs of issuance; (v) to make a Loan to Dillingham in an aggregate principal amount not no exceed $3,410,000, to finance a portion of the capital costs related to road construction projects and to pay costs of issuance; (vi) to make a Loan to Dillingham in an aggregate principal amount not to exceed $645,000, to finance a portion of the capital costs related to the Lake Road Fire Hall addition and to pay costs of issuance; (vii); to make a Loan to SEAPA in an aggregate principal amount not to exceed $5,590,000, to finance a portion of the costs of refunding all or a portion of the 2009 SEAPA Bonds and to pay costs of issuance; (viii); to satisfy the Reserve Fund Requirement as provided in Section 302 hereof; and (ix) to finance costs of issuing the 2019 Bonds.

Section 302 - Reserve Fund Deposit; Credit Enhancement.

(a) On or before the date of sale of the 2019 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 2019 Bonds of such series, (3) a 2019 Reserve Fund Credit Enhancement or (4) a combination of cash, proceeds from the sale of the 2019 Bonds and/or a 2019 Reserve Fund Credit Enhancement, to satisfy the Reserve Fund Requirement upon delivery of the 2019 Bonds, and shall cause such deposits and/or purchase to be made on or before the date of delivery of the 2019 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 2019 Bonds, the Chairman and the Executive Director are each hereby authorized to determine whether to satisfy such requirement by depositing with the Trustee a 2019 Reserve Fund Credit Enhancement in the form of a debt service reserve surety bond; to select a Surety Bond Issuer and purchase such 2019 Reserve Fund Credit Enhancement; and, to negotiate, approve, execute and deliver a 2019 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 2019 Bond Credit Enhancement for any of the 2019 Bonds is in the best interest of the Bank and if so, to solicit commitments for such 2019 Bond Credit Enhancement with respect to payment of the interest on and principal of all or a portion of the 2019 Bonds and thereafter to accept one or more such commitments that are in the best interest of the Bank, to purchase such 2019 Bond Credit Enhancement, and to negotiate, approve, execute and deliver a 2019 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 2019 Bonds, including any premium received over the principal amount of the 2019 Bonds, after deducting the amounts to be paid for costs of issuing the 2019 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 2019 Bonds.

ARTICLE IV
EXECUTION AND FORM OF 2019 BONDS

Section 401 - Execution and Form of 2019 Bonds.

The 2019 Bonds shall be executed in the manner set forth in Section 303 of the Resolution. Subject to the provisions of the Resolution, the 2019 Bonds, and the Trustee's certificate of authentication, shall be of substantially the following form and tenor:

ALASKA MUNICIPAL BOND BANK
GENERAL OBLIGATION BONDS, 2019 SERIES [ONE/TWO]

INTEREST RATE:	MATURITY DATE:	CUSIP NO.:
_____%	_________ 1, 2020	_____

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 2019 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 “2019 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 March 21, 2019, and entitled “A Series Resolution Authorizing the Issuance of General Obligation Bonds, 2019 Series One and 2019 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 2019 Series [One/Two] Bonds; the nature, extent and manner of enforcement of such pledges; the rights and remedies of the registered owners of the 2019 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 2019 Series [One/Two] Bonds are subject to redemption prior to their respective scheduled maturities as set forth below.

The 2019 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 2019 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 2019 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 2019 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 2019 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 2019 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 2019 Series [One/Two] Bonds are issuable in the denomination of $5,000 or any integral multiple thereof, not exceeding the aggregate principal amount of 2019 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, 2019 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 2019 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 2019 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 2019 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 2019 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 ________ 2019.

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 2019 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 2019 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 2019 Series One 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 - 2019 Series One and Two Debt Service Accounts.

There is hereby established as special accounts in the Debt Service Fund the "2019 Series One Debt Service Account," for the purpose of receiving amounts in the Debt Service Fund allocable to the 2019 Series One Bonds, and the "2019 Series Two Debt Service Account," for the purpose of receiving amounts in the Debt Service Fund allocable to the 2019 Series Two Bonds; provided, that if so determined by the Chairman or Executive Director, separate debt service accounts for any additional series of 2019 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 2019 Series One Debt Service Account and the 2019 Series Two Debt Service Account.

Section 504 - Tax Exemption and General Tax Covenant.

The Bank intends that interest on the 2019 Series One Bonds 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 2019 Series One 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 2019 Series One Bonds which will cause the 2019 Series One 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 2019 Series One Bonds are outstanding, the Bank, with respect to the gross proceeds of the 2019 Series One 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 March 21, 2019, 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 2019 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 2019 Series Resolution, the Resolution or the 2019 Bonds; however, the Beneficial Owner of any 2019 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, including the Letter of Representations, and to take any action necessary or desirable to carry out the provisions of this 2019 Series Resolution and to effectuate the issuance and delivery of the 2019 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 2019 Bonds of one or both series, and all prior actions taken to effectuate and in connection with the provisions of this 2019 Series Resolution and the issuance and delivery of the 2019 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 2019 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 2019 Series Resolution shall take effect immediately on the date hereof (March 21, 2019).

APPENDIX A

The Depository Trust Company

A subsidiary of the Depository Trust & Clearing Corporation

BLANKET ISSUER LETTER OF REPRESENTATIONS

(To be completed by Issuer and Co-Issuer(s), if applicable)

Alaska Municipal Bond Bank

(Name of Issuer and Co-Issuer(s), if applicable)

March 15, 2019
(Date)

The Depository Trust Company
18301 Bermuda Green Drive

Tampa, FL 33647

Attention: Underwriting Department

Ladies and Gentlemen:

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

Issuer is: **(<u>Note: Issuer shall represent one and cross out the other.</u>)**

[incorporated in] [formed under the laws of] the State of Alaska .

To induce DTC to accept the Securities as eligible for deposit at D TC, 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.

Very truly yours,

Note:

Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-matters.

Alaska Municipal Bond Bank

(Issuer)

By: ______________________________

(Authorized Officer's Signature)

Deven Mitchell, Executive Director

(Print Name)

333 Willoughby Avenue, 11th Floor

(Street Address)

Juneau, Alaska USA 99811

(City) (State) (Country) (Zip Code)

(907) 465-2388

(Phone Number)

deven.mitchell@alaska.gov

DTCC

Address)

BLOR 06-2013

SCHEDULE A

(To Blanket Issuer Letter of Representations)

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

The 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, 2019 Series One (Non-AMT) and $__________ Alaska Municipal Bond Bank General Obligation Bonds, 2019 Series Two (Federally Taxable) (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 on August 19, 2009 (the "General Bond Resolution"), and Series Resolution No. 2019-01, adopted on March 21, 2019 (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.

"Financial Obligation" shall mean, for purposes of the Listed Events set out in Section 5(a)(10) and Section 5(b)(8), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "Financial Obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"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 or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the SEC, filings with the MSRB are to be made through the Electronic Municipal Market Access ("EMMA") website of the MSRB, currently located at http://emma.msrb.org.

"Official Statement" means the final official statement dated April __, 2019 relating to the Bonds.

"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 the issuance by the Internal Revenue Service ("IRS") of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701-TEB).

(6) Defeasances.

(7) Rating changes.

(8) Tender offers.

(9) Bankruptcy, insolvency, receivership or similar event of the Issuer or "obligated person."[1]

(10) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

(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) Unless described in Section 5(a)(5), other material notices or determinations by the IRS with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds.

(2) Nonpayment-related defaults.

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

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

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

(6) 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.

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[1] Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

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

(8) Incurrence of a Financial Obligation of the Issuer, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of 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 May 2019.

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 ______ __, 20__ 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, 20__

Series One, and General Obligation Bonds, 20__ Series Two (the "2019 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
$__________ GENERAL OBLIGATION BONDS,
2019 SERIES ONE]
[$__________ GENERAL OBLIGATION BONDS,
2019 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 [$_________* aggregate principal amount of General Obligation Bonds, 2019 Series One][$_________* aggregate principal amount of General Obligation Bonds, 2019 Series Two] (the "Bonds") to be issued by the Alaska Municipal Bond Bank (the "Bond Bank").

DATE: __________ __, 2019**

TIME: **[**9:00**]** A.M. Pacific Daylight 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 Daylight Time on __________, __________ __, 2019*, 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

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* 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 Daylight Time on __________, __________ __, 2019.*

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 Daylight Time, on __________ __________ __, 2019* (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 Daylight Time on __________ __, 2019,* 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, 2019. 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:

* 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.

2019 Series [One][Two]*

$_______ of 2019 Series [One][Two] Bonds will mature on _________ 1, 2020.* The remaining 2019 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*

2019 Series [One][Two]*

$_______ of 2019 Series [One][Two] Bonds will mature on _________ 1, 2020.* The remaining 2019 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 Daylight Time) on ___________, __________ __, 2019.* 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).

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* 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 ___________ __, 2019,* 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. [**2019 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 2019 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.]

[2019 Series Two Bonds (Taxable). 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, interest on the 2019 Series Two Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. 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 the Municipal Securities Rulemaking Board the final Official Statement and the escrow agreement.

DATED: __________, 2019

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, 2019 Series One, and $_________________* Alaska Municipal Bond Bank General Obligation Bonds, 2019 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]

<u>Defined Terms</u>.

(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

OHS DRAFT – DISTRIBUTED: 3/15/19

PRELIMINARY OFFICIAL STATEMENT DATED APRIL __, 2019

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of the Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

NEW ISSUE
BOOK-ENTRY ONLY

FITCH RATING: [AA-] (Outlook Stable)
S&P GLOBAL RATING: [AA-] (Stable 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 2019 Series One Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Bond Counsel, interest on the 2019 Series One Bonds is not a specific preference item for purposes of the federal alternative minimum tax. In the opinion of Bond Counsel, interest on the 2019 Series Two Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel also is of the opinion based upon existing laws of the State of Alaska that interest on all of the 2019 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 2019 Series One and Two Bonds. See "TAX MATTERS."

ALASKA MUNICIPAL BOND BANK
$_________* GENERAL OBLIGATION BONDS, 2019 SERIES ONE (NON-AMT)
$________* GENERAL OBLIGATION BONDS, 2019 SERIES TWO (FEDERALLY TAXABLE)

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

The Alaska Municipal Bond Bank (the "Bond Bank") is issuing $_________* aggregate principal amount of its General Obligation Bonds, 2019 Series One (Non-AMT) (the "2019 Series One Bonds") and $_________* aggregate principal amount of its General Obligation Bonds, 2019 Series Two (Federally Taxable) (the "2019 Series Two Bonds," and together with the 2019 Series One Bonds, the "2019 Series One and Two Bonds"). The 2019 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 2019 Series One and Two Bonds. Individual purchases of the 2019 Series One and Two Bonds will be made in principal amounts of $5,000 or integral multiples thereof within a maturity. Purchasers of the 2019 Series One and Two Bonds will not receive certificates representing their beneficial ownership interests in the 2019 Series One and Two Bonds. Interest on the 2019 Series One and Two Bonds will accrue from the date of delivery of the 2019 Series One and Two Bonds, or from the most recent interest payment date to which interest has been paid, and is payable on each May 1 and November 1, commencing November 1, 2019.

The Bank of New York Mellon Trust Company, N.A., of San Francisco, California, as the Trustee and Paying Agent for the 2019 Series One and Two Bonds, will make principal and interest payments to DTC as the registered owner of the 2019 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 2019 SERIES ONE AND TWO BONDS" and "APPENDIX I—DTC AND ITS BOOK-ENTRY SYSTEM."

The 2019 Series One and Two Bonds are subject to redemption prior to their stated maturity dates.

The 2019 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 on August 19, 2009, the "2005 General Bond Resolution"), as supplemented by Series Resolution No. 2019-01 adopted on March 21, 2019 (the "Bond Resolution" and together with the 2005 General Bond Resolution, the "Resolutions"). The 2019 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 2019 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 2019 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 2019 Series One and Two Bonds are the 42nd and 43rd Series, respectively, of Bonds issued under the 2005 General Bond Resolution.

The 2019 Series One and Two Bonds are payable solely from the sources provided in the 2005 General Bond Resolution and the Bond Resolution described herein. The 2019 Series One and Two Bonds do not constitute a debt or other liability of the State of Alaska, and the 2019 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 2019 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 2019 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 2019 Series One and Two Bonds are offered when, as and if issued, subject to the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Bond Bank. Certain legal matters will be passed upon for the Governmental

* Preliminary, subject to change.

Units by their respective bond counsels. Certain legal matters will be passed upon for the Underwriter by its special counsel, [__________]. It is expected that the 2019 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 April __, 2019.

BofA Merrill Lynch

April __, 2019

ALASKA MUNICIPAL BOND BANK
$________* General Obligation Bonds, 2019 Series One (Non-AMT)

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

Due (May 1)*	Principal Amount*	Interest Rate	Yield	CUSIP No.†

$_________* ____% Term Bonds due May 1, 20__*, priced to yield of ____% CUSIP No. 01179R__†

* 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
$________* General Obligation Bonds, 2019 Series Two (Federally Taxable)

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

Due (May 1)*	Principal Amount*	Interest Rate	Yield	CUSIP No.†

$_________* ____% Term Bonds due May 1, 20__*, priced to yield of ____% CUSIP No. 01179R__†

* Preliminary, subject to change.

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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 2019 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 2019 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 2019 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 2019 Series One and Two Bonds have not been registered under the Securities Act of 1933, as amended, and the Resolutions have not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such acts. The 2019 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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* 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 2019 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.

Table of Contents

OFFICIAL STATEMENT

Relating to

ALASKA MUNICIPAL BOND BANK
$_________* GENERAL OBLIGATION BONDS, 2019 SERIES ONE (NON-AMT)
$________* GENERAL OBLIGATION BONDS, 2019 SERIES TWO (FEDERALLY TAXABLE)

INTRODUCTION

General

This Official Statement is furnished by the Alaska Municipal Bond Bank (the "Bond Bank") in connection with the sale of $_______* aggregate principal amount of its General Obligation Bonds, 2019 Series One (Non-AMT) (the "2019 Series One Bonds"), and $_______* aggregate principal amount of its General Obligation Bonds, 2019 Series Two (Federally Taxable) (the "2019 Series Two Bonds," and together with the 2019 Series One Bonds, the "2019 Series One and Two Bonds"). See "PURPOSE OF THE 2019 SERIES ONE AND TWO BONDS."

The 2019 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 on August 19, 2009, the "2005 General Bond Resolution"), and as supplemented by Series Resolution No. 2019-01, adopted by the Board on March 21, 2019 (the "Bond Resolution" and together with the 2005 General Bond Resolution, the "Resolutions"). 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 2019 Series One and Two Bonds.

The 2019 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 2019 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 2019 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 2019 Series One and Two Bonds are the 42nd and 43rd Series, respectively, of Bonds issued under the 2005 General Bond Resolution. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" and "BONDS OUTSTANDING."

The 2019 Series One and Two Bonds are payable solely from the sources provided in the 2005 General Bond Resolution and the Bond Resolution. The 2019 Series One and Two Bonds do not constitute a debt or other liability of the State of Alaska, and the 2019 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 2019 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 2019 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 2019 Series One and Two Bonds are further qualified by reference

* Preliminary, subject to change.

to the 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 2019 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 to port authorities, joint action agencies, the Alaska Municipal League Joint Insurance Association, the University of Alaska, and regional health organizations and for purposes including revenue bond issues, other debt obligations, and electrical generation projects including hydroelectric projects. 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 pursuant to the 2010 General Bond Resolution adopted by the Board 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 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 2019 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 2019 Series One and Two Bonds, 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—"INFORMATION CONCERNING THE STATE OF ALASKA."

PURPOSE OF THE 2019 SERIES ONE AND TWO BONDS

Purpose of the 2019 Series One Bonds

The 2019 Series One Bond proceeds are to be used: (i) to make a new loan to the Fairbanks North Star Borough; (ii) to make a new loan to the City of Homer; (iii) to make a new loan to the Northwest Arctic Borough; (iv) to make two new loans to the City of Dillingham; (v) to make a new Loan to the Southeast Alaska Power Agency ("SEAPA"); and (vi) to pay a portion of the costs of issuing the 2019 Series One Bonds. The loans to the Governmental Units are expected to be used to finance:

- For the Fairbanks North Star Borough, a portion of the capital costs related to various school construction projects and capital improvements to the Juanita Helms Administration Center;

- For the City of Homer, a portion of the capital costs related to the acquisition and construction of a police station;

- For the Northwest Arctic Borough, a portion of the capital costs related to various school construction projects;

- For the City of Dillingham (i) a portion of the capital costs related to various road construction projects and (ii) a portion of the capital costs related to improvements to a fire station; and

- For SEAPA, a portion of the costs of refunding a portion of its currently outstanding Electric Revenue Refunding Bonds, Series 2009 (the "2009 SEAPA Bonds"). The 2009 SEAPA Bonds were originally issued by SEAPA and are not bonds of the Bond Bank.

Purpose of the 2019 Series Two Bonds

The 2019 Series Two Bond proceeds are to be used: (i) to make a new loan to the Fairbanks North Star Borough; and (ii) to pay a portion of the costs of issuing the 2019 Series Two Bonds. The loan to the Fairbanks North Star Borough is expected to be used to finance a portion of the costs of capital improvements to the borough's Carlson Center and Pioneer Park.

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SOURCES AND USES OF FUNDS

The table below sets forth the sources and uses of funds related to the 2019 Series One and Two Bonds.

	2019 Series One	2019 Series Two
Sources:		
Principal Amount		
[Net] Original Issue Premium/Discount		
Other Sources (1)		
Total Sources		
Uses:		
Loan to Fairbanks North Star Borough		
Loan to Fairbanks North Star Borough		
Loan to City of Homer		
Loan to Northwest Arctic Borough		
Loan to City of Dillingham		
Loan to City of Dillingham		
Loan to Southeast Alaska Power Agency		
Governmental Unit Reserve (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 2019 Series One and Two Bonds.

DESCRIPTION OF THE 2019 SERIES ONE AND TWO BONDS

General Description

The 2019 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 2019 Series One and Two Bonds. Principal of and interest on the 2019 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."

2019 Series One and Two Bonds

The 2019 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 2019 Series One and Two Bonds are issuable in denominations of $5,000 or any integral multiple thereof within a maturity. Interest on the 2019 Series One and Two Bonds will accrue from the date of delivery of the 2019 Series One and Two Bonds, or from the most recent interest payment date to which interest has been paid, and is payable on each May 1 and November 1, commencing November 1, 2019.

Optional Redemption*

2019 Series One Bonds. The 2019 Series One Bonds maturing on or after May 1, 20__, are subject to redemption in whole or in part at the option of the Bond Bank on any date on or after May 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.

* Preliminary, subject to change.

2019 Series Two Bonds. The 2019 Series Two Bonds maturing on or after May 1, 20__, are subject to redemption in whole or in part at the option of the Bond Bank on any date on or after May 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.

Mandatory Sinking Fund Redemption*

2019 Series One Bonds. The 2019 Series One Bonds maturing on May 1, 20__ (the "2019 Series One Term Bonds"), are subject to mandatory sinking fund redemption on May 1 of the years and in the principal amounts set forth in the following table. Any such redemption will be at a price equal to 100 percent of the principal amount to be redeemed plus accrued and unpaid interest thereon to the date fixed for redemption, but without premium.

2019 Series One Term Bonds Due May 1, 20__

Year	Principal Amount
*	

* Maturity.

The Resolutions provide that if the Bond Bank redeems a portion of the 2019 Series One Term Bonds pursuant to the optional redemption provisions described above or purchases for cancellation or defeases the 2019 Series One Term Bonds, the 2019 Series One Term Bonds so redeemed, purchased or defeased may be credited against one or more of the scheduled mandatory sinking fund redemption amounts of the same maturity for such 2019 Series One Term Bonds in the order directed by the Bond Bank (or if no direction is given, then in a random manner as determined by the Trustee).

2019 Series Two Bonds. The 2019 Series Two Bonds maturing on May 1, 20__ (the "2019 Series Two Term Bonds"), are subject to mandatory sinking fund redemption on May 1 of the years and in the principal amounts set forth in the following table. Any such redemption will be at a price equal to 100 percent of the principal amount to be redeemed plus accrued and unpaid interest thereon to the date fixed for redemption, but without premium.

2019 Series Two Term Bonds Due May 1, 20__

Year	Principal Amount

* Maturity.

The Resolutions provide that if the Bond Bank redeems a portion of the 2019 Series Two Term Bonds pursuant to the optional redemption provisions described above or purchases for cancellation or defeases the 2019 Series Two Term Bonds, the 2019 Series Two Term Bonds so redeemed, purchased or defeased may be credited against one or more of the scheduled mandatory sinking fund redemption amounts of the same maturity for such 2019 Series Two Term Bonds in the order directed by the Bond Bank (or if no direction is given, then in a random manner as determined by the Trustee).

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 2019 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 2019 Series One and Two Bonds are held under the DTC book-entry system) of any 2019 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 2019 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 2019 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 2019 Series One and Two Bond called for redemption, unless, in the case of optional redemption, money sufficient to redeem the 2019 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 2019 Series One and Two Bonds specified in the notice is on deposit with the Trustee, 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 2019 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 2019 Series One and Two Bonds for Redemption

If fewer than all of the 2019 Series One Bonds are to be redeemed prior to maturity at the option of the Bond Bank, 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 2019 Series One Bonds are in book-entry form, then DTC will select the 2019 Series One Bonds for redemption within a maturity 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 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."

If fewer than all of the 2019 Series Two Bonds are to be redeemed prior to maturity at the option of the Bond Bank, the particular Series 2019 Series Two Bonds of such maturity to be redeemed will be selected on a pro-rata pass-through distribution of principal basis in accordance with the rules and procedures of DTC. It is the Bond Bank's intent that redemption allocations made by DTC, the DTC participants or such other intermediaries that may exist between the Bond Bank and the beneficial owners of the Series 2019 Two Bonds will be made on a pro-rata pass-through distribution of principal basis. If, at the time notice of redemption is given the 2019 Series Two Bonds are in book-entry form, then DTC will select the 2019 Series Two Bonds for redemption within a maturity in accordance with the Letter of Representations. Neither the Bond Bank nor the Trustee will provide any assurance or will have any responsibility or obligation to ensure that DTC, the DTC participants or any other intermediaries allocate redemptions of the 2019 Series Two Bonds among beneficial owners on a pro-rata pass-through distribution of principal basis. 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 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 2019 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 2019 Series One and Two Bonds. See "BONDS OUTSTANDING."

The 2019 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 2019 Series One and Two Bonds are the 42nd and 43rd Series, respectively, of Bonds issued under the 2005 General Bond Resolution.

The 2019 Series One and Two Bonds are payable solely from the sources provided in the 2005 General Bond Resolution and the Bond Resolution. The 2019 Series One and Two Bonds do not constitute an indebtedness or other liability of the State of Alaska, and the 2019 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 2019 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 2019 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 2019 Series One and Two Bonds. The Bond Bank has no taxing power.**

As additional security for payment of principal of and interest on the 2019 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 Board 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, and has been included in the Governor's budget for fiscal year 2020. 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—"INFORMATION CONCERNING THE 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 $[60.7] million following the issuance of the 2019 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 December 31, 2018, the valuation of assets in the Reserve Fund was approximately $62.05 million, an amount sufficient to satisfy the Reserve Fund Requirement. As of that date, approximately $36.9 million, representing 59.4 percent of the assets in the Reserve Fund, was funded from cash deposits by the Bond Bank from available funds, approximately $7.1 million, representing 11.5 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 29.1 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 2019 Series One and Two Bonds. 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 (and included in the Governor's budget for fiscal year 2020) 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 Fund is not held by the Trustee or pledged to the payment of the Bonds. As of [__________ __, 2019], the unaudited market value of the Custodian Account was $[12,279,070].

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 such 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 with a 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 2019 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 Governor's proposed budget for fiscal year 2020 would further reduce State payments to Governmental Units subject to the Bond Bank's intercept authority under the Act by further reducing or eliminating several State programs that cover all or a portion of Governmental Units' capital or operating expenses, including by eliminating all payments to Governmental Units under the State's School Debt Reimbursement Program. See Appendix G—"INFORMATION CONCERNING THE STATE OF ALASKA." Diminished State funding may continue to result in a 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—"INFORMATION CONCERNING THE 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 – Vice Chair. 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.

Lamar Cotten – Member. Term expires August 31, 2023. Mr. Cotten was originally appointed to the Board on August 31, 2018. Mr. Cotten has lived in Alaska since 1951. He has worked in, around and for rural Alaska communities for the last 39 years. His professional experience includes administrator/manager in Aleutians East Borough (1987-91) and Lake and Peninsula Borough (2008-2013) as well City of Sand Point (1984-1987) and King Cove (1984-1986). Additionally, he served as Deputy Commissioner of Regional Affairs/AIDEA Rural Development Manager (1995-2002). He has in past years served on a series of boards and commissions including for the Bond Bank and Alaska Housing Finance Corporation. He presently serves as chair of the Local Boundary Commission for the State. He has a master's degree in urban and regional planning from the University of Oregon.

Jon Faulkner – Member. Mr. Faulkner is the Deputy Commissioner and the first delegate of the Commissioner of the DCCED. Deputy Commissioner Faulkner became President of Land's End Acquisition Corporation, a hospitality and real estate development company, in 1988. Prior to 1988, Deputy Commissioner Faulkner worked in commercial real estate at Jack White Company in Anchorage, where he specialized in land sales and limited partnership management. Deputy Commissioner Faulkner is a lifelong Alaskan, and has lived in Homer since 1988. His business experience includes the ownership and operation of businesses as diverse as hotels, restaurants, conference facilities; fish processing and dock facilities; RV and camping facilities; and the management and development of residential and commercial condominiums. Deputy Commissioner Faulkner has served on several tourism, economic development and statewide hospitality boards. Deputy Commissioner Faulkner has a Bachelor of Arts degree in American History & Literature from Harvard University.

Gregory Samorajski – Member. Mr. Samorajski is the Deputy Commissioner and the first delegate of the Commissioner of the DOR. Deputy Commissioner Samorajski has lived in Alaska since 1997 and worked as a portfolio manager and Director of Investments for McKinley Capital for most of his tenure in the State. More recently, he served as Chief Financial Officer for the True North Federal Credit Union in Juneau. Prior to arriving in Alaska, Deputy Commissioner Samorajski served as Senior Economist and Manager of Financial Instruments at the Chicago Board of Trade, as an Investment Officer at the First National Bank of Chicago, and on staff of the accounting firm Deloitte, Haskins & Sells. Deputy Commissioner Samorajski has served on the faculties of the Illinois Institute of Technology and Alaska Pacific University, has been a member of the Anchorage chapter of the American Cancer Society advisory board, and is currently on the Diocese of Juneau finance council. Deputy Commissioner Samorajski earned a Bachelor of Arts degree in Mathematics from Northwestern University and a Master of Business Administration degree from the University of Chicago.

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 April 1, 2019, the total principal amount of Bond Bank bonds and notes outstanding, not including the 2019 Series One and Two Bonds, was $1,094,522,339. The Bond Bank currently has bonds outstanding under the following resolutions.

2005 General Bond Resolution

The 2019 Series One and Two Bonds are the 42nd and 43rd Series, respectively, of Bonds issued under the 2005 General Bond Resolution. As of April 1, 2019, the Bond Bank has issued $1,530,470,000 of general obligation bonds under the 2005 General Bond Resolution (not including the 2019 Series One and Two Bonds), $948,000,000 of which remains outstanding. After the issuance of the 2019 Series One and Two Bonds, the Bond Bank will have issued $[1,570,680,000]* of general obligation bonds under the 2005 General Bond Resolution, $[988,240,000]* of which will remain outstanding. 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 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 April 1, 2019, the Bond Bank has issued $4,765,000 of bonds under the 2010 Master Bond Resolution, $3,700,000 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 April 1, 2019, the Bond Bank has issued $144,850,000 of Bonds under the 2016 Master Bond Resolution, $132,910,000 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.

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 April 1, 2019, is $9,882,339.

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 April 1, 2019, the Bond Bank held $955,024 of City of Galena utility revenue bonds and $104,309 of City of Galena appropriation obligations.

* Preliminary, subject to change.

As of April 1, 2019, the Bond Bank held $3,875,000 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.

As of April 1, 2019, the Bond Bank held $550,000 of Kodiak Island Borough taxable general obligation bonds. The loan was funded with money from the Custodian Account, bears interest at market rates, and is a general obligation, secured by the full faith and credit of the Kodiak Island Borough.

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 APRIL 1, 2019

	Original Amount Issued	Amount Outstanding
2005 General Bond Resolution Bonds [1]	$[1,570,680,000]	$[988,240,000]
2016 Master Resolution Bonds	144,850,000	132,910,000
1976 Master Bond Resolution Bonds [2]	721,985,000	--
2010 Master Bond Resolution Bonds	4,765,000	3,700,000
Coastal Energy Impact Program Loans [3]	35,456,046	9,882,339

(1) Includes the 2019 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*

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	[988,240,000] [2]	
2016 Master Resolution	132,910,000 [3]	
2010 Master Bond Resolution	3,700,000	
		$1,124,640,000
Coastal Energy Impact Program Loans [4]		9,882,339
Total Outstanding Debt		$[1,134,732,339]
Remaining Debt Capacity		
University of Alaska	2,975,000	
Regional Health Organizations	72,090,000	
All Other Authorized Purposes	582,702,662	
		$657,767,662

* Preliminary, subject to change.

(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—"INFORMATION CONCERNING THE STATE OF ALASKA—Public Debt and Other Obligations of the State—Potential State-Supported Pension Obligation Bonds."

(2) Of this amount, $84,525,000 is attributable to the University of Alaska. Includes the 2019 Series One and Two Bonds.

(3) All of this amount was issued to make loans to regional health organizations.

(4) The CEIP loans are not liabilities of the Bond Bank but are included when calculating the amount of bonds outstanding under the Act.

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DEBT SERVICE REQUIREMENTS

BONDS ISSUED AND OUTSTANDING UNDER THE 2005 GENERAL BOND RESOLUTION AND THE 2019 SERIES ONE AND TWO BONDS [TO BE UPDATED]

(Fiscal Years Ending June 30)

Fiscal Year	Outstanding Bonds	2019 Series One Bonds [1] Principal	2019 Series One Bonds [1] Interest	2019 Series Two Bonds [1] Principal	2019 Series Two Bonds [1] Interest	Total [1][2]
2019						
2020						
2021						
2022						
2023						
2024						
2025						
2026						
2027						
2028						
2029						
2030						
2031						
2032						
2033						
2034						
2035						
2036						
2037						
2038						
2039						
2040						
2041						
2042						
2043						
2044						
2045						
2046						
2047						
2048						
2049						
Total [1][2]						

[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 2019 Series One and Two Bonds and govern the rights and obligations of the Holders thereof.

LITIGATION

As a condition to the delivery of the 2019 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 2019 Series One and Two Bonds or contesting the validity or enforceability of the 2019 Series One and Two Bonds, the 2005 General Bond Resolution or pledge made under the Bond Resolution.

TAX MATTERS

2019 Series One Bonds (Tax-Exempt)

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 2019 Series One 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"). In the opinion of Bond Counsel, interest on the 2019 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 2019 Series One 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 the 2019 Series One Bonds is less than the amount to be paid at maturity of such 2019 Series One Bonds (excluding amounts stated to be interest and payable at least annually over the term of such 2019 Series One 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 2019 Series One Bonds which is excluded from gross income for federal income tax purposes. For this purpose, the issue price of a particular maturity of the 2019 Series One Bonds is the first price at which a substantial amount of such maturity of the 2019 Series One 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 the 2019 Series One Bonds accrues daily over the term to maturity of such 2019 Series One 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 2019 Series One Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such 2019 Series One Bonds. Beneficial Owners of the 2019 Series One Bonds should consult their own tax advisors with respect to the tax consequences of ownership of 2019 Series One 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 2019 Series One Bonds is sold to the public.

2019 Series One 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 2019 Series One 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 2019 Series One 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 2019 Series One Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the 2019 Series One 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 2019 Series One Bonds may adversely affect the value of, or the tax status of interest on, the 2019 Series One 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 2019 Series One 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 2019 Series One 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 2019 Series One 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 2019 Series One Bonds. Prospective purchasers of the 2019 Series One 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 2019 Series One Bonds ends with the issuance of the 2019 Series One 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 2019 Series One 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 2019 Series One 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 2019 Series One Bonds, and may cause the Bond Bank, the Governmental Units or the Beneficial Owners to incur significant expense.

2019 Series Two Bonds (Federally Taxable)

In the opinion of 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 2019 Series Two Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel is also of the opinion, based on existing laws of the State, that interest on the 2019 Series Two Bonds is exempt from taxation by the State except for transfer, estate and inheritance taxes. Bond Counsel expresses no opinion regarding any other tax consequences relating to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the 2019 Series Two Bonds. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix A.

The following discussion summarizes certain U.S. federal income tax considerations generally applicable to U.S. Holders (as defined below) of the 2019 Series Two Bonds that acquire their 2019 Series Two Bonds in the initial offering. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the U.S. Internal Revenue Service (the “IRS”) with respect to any of the U.S. federal income tax considerations discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with U.S. tax consequences applicable to any given investor, nor does it address the U.S. tax considerations applicable to all categories of investors, some of which may be subject to special taxing rules (regardless of whether or not such investors constitute U.S. Holders), such as certain U.S. expatriates, banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, investors that hold their 2019 Series Two Bonds as part of a hedge, straddle or an integrated or conversion transaction, or investors whose “functional currency” is not the U.S. dollar. Furthermore, it does not address (i) alternative minimum tax consequences, (ii) the net investment income tax imposed under Section 1411 of the Code, or (iii) the indirect effects on persons who hold equity interests in a holder. This summary also does not consider the taxation of the 2019 Series Two Bonds under state, local or non-U.S. tax laws. In addition, this summary generally is limited to U.S. tax considerations applicable to investors that acquire their 2019 Series Two Bonds pursuant to this offering for the issue price that is applicable to such 2019 Series Two Bonds (i.e., the price at which a substantial amount of the 2019 Series Two Bonds are sold to the public) and who will hold their 2019 Series Two Bonds as “capital assets” within the meaning of Section 1221 of the Code. The following discussion does not address tax considerations applicable to any investors in the 2019 Series Two Bonds other than investors that are U.S. Holders.

As used herein, “U.S. Holder” means a beneficial owner of a 2019 Series Two Bond that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). If a partnership holds 2019 Series Two Bonds, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding 2019 Series Two Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the 2019 Series Two Bonds (including their status as U.S. Holders).

Notwithstanding the rules described below, it should be noted that, under newly enacted law that is effective for tax years beginning after December 31, 2017 (or, in the case of original issue discount, for tax years beginning after December 31, 2018), certain taxpayers that are required to prepare certified financial statements or file financial statements with certain regulatory or governmental agencies may be required to recognize income, gain and loss with respect to the 2019 Series Two Bonds at the time that such income, gain or loss is recognized on such financial statements instead of under the rules described below.

Prospective investors should consult their own tax advisors in determining the U.S. federal, state, local or non-U.S. tax consequences to them from the purchase, ownership and disposition of the 2019 Series Two Bonds in light of their particular circumstances.

U.S. Holders

Interest. Interest on the 2019 Series Two Bonds generally will be taxable to a U.S. Holder as ordinary interest income at the time such amounts are accrued or received, in accordance with the U.S. Holder's method of accounting for U.S. federal income tax purposes.

To the extent that the issue price of any maturity of the 2019 Series Two Bonds is less than the amount to be paid at maturity of such 2019 Series Two Bonds (excluding amounts stated to be interest and payable at least annually over the term of such 2019 Series Two Bonds) by more than a de minimis amount, the difference may constitute original issue discount ("OID"). U.S. Holders of 2019 Series Two Bonds will be required to include OID in income for U.S. federal income tax purposes as it accrues, in accordance with a constant yield method based on a compounding of interest (which may be before the receipt of cash payments attributable to such income). Under this method, U.S. Holders generally will be required to include in income increasingly greater amounts of OID in successive accrual periods.

2019 Series Two Bonds purchased for an amount in excess of the principal amount payable at maturity (or, in some cases, at their earlier call date) will be treated as issued at a premium. A U.S. Holder of a 2019 Series Two Bond issued at a premium may make an election, applicable to all debt securities purchased at a premium by such U.S. Holder, to amortize such premium, using a constant yield method over the term of such 2019 Series Two Bond.

Sale or Other Taxable Disposition of the 2019 Series Two Bonds. Unless a nonrecognition provision of the Code applies, the sale, exchange, redemption, retirement (including pursuant to an offer by the Bond Bank) or other disposition of a 2019 Series Two Bond will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder of a 2019 Series Two Bond will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued but unpaid interest on the 2019 Series Two Bond, which will be taxed in the manner described above) and (ii) the U.S. Holder's adjusted U.S. federal income tax basis in the 2019 Series Two Bond (generally, the purchase price paid by the U.S. Holder for the 2019 Series Two Bond, decreased by any amortized premium, and increased by the amount of any OID previously included in income by such U.S. Holder with respect to such 2019 Series Two Bond). Any such gain or loss generally will be capital gain or loss. In the case of a non-corporate U.S. Holder of the 2019 Series Two Bonds, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. holder's holding period for the 2019 Series Two Bonds exceeds one year. The deductibility of capital losses is subject to limitations.

Defeasance of the 2019 Series Two Bonds. If the Bond Bank defeases any 2019 Series Two Bond, the 2019 Series Two Bond may be deemed to be retired for U.S. federal income tax purposes as a result of the defeasance. In that event, in general, a holder will recognize taxable gain or loss equal to the difference between (i) the amount realized from the deemed sale, exchange or retirement (less any accrued qualified stated interest which will be taxable as such) and (ii) the holder's adjusted tax basis in the 2019 Series Two Bond.

Information Reporting and Backup Withholding. Payments on the 2019 Series Two Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate U.S. Holder of the 2019 Series Two Bonds may be subject to backup withholding at the current rate of 24% with respect to "reportable payments," which include interest paid on the 2019 Series Two Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the 2019 Series Two Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against the U.S. Holder's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain U.S. holders (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. A holder's failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

Foreign Account Tax Compliance Act ("FATCA")

Sections 1471 through 1474 of the Code impose a 30% withholding tax on certain types of payments made to foreign financial institutions, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, FATCA imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest and principal under the 2019 Series Two Bonds and sales proceeds of 2019 Series Two Bonds held by or through a foreign entity. In general, withholding under FATCA currently applies to payments of U.S. source interest (including OID) and, under current guidance, will apply to (i) gross proceeds from the sale, exchange or retirement of debt obligations paid after December 31, 2018 and (ii) certain "passthru" payments no earlier than January 1, 2019. Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

The foregoing summary is included herein for general information only and does not discuss all aspects of U.S. federal taxation that may be relevant to a particular holder of 2019 Series Two Bonds in light of the holder's particular circumstances and income tax situation. Prospective investors are urged to consult their own tax advisors as to any tax consequences to them from the purchase, ownership and disposition of 2019 Series Two Bonds, including the application and effect of state, local, non-U.S., and other tax laws.

CERTAIN LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale by the Bond Bank of the 2019 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 Fairbanks North Star Borough and SEAPA by their bond counsel, Stradling Yocca Carlson & Rauth, P.C. of Seattle, Washington; (ii) the City of Homer and the Northwest Arctic Borough by their bond counsel, Birch Horton Bittner & Cherot of Anchorage, Alaska; and (iii) the City of Dillingham by its bond counsel, Foster Pepper PLLC, Seattle, Washington.

Certain legal matters will be passed upon for the Underwriter by its special counsel, [__________]. Any opinion of such counsel will be limited in scope and delivered only to the Underwriter, and may not be relied upon by investors.

UNDERWRITING

The 2019 Series One Bonds are to be purchased by Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Underwriter"), at a purchase price of $_________ (reflecting the aggregate principal amount of the 2019 Series One Bonds, plus an original issue premium of $_________ and less an Underwriter's discount of $___________.

The 2019 Series Two Bonds are to be purchased by the Underwriter, at a purchase price of $_________ (reflecting the aggregate principal amount of the 2019 Series Two Bonds, 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 2019 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 2019 Series One and Two Bonds. WFG was 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-]" (Stable Outlook) ratings, respectively, to the 2019 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 2019 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 2019 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 2019 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").

Governmental Unit Continuing Disclosure Undertakings

Each of the Governmental Units from which the Bond Bank is purchasing Municipal Bonds with proceeds of the 2019 Series One and Two Bonds (the "2019 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 2019 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 2019 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.

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

[TO BE UPDATED]

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 2019 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 2019 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 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.

Sitka, one of the Governmental Units representing ten percent or more of the Bonds outstanding under the 2005 General Bond Resolution, failed to file its fiscal year 2017 Comprehensive Annual Financial Report by January 26, 2018. Sitka subsequently filed its fiscal year 2017 Comprehensive Annual Financial Report and filed a notice with the MSRB.

The Bond Bank is under no obligation to ensure continuing disclosure compliance by the Governmental Units.

SOURCES OF CERTAIN INFORMATION

As of April 1, 2019, 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 (14.90 percent), the Kenai Peninsula Borough (12.98 percent), and the City and Borough of Juneau (10.94 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 Sitka, the Kenai Peninsula Borough and the City and Borough of Juneau 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 be 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

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 may be 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 Act requires that such funds held in custody by the State prior to disbursement 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 school debt reimbursement 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—"INFORMATION CONCERNING THE 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—"INFORMATION CONCERNING THE STATE OF ALASKA—Government Budgets and Appropriations—General Appropriations."

Under the foundation funding 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 pupil transportation program, the State aids local school districts for pupil transportation. The program provides for monthly distributions to the school districts.

Under the other programs, 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 finances 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 in Appendix G.

Alaska Municipal Bond Bank
Capability to Intercept Funds

[TO BE UPDATED]

	FY 2017 Shared Taxes & Fees one time transfers for 7 categories of tax and license type	Reimbursement Program transferred as debt service comes due semi-annually (current year	Debt Reimbursement transferred as debt service comes due semi-annually (current year	Support transferred in 12 level monthly installments during fiscal year (current year annual	Grants as of September 10, 2018 will be drawn down as projects complete (current and past	Community Jails - Transferred in 12 level monthly payments during fiscal year (current year annual	FY 2019 PILT transfers	FY 2019 disbursed at one time by October of fiscal year (current year annual	Total Intercept Capability	Fiscal Year 2019 Total Debt Service (2)	Coverage Ratio
Boroughs											
Aleutians East Borough	$2,098,704	$396,527	$654,762	$4,607,602	$2,075,995	0	$0	$316,366	$10,149,956	$2,472,203	4.11
Municipality of Anchorage	1,338,243	0	43,153,298	324,736,745	144,275,698	0	0	6,095,769	519,599,753	294,600	1,763.75
Fairbanks North Star Borough	437,108	338,287	10,064,193	116,886,028	3,665,306	0	0	1,698,840	133,089,762	4,109,400	32.39
Haines Borough	325,006	0	904,190	2,276,817	2,972,298	215,954	0	453,866	7,148,131	1,374,419	5.20
City & Borough of Juneau	5,131,518	0	8,551,446	36,709,678	3,647,468	0	0	995,551	55,035,661	20,411,194	2.70
Kenai Peninsula Borough	1,501,883	0	2,845,713	79,721,955	3,193,876	0	0	1,459,007	88,722,434	16,440,686	5.40
Ketchikan Gateway Borough	2,592,278	0	2,774,671	24,780,384	10,347,500	0	0	399,711	40,894,544	5,706,657	7.17
Kodiak Island Borough	1,082,940	0	5,745,835	25,341,117	1,008,079	0	0	443,211	33,621,182	8,949,984	3.76
Lake & Peninsula Borough	257,156	0	962,352	9,076,053	926,364	0	0	460,851	11,682,776	1,419,850	8.23
Northwest Arctic Borough	0	0	4,080,264	36,593,090	77,035	0	0	334,020	41,084,409	6,044,790	6.80
Petersburg Borough	890,524	0	466,050	6,058,686	360,115	173,626	0	360,115	8,309,116	1,459,819	5.69
City & Borough of Sitka (3)	1,287,084	0	2,458,721	12,636,519	2,601,027	391,194	0	543,229	19,917,774	11,849,495	1.68
Municipality of Skagway	4,066,675	0	0	859,881	8,838,211	0	0	336,693	14,101,460	1,504,988	9.37
City & Borough of Wrangell	367,285	0	168,035	3,847,122	1,620,490	325,274	0	420,903	6,749,109	268,050	25.18
Cities											
Adak	$110,655	$0		$0	$0	$0	$61,123	$80,923	$252,701	$103,000	2.45
Bethel*	$27,294	0		0	5,565,962	0	893,144	193,287	6,679,687	254,750	26.22
Cordova	1,423,288	0	962,072	4,189,123	118,826	135,303	442,001	118,826	7,389,439	2,007,375	3.68
Craig	45,311	0		4,381,230	622,822	322,724	289,535	95,942	5,757,564	136,888	42.06
Dillingham	466,075	0	744,230	6,334,185	97,855	526,851	459,841	119,903	8,748,940	1,063,450	8.23
Hoonah	854,182	0	14,350	2,283,556	2,192,747	0	152,280	89,865	5,586,980	113,250	49.33
Homer*	95,272	0		0	748,002	424,080	0	177,172	1,444,526	288,650	5.00
Ketchikan*	2,599,491	0		0	5,112,413	0	0	231,248	7,943,152	7,145,659	1.11
Kenai*	143,158	0		0	4,691,640	0	0	210,345	5,045,143	178,398	28.28
King Cove*	500,757	0		0	617,994	0	0	92,788	1,211,539	313,315	3.87
Klawock	538	0		2,085,330	436,186	0	221,472	91,019	2,834,545	87,950	32.23
Kodiak*	1,036,269	0		0	0	991,552	0	189,460	2,217,281	840,944	2.64
Nome	60,492	0	221,202	8,252,801	3,276,683	0	478,939	145,980	12,436,097	736,450	16.89
North Pole*	21,563	0		0	178,855	0	0	115,846	316,264	99,400	3.18
Palmer*	158,245	0		0	863,085	0	0	196,076	1,217,406	108,450	11.23
Sand Point*	463,507	0		0	0	0	0	92,596	556,103	180,180	3.09
Saxman*	0	0		0	121,328	0	0	83,538	204,866	12,350	16.59
Seward*	920,229	0		0	6,013,191	368,952	0	123,423	7,425,795	1,962,038	3.78
Soldotna*	15,843	0		0	415,290	0	0	158,326	589,459	211,905	2.78
Unalaska	7,949,858	369,495	670,819	4,400,580	158,480	431,207	861,478	158,480	15,000,397	4,821,454	3.11
Valdez	414,128	207,150	1,686,718	5,106,820	2,388,921	354,749	763,562	150,711	11,072,759	351,850	31.47
Wasilla*	252,506	0		0	2,557,634	0	0	244,171	3,054,311	413,100	7.39
Whittier	628,009	0		0	2,280,678	0	47,323	79,692	3,035,702	156,625	19.38
Other Jurisdictions											
University of Alaska (4)									334,853,150	5,586,663	59.94

*** 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) Borrower to this issue.
(4) Interceptable revenue of the University of Alaska is comprised of direct appropriations from the State of Alaska.

APPENDIX C

GOVERNMENTAL UNIT STATISTICS REGARDING PARTICIPATION IN THE BOND BANK

2005 GENERAL BOND RESOLUTION
OUTSTANDING LOAN PRINCIPAL TO GOVERNMENTAL UNIT BORROWERS
AS OF APRIL 1, 2019

(Does Not Include 2019 Series One and Two **Bonds)**

Borrower	Outstanding Principal	Percent of Outstanding
City and Borough of Sitka	$141,270,000	14.90%
Kenai Peninsula Borough	123,030,000	12.98
City and Borough of Juneau	103,695,000	10.94
City of Ketchikan	89,475,000	9.44
University of Alaska	84,525,000	8.92
Kodiak Island Borough	78,275,000	8.26
City of Unalaska	57,285,000	6.04
Fairbanks North Star Borough	51,925,000	5.48
City of Seward	31,035,000	3.27
Ketchikan Gateway Borough	26,165,000	2.76
Northwest Arctic Borough	20,530,000	2.17
Aleutians East Borough	20,450,000	2.16
Municipality of Skagway	18,490,000	1.95
Lake & Peninsula Borough	15,145,000	1.60
City of Cordova	14,245,000	1.50
City of Kodiak	11,845,000	1.25
Haines Borough	9,040,000	0.95
Petersburg Borough	8,235,000	0.87
City of Dillingham	7,740,000	0.82
City of Nome	3,285,000	0.35
Municipality of Anchorage	3,240,000	0.34
City of Homer	3,060,000	0.32
City of King Cove	2,580,000	0.27
City of Sand Point	2,230,000	0.24
City of Whittier	1,940,000	0.20
City of Bethel	1,835,000	0.19
City of Valdez	1,765,000	0.19
City of Soldotna	1,670,000	0.18
City of Craig	1,570,000	0.17
City of Klawock	1,270,000	0.13
City of Kenai	1,260,000	0.13
City of Hoonah	880,000	0.09
City of North Pole	615,000	0.06
City of Palmer	555,000	0.06
City of Adak	530,000	0.06
City and Borough of Wrangell	510,000	0.05
City of Saxman	145,000	0.02
Reserve Obligations	6,690,000	0.71
Total Outstanding Par	$948,030,000	100.00%

APPENDIX D

SUMMARY OF BORROWERS REPRESENTING TEN PERCENT OR MORE OF OUTSTANDING BONDS ISSUED UNDER THE 2005 GENERAL BOND RESOLUTION

City and Borough of Sitka, Alaska

CITY AND BOROUGH OF SITKA
GENERAL OBLIGATION FINANCIAL SUMMARY

Municipal Financial Position	2012	2013	2014	2015	2016	2017	2018	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	$5,904,617	$5,957,735	$5,901,738	$6,032,826	$6,034,243	$6,352,903	$6,647,375	$6,118,777
Current Year's Collections	$5,874,918	$5,893,452	$5,842,721	$6,006,776	$6,000,364	$6,196,485	$6,611,151	$6,060,838
Current Collection Rate	99.50%	98.92%	99.00%	99.57%	99.44%	97.54%	99.46%	99.06%
Total Year's Collections	$5,909,321	$5,893,452	$5,842,721	$6,006,776	$6,006,776	$6,196,485	$6,611,151	$6,066,669
Total Collection Rate	100.08%	98.92%	99.00%	99.57%	99.54%	97.54%	99.46%	99.16%
General Fund								
Unreserved Ending Fund Balance	$ 13,584,873	$ 14,268,394	$ 15,996,580	$ 15,009,733	$ 14,538,862	$ 13,347,603	$ 14,434,259	$ 14,454,329
Expenditures	$ 24,075,729	$ 23,691,912	$ 23,628,379	$ 30,631,277	$ 29,445,103	$ 29,397,149	$ 23,325,663	$ 26,313,602
Fund Balance/Expenditures	56%	60%	68%	49%	49%	45%	62%	55.72%
Total Revenues	$ 26,584,728	$ 25,953,885	$ 26,507,173	$ 29,250,201	$ 28,974,232	$ 29,031,409	$ 27,035,061	$ 27,619,527
Intergovernmental Revenues	$ 2,659,323	$ 2,693,860	$ 2,771,990	$ 1,182,368	$ 2,960,920	$ 3,755,908	$ 2,855,203	$ 2,697,082
Percentage Intergovernmental	10%	10%	10%	4%	10%	13%	11%	9.80%
Overall Municipal Debt Position								
Revenue Debt - Enterprise Funds	$ 68,593,411	$ 106,145,822	$ 108,940,000	$ 149,027,083	$ 144,966,352	$ 143,391,387	$ 141,138,067	
Revenue Debt - Governmental Funds	$ 156,000	$ 146,250	$ 202,641	$ 189,409	$ 348,675	$ 326,365	$ 304,055	
General Obligation Debt - Governmental Funds	$ 32,290,000	$ 31,020,000	$ 28,635,000	$ 25,990,000	$ 23,435,000	$ 20,745,000	$ 17,965,000	
General Obligation Debt - Enterprise Funds	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Total General Obligation Debt	$ 32,290,000	$ 31,020,000	$ 28,635,000	$ 25,990,000	$ 23,435,000	$ 20,745,000	$ 17,965,000	
Total Revenue and General Obligation Debt	$ 101,039,411	$ 137,312,072	$ 137,777,641	$ 175,206,492	$ 168,750,027	$ 164,462,752	$ 159,407,122	
Governmental GO Debt/Taxable Assessed Value	3.26%	3.10%	2.91%	2.58%	2.10%	1.93%	1.51%	
Total Revenue and GO Debt/A.V.	10.20%	13.72%	14.01%	17.43%	15.15%	15.31%	13.40%	
General Obligation Debt Per Capita	$3,607	$3,415	$3,152	$2,868	$2,627	$2,336	$2,068	
Total Revenue and GO Debt Per Capita	$11,287	$15,116	$15,167	$19,336	$18,918	$18,518	$18,346	

General Economic and Demographic Data	2012	2013	2014	2015	2016	2017	2018	Annual Growth Rate
Population	8,952	9,084	9,084	9,061	8,920	8,881	8,689	-2.11%
Taxable Assessed Value	$ 990,930,238	$ 1,001,066,784	$ 983,623,000	$ 1,005,471,000	$ 1,113,635,486	$ 1,074,011,741	$ 1,189,315,800	11.72%
Assessed Value Per Capita	$ 110,694	$ 110,201	$ 108,281	$ 110,967	$ 124,847	$ 120,934	$ 136,876	
Top 10 Tax Payers as a % of Assessed Value	7.57%	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							
	2012	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Assets							
Cash	31,450,650	28,803,187	13,505,669	7,723,850	9,205,421	9,123,930	15,300,695
Restricted Assets	3,595,875	21,197,459	18,121,955	18,457,052	18,483,224	17,247,521	10,570,210
Other Assets	7,266,275	13,897,615	11,777,153	9,308,754	5,367,058	5,514,634	4,946,360
Construction in Progress	18,086,724	58,930,539	137,885,040	173,720,866	3,677,350	654	304,646
Utility Plant in Service	61,775,003	59,900,343	59,508,277	57,769,468	226,627,318	224,894,865	218,643,821
Total Assets	122,174,527	182,729,143	240,798,094	266,979,990	263,360,371	256,781,604	249,765,732
Liabilities and Net Assets							
Liabilities							
Other Liabilities	2,477,182	6,355,564	13,017,817	6,482,948	7,103,394	8,934,435	9,279,673
Revenue Bonds Payable	47,570,000	79,485,000	105,100,000	119,510,000	117,555,000	115,520,000	113,405,000
Deferred loss/premium on bonds	(1,711,547)	5,943,338	6,742,293	8,780,609	8,461,133	8,141,657	7,822,181
Revenue Note(s) Payable	8,535,498	7,973,608	7,973,608	10,050,744	9,740,491	9,417,837	9,082,147
Total Liabilities	56,871,133	99,757,510	132,833,718	144,824,301	142,860,018	142,013,929	139,589,001
Net Assets	65,303,394	82,971,633	107,964,376	122,155,689	120,500,353	114,767,675	110,176,731
Operating Revenues	11,611,319	12,077,554	14,240,772	14,623,321	14,251,478	15,846,375	17,538,304
Operating Expenses							
Administrative and General	2,003,768	1,975,492	2,860,066	1,517,973	2,647,835	3,523,456	2,483,708
Operation and Maintenance	5,914,895	5,152,028	4,964,074	7,650,091	6,165,091	6,555,985	5,997,724
Depreciation	1,971,739	1,986,195	1,841,712	1,817,628	4,547,771	7,713,353	7,811,129
Operating Income	1,720,917	2,963,839	4,574,920	3,637,629	890,781	(1,946,419)	1,245,743
Nonoperating revenue (expense)							
Investment Income	459,107	314,600	196,399	313,069	619,597	(114,229)	20,324
Interest Expense	(2,848,639)	(1,678,238)	(426,419)	(426,702)	(6,214,978)	(6,137,170)	(6,082,567)
Other	625,748	572,946	812,866	721,127	606,103	574,018	575,663
Net Income before contributions and transfers	(42,867)	2,173,147	5,157,766	4,245,123	(4,098,497)	(7,623,800)	(4,240,837)
Capital contributions	5,266,050	17,169,455	19,455,106	9,968,828	2,294,233	140,674	178,140
Extraordinary Item:							
Net Pension Obligation Relief	139,806	325,771	379,871	197,239	184,928	100,448	130,935
Transfer In (Out) net	-	(998,128)	-	2,500,000	(36,000)	1,650,000	100,000
Change In Net Assets	5,362,989	18,670,245	24,992,743	16,911,190	(1,655,336)	(5,732,678)	(3,831,762)
Population of City and Borough	8,952	9,084	9,098	9,061	8,920	8,881	8,689
# of electric customers	5,309	5,403	5,490	5,683	5,283	5,283	6,867
KwH Sold	111,048,623	111,155,330	111,155,330	105,293,250	104,156,400	107,102,050	108,196,450
Revenue Bond Debt Service	3,467,567	4,529,240	5,045,158	7,158,839	7,913,317	7,913,517	7,301,713
Revenue Bond Coverage (> 1.25)	1.43	1.27	1.34	1.27	1.29	1.25	1.25
Note: Total of rate Stabilization Fund as of June 30, 2018 - $191,790							

*For fiscal years ending June 30.

CITY AND BOROUGH OF SITKA HARBOR ENTERPRISE FUND FINANCIAL SUMMARY							
	2012	2013	2014	2015	2016	2017	2018
ASSETS							
Plant In-Service (net of depreciation)	14,122,591	13,550,231	13,153,475	12,465,974	19,786,414	24,529,228	23,385,344
Land	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Construction Work in Progress	57,838	665,476	7,824,365	9,016,110	5,767,143	67	44,305
Cash	4,735,101	6,599,187	6,616,954	7,595,507	5,411,769	6,706,461	7,256,680
Restricted Assets	-	3,615,663	589,166	317,566	322,299	327,431	330,015
Other Assets	1,339,389	1,216,385	1,524,898	1,105,523	1,854,193	1,306,830	1,237,927
Total Assets	20,344,919	25,736,942	29,798,858	30,590,679	33,231,818	32,960,017	32,344,271
LIABILITIES AND NET ASSETS							
Revenue Bonds Payable	0	4,569,486	3,840,000	3,705,000	3,565,000	3,420,000	3,270,000
Other Liabilities	1,156,003	1,144,138	1,689,033	2,150,428	2,671,577	2,599,026	2,281,081
Total Liabilities	1,156,003	5,713,624	5,529,033	5,855,428	6,236,577	6,019,026	5,551,081
NET ASSETS	19,188,916	20,023,318	24,269,825	24,735,251	26,995,241	26,940,991	26,793,190
Operating Revenues	3,154,885	3,096,419	3,164,252	2,256,944	2,376,000	2,474,704	2,419,711
Operation and Maintenance	2,434,329	1,708,210	2,454,599	2,027,367	2,107,010	2,432,733	2,233,359
Administrative and General	-		-	-	-	-	-
Depreciation	986,619	668,511	666,074	687,501	1,086,409	1,231,974	1,372,226
Operating Income (Loss)	(266,063)	719,698	43,579	(457,924)	(817,419)	(1,190,003)	(1,185,874)
Non-Operating Revenue (Expense)	155,306	156,844	776,434	1,238,206	933,183	897,205	823,330
Net Income (Loss) Before Contribution	(110,757)	876,542	820,013	780,282	115,764	(292,798)	(362,544)
Capital Contributions	2,549,949	0	3,458,599	124,467	2,188,442	19,418	368,509
Net Transfers-In (Out)	675,000	(42,141)	(32,105)	72,940	(44,216)	219,131	57,539
Special item - NPO/OPEB write off							22,986
Change in Net Assets	3,114,192	834,401	4,246,507	977,689	2,259,990	(54,249)	86,490
Population of City	8,952	9,084	9,098	9,061	8,920	8,881	8,689
Revenue Bond Coverage	No Harbor Bonds	No payments of P&I	5.16	5.31	4.98	1.39	1.30

Note: Total of transfers into Rate Stabilization Fund in FY2018 - $350,000

Note: Total of Rate Stabilization Fund as of June 30, 2018 - $2,150,000

*For fiscal years ending June 30.

CITY AND BOROUGH OF SITKA								
AIRPORT TERMINAL ENTERPRISE FUND								
		2012	2013	2014	2015	2016	2017	2018
Assets								
	Cash	449,490	684,329	753,793	816,555	877,155	902,909	880,339
	Restricted Assets	-	-	-	-	-	-	-
	Other Assets	35,372	15,740	27,280	15,341	14,705	12,195	69,113
	Construction in Progress	12,105	13,253	99,087	94,820	128,702	182,724	287,775
	Plant in Service	3,184,820	3,006,690	2,826,738	2,671,871	2,501,974	2,331,674	2,161,375
Total Assets		3,681,787	3,720,012	3,706,898	3,598,587	3,522,536	3,429,502	3,398,602
Liabilities and Net Assets								
Liabilities and Net Assets								
	Revenue Bonds Payable	-	-	-	-	-	-	-
	Deferred Loss/Premium on Bonds	-	-	-	-	-	-	-
	Revenue Notes Payable	-	-	-	-	-	-	-
	Other Liabilities	36,051	16,638	41,933	46,240	29,193	9,744	19,865
Total Liabilities		36,051	16,638	41,933	46,240	29,193	9,744	19,865
Net Assets		3,645,736	3,703,374	3,664,965	3,552,347	3,493,343	3,419,758	3,378,737
Operating Revenues		353,231	397,362	399,432	423,297	443,618	472,781	392,370
Operating Expenses								
	Administrative and General	-	-	-	-	-	-	-
	Operations and Maintenance	331,222	383,690	329,986	382,261	403,465	430,769	379,441
	Depreciation	190,041	178,122	179,953	166,954	169,897	170,300	170,299
Operating Income		(168,032)	(164,450)	(110,507)	(125,918)	(129,744)	(128,288)	(157,370)
Nonoperating Revenue (Expense)								
	Investment Income	21,860	6,523	20,899	13,203	23,991	(2,097)	4,137
	Interest expense	(2,306)	(939)	-	-	-	-	-
	Other	130,941	216,504	51,199	97	61	4	62,009
Net Income Before Contributions								
	and Transfers	(17,537)	57,638	(38,409)	(112,618)	(105,692)	(130,381)	(91,224)
Capital Contributions		20,935	-	-	-	46,688	56,796	50,203
Extraordinary Items								
	Net Pension Obligation Relief	-	-	-	-	-	-	-
Transfer In (Out) Net		-	-	-	-	-	-	-
	Change in Net Assets	3,398	57,638	(38,409)	(112,618)	(59,004)	(73,585)	(41,021)

*For Fiscal Years ending June 30.

Kenai Peninsula Borough, Alaska

Kenai Peninsula Borough - General Fund
General Obligation Financial Summary

Municipal Financial Position	2014	2015	2016	2017	2018	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	$31,750,392	$31,685,014	$33,108,951	$35,591,917	$37,068,282	$33,840,911
Current Year's Collections	$31,332,596	$31,142,025	$32,410,590	$35,591,917	$36,645,827	$33,424,591
Current Collection Rate	98.68%	98.29%	97.89%	100.00%	98.86%	98.77%
Total Year's Collections	$31,740,642	$31,473,079	$33,089,119	$35,488,077	$36,645,827	$33,687,349
Total Collection Rate	99.97%	99.33%	99.94%	99.71%	98.86%	99.55%
General Fund						
Total Ending Fund Balance	$ 24,881,372	$ 28,138,634	$ 25,778,836	$ 23,234,027	$ 22,799,999	
Unrestricted Ending Fund Balance	$ 15,896,686	$ 16,244,676	$ 20,136,610	$ 18,314,053	$ 18,795,279	$ 17,377,634.60
Expenditures	$ 73,376,361	$ 78,427,617	$ 78,941,169	$ 79,138,842	$ 81,253,326	$ 76,467,293.40
Fund Balance/Expenditures	22%	21%	26%	23%	23%	23%
Total Revenues	$ 74,945,074	$ 78,764,253	$ 76,581,371	$ 76,594,226	$ 80,819,298	$ 76,228,083.40
Intergovernmental Revenues	$ 9,486,455	$ 13,584,084	$ 10,037,023	$ 8,035,465	$ 9,410,420	$ 10,307,012.80
Percentage Intergovernmental	13%	17%	13%	10%	12%	13%
Overall Municipal Debt Position						
Revenue Debt - Governmental Funds	$ -	$ -	$ -	$ -	$ -	
Revenue Debt - Enterprise Funds	$ -	$ -	$ -	$ -	$ -	
Total Revenue Debt	$ -	$ -	$ -	$ -	$ -	
General Obligation Debt - Governmental Funds	$ 48,107,552	$ 44,631,585	$ 41,928,618	$ 50,506,063	$ 46,685,244	
General Obligation Debt - Enterprise Funds	$ -	$ -	$ -	$ -	$ -	
Total General Obligation Debt	$ 48,107,552	$ 44,631,585	$ 41,928,618	$ 50,506,063	$ 46,685,244	
Total Revenue and General Obligation Debt	$ 48,107,552	$ 44,631,585	$ 41,928,618	$ 50,506,063	$ 46,685,244	
Governmental GO Debt/Assessed Value (mry)	0.69%	0.64%	0.58%	0.65%	0.57%	
Enterprise GO Debt / Assessed Value (mry)	0.00%	0.00%	0.00%	0.00%	0.00%	
Total Revenue and GO Debt/A.V. (mry)	0.69%	0.64%	0.58%	0.65%	0.57%	
General Obligation Debt Per Capita	$846	$781	$726	$870	$805	
Total Revenue and GO Debt Per Capita	$846	$781	$726	$870	$805	

General Economic and Demographic Data	2014	2015	2016	2017	2018	Annual Growth Rate
Population	56,862	57,147	57,763	58,060	58,024	0.80%
Assessed Value	$ 6,960,196,000	$ 6,932,443,000	$ 7,278,398,000	$ 7,815,709,000	$ 8,140,446,000	6.18%
Assessed Value Per Capita	$ 122,405	$ 121,309	$ 126,005	$ 134,614	$ 140,294	
Top 10 Tax Payers as a % of Total Assessed Value	16.18%	17.05%	19.51%	25.07%	22.86%	

(mry): most recent year

*For fiscal years ending June 30.

Kenai Peninsula Borough
Central Peninsula General Hospital
FINANCIAL SUMMARY

	2014 Audited	2015 Audited	2016 Audited	2017 Audited	2018 Unaudited
ASSETS					
Capital Assets (net of depreciation)	$71,387,990	$93,151,047	$109,253,168	$111,211,292	$107,549,096
Cash	35,508,443	37,638,411	34,048,762	41,177,466	46,131,744
Cash held for Plant Replacement	16,447,887	18,838,950	36,058,619	28,890,928	32,703,493
Restricted Assets	4,693,402	5,069,037	5,225,834	5,420,341	8,183,183
Unspent bond proceeds	31,275,450	18,468,485	1,675,220	299,226	29,217,909
Other Assets	32,652,905	38,942,891	44,681,298	40,059,775	40,077,140
Total Assets	$191,966,077	212,108,821	230,942,901	227,059,028	263,862,565
LIABILITIES AND NET ASSETS					
Revenue Bonds Payable	32,490,000	33,890,000	34,705,000	34,078,973	58,395,000
GO Bonds Payable	27,905,000	25,670,000	23,330,000	23,339,070	18,315,000
Other Liabilities	20,336,761	24,137,535	19,895,036	15,726,508	25,234,072
Total Liabilities	80,731,761	83,697,535	77,930,036	73,144,551	101,944,072
NET ASSETS	111,234,316	128,411,286	153,012,865	153,914,477	161,918,493
Operating Revenues	126,713,712	144,009,565	159,917,130	148,954,865	165,267,917
Operating Expenses	104,364,018	117,067,440	125,151,972	132,632,299	140,853,818
Depreciation	8,066,688	8,471,959	10,152,657	13,680,869	14,496,331
Operating Income (Loss)	14,283,006	18,470,166	24,612,501	2,641,697	9,917,768
Non-Operating Revenue (Expense)	(1,070,583)	(1,300,456)	(620,086)	(2,060,815)	(2,365,708)
Net Income (Loss) Before Contribution	13,212,423	17,169,710	23,992,415	580,882	7,552,060
Capital Contributions	14,644	7,260	609,164	320,730	451,956
Change in Net Position	13,227,067	17,176,970	24,601,579	901,612	8,004,016
Population					
Revenue Bond Coverage	NA	NA	NA	NA	NA

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.

CITY AND BOROUGH OF JUNEAU GENERAL GOVERNMENTAL FUND FINANCIAL SUMMARY

Municipal Financial Position	2014	2015	2016	2017	2018	Average
Property Tax Collections						
Borrower's Property Tax Rate per $1,000	$10.66	$10.76	$10.76	$10.66	$10.66	$10.70
Municipal Levy	$45,108,992	$45,852,292	$47,374,893	$48,702,716	$50,262,182	$47,460,215.00
Current Year's Collections	$44,818,184	$45,548,172	$47,241,356	$48,450,115	$49,839,614	$47,179,488.20
Current Collection Rate	99.36%	99.34%	99.72%	99.48%	99.16%	99.41%
Total Year's Collections	$45,017,746	$45,548,172	$47,241,356	$48,450,115	$49,839,614	$47,219,400.60
Total Collection Rate	99.80%	99.34%	99.72%	99.48%	99.16%	99.50%
General Fund						
Unassigned Plus Emergency Operating Res (GASB#54)	$ 17,285,667	$ 20,272,312	$ 23,735,313	$ 21,482,508	$ 21,958,862	$ 20,946,932
Expenditures	$ 86,380,150	$ 94,808,876	$ 86,839,645	$ 88,924,792	$ 90,363,166	$ 89,463,326
Fund Balance/Expenditures	20.01%	21.38%	27.33%	24.16%	24.30%	23.44%
Total Revenues	$ 97,936,255	$ 98,018,608	$ 91,369,226	$ 90,939,901	$ 93,435,116	$ 94,339,821
Intergovernmental Revenues	$ 41,429,692	$ 32,072,000	$ 33,339,633	$ 33,957,734	$ 34,029,100	$ 34,965,632
Percentage Intergovernmental	42%	33%	36%	37%	36%	37%
Overall Municipal Debt Position						
Revenue Debt - Enterprise Funds	$ 40,090,908	$ 38,436,443	$ 36,643,222	$ 34,781,619	$ 33,025,009	
Revenue Debt - Governmental Funds	$ 6,807,086	$ 26,972,320	$ 25,565,329	$ 24,633,265	$ 23,669,834	
General Obligation Debt - Governmental Funds	$ 122,068,000	$ 115,314,000	$ 98,879,000	$ 83,706,000	$ 68,052,000	
General Obligation Debt - Enterprise Funds	$ -	$ -	$ -			
Total General Obligation Debt	$ 122,068,000	$ 115,314,000	$ 98,879,000	$ 83,706,000	$ 68,052,000	
Total Revenue and General Obligation Debt	$ 168,965,994	$ 180,722,763	$ 161,087,551	$ 143,120,884	$ 124,746,843	
Governmental GO Debt/Taxable Assessed Value	2.79%	2.57%	2.11%	1.73%	1.39%	
Total Revenue and GO Debt/A.V.	3.86%	4.03%	3.44%	2.96%	2.55%	
General Obligation Debt Per Capita	$3,696	$3,492	$2,971	$2,481	$2,109	
Total Revenue and GO Debt Per Capita	$5,116	$5,472	$4,841	$4,242	$3,866	
General Economic and Demographic Data	**2014**	**2015**	**2016**			**Annual**
Population	33,030	33,026	33,277	33,739	32,269	-4.36%
Taxable Assessed Value	$ 4,379,714,933	$4,484,327,332	$4,685,425,687	$4,836,351,206	$4,886,733,875	1.04%
Assessed Value Per Capita	$ 132,598	$ 135,782	$ 140,801	$ 143,346	$ 151,437	
Top 10 Tax Payers as a % of Assessed Value	13.61%	13.61%	12.49%	12.32%	12.62%	

*For fiscal years ending June 30.

CITY AND BOROUGH OF JUNEAU HARBOR ENTERPRISE FUND FINANCIAL SUMMARY

	2014 Audited	2015 Audited	2016 Audited	2017 Audited	2018 Audited
ASSETS					
Plant In-Service (net of depreciation)	$14,325,870	$17,517,553	$16,269,049	$25,795,963	$42,074,982
Construction Work in Progress	40,419,697	50,214,768	57,899,679	55,874,017	41,974,470
Cash	4,030,992	3,975,676	4,484,866	1,969,904	1,667,082
Restricted Assets	10,554,614	9,581,172	7,303,802	4,284,409	2,589,546
Other Assets	679,907	1,718,645	974,276	851,084	644,998
Total Assets	70,011,080	83,007,814	86,931,672	88,775,377	88,951,078
LIABILITIES AND NET ASSETS					
Revenue Bonds Payable	9,033,637	9,758,734	9,382,900	8,961,812	8,523,404
Other Liabilities	2,050,500	3,105,738	4,617,646	3,470,574	3,699,824
Total Liabilities	11,084,137	12,864,472	14,000,546	12,432,386	12,223,228
NET ASSETS	58,926,943	70,143,342	72,931,126	76,342,991	76,727,850
Operating Revenues	3,508,430	4,202,862	3,866,406	3,879,947	3,944,775
Operation and Maintenance	2,814,717	3,347,050	3,102,065	3,219,495	3,045,959
Administrative and General	-	-	-	-	-
Depreciation	1,003,707	1,150,701	1,248,503	1,480,028	2,031,443
Operating Income (Loss)	(309,994)	(294,889)	(484,162)	(819,576)	(1,132,627)
Non-Operating Revenue (Expense)	128,433	501,698	(23,692)	(86,850)	(71,906)
Net Income (Loss) Before Contribution	(181,561)	206,809	(507,854)	(906,426)	(1,204,533)
Capital Contributions	660,852	5,788,674	2,015,779	4,318,291	1,942,687
Net Transfers-In (Out)	0	6,224,425	1,279,859	0	(351)
Special item - NPO/OPEB write off					
Change in Net Assets	479,291	12,219,908	2,787,784	3,411,865	737,803
Population of City	33,064	33,026	33,277	33,739	32,269
Revenue Bond Coverage	1.67	2.60	1.48	1.80	1.69

*For fiscal years ending June 30.

CITY AND BOROUGH OF JUNEAU PORT DEVELOPMENT SPECIAL REVENUE FUND FINANCIAL SUMMARY

	2014 Audited	2015 Audited	2016 Audited	2017 Audited	2018 Audited
ASSETS					
Plant In-Service (net of depreciation)					
Construction Work in Progress					
Cash	71,012	2,709,760	506,274	1,614,936	2,770,470
Restricted Assets	-	-	-	-	-
Other Assets	294,257	408,137	412,673	242,720	373,207
Total Assets	365,269	3,117,897	918,947	1,857,656	3,143,677
LIABILITIES AND NET ASSETS					
Revenue Bonds Payable	-	-	-	-	-
Other Liabilities	349,585	642,980	103,345	125,505	294,895
Total Liabilities	349,585	642,980	103,345	125,505	294,895
NET ASSETS	15,684	2,474,917	815,602	1,732,151	2,848,782
Operating Revenues	2,864,578	2,868,633	2,940,285	3,015,249	3,217,431
Operation and Maintenance	5,500	5,500	5,500	5,500	5,500
Administrative and General	-	-	-	-	-
Depreciation	-	-	-	-	-
Operating Income (Loss)	2,859,078	2,863,133	2,934,785	3,009,749	3,211,931
Non-Operating Revenue (Expense)	-	-	-	-	-
Net Income (Loss) Before Contribution	2,859,078	2,863,133	2,934,785	3,009,749	3,211,931
Capital Contributions	-	-	-	-	-
Net Transfers-In (Out)	(2,925,000)	(403,900)	(4,594,100)	(2,093,200)	(2,095,300)
Change in Net Assets	(65,922)	2,459,233	(1,659,315)	916,549	1,116,631
Population of City	33,064	33,026	33,277	33,739	32,269
Revenue Bond Coverage	N/A	N/A	N/A	1.44	1.53

*For fiscal years ending June 30.

CITY AND BOROUGH OF JUNEAU CONDUIT DEBT WILDFLOWER COURT (A NOT FOR PROFIT ORGANIZATION) FINANCIAL SUMMARY

	2013 Audited	2014 Audited	2015 Audited	2016 Audited	2017 Audited
ASSETS					
Plant In-Service	4,734,678	3,771,100	3,082,979	2,734,275	2,432,257
Cash	1,437,085	1,970,693	1,956,157	1,903,930	1,586,761
Restricted Assets	1,489,365	1,450,054	1,437,448	1,454,971	1,455,240
Other Assets	1,786,787	1,267,699	1,389,726	1,211,605	1,322,524
Total Assets	9,447,915	8,459,546	7,866,310	7,304,781	6,796,782
LIABILITIES AND NET ASSETS					
Bond Debt	11,596,229	10,204,712	8,688,824	7,437,231	6,149,844
Other Liabilities	1,132,323	996,579	1,012,833	1,004,939	963,520
Total Liabilities	12,728,552	11,201,291	9,701,657	8,442,170	7,113,364
NET ASSETS (DEFICIT)	3,280,637	(2,741,745)	(1,835,347)	(1,137,389)	(316,582)
Operating Revenues	11,057,791	11,447,862	11,445,168	10,594,909	10,517,118
Operating Expenses	9,666,530	9,961,681	9,745,914	9,503,477	9,322,595
Depreciation	935,669	1,008,253	841,433	463,252	391,717
Operating Income (Loss)	455,592	477,928	857,821	628,180	802,806
Non-Operating Revenue (Expense)	32,713	60,964	48,577	69,778	18,001
Change in Net Assets	488,305	538,892	906,398	697,958	820,807
Revenue Bond Coverage	1.12	1.10	1.18	1.00	0.98

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

	2014 Audited	2015 Audited	2016 Audited	2017 Audited	2018 Audited
ASSETS					
Plant In-Service (net of depreciation)	$69,208,456	$63,710,212	$65,708,226	$60,145,949	$55,241,452
Construction Work in Progress	228,425	3,647,565	731,694	910,285	221,064
Cash	38,596,921	44,834,531	37,638,857	42,261,609	68,679,495
Restricted Assets	5,327,673	5,327,519	11,705,317	16,268,407	2,931,797
Other Assets	20,528,164	23,810,042	32,303,862	42,613,823	27,591,581
Total Assets	133,889,639	141,329,869	148,087,956	162,200,073	154,665,389
LIABILITIES AND NET ASSETS					
Revenue Bonds Payable	24,346,618	24,346,618	23,378,054	22,397,087	21,403,050
Other Liabilities	11,033,875	46,306,102	57,338,557	80,378,256	83,931,408
Total Liabilities	35,380,493	70,652,720	80,716,611	102,775,343	105,334,458
NET ASSETS	98,509,146	70,677,149	67,371,345	59,424,730	49,330,931
Operating Revenues	80,198,274	90,281,184	88,225,331	96,856,120	98,110,974
Operation and Maintenance	78,820,476	92,676,249	88,524,635	100,736,278	92,452,144
Administrative and General	-	-	-	-	-
Depreciation	7,086,559	6,815,728	7,211,054	7,359,594	7,422,119
Operating Income (Loss)	(5,708,761)	(9,210,793)	(7,510,358)	(11,239,752)	(1,763,289)
Non-Operating Revenue (Expense)	3,610,234	14,405,416	2,785,553	1,698,537	1,526,844
Net Income (Loss) Before Contribution	(2,098,527)	5,194,623	(4,724,805)	(9,541,215)	(236,445)
Capital Contributions	-	-	-	-	-
Net Transfers-In (Out)	1,077,500	1,054,500	1,419,000	1,594,600	2,163,000
Special item - NPO/OPEB write off					
Change in Net Assets	(1,021,027)	6,249,123	(3,305,805)	(7,946,615)	1,926,555
Population of City	33,064	33,026	33,277	33,739	32,269
Revenue Bond Coverage	2.50	8.97	1.91	(0.91)	5.16

*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

INFORMATION CONCERNING THE STATE OF ALASKA

The information of the State of Alaska ("Alaska" or the "State") set forth in this Appendix is dated as of the date of the Official Statement. The information contained herein is subject in all respects to the complete text of the financial reports referenced. The information contained herein has been obtained from sources which are believed to be reliable but is not guaranteed as to accuracy.

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 2019 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 the 2005 General Bond Resolution to seek an annual appropriation from the State's General Fund for the Reserve Fund in the event of a deficiency due to a payment default. From fiscal year 2010 and each subsequent year including fiscal year 2019 (and included in the Governor's budget for fiscal year 2020) the Bond Bank has obtained annual appropriation from the State's General Fund to replenish the Reserve Fund, and subsequently the reserve accounts under the 2010 Master Bond Resolution and the 2016 Master Bond Resolution 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 7.7 percent between fiscal year 2008 and fiscal year 2016, however since 2016 the population has contracted by approximately 0.46 percent with a population estimate as of June 30, 2018 of 736,239 (Alaska Department of Labor and Workforce Development, Research & Analysis Section). 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 investment income on 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 9 boroughs 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. Approximately 24.6 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 15.1 percent and 19.7 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 (Alaska Department of Labor and Workforce Development, Research & Analysis, Employment Statistics; 2017 Annual Average).

The Department of Revenue – Tax Division (the "Tax Division") produces a semi-annual revenue sources book. The revenue sources book published each fall is the comprehensive annual forecast released in December, and the revenue forecast published in the spring is an annual, partial update of the revenue sources book published in the preceding fall. The most recent revenue forecast comes from the Revenue Sources Book Fall 2018 (the "Fall 2018 Revenue Sources Book"), which was released by the Tax Division on December 14, 2018.

Senate Bill 26 ("SB26"), relating, in part, to the earnings of the Permanent Fund, was approved and became law in 2018. The law adjusted the transfer from the earnings reserve of the Permanent Fund to an amount determined by taking 5.25% of the average market value of the fund for the first five of the preceding six fiscal years, including the fiscal year just ended. Effective July 1, 2021, the amount determined for transfer from the earnings reserve of the Permanent Fund is reduced to 5.00% of the average market value of the fund for the first five of the preceding six fiscal years, including the fiscal year just ended. As described below in "Government Funds—The Alaska Permanent Fund," this calculation does not include the principal attributable to the settlement of *State v. Amerada Hess*. This transfer is made from the earnings reserve to the General Fund as unrestricted General Fund revenue in fiscal year 2019 in the amount of approximately $2.7 billion. The Alaska Permanent Fund Corporation ("APFC") projects this annual transfer of unrestricted General Fund revenue to the State's General Fund in their monthly history and projections report, as reflected in Table 2. This shift of classification of revenue of the Permanent Fund from restricted to unrestricted has been incorporated into the State's Fall 2018 Revenue Sources Book. For fiscal year 2019 this legislation resulted in a transfer of $2.7 billion from the Permanent Fund's earnings reserve to unrestricted general fund revenue, and the fiscal year 2020 transfer is projected at $2.9 billion. The Alaska Permanent Fund Dividend may be paid out of this transfer, and any residual revenue is available for other appropriation. In fiscal year 2019 the Alaska Permanent Fund Dividend appropriation was $1,023.5 million and the Governor's proposed fiscal year 2020 operating budget has a Permanent Fund Dividend appropriation of $1,944.0 million.

In the Fall 2018 Revenue Sources Book, the general purpose unrestricted revenue forecast for fiscal year 2019 was $5,495.0 million compared to unrestricted revenue generation in fiscal year 2018 of $2,424.1 million, and $1,354.6 million in fiscal year 2017. The primary reason for this increase was investment income increasing from $16.3 million to $2,795.4 million as the result of a structured draw from the Permanent Fund Earnings Reserve to the general fund authorized in Senate Bill 26.

Approximately 80% of the fiscal year 2018 unrestricted General Fund revenue was generated from petroleum, while the projection for fiscal year 2019 reflects this percentage diminishing to approximately 40%. The implementation of SB26 is the primary driver behind the reduction in the percentage of unrestricted general fund revenue generated by petroleum. The Fall 2018 Revenue Sources Book estimates that Alaska North Slope ("ANS") oil prices in fiscal year 2019 will be $67.96 compared to actual prices of $63.61 in fiscal year 2018 and $49.43 in fiscal year 2017. The estimate for ANS production in fiscal year 2019 is approximately 526.8 thousand barrels of oil per day compared to 518.4 thousand barrels of oil per day in 2018 and 526.4 thousand barrels of oil per day in fiscal year 2017. The Fall 2018 Revenue Sources Book includes the State's forecast for ANS oil price through fiscal year 2028 ($64.0 is forecasted for fiscal year 2020 and $66.00 is forecasted for fiscal year 2021). The Fall 2018 Revenue Sources Book includes the State's forecast for general purpose unrestricted revenue through fiscal year 2028 ($5,198.0 million is forecasted for fiscal year 2020 and $5,393.8 million is forecasted for fiscal year 2021).

[The Tax Division's Spring 2019 Revenue Forecast (the "Spring 2019 Revenue Forecast") is expected to be released by the end of March 2019. The Spring 2019 Revenue Forecast is expected to be released by the end of March 2019. The Spring 2019 Revenue Forecast will provide updates to the Fall 2018 Revenue Sources Book based on additional information and data received since publication.]

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 2018 Fall Revenue Forecast for unrestricted revenue available for General Fund appropriation has increased in fiscal year 2019.

Although historically petroleum-related revenue was the largest source of unrestricted revenue for the State's General Fund, in fiscal year 2019 the State began appropriating amounts from the Permanent Fund Earnings Reserve to the General Fund as unrestricted General Fund revenue, diminishing the percentage of unrestricted revenue that petroleum-related revenue represents from 80% in fiscal year 2018 to 40% in fiscal year 2019. Other revenues customarily treated as restricted, but available for appropriation for any purpose, include investment earnings and settlement revenue of the Constitutional Budget Reserve Fund (the "CBRF"), royalty revenue deposited in the 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 have historically been 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 $28.2 billion as of January 1, 2018, $28.4 billion as of January 1, 2017, $27.7 billion as of January 1, 2016, $28.6 billion as of January 1, 2015 and $27.4 billion as of January 1, 2014.

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. In support of the Governor's proposed budget, the Governor has proposed legislation to remove the authority of local governments to levy and collect this tax. See "Government Budgets and Appropriations—General Appropriations" below. Of the $562.6 million of gross tax collected in fiscal year 2018 on oil and gas property in the State, the State's share was approximately $121.6 million. In the Fall 2018 Revenue Sources Book, the State forecasts income from the oil and gas property tax to be approximately $126.1 million in fiscal year 2019, and $119.0 million in fiscal year 2020.

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 Fall 2018 Revenue Sources Book, $481.9 million in total settlements were deposited into the CBRF for fiscal year 2017, $121.3 million for fiscal year 2018, and is forecasted to be $125 million for fiscal year 2019 and $150 million for fiscal year 2020. 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 past 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 2018 Revenue Sources Book, the State estimated that as of June 30, 2019, approximately $690 million of outstanding tax credits are available for State repurchase. 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 ($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, $0.1 billion in fiscal year 2017, $0.7 billion in fiscal year 2018, and projected in the Fall 2018 Revenue Sources Book to be $0.8 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 2018, 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.

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Table 1 summarizes the sources and initial applications of oil and other petroleum-related revenue for fiscal years 2008 through 2018.

Table 1

Sources and Initial Applications of Oil and Other Petroleum-Related Revenue
Fiscal Years Ended June 30, 2009 – 2018
($ millions)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018[5]
Oil Revenue to the General Fund										
Property Tax	$ 111.2	$ 118.8	$ 110.6	$ 111.2	$ 99.3	$ 128.1	$ 125.2	$ 111.7	$ 120.4	$ 121.6
Corporate Income Tax [1] .	492.2	446.1	542.1	568.8	434.6	307.6	94.8	(58.8)	(59.4)	67.9
Production Tax..	3,112.0	2,871.0	4,552.9	6,146.1	4,050.3	2,614.7	389.7	186.0	134.4	749.9
Royalties (including bonuses, rents and interest) [2][3]	1,465.6	1,477.0	1,843.3	2,031.7	1,767.8	1,712.4	1,078.2	870.6	681.5	1,002.3
Subtotal	$5,181.0	$4,912.9	$7,048.9	$8,857.8	$6,352.0	$4,762.8	$1,687.9	$1,109.5	$ 877.0	$ 1,941.7
Oil Revenue to Other Funds										
Royalties to the Permanent Fund and School Fund [2][3]	$ 670.8	$ 707.2	$ 870.9	$ 919.6	$ 855.9	$ 786.2	$ 518.3	$ 396.9	$ 340.0	$ 363.1
Tax settlements to CBRF	202.6	552.7	167.3	102.8	357.4	177.4	149.9	119.1	481.9	121.3
NPR-A royalties, rents and bonuses [4]	14.8	21.3	3.0	4.8	3.6	6.8	3.2	1.8	1.4	23.7
Subtotal	888.2	1,281.2	1,041.2	1,027.2	1,216.9	970.4	671.4	517.8	823.3	508.1
Total Oil Revenue	$6,069.2	$6,194.1	$8,090.1	$9,885.0	$7,568.9	$5,733.2	$2,359.3	$1,627.3	$1,700.3	$2,449.8

(1) Corporate income tax collections for fiscal years 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. In fiscal year 2018, only the constitutionally required 25 percent of royalties were deposited into the Permanent Fund. In fiscal year 2019, only the constitutionally required 25 percent of royalties are forecasted to be deposited into the Permanent Fund. 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 2018 are based on the Fall 2018 Revenue Sources Book.

Source: *2008 through 2018 Revenue Sources Books, 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. In support of his budget, the Governor has also proposed legislation to remove the allocation of fisheries business tax allocations to local governments as well as repealing revenue sharing for the fishery resources landing tax. See "Government Budgets and Appropriations—General Appropriations" below. A number of these non-oil tax, license and fee revenues (but not investment income and federal revenue) are shared with municipalities. In fiscal year 2018 unrestricted revenues unrelated to petroleum production (excluding investment income and federal revenues) was $466.1 million, and in the Fall 2018 Revenue Sources Book the State forecasts the fiscal year 2019 value to be $488.5 million and the fiscal year 2020 value to be $493.6 million. 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, $2.6 billion in fiscal year 2016, $3.2 billion in fiscal year 2017, and approximately $3.1 billion in fiscal year 2018. In the Fall 2018 Revenue Sources Book, the State forecasts restricted federal revenue to be approximately $3.8 billion in fiscal year 2019 and $3.8 billion in fiscal year 2020. The forecasts represent 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 2018 was approximately $736 million for the operating budget and $82 million for the capital budget.

Investment Revenues. The State earns unrestricted and restricted by custom 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 $64.9 billion as of June 30, 2018, which includes the value of the fiscal year 2019 General Fund transfer commitment of $2.7 billion. The Permanent Fund had a fund balance of $59.8 billion as of June 30, 2017, $52.8 billion as of June 30, 2016, $52.8 billion as of June 30, 2015 and $51.2 billion as of June 30, 2014. The CBRF had an asset balance of approximately $2.4 billion as of June 30, 2018. The CBRF had an asset balance of approximately $3.9 billion as of June 30, 2017, $7.3 billion as of June 30, 2016, $10.1 billion as of June 30, 2015 and $12.8 billion as of June 30, 2014. Restricted investment revenue from the CBRF was $47.2 million in fiscal year 2018. In the Fall 2018 Revenue Sources Book, restricted investment revenue from the

CBRF is forecasted to be $51 million in fiscal year 2019, and $74.5 million in fiscal year 2020. 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 has historically borrowed 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.

As previously described, Senate Bill 26 ("SB26"), relating to the earnings of the Permanent Fund, was approved and became law in 2018. The Alaska Permanent Fund Corporation ("APFC") projects this annual transfer of unrestricted General Fund revenue to the State's General Fund in their monthly history and projections report, as reflected in Table 2. This shift of classification of revenue of the Permanent Fund from restricted to unrestricted has been incorporated into the State's Fall 2018 Revenue Sources Book Forecasts.

Table 2

State of Alaska
Transfer from the Earnings Reserve of the Permanent Fund
to the State's General Fund for the Fiscal Year Ending June 30, 2019
APFC FORECAST for Fiscal Years Ending June 30, 2020 – 2028
($ in millions)

Fiscal Year	Transfer Amount
2019	$ 2,723
Projected [1]	
2020	2,933
2021	3,090
2022	3,091
2023	3,254
2024	3,361
2025	3,432
2026	3,505
2027	3,578
2028	3,652

(1) APFC transfer projections as of January 31, 2019, and subject to change.

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 2018 stated above are asset values. 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, 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 CBRF 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 available fund balance of the SBRF peaked at 4.7 billion as of June 30, 2013, and by June 30, 2016 had diminished to zero where it remains through June 30, 2018. 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 ($16.3 million in fiscal year 2018, $17.3 million in fiscal year 2017, $22.5 million in fiscal year 2016, $47.9 million in fiscal year 2015, and $130.2 million in fiscal year 2014). In the Fall 2018 Revenue Sources Book, the State forecasts investment revenue of other unrestricted funds to be approximately $72.4 million in fiscal year 2019 and $82.4 million in fiscal year 2020. See "Government Funds" below.

Major Components of State Revenues. Table 3 summarizes the sources of unrestricted and restricted revenues available to the State in fiscal years 2013 through 2018, with a forecast for fiscal years 2019 and 2020 from the Fall 2018 Revenue Sources Book.

Table 3

Total State Government Revenue by Major Component
Fiscal Years Ended June 30, 2013 – 2018
FORECAST for Fiscal Years Ended and Ending June 30, 2019 - 2020
($ millions)

	2013	2014	2015	2016	2017	2018	2019 (2)	2020 (2)
Revenue Source								
Unrestricted								
Oil Revenue	$ 6,352.0	$ 4,762.8	$ 1,687.9	$ 1,109.5	$ 877.0	$ 1,941.7	$ 2,211.1	$ 1,688.9
Non-Oil Revenue	548.4	497.1	520.5	400.7	460.3	466.1	488.5	493.6
Investment Earnings	28.1	130.2	47.9	22.5	17.3	16.3	2,795.4	3,015.5
Subtotal	$ 6,928.5	$ 5,390.1	$ 2,256.3	$ 1,532.7	$ 1,354.6	$ 2,424.1	$ 5,495.0	$ 5,198.0
Restricted								
Oil Revenue (1)	$ 1,036.1	$ 934.4	$ 670.5	$ 517.8	$ 823.8	$ 508.1	$ 503.3	$ 555.9
Non-Oil Revenue	485.0	473.5	491.2	647.5	656.3	698.0	662.2	668.8
Investment Earnings (3)	4,977.8	7,927.7	2,603.4	556.0	6,832.2	5,616.4	977.7	1,269.8
Federal Revenue	2,383.2	2,511.9	2,512.7	2,640.1	3,198.2	3,098.9	3,780.8	3,780.8
Subtotal	8,882.1	11,847.5	6,277.8	4,361.4	11,510.5	9,921.4	5,924.0	6,275.3
Total	$ 15,810.6	$ 17,237.6	$ 8,534.1	$ 5,894.1	$ 12,865.1	$ 12,345.5	$ 11,419.0	$ 11,473.3

(1) "Restricted Oil Revenue" includes oil revenue for the State of Alaska's share of rents, royalties, and bonuses from the National Petroleum Reserve – Alaska, shared by the federal government.

(2) Forecast for fiscal years 2019 and 2020 include a projection for the transfer from the Permanent Fund Earnings Reserve to the General Fund for Unrestricted General Fund expenditures, including the dividend, based on Senate Bill 26 ('SB 26'). All values for fiscal year 2019 and 2020 are based on projections as of the release of the Fall 2018 Revenue Sources Book, and are subject to change.

(3) A portion of the Restricted investment earnings starting in fiscal year 2019 consist of Permanent Fund unrealized gains and realized gains, less the transfer to the general fund classified as unrestricted per SB 26.

Source: 2013 through Fall 2018 Revenue Sources Books, 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 2019 Legislature was convened on January 15, 2019. The Legislature has a 90-day statutory time limit that for 2019 ends on April 14, 2019, and a constitutional time limit of 120 days that for 2019 ends on May 15, 2019 with an allowance for up to an additional 10 days to May 25, 2019 to approve a budget. The Alaska House of Representatives was unable to elect a Speaker of the House to appoint committee assignments until February 14, 2019 which delayed the process of reviewing proposed legislation, including the 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 4, "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. An 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, increased in fiscal year 2018, and are projected to increase over the forecast period after fiscal year 2020. See Tables 4 and 5 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.

Governor Dunleavy was elected in November 2018 and took office in December 2018. Governor Dunleavy introduced an amended budget proposal for fiscal year 2020 on February 13, 2019. The Governor provided a balanced budget, which aligns state revenues with expenditures without the use of reserve funds, while providing a statutory permanent fund dividend, and not making any adjustment to or implementation of any taxes. With projections of revenue in the Fall 2018 Revenue Sources Book and the statutory dividend disbursement calculation of approximately $1.9 billion, $1.6 billion in state budget reduction is proposed in the amended Governor's budget proposal for fiscal year 2020. Unrestricted General Fund reductions proposed in the Governor's budget include a $325 million or 24.3% reduction to the Department of Education and Early Development's ("DEED") budget, most of which is attributable to diminished funding of local school district operating expenses, a $61.2 million or 33% reduction to the Department of Transportation and Public Facilities attributable to diminished funding of the Alaska Marine Highway System, a $155.6 million or 44.6% reduction in University of Alaska funding, a $364.7 million or 31% reduction to the Department of Health and Social Services budget primarily related to Medicaid reductions, and a $114.8 million or 53% reduction to debt service which is attributable to state reimbursement programs for municipal general obligation bonds issued for school construction and other municipal projects. The Legislature has been, and will continue to hold hearings and consider the Governor's budget proposal for the rest of the 2019 legislative session. As a result, the enacted budget may differ materially from the Governor's proposed budget.

In support of his budget, among other legislative proposals, the Governor has proposed legislation to remove the authority for a municipality to levy and collect a tax on oil, gas and pipeline property. This change would increase the State's oil and gas property tax revenue by approximately $420.4 million in fiscal year 2020. Municipalities that currently collect this revenue would no longer have the legal right to do so if the legislation is approved. The Governor has also proposed legislation to remove the allocation of fisheries business tax allocations to local governments as well as repealing revenue sharing for the fishery resources landing tax. This change would increase the State's fisheries tax revenue by approximately$29.1 million in fiscal year 2020. Municipalities that currently receive this revenue would no longer have the legal right to do so if this legislation is approved. The Governor has also proposed legislation to repeal the statute related to state aid to municipalities for costs of school construction debt. This change would eliminate the School Debt Reimbursement Program (the "SDRP") and the statutory authorization and structure for ongoing payments to municipalities for authorized school construction and related general obligation debt.

On January 30, 2019 Governor Dunleavy introduced three constitutional amendments, one to add the requirement for a statutory permanent fund dividend distribution from Alaska's Permanent Fund, one to add a requirement for voter approval for new or increased taxes, and one to place a cap on annual growth in state expenditures and prioritize the deposit of any fiscal year's unappropriated state general fund surplus to the Permanent Fund. These proposals will be considered independently, and to be implemented, must receive a two-thirds vote of approval from both the State of Alaska's House of Representatives and Senate followed by approval in a state-wide election.

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, 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 2018, the Office of Management and Budget estimated the limit to be approximately $10.1 billion. The fiscal year 2018 budget passed by the Legislature after vetoes was $5.1 billion (unrestricted General Fund revenues only), or $5.0 billion less than the constitutional spending limit.

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As shown in Table 4, State unrestricted General Fund revenue decreased from $1.53 billion in fiscal year 2016 to $1.35 billion in fiscal year 2017, and increased to $2.42 billion in fiscal year 2018. State unrestricted General Fund revenue is projected to be approximately $5.50 billion in fiscal year 2019 per the Fall 2018 Revenue Sources Book. In fiscal year 2019, the state began appropriating amounts from the Permanent Fund Earnings Reserve to the General Fund as unrestricted General Fund revenue and will significantly diminish the percentage of unrestricted revenue that petroleum-related revenue represents. The enacted fiscal year 2019 budget includes $2.7 billion in transfers, including the dividend, from the Permanent Fund Earnings Reserve to the General Fund as unrestricted revenue. This shift of classification of revenue of the Permanent Fund from restricted to unrestricted has been incorporated into the State's revenue projections in Table 4. The Tax Division incorporated these changes in future year forecasts in the Fall 2018 Revenue Sources Book.

Table 4

State of Alaska
Total Unrestricted General Fund Revenue, ANS West Coast Oil Price, and ANS Oil Production
Fiscal Years Ended June 30, 2007 – 2018 and
Forecast for Fiscal Years Ending June 30, 2019 – 2027

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	10,735	96.51	715.4
2009	5,838	68.34	692.8
2010	5,513	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	5,390	107.57	531.1
2015	2,257	72.58	501.5
2016	1,533	43.18	514.7
2017	1,355	49.43	526.5
2018	2,424	63.61	518.4
Projected (1)			
2019	5,495	67.96	526.8
2020	5,198	64.00	533.2
2021	5,394	66.00	514.2
2022	5,345	67.00	493.2
2023	5,500	69.00	476.7
2024	5,596	70.00	470.0
2025	5,670	72.00	472.7
2026	5,865	74.00	484.1
2027	6,074	75.00	493.4

(1) The values for fiscal years 2019 through 2027 use the projections included in the Fall 2018 Revenue Sources Book, and are subject to change. The Enacted fiscal year 2019 budget also included $2.7 billion in transfers from the Permanent Fund Earnings Reserve to the General Fund as Unrestricted Revenue, those projections are included in Table 2. Forecast period includes a projection for the transfer from the Permanent Fund Earnings Reserve to the General Fund for unrestricted General Fund expenditures, including the dividend, based on Senate Bill 26 ('SB 26').

Source: 2007 through 2018, Fall Revenue Sources Books; Tax Division.

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. The Governor's proposed fiscal year 2020 operating budget diminishes state funding of K-12 education by approximately 24%. See "Public Debt and Other Obligations of the State—State-Supported Debt—State-Supported Municipal Debt Eligible for State Reimbursement" below.

The enacted fiscal year 2019 budget includes approximately $5.1 billion in unrestricted General Fund State revenues, and approximately $4.7 billion in total unrestricted General Fund operating and capital budget appropriations. The enacted fiscal year 2019 budget includes $2.7 billion in transfers from the Permanent Fund Earnings Reserve to the General Fund as unrestricted revenue. Of the $2.7 billion in transfers for fiscal year 2019, approximately $1.0 billion has been appropriated for the Permanent Fund dividend transfer, and approximately $1.7 billion has been appropriated for governmental use. In fiscal year 2019, as a result of the use of Permanent Fund earnings authorized in SB26, the deficit was projected to decrease to approximately $700 million (based on information available as of the Spring 2018 Revenue Forecast prior to the release of enacted fiscal year 2019 budget; Source: Office of Management and Budget, Enacted FY2019 Fiscal Summary, June 13, 2018). The unrestricted State general fund capital budget in the enacted fiscal year 2019 budget is approximately $189.5 million and the total capital budget is approximately $1.5 billion. Fiscal year 2019 marked the fourth consecutive fiscal year that unrestricted State general fund capital budget appropriations have been under $200 million, compared to $608 million in fiscal year 2015. The Governor's proposed fiscal year 2020 unrestricted State general fund capital budget is $95.8 million, and has a total capital budget of $1.3 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 (which now includes an annual transfer from the Permanent Fund Earnings Reserve pursuant to SB26), 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, 2017, and 2018, the Legislature last appropriated funds from the CBRF in fiscal year 2005. All borrowing from the CBRF was completely repaid in fiscal year 2010 and no borrowing activity from the CBRF occurred during fiscal years 2011, 2012, 2013, or 2014. The $3 billion transfer from the CBRF to PERS and TRS in fiscal year 2015 resulted in a liability of the general fund. Additional amounts were appropriated from the CBRF to the general fund during fiscal years 2016, 2017, and 2018, to fund shortfalls between state revenue and general fund appropriations. The total net amount appropriated from the CBRF since fiscal year 2015 as of June 30, 2018 was $9.9 billion. The amount due to be repaid to the CBRF was diminished by $1.17 billion in the State's fiscal year 2018 CAFR due to a legal determination that Federal Regulatory Commission disputes were erroneously deposited into the CBRF as they do not qualify as litigation involving production tax or royalty.

The asset balance in the CBRF as of June 30, 2018, was approximately $2.4 billion, including earnings of $47.2 million. General Fund asset balances listed as of June 30 may include borrowings from the CBRF for future fiscal year operating requirements. Per the State's fiscal year 2018 CAFR, the June 30, 2018 unassigned fund balance of the CBRF was approximately $3.1 billion. As of June 30, 2017, the asset balance was approximately $3.9 billion, with earnings of approximately $94.2 million; as of June 30, 2016, the asset balance was approximately $7.3 billion, with earnings of approximately $138.3 million; as of June 30, 2015, the asset balance was approximately $10.1 billion, with earnings of approximately $197.7 million; and as of June 30, 2014, the asset balance was approximately $12.8 billion, with earnings of approximately $1.0 billion.

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 was 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, 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 CBRF 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 available fund balance of the SBRF, as of June 30, 2018, 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 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. In fiscal year 2018, only the constitutionally required 25 percent of royalties were deposited into the Permanent Fund. In fiscal year 2019, only the constitutionally required 25 percent of royalties are forecasted to be deposited into the Permanent Fund. For fiscal year 2018, State oil and mineral revenues deposited in the Permanent Fund were

$353 million, compared to $365 million in fiscal year 2017, $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 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, 2018.

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 2018, $24.7 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, 2017, and 2018 there were no appropriations and therefore no transfers from the earnings reserve to principal for inflation-proofing. The amount calculated under statute for fiscal year 2019 inflation proofing, estimated to be $942 million, provided for in the enacted fiscal year 2019 operating budget, is appropriated from the Earnings Reserve to the Principal of the Alaska Permanent Fund to offset the effect of inflation on the Principal for the fiscal year ending June 30, 2019. The 2018 dividend paid in fiscal year 2019 was $1,600 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, 2018.

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 $46.0 billion as of June 30, 2018, down from approximately $47.0 billion as of June 30, 2017, may not be spent without amending the State Constitution. The earnings reserve portion of the Permanent Fund, approximately $18.9 billion as of June 30, 2018 (this amount includes $2.7 billion committed to the State's General Fund for fiscal year 2019), up from approximately $12.8 billion as of June 30, 2017, may be spent with a simple majority vote of the Legislature. The Permanent Fund balance as of June 30, 2018 was approximately $64.9 billion, including the $2.7 billion commitment to the State's General Fund classified as unrestricted revenue for fiscal year 2019.

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). The total of the settlements and retained income thereon, as of June 30, 2018, 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 $46.0 million as of June 30, 2018, up from approximately $25.1 million as of June 30, 2017, are unrestricted and have been appropriated for capital expenditures.

As previously discussed, SB26 created a percent of market value ("POMV") to provide a sustainable draw on the earnings reserve account for transfer to the General Fund as unrestricted revenue.

Table 5

State of Alaska
Available Funds and Recurring and Discretionary General Fund Expenditures
Fiscal Years Ended June 30, 2007 – 2017 and
Forecast for Fiscal Year Ended June 30, 2018

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
2017	1,354	4,498	(3,144) [(3)]	0 [(2)]	3,896	12,816	49.43	526.5
2018	2,424	4,489	(2,065) [(3)]	0 [(2)]	2,360	18,864 [(4)]	63.61	518.4

(1) The CBRF available balance represents the historical asset values.
(2) Includes available balance through net transfer from the SBRF to the General Fund reconciled at the release of the State of Alaska CAFR for fiscal years 2013 through 2018.
(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, 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 CBRF until the amount appropriated is repaid. The available fund balance of the SBRF as of June 30, 2018 was zero.
(4) Includes amount committed for the fiscal year 2019 general fund transfer pursuant to SB 26.

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 Fall 2018 Revenue Sources Book. The State will next update its forecast in the Spring 2019 Forecast, updating the prior Fall forecast, and is anticipated to be released in April 2019. The State has provided certain estimates for fiscal year 2019 and 2020 based on information available as of the Fall 2018 Revenue Sources Book. See "Government Funds" above for a description of some of the actions the State can take when revenues prove to be lower than expected.

The State has customarily restricted certain revenue sources each fiscal year by practice. Such revenue is nonetheless available for appropriation. Table 6 provides a summary of the State's most recent forecast for revenues subject to appropriation in fiscal years 2019 through 2024.

Table 6

State of Alaska Revenues Subject to Appropriation
Forecast Summary for Fiscal Years 2019 through 2024 (1)
(millions)

	2019	2020	2021	2022	2023	2024
Petroleum Revenue						
Unrestricted General Fund(3)	$ 2,211.1	$ 1,688.9	$ 1,717.8	$ 1,657.1	$ 1,642.0	$ 1,620.8
Royalties to Alaska Permanent Fund beyond 25% dedication (2)	0.0	69.4	65.6	63.1	70.5	86.9
Tax and Royalty Settlements to CBRF	125.0	150.0	125.0	100.0	75.0	50.0
Subtotal Petroleum Revenue	**$ 2,336.1**	**$ 1,908.3**	**$ 1,908.4**	**$ 1,820.1**	**$ 1,787.5**	**$ 1,757.7**
Non-Petroleum Revenue						
Unrestricted General Fund(3)	$ 488.5	$ 493.6	$ 502.3	$ 511.6	$ 517.7	$ 526.5
Designated General Fund	379.5	382.5	383.7	385.1	386.9	388.2
Royalties to Alaska Permanent Fund beyond 25% dedication (2)	0.0	3.7	3.8	4.1	4.5	4.6
Tax and Royalty Settlements to CBRF	0.0	0.0	0.0	0.0	0.0	0.0
Subtotal Non-Petroleum Revenue	**$ 867.9**	**$ 879.8**	**$ 889.8**	**$ 900.8**	**$ 909.1**	**$ 919.3**
Investment Revenue						
Unrestricted General Fund	$ 2,795.4	$ 3,015.5	$ 3,173.7	$ 3,176.1	$ 3,340.5	$ 3,449.0
Designated General Fund	21.2	47.5	47.6	47.8	47.9	48.0
Constitutional Budget Reserve Fund	51.0	74.5	82.5	88.3	93.4	98.0
Subtotal Investment Revenue	**$ 2,867.6**	**$ 3,137.5**	**$ 3,303.8**	**$ 3,312.2**	**$ 3,481.8**	**$ 3,595.0**
Total Revenue Subject to Appropriation	**$ 6,071.6**	**$ 5,925.6**	**$ 6,102.0**	**$ 6,033.1**	**$ 6,178.4**	**$ 6,272.1**

(1) This table 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. In fiscal year 2018, only the constitutionally required 25 percent of royalties were deposited into the Permanent Fund. In fiscal year 2019, only the constitutionally required 25 percent of royalties are forecasted to be deposited into the Permanent Fund.

Source: Fall 2018 Revenue Sources Book, 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 the SDRP and the Transportation and Infrastructure Debt Service Reimbursement Program ("TIDSRP"). 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 $724.4 million of general obligation bonds were outstanding as of June 30, 2018. See "Summary of Outstanding Debt" and Tables 7 and 8 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 under 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 2019.

The following other debt and debt programs of the State were outstanding as of June 30, 2018, except as otherwise noted.

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 also general obligation bonds of the State, and they must be authorized by law, ratified by the voters and approved by the State Bond Committee. On November 7, 2010, the voters approved an additional $600 million of State guaranteed veterans' mortgage bonds, and as of [_______ __, ____] the total current unissued authorization is $[644.6 million]. [As of June 30, 2018, approximately $48.1 million of State guaranteed debt was outstanding. During fiscal year 2017, 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 Linny Pacillo Parking Garage (with AHFC), and the Goose Creek Correctional Center (with the Matanuska-Susitna Borough). Approximately $226.7 million of State-supported debt was outstanding as of June 30, 2018.

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 through fiscal year 2039 with annual payments determined based on a variety of actuarial assumptions, and the evolving experience as it occurs. As of June 30, 2018, the estimated result of a one percent reduction in the rate of return on investments increases the PERS liability by $2,662,649,000 and TRS liability by $1,251,335,000. Both the current balance of liabilities as well as the magnitude in change in liability from future outcomes highlight the impact that PERS and TRS funding needs have on the State of Alaska. Effective January 11, 2019, the Alaska Retirement Management Board voted to change the actuarially assumed rate of investment return from 8% down to 7.38% along with several other actuarial assumptions. This 0.62% change will increase the liabilities of PERS and TRS.

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 rates 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, 2017, was approximately $6.9 billion, based on the most recent PERS and TRS June 30, 2017 actuarial valuation reports.

State-Supported Municipal Debt Eligible for State Reimbursement. The State administers two programs that reimburse municipalities for municipal debt: the SDRP and the TIDSRP. These programs provide for State reimbursement of annual debt service on general obligation bonds of municipalities for the SDRP and a combination of general obligation and revenue bonds of authorized participants in the TIDSRP. The State may choose not to fund these programs in part or whole. In fiscal year 2017, the SDRP was funded at 75% of the authorized amount and the SDRP was funded at 100% of the authorized amount for fiscal year 2018 and fiscal year 2019, but the Governor's proposed fiscal year 2020 budget reduces funding to zero.

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 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 at reimbursement rates of 60 to 70 percent of debt service. In 2015, the Legislature passed a moratorium on the State's SDRP 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. The Governor's proposed fiscal year 2020 operating budget eliminates all funding for the SDRP. As of June 30, 2018, State-supported SDRP debt was $769.0 million.

The Department of Transportation and Public Facilities and the Alaska Energy Authority administer TIDSRP. The program currently includes 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. The Governor's proposed fiscal year 2020 operating budget eliminates all funding for the TIDSRP. As of June 30, 2018, State-supported TIDSRP debt was approximately $26.1 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. As of July 2016, all spending on the Knik Arm Crossing was discontinued.

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; Alaska Industrial Development and Export Authority ("AIDEA"); Alaska Municipal Bond Bank Authority ("AMBBA"); and Alaska Student Loan Corporation ("ASLC"). Approximately $1,289.3 million of State moral obligation debt was outstanding as of June 30, 2018.

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, Notes and Contracts, Clean Water and Drinking Water Fund Bonds, and Toll Facilities Revenue Bonds. As of June 30, 2018, there was $692.3 million of State and University Revenue Debt outstanding, consisting of $299.9 million of University of Alaska Revenue Bonds, Notes and Contracts, $16.9 million of Sportfish Revenue Bonds and $375.5 million of International Airports 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, 2018, there was $480.8 million aggregate principal amount of State agency debt outstanding, consisting of $53.4 million of AHFC obligations, $10.0 million of Bond Bank Coastal Energy Impact Program Bonds payable to the National Oceanic and Atmospheric Administration, $113.1 million of Alaska Railroad Notes, and $304.3 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, 2018, the total principal amount outstanding of State agency collateralized or insured debt was approximately $2,309.9 million, consisting of approximately $2,207.2 million issued by AHFC and $102.7 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 initially authorized the issuance of 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. Senate Bill 97 was enacted by the Legislature in 2018, and changed the authorization to $1.5 billion. 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. In 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, and there is no current plan to issue bonds at this time. 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.

Potential State-Supported Tax Credit Certificate Bonds. In 2018, AS 37.18.010 was enacted creating the Alaska Tax Credit Certificate Bond Corporation (the "ATCCBC") for the purpose of selling bonds for up to $1 billion to provide for the purchase of certain State tax credits. The ATCCBC bonds would be considered State-supported debt as they would be secured by agreements entered into by other State agencies that are subject to annual appropriation. The legislation authorizing the ATCCBC is subject to a legal challenge which will need to be satisfactorily resolved prior to any bond issuance. The ATCCBC has not issued any bonds.

Summary of Outstanding Debt. Table 7 lists, by type, the outstanding State-related debt as of June 30, 2018, except as otherwise noted.

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Table 7

State of Alaska Debt and State-Related Debt by Type as of June 30, 2018
($ millions)

	principal outstanding	interest to maturity	total debt service to maturity
State Debt			
State of Alaska General Obligation Bonds	724.4	313.4	1,037.8
State Guaranteed Debt			
Alaska Housing Finance Corporation State Guaranteed Bonds (Veterans' Mortgage Program)	48.1	16.3	64.4
State Supported Debt			
Certificates of Participation	24.2	7.6	31.8
Lease Revenue Bonds with State Credit Pledge and Payment	202.5	83.5	286.0
Total State Supported Debt	226.7	91.1	317.8
State Supported Municipal Debt			
State Reimbursement of Municipal School Debt Service	769.0	231.5	1,000.5
State Reimbursement of capital projects	26.1	10.7	36.8
Total State Supported Municipal Debt	795.1	242.2	1,037.3
Pension System Unfunded Actuarial Accrued Liability (UAAL)[3]			
Public Employees' Retirement System UAAL	5,094.0	N/A	5,094.0
Teachers' Retirement System UAAL	1,831.0	N/A	1,831.0
Total UAAL	6,925.0	N/A	6,925.0
State Moral Obligation Debt			
Alaska Municipal Bond Bank:			
2005, 2010, & 2016 General Resolution General Obligation Bonds	1,141.7	569.1	1,710.8
Alaska Energy Authority:			
Power Revenue Bonds #1 through #8	85.2	36.2	121.4
Alaska Student Loan Corporation			
Student Loan Revenue Bonds	6.9	0.1	7.0
Education Loan Backed Notes	55.5	3.2	58.7
Total State Moral Obligation Debt	1,289.3	608.6	1,897.9
State Revenue Debt			
Sportfish Revenue Bonds	16.9	2.6	19.5
International Airports Revenue Bonds	375.5	187.0	562.5
University of Alaska Debt			
University of Alaska Revenue Bonds	283.4	157.2	440.6
University Lease Liability and Notes Payable	16.3	4.2	20.5
Installment Contracts	0.2	0.0	0.2
Total University of Alaska Debt	299.9	161.4	461.3
Total State Revenue and University Debt	692.3	351.0	1,043.3
State Agency Debt			
Alaska Housing Finance Corporation:			
Commercial Paper	53.4	N/A	53.4
Alaska Municipal Bond Bank Coastal Energy Loan Bonds	10.0	2.2	12.2
Alaska Railroad	113.1	14.5	127.6
Northern Tobacco Securitization Corporation			
2006 Tobacco Settlement Asset-Backed Bonds[1]	304.3	402.1	706.4
Total State Agency Debt	480.8	418.8	899.6
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)	718.9	341.8	1,060.7
General Mortgage Revenue Bonds II -2012 & 2016	201.0	77.6	278.6
Government Purpose Bonds 1997 & 2001	111.3	25.0	136.3
State Capital Project Bonds, 2002-2011[2]	35.4	3.8	39.2
State Capital Project Bonds, II 2012-2018[2]	1,140.6	473.4	1,614.0
Alaska Industrial Development and Export Authority:			
Revolving Fund Bonds	43.0	13.3	56.3
Power Revenue Bonds, 2015 Series (Snettisham Hydro Project)	59.7	27.6	87.3
Total State Agency Collateralized or Insured Debt	2,309.9	962.5	3,272.4
Total State and State Agency Debt	13,491.6		

Table 7 (Continued)

State of Alaska Debt and State-Related Debt by Type as of June 30, 2018
($ millions)

	principal outstanding	interest to maturity	total debt service to maturity
Municipal Debt			
School G.O. Debt	1,141.0	N/A	N/A
Other G.O. Debt [4]	1,006.5	N/A	N/A
Revenue Debt[4]	941.1	N/A	N/A
Total Municipal Debt	3,088.6		
Debt Reported in More than One Category			
Less: State Reimbursable Municipal Debt and Capital Leases *	-228.6		
Less: State Reimbursable Municipal School G.O. Debt	-766.6		
Less: Alaska Municipal Bond Bank debt included in University debt *	-86.1		
Less: Alaska Municipal Bond Bank debt included in Municipal debt *	-917.7		
Total Deductions Due to Reporting in More than One Category	-1,999.0		
Total Alaska Public Debt	**$ 14,581.2**		

NOTES
1. "Interest to Maturity" and "Total Debt Service to Maturity" includes accreted interest due at matuirty of $125.2 million
2. Does not include defeased bonds
3. From most recent 6/30/2017 actuarial valuation. See table 5.3 for a summary of the Retirement System's Funding Levels
4. 'Other G.O. Debt' and "Revenue Debt" derived from 6/30/2017 information, values subject to change upon release of fiscal year 2018 Alaska Taxable report.

Sources: Annual reports and financial statements of AHFC, AMBBA, AIDEA, AEA, UofA, AKRR, AIAS, and directly from state agencies

General Fund Supported Obligations. General Fund support is pledged and required for only a portion of the total outstanding 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 of the municipalities that are eligible by statute to participate in the programs. Table 8 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. If the Governor's fiscal year 2020 budget proposal is approved the SDRP and the TIDSRP columns would be reduced to zero.

Table 8

State of Alaska
Payments on General Fund Paid Debt as of June 30, 2018
($ millions)

fiscal year	state G.O.*	lease / purchase	Capital Leases[1]	school debt reimbursement[2]	Capital Project Reimbursements	Statutory Debt Payment to PERS/TRS[3]	total debt service
2018	89.7	2.9	19.7	111.7	4.6	184.3	412.9
2019	89.3	2.9	19.7	104.3	4.5	263.4	484.0
2020	77.8	2.9	19.7	96.4	4.5	300.7	502.0
2021	77.0	2.9	19.5	94.2	3.6	311.4	508.6
2022	66.5	2.9	19.5	81.3	3.6	300.1	473.9
2023	66.4	2.9	19.5	82.3	3.6	306.3	481.0
2024	66.2	2.9	19.5	66.9	3.6	314.1	473.3
2025	61.3	2.9	19.5	57.2	3.6	322.9	467.4
2026	61.1	2.9	19.5	46.4	2.8	333.2	465.9
2027	60.6	2.9	20.9	41.8	2.6	344.7	473.5
2028	59.7	2.9	20.9	39.1	2.2	358.9	483.7
2029	58.8	2.9	17.6	34.3	0.9	372.8	487.3
2030	58.1	-	17.6	31.7	0.9	387.1	495.4
2031	45.8	-	17.6	29.3	0.4	403.9	497.0
2032	45.4	-	17.6	26.0	-	421.1	510.1
2033	45.0	-	17.6	20.6	-	439.9	523.2
2034	44.5	-	-	18.1	-	460.7	523.4
2035	20.9	-	-	13.0	-	483.3	517.2
2036	20.9	-	-	5.4	-	507.8	534.2
2037	0.5	-	-	0.4	-	534.6	535.5
2038	12.2	-	-	-	-	566.2	578.4
2039	-	-	-	-	-	641.4	641.4
2040	-	-	-	-	-	-	-

(1) A prison and a parking garage have been financed with capital leases.
(2) Fiscal year 2019-2037 payments are based on actual bond repayment schedules on file with DEED as of June 30, 2018.
(3) Based on PERS and TRS Actuarial Valuation Reports as of June 30, 2017, and subject to change. The ARMB held a meeting on January 11, 2019, and voted to approve changes to the annual Statutory Debt Payment to PERS / TRS.
(*) State G.O. debt service is net of federal subsidies on interest expense through 2038.
Source: 2018 – 2019 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 seven percent of unrestricted revenue.

Table 9

State of Alaska
Debt Service on Outstanding Obligations to Unrestricted Revenues
Fiscal Years Ended June 30, 1996 – 2018
FORECAST FOR Fiscal Years Ending June 30, 2019 – 2028

Fiscal Year	Unrestricted Revenues [1]	State G.O. Debt Service	State Supported Debt Service	Total State Debt Service	School Debt Reimburse-ments	Statutory Payment to PERS/TRS	Total Payments to Revenues
	($Millions)	%	%	%	%	%	%
1996	2,133.3	1.0	0.5	1.4	3.7		5.2
1997	2,494.9	0.7	0.4	1.0	2.5		3.5
1998	1,825.5	0.8	0.6	1.3	3.4		4.7
1999	1,348.4	0.7	1.1	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	5,838.0	0.8	0.6	1.3	1.6		2.9
2010	5,512.7	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	5,390.0	1.4	0.7	2.1	2.0		4.1
2015	2,256.0	3.3	1.6	4.9	5.2		10.1
2016	1,533.0	4.0	2.3	6.3	7.6		13.9
2017	1,355.0	6.1	2.3	8.3	6.7		15.0
2018	2,424.1	3.7	1.1	4.8	4.6		9.4
projected							
2019	5,495.0	1.6	0.5	2.1	1.9	4.8	8.8
2020	5,198.0	1.5	0.5	2.0	1.9	5.8	9.7
2021	5,393.8	1.4	0.5	1.9	1.7	5.8	9.4
2022	5,344.8	1.2	0.5	1.7	1.5	5.6	8.9
2023	5,500.2	1.2	0.5	1.7	1.5	5.6	8.7
2024	5,596.3	1.2	0.5	1.6	1.2	5.6	8.5
2025	5,670.4	1.1	0.5	1.5	1.0	5.7	8.2
2026	5,864.9	1.0	0.4	1.5	0.8	5.7	7.9
2027	6,074.3	1.0	0.4	1.4	0.7	5.7	7.8
2028	6,320.7	0.9	0.4	1.4	0.6	5.7	7.7

(1) Unrestricted revenue projection for fiscal years 2019 through 2028 is based on the Fall 2018 Revenue Sources Book. Debt service is based on June 30, 2018 balances. The Unrestricted Revenue Forecast includes the transfer from the Permanent Fund Earnings Reserve pursuant to SB 26, and includes the annual dividend distribution.

Source: *2018 – 2019 Alaska Public Debt Book, State of Alaska*.

APPENDIX H

PROPOSED FORM OF CONTINUING DISCLOSURE CERTIFICATE

The 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, 2019 Series One (Non-AMT) and $__________ Alaska Municipal Bond Bank General Obligation Bonds, 2019 Series Two (Federally Taxable) (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 on August 19, 2009 (the "General Bond Resolution"), and Series Resolution No. 2019-01, adopted on March 21, 2019 (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.

"Financial Obligation" shall mean, for purposes of the Listed Events set out in Section 5(a)(10) and Section 5(b)(8), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "Financial Obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"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 or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the SEC, filings with the MSRB are to be made through the Electronic Municipal Market Access ("EMMA") website of the MSRB, currently located at http://emma.msrb.org.

"Official Statement" means the final official statement dated April __, 2019 relating to the Bonds.

"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 the issuance by the Internal Revenue Service ("IRS") of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701-TEB).

(6) Defeasances.

(7) Rating changes.

(8) Tender offers.

(9) Bankruptcy, insolvency, receivership or similar event of the Issuer or "obligated person."*

* Note: for the purposes of the event identified in subparagraph (9), the event is

(10) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

(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) Unless described in Section 5(a)(5), other material notices or determinations by the IRS with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds.

(2) Nonpayment-related defaults.

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

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

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

(6) 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.

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

(8) Incurrence of a Financial Obligation of the Issuer, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of 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.

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considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

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 May 2019.

ALASKA MUNICIPAL BOND BANK

____

DEVEN J. MITCHELL
Executive Director

APPENDIX I

DTC AND ITS BOOK-ENTRY SYSTEM

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the 2019 Series One and Two Bonds. The 2019 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 2019 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 2019 Series One and Two Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2019 Series One and Two Bonds on DTC's records. The ownership interest of each actual purchaser of each 2019 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 2019 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 2019 Series One and Two Bonds, except in the event that use of the book-entry system for the 2019 Series One and Two Bonds is discontinued.

4. To facilitate subsequent transfers, all 2019 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 2019 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 2019 Series One and Two Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2019 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 2019 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 2019 Series One and Two Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2019 Series One and Two Bond documents. For example, Beneficial Owners of 2019 Series One and Two Bonds may wish to ascertain that the nominee holding the 2019 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 2019 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 2019 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 2019 Series One and Two Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Payments on the 2019 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 2019 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, 2019 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, 2019 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 (2005 Resolution) 2019 Series One and Two
Financing Schedule

FEBRUARY						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28		

MARCH						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

APRIL						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

MAY						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Key to Participants:
AMBB = Alaska Municipal Bond Bank
FA = Financial Advisor (PFM Financial Advisors LLC)
BC = Bond Counsel (Orrick)
UND = Merrill Lynch, Pierce, Fenner & Smith Incorporated
WG = Working Group (All of the Above)

Tue-Mar-5-19	**Soldotna Special Election**	
Fri-Mar-8-19	Distribute 2nd draft of POS to WG, Bond Resolution	BC
Fri-Mar-8-19	Distribute POS, Bond Resolution, Loan Summary to rating agencies	FA
Fri-Mar-8-19	Draft POS and credit summaries to AMBB for Board Packet	WG
Wed-Mar-13-19	Comments on 2nd draft of POS, Bond Resolution	WG
Tue-Mar-19-19	Distribute 3rd draft of POS to WG	BC
Thu-Mar-21-19	**AMBB Board Meeting to approve Resolution, Loans**	**WG**
Fri-Mar-22-19	**Rating agency presentations**	**AMBB, FA**
Mon-Mar-25-19	Comments due on 3rd draft of POS	WG
Tue-Mar-26-19	**Dillingham Special Election**	
Tue-Apr-2-19	Receive ratings	AMBB, FA
Tue-Apr-2-19	Post POS to internet	BC
Tue-Apr-16-19	**Bond Sales**	**AMBB, FA**
Fri-Apr-19-19	Distribute draft Final OS	BC
Tue-Apr-23-19	Comments due on Final OS, deliver Final OS for posting	WG
Wed-Apr-24-19	Closing documents distributed to WG	**BC**
Wed-May-1-19	**PRE-CLOSING IN SEATTLE**	**WG**
Thu-May-2-19	**CLOSING IN SEATTLE**	**WG**

Alaska Municipal Bond Bank
2019 One Two Bonds

Alaska Municipal Bond Bank

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Alaska Muncipal Bond Bank Series 2019 One
AMBB Series 2019 One Bonds

SOURCES AND USES OF FUNDS

Alaska Muncipal Bond Bank Series 2019 One
AMBB Series 2019 One Bonds

Sources:	Fairbanks North Star Borough 2019 One Tax-Exempt Loan	Fairbanks North Star Borough Taxable Loan, 2019 Two	City of Homer Police Station Loan, 2019 One	Kenai Peninsula Borough Emergency Services Loan, 2019 One	Northwest Arctic Borough Loan to Kivalina	City of Soldotna 2019 One Loan
Bond Proceeds:						
Par Amount	6,025,000.00	3,830,000.00	4,340,000.00	1,390,000.00	10,995,000.00	8,810,000.00
Premium	970,076.95		699,781.80	224,124.25	1,770,927.85	1,247,620.40
	6,995,076.95	3,830,000.00	5,039,781.80	1,614,124.25	12,765,927.85	10,057,620.40
Other Sources of Funds:						
Bond Bank Cost of Issuance Credit	24,878.00	15,814.57	17,920.42	5,739.48	45,399.77	36,377.62
	7,019,954.95	3,845,814.57	5,057,702.22	1,619,863.73	12,811,327.62	10,093,998.02

Uses:	Fairbanks North Star Borough 2019 One Tax-Exempt Loan	Fairbanks North Star Borough Taxable Loan, 2019 Two	City of Homer Police Station Loan, 2019 One	Kenai Peninsula Borough Emergency Services Loan, 2019 One	Northwest Arctic Borough Loan to Kivalina	City of Soldotna 2019 One Loan
Project Fund Deposits:						
Project Fund Deposit	6,950,000.00	3,795,000.00	5,000,000.00	1,585,000.00	12,700,000.00	10,000,000.00
Refunding Escrow Deposits:						
Cash Deposit						
SLGS Purchases						
Delivery Date Expenses:						
Cost of Issuance	24,878.00	15,814.57	17,920.42	5,739.48	45,399.77	36,377.62
Underwriter's Discount	22,593.75	19,150.00	16,275.00	5,212.50	41,231.25	33,037.50
Borrower COI	21,397.77	13,602.23	20,000.00	20,000.00	20,000.00	20,000.00
	68,869.52	48,566.80	54,195.42	30,951.98	106,631.02	89,415.12
Other Uses of Funds:						
Additional Proceeds	1,085.43	2,247.77	3,506.80	3,911.75	4,696.60	4,582.90
	7,019,954.95	3,845,814.57	5,057,702.22	1,619,863.73	12,811,327.62	10,093,998.02

SOURCES AND USES OF FUNDS

Alaska Muncipal Bond Bank Series 2019 One
AMBB Series 2019 One Bonds

Sources:	Refunding of SE Alaska Power 2009 Bonds	Total
Bond Proceeds:		
Par Amount	4,570,000.00	39,960,000.00
Premium	352,664.60	5,265,195.85
	4,922,664.60	45,225,195.85
Other Sources of Funds:		
Bond Bank Cost of Issuance Credit	53,870.14	200,000.00
	4,976,534.74	45,425,195.85

Uses:	Refunding of SE Alaska Power 2009 Bonds	Total
Project Fund Deposits:		
Project Fund Deposit		40,030,000.00
Refunding Escrow Deposits:		
Cash Deposit	0.14	0.14
SLGS Purchases	4,866,132.00	4,866,132.00
	4,866,132.14	4,866,132.14
Delivery Date Expenses:		
Cost of Issuance	53,870.14	200,000.00
Underwriter's Discount	17,137.50	154,637.50
Borrower COI	35,000.00	150,000.00
	106,007.64	504,637.50
Other Uses of Funds:		
Additional Proceeds	4,394.96	24,426.21
	4,976,534.74	45,425,195.85

SOURCES AND USES OF FUNDS

Alaska Muncipal Bond Bank Series 2019 One
Fairbanks North Star Borough 2019 One Tax-Exempt Loan

Sources:	
Bond Proceeds:	
Par Amount	6,025,000.00
Premium	970,076.95
	6,995,076.95
Other Sources of Funds:	
Bond Bank Cost of Issuance Credit	24,878.00
	7,019,954.95
Uses:	
Project Fund Deposits:	
Project Fund Deposit	6,950,000.00
Delivery Date Expenses:	
Cost of Issuance	24,878.00
Underwriter's Discount	22,593.75
Borrower COI	21,397.77
	68,869.52
Other Uses of Funds:	
Additional Proceeds	1,085.43
	7,019,954.95

SOURCES AND USES OF FUNDS

Alaska Muncipal Bond Bank Series 2019 One
Fairbanks North Star Borough Taxable Loan, 2019 Two

Sources:	
Bond Proceeds:	
Par Amount	3,830,000.00
Other Sources of Funds:	
Bond Bank Cost of Issuance Credit	15,814.57
	3,845,814.57

Uses:		
Project Fund Deposits:		
Project Fund Deposit		3,795,000.00
Delivery Date Expenses:		
Cost of Issuance		15,814.57
Underwriter's Discount		19,150.00
Borrower COI		13,602.23
		48,566.80
Other Uses of Funds:		
Additional Proceeds		2,247.77
		3,845,814.57

SOURCES AND USES OF FUNDS

Alaska Muncipal Bond Bank Series 2019 One
City of Homer Police Station Loan, 2019 One

Sources:	
Bond Proceeds:	
Par Amount	4,340,000.00
Premium	699,781.80
	5,039,781.80
Other Sources of Funds:	
Bond Bank Cost of Issuance Credit	17,920.42
	5,057,702.22

Uses:	
Project Fund Deposits:	
Project Fund Deposit	5,000,000.00
Delivery Date Expenses:	
Cost of Issuance	17,920.42
Underwriter's Discount	16,275.00
Borrower COI	20,000.00
	54,195.42
Other Uses of Funds:	
Additional Proceeds	3,506.80
	5,057,702.22

SOURCES AND USES OF FUNDS

Alaska Muncipal Bond Bank Series 2019 One
Kenai Peninsula Borough Emergency Services Loan, 2019 One

Sources:	
Bond Proceeds:	
Par Amount	1,390,000.00
Premium	224,124.25
	1,614,124.25
Other Sources of Funds:	
Bond Bank Cost of Issuance Credit	5,739.48
	1,619,863.73

Uses:	
Project Fund Deposits:	
Project Fund Deposit	1,585,000.00
Delivery Date Expenses:	
Cost of Issuance	5,739.48
Underwriter's Discount	5,212.50
Borrower COI	20,000.00
	30,951.98
Other Uses of Funds:	
Additional Proceeds	3,911.75
	1,619,863.73

SOURCES AND USES OF FUNDS

Alaska Muncipal Bond Bank Series 2019 One
Northwest Arctic Borough Loan to Kivalina

Sources:	
Bond Proceeds:	
Par Amount	10,995,000.00
Premium	1,770,927.85
	12,765,927.85
Other Sources of Funds:	
Bond Bank Cost of Issuance Credit	45,399.77
	12,811,327.62
Uses:	
Project Fund Deposits:	
Project Fund Deposit	12,700,000.00
Delivery Date Expenses:	
Cost of Issuance	45,399.77
Underwriter's Discount	41,231.25
Borrower COI	20,000.00
	106,631.02
Other Uses of Funds:	
Additional Proceeds	4,696.60
	12,811,327.62

SOURCES AND USES OF FUNDS

Alaska Muncipal Bond Bank Series 2019 One
City of Soldotna 2019 One Loan

Sources:	
Bond Proceeds:	
Par Amount	8,810,000.00
Premium	1,247,620.40
	10,057,620.40
Other Sources of Funds:	
Bond Bank Cost of Issuance Credit	36,377.62
	10,093,998.02

Uses:	
Project Fund Deposits:	
Project Fund Deposit	10,000,000.00
Delivery Date Expenses:	
Cost of Issuance	36,377.62
Underwriter's Discount	33,037.50
Borrower COI	20,000.00
	89,415.12
Other Uses of Funds:	
Additional Proceeds	4,582.90
	10,093,998.02

SOURCES AND USES OF FUNDS

Alaska Muncipal Bond Bank Series 2019 One
Refunding of SE Alaska Power 2009 Bonds

Sources:	
Bond Proceeds:	
Par Amount	4,570,000.00
Premium	352,664.60
	4,922,664.60
Other Sources of Funds:	
Bond Bank Cost of Issuance Credit	53,870.14
	4,976,534.74
Uses:	
Refunding Escrow Deposits:	
Cash Deposit	0.14
SLGS Purchases	4,866,132.00
	4,866,132.14
Delivery Date Expenses:	
Cost of Issuance	53,870.14
Underwriter's Discount	17,137.50
Borrower COI	35,000.00
	106,007.64
Other Uses of Funds:	
Additional Proceeds	4,394.96
	4,976,534.74

BOND DEBT SERVICE BREAKDOWN

Alaska Muncipal Bond Bank Series 2019 One
AMBB Series 2019 One Bonds

Period Ending	Fairbanks North Star Borough 2019 One Tax-Exempt Loan	Fairbanks North Star Borough Taxable Loan, 2019 Two	City of Homer Police Station Loan, 2019 One	Kenai Peninsula Borough Emergency Services Loan, 2019 One	Northwest Arctic Borough Loan to Kivalina	City of Soldotna 2019 One Loan	Refunding of SE Alaska Power 2009 Bonds	Total
06/30/2020	484,265.14	267,381.46	347,037.36	131,985.56	882,087.78	1,136,941.11	1,044,187.92	4,293,886.33
06/30/2021	482,750.00	268,212.20	347,400.00	134,850.00	880,250.00	1,134,050.00	1,043,150.00	4,290,662.20
06/30/2022	484,950.00	269,332.00	346,800.00	132,050.00	881,050.00	1,134,250.00	1,043,150.00	4,291,582.00
06/30/2023	481,750.00	270,277.50	346,000.00	134,250.00	881,250.00	1,133,250.00	1,041,750.00	4,288,527.50
06/30/2024	481,250.00	271,052.20	348,500.00	135,500.00	882,000.00	1,133,000.00	1,039,500.00	4,290,802.20
06/30/2025	480,250.00	271,562.60	345,500.00	131,500.00	881,750.00	1,135,750.00		3,246,312.60
06/30/2026	483,750.00	266,807.30	347,250.00	132,500.00	880,500.00	1,136,250.00		3,247,057.30
06/30/2027	481,500.00	266,804.50	348,500.00	133,250.00	878,250.00	1,134,500.00		3,242,804.50
06/30/2028	483,750.00	271,500.50	349,250.00	133,750.00	880,000.00	1,135,500.00		3,253,750.50
06/30/2029	480,250.00	270,740.50	349,500.00	134,000.00	880,500.00	1,134,000.00		3,248,990.50
06/30/2030	481,250.00	269,672.50	349,250.00	134,000.00	879,750.00			2,113,922.50
06/30/2031	481,500.00	268,307.50	348,500.00	133,750.00	877,750.00			2,109,807.50
06/30/2032	481,000.00	266,638.50	347,250.00	133,250.00	879,500.00			2,107,638.50
06/30/2033	484,750.00	269,698.50	345,500.00	132,500.00	879,750.00			2,112,198.50
06/30/2034	482,500.00	267,306.50	348,250.00	136,500.00	878,500.00			2,113,056.50
06/30/2035	484,500.00	269,652.50	350,250.00		880,750.00			1,985,152.50
06/30/2036	480,500.00	266,530.00	346,500.00		881,250.00			1,974,780.00
06/30/2037	480,750.00	268,135.00	347,250.00		880,000.00			1,976,135.00
06/30/2038	485,000.00	269,255.00	347,250.00		882,000.00			1,983,505.00
06/30/2039	483,000.00	269,880.00	346,500.00		882,000.00			1,981,380.00
	9,649,215.14	5,378,746.76	6,952,237.36	2,003,635.56	17,608,887.78	11,347,491.11	5,211,737.92	58,151,951.63

BOND DEBT SERVICE

Alaska Muncipal Bond Bank Series 2019 One
Fairbanks North Star Borough 2019 One Tax-Exempt Loan

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
11/01/2019			147,540.14	147,540.14	
05/01/2020	190,000	3.000%	146,725.00	336,725.00	
06/30/2020					484,265.14
11/01/2020			143,875.00	143,875.00	
05/01/2021	195,000	4.000%	143,875.00	338,875.00	
06/30/2021					482,750.00
11/01/2021			139,975.00	139,975.00	
05/01/2022	205,000	4.000%	139,975.00	344,975.00	
06/30/2022					484,950.00
11/01/2022			135,875.00	135,875.00	
05/01/2023	210,000	5.000%	135,875.00	345,875.00	
06/30/2023					481,750.00
11/01/2023			130,625.00	130,625.00	
05/01/2024	220,000	5.000%	130,625.00	350,625.00	
06/30/2024					481,250.00
11/01/2024			125,125.00	125,125.00	
05/01/2025	230,000	5.000%	125,125.00	355,125.00	
06/30/2025					480,250.00
11/01/2025			119,375.00	119,375.00	
05/01/2026	245,000	5.000%	119,375.00	364,375.00	
06/30/2026					483,750.00
11/01/2026			113,250.00	113,250.00	
05/01/2027	255,000	5.000%	113,250.00	368,250.00	
06/30/2027					481,500.00
11/01/2027			106,875.00	106,875.00	
05/01/2028	270,000	5.000%	106,875.00	376,875.00	
06/30/2028					483,750.00
11/01/2028			100,125.00	100,125.00	
05/01/2029	280,000	5.000%	100,125.00	380,125.00	
06/30/2029					480,250.00
11/01/2029			93,125.00	93,125.00	
05/01/2030	295,000	5.000%	93,125.00	388,125.00	
06/30/2030					481,250.00
11/01/2030			85,750.00	85,750.00	
05/01/2031	310,000	5.000%	85,750.00	395,750.00	
06/30/2031					481,500.00
11/01/2031			78,000.00	78,000.00	
05/01/2032	325,000	5.000%	78,000.00	403,000.00	
06/30/2032					481,000.00
11/01/2032			69,875.00	69,875.00	
05/01/2033	345,000	5.000%	69,875.00	414,875.00	
06/30/2033					484,750.00
11/01/2033			61,250.00	61,250.00	
05/01/2034	360,000	5.000%	61,250.00	421,250.00	

BOND DEBT SERVICE

Alaska Muncipal Bond Bank Series 2019 One
Fairbanks North Star Borough 2019 One Tax-Exempt Loan

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/30/2034					482,500.00
11/01/2034			52,250.00	52,250.00	
05/01/2035	380,000	5.000%	52,250.00	432,250.00	
06/30/2035					484,500.00
11/01/2035			42,750.00	42,750.00	
05/01/2036	395,000	5.000%	42,750.00	437,750.00	
06/30/2036					480,500.00
11/01/2036			32,875.00	32,875.00	
05/01/2037	415,000	5.000%	32,875.00	447,875.00	
06/30/2037					480,750.00
11/01/2037			22,500.00	22,500.00	
05/01/2038	440,000	5.000%	22,500.00	462,500.00	
06/30/2038					485,000.00
11/01/2038			11,500.00	11,500.00	
05/01/2039	460,000	5.000%	11,500.00	471,500.00	
06/30/2039					483,000.00
	6,025,000		3,624,215.14	9,649,215.14	9,649,215.14

BOND DEBT SERVICE

Alaska Muncipal Bond Bank Series 2019 One
Fairbanks North Star Borough Taxable Loan, 2019 Two

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
11/01/2019			63,867.16	63,867.16	
05/01/2020	140,000	2.726%	63,514.30	203,514.30	
06/30/2020					267,381.46
11/01/2020			61,606.10	61,606.10	
05/01/2021	145,000	2.676%	61,606.10	206,606.10	
06/30/2021					268,212.20
11/01/2021			59,666.00	59,666.00	
05/01/2022	150,000	2.703%	59,666.00	209,666.00	
06/30/2022					269,332.00
11/01/2022			57,638.75	57,638.75	
05/01/2023	155,000	2.726%	57,638.75	212,638.75	
06/30/2023					270,277.50
11/01/2023			55,526.10	55,526.10	
05/01/2024	160,000	2.806%	55,526.10	215,526.10	
06/30/2024					271,052.20
11/01/2024			53,281.30	53,281.30	
05/01/2025	165,000	2.882%	53,281.30	218,281.30	
06/30/2025					271,562.60
11/01/2025			50,903.65	50,903.65	
05/01/2026	165,000	3.032%	50,903.65	215,903.65	
06/30/2026					266,807.30
11/01/2026			48,402.25	48,402.25	
05/01/2027	170,000	3.120%	48,402.25	218,402.25	
06/30/2027					266,804.50
11/01/2027			45,750.25	45,750.25	
05/01/2028	180,000	3.200%	45,750.25	225,750.25	
06/30/2028					271,500.50
11/01/2028			42,870.25	42,870.25	
05/01/2029	185,000	3.280%	42,870.25	227,870.25	
06/30/2029					270,740.50
11/01/2029			39,836.25	39,836.25	
05/01/2030	190,000	3.350%	39,836.25	229,836.25	
06/30/2030					269,672.50
11/01/2030			36,653.75	36,653.75	
05/01/2031	195,000	3.420%	36,653.75	231,653.75	
06/30/2031					268,307.50
11/01/2031			33,319.25	33,319.25	
05/01/2032	200,000	3.470%	33,319.25	233,319.25	
06/30/2032					266,638.50
11/01/2032			29,849.25	29,849.25	
05/01/2033	210,000	3.520%	29,849.25	239,849.25	
06/30/2033					269,698.50
11/01/2033			26,153.25	26,153.25	
05/01/2034	215,000	3.560%	26,153.25	241,153.25	

BOND DEBT SERVICE

Alaska Muncipal Bond Bank Series 2019 One
Fairbanks North Star Borough Taxable Loan, 2019 Two

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/30/2034					267,306.50
11/01/2034			22,326.25	22,326.25	
05/01/2035	225,000	3.610%	22,326.25	247,326.25	
06/30/2035					269,652.50
11/01/2035			18,265.00	18,265.00	
05/01/2036	230,000	3.650%	18,265.00	248,265.00	
06/30/2036					266,530.00
11/01/2036			14,067.50	14,067.50	
05/01/2037	240,000	3.700%	14,067.50	254,067.50	
06/30/2037					268,135.00
11/01/2037			9,627.50	9,627.50	
05/01/2038	250,000	3.750%	9,627.50	259,627.50	
06/30/2038					269,255.00
11/01/2038			4,940.00	4,940.00	
05/01/2039	260,000	3.800%	4,940.00	264,940.00	
06/30/2039					269,880.00
	3,830,000		1,548,746.76	5,378,746.76	5,378,746.76

BOND DEBT SERVICE

Alaska Muncipal Bond Bank Series 2019 One
City of Homer Police Station Loan, 2019 One

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
11/01/2019			106,312.36	106,312.36	
05/01/2020	135,000	3.000%	105,725.00	240,725.00	
06/30/2020					347,037.36
11/01/2020			103,700.00	103,700.00	
05/01/2021	140,000	4.000%	103,700.00	243,700.00	
06/30/2021					347,400.00
11/01/2021			100,900.00	100,900.00	
05/01/2022	145,000	4.000%	100,900.00	245,900.00	
06/30/2022					346,800.00
11/01/2022			98,000.00	98,000.00	
05/01/2023	150,000	5.000%	98,000.00	248,000.00	
06/30/2023					346,000.00
11/01/2023			94,250.00	94,250.00	
05/01/2024	160,000	5.000%	94,250.00	254,250.00	
06/30/2024					348,500.00
11/01/2024			90,250.00	90,250.00	
05/01/2025	165,000	5.000%	90,250.00	255,250.00	
06/30/2025					345,500.00
11/01/2025			86,125.00	86,125.00	
05/01/2026	175,000	5.000%	86,125.00	261,125.00	
06/30/2026					347,250.00
11/01/2026			81,750.00	81,750.00	
05/01/2027	185,000	5.000%	81,750.00	266,750.00	
06/30/2027					348,500.00
11/01/2027			77,125.00	77,125.00	
05/01/2028	195,000	5.000%	77,125.00	272,125.00	
06/30/2028					349,250.00
11/01/2028			72,250.00	72,250.00	
05/01/2029	205,000	5.000%	72,250.00	277,250.00	
06/30/2029					349,500.00
11/01/2029			67,125.00	67,125.00	
05/01/2030	215,000	5.000%	67,125.00	282,125.00	
06/30/2030					349,250.00
11/01/2030			61,750.00	61,750.00	
05/01/2031	225,000	5.000%	61,750.00	286,750.00	
06/30/2031					348,500.00
11/01/2031			56,125.00	56,125.00	
05/01/2032	235,000	5.000%	56,125.00	291,125.00	
06/30/2032					347,250.00
11/01/2032			50,250.00	50,250.00	
05/01/2033	245,000	5.000%	50,250.00	295,250.00	
06/30/2033					345,500.00
11/01/2033			44,125.00	44,125.00	
05/01/2034	260,000	5.000%	44,125.00	304,125.00	

BOND DEBT SERVICE

Alaska Muncipal Bond Bank Series 2019 One
City of Homer Police Station Loan, 2019 One

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/30/2034					348,250.00
11/01/2034			37,625.00	37,625.00	
05/01/2035	275,000	5.000%	37,625.00	312,625.00	
06/30/2035					350,250.00
11/01/2035			30,750.00	30,750.00	
05/01/2036	285,000	5.000%	30,750.00	315,750.00	
06/30/2036					346,500.00
11/01/2036			23,625.00	23,625.00	
05/01/2037	300,000	5.000%	23,625.00	323,625.00	
06/30/2037					347,250.00
11/01/2037			16,125.00	16,125.00	
05/01/2038	315,000	5.000%	16,125.00	331,125.00	
06/30/2038					347,250.00
11/01/2038			8,250.00	8,250.00	
05/01/2039	330,000	5.000%	8,250.00	338,250.00	
06/30/2039					346,500.00
	4,340,000		2,612,237.36	6,952,237.36	6,952,237.36

BOND DEBT SERVICE

Alaska Muncipal Bond Bank Series 2019 One
Kenai Peninsula Borough Emergency Services Loan, 2019 One

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
11/01/2019			33,585.56	33,585.56	
05/01/2020	65,000	3.000%	33,400.00	98,400.00	
06/30/2020					131,985.56
11/01/2020			32,425.00	32,425.00	
05/01/2021	70,000	4.000%	32,425.00	102,425.00	
06/30/2021					134,850.00
11/01/2021			31,025.00	31,025.00	
05/01/2022	70,000	4.000%	31,025.00	101,025.00	
06/30/2022					132,050.00
11/01/2022			29,625.00	29,625.00	
05/01/2023	75,000	5.000%	29,625.00	104,625.00	
06/30/2023					134,250.00
11/01/2023			27,750.00	27,750.00	
05/01/2024	80,000	5.000%	27,750.00	107,750.00	
06/30/2024					135,500.00
11/01/2024			25,750.00	25,750.00	
05/01/2025	80,000	5.000%	25,750.00	105,750.00	
06/30/2025					131,500.00
11/01/2025			23,750.00	23,750.00	
05/01/2026	85,000	5.000%	23,750.00	108,750.00	
06/30/2026					132,500.00
11/01/2026			21,625.00	21,625.00	
05/01/2027	90,000	5.000%	21,625.00	111,625.00	
06/30/2027					133,250.00
11/01/2027			19,375.00	19,375.00	
05/01/2028	95,000	5.000%	19,375.00	114,375.00	
06/30/2028					133,750.00
11/01/2028			17,000.00	17,000.00	
05/01/2029	100,000	5.000%	17,000.00	117,000.00	
06/30/2029					134,000.00
11/01/2029			14,500.00	14,500.00	
05/01/2030	105,000	5.000%	14,500.00	119,500.00	
06/30/2030					134,000.00
11/01/2030			11,875.00	11,875.00	
05/01/2031	110,000	5.000%	11,875.00	121,875.00	
06/30/2031					133,750.00
11/01/2031			9,125.00	9,125.00	
05/01/2032	115,000	5.000%	9,125.00	124,125.00	
06/30/2032					133,250.00
11/01/2032			6,250.00	6,250.00	
05/01/2033	120,000	5.000%	6,250.00	126,250.00	

BOND DEBT SERVICE

Alaska Muncipal Bond Bank Series 2019 One
Kenai Peninsula Borough Emergency Services Loan, 2019 One

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/30/2033					132,500.00
11/01/2033			3,250.00	3,250.00	
05/01/2034	130,000	5.000%	3,250.00	133,250.00	
06/30/2034					136,500.00
	1,390,000		613,635.56	2,003,635.56	2,003,635.56

BOND DEBT SERVICE

Alaska Muncipal Bond Bank Series 2019 One
Northwest Arctic Borough Loan to Kivalina

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
11/01/2019			269,287.78	269,287.78	
05/01/2020	345,000	3.000%	267,800.00	612,800.00	
06/30/2020					882,087.78
11/01/2020			262,625.00	262,625.00	
05/01/2021	355,000	4.000%	262,625.00	617,625.00	
06/30/2021					880,250.00
11/01/2021			255,525.00	255,525.00	
05/01/2022	370,000	4.000%	255,525.00	625,525.00	
06/30/2022					881,050.00
11/01/2022			248,125.00	248,125.00	
05/01/2023	385,000	5.000%	248,125.00	633,125.00	
06/30/2023					881,250.00
11/01/2023			238,500.00	238,500.00	
05/01/2024	405,000	5.000%	238,500.00	643,500.00	
06/30/2024					882,000.00
11/01/2024			228,375.00	228,375.00	
05/01/2025	425,000	5.000%	228,375.00	653,375.00	
06/30/2025					881,750.00
11/01/2025			217,750.00	217,750.00	
05/01/2026	445,000	5.000%	217,750.00	662,750.00	
06/30/2026					880,500.00
11/01/2026			206,625.00	206,625.00	
05/01/2027	465,000	5.000%	206,625.00	671,625.00	
06/30/2027					878,250.00
11/01/2027			195,000.00	195,000.00	
05/01/2028	490,000	5.000%	195,000.00	685,000.00	
06/30/2028					880,000.00
11/01/2028			182,750.00	182,750.00	
05/01/2029	515,000	5.000%	182,750.00	697,750.00	
06/30/2029					880,500.00
11/01/2029			169,875.00	169,875.00	
05/01/2030	540,000	5.000%	169,875.00	709,875.00	
06/30/2030					879,750.00
11/01/2030			156,375.00	156,375.00	
05/01/2031	565,000	5.000%	156,375.00	721,375.00	
06/30/2031					877,750.00
11/01/2031			142,250.00	142,250.00	
05/01/2032	595,000	5.000%	142,250.00	737,250.00	
06/30/2032					879,500.00
11/01/2032			127,375.00	127,375.00	
05/01/2033	625,000	5.000%	127,375.00	752,375.00	
06/30/2033					879,750.00
11/01/2033			111,750.00	111,750.00	
05/01/2034	655,000	5.000%	111,750.00	766,750.00	

BOND DEBT SERVICE

Alaska Muncipal Bond Bank Series 2019 One
Northwest Arctic Borough Loan to Kivalina

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/30/2034					878,500.00
11/01/2034			95,375.00	95,375.00	
05/01/2035	690,000	5.000%	95,375.00	785,375.00	
06/30/2035					880,750.00
11/01/2035			78,125.00	78,125.00	
05/01/2036	725,000	5.000%	78,125.00	803,125.00	
06/30/2036					881,250.00
11/01/2036			60,000.00	60,000.00	
05/01/2037	760,000	5.000%	60,000.00	820,000.00	
06/30/2037					880,000.00
11/01/2037			41,000.00	41,000.00	
05/01/2038	800,000	5.000%	41,000.00	841,000.00	
06/30/2038					882,000.00
11/01/2038			21,000.00	21,000.00	
05/01/2039	840,000	5.000%	21,000.00	861,000.00	
06/30/2039					882,000.00
	10,995,000		6,613,887.78	17,608,887.78	17,608,887.78

BOND DEBT SERVICE

Alaska Muncipal Bond Bank Series 2019 One
City of Soldotna 2019 One Loan

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
11/01/2019			206,541.11	206,541.11	
05/01/2020	725,000	3.000%	205,400.00	930,400.00	
06/30/2020					1,136,941.11
11/01/2020			194,525.00	194,525.00	
05/01/2021	745,000	4.000%	194,525.00	939,525.00	
06/30/2021					1,134,050.00
11/01/2021			179,625.00	179,625.00	
05/01/2022	775,000	4.000%	179,625.00	954,625.00	
06/30/2022					1,134,250.00
11/01/2022			164,125.00	164,125.00	
05/01/2023	805,000	5.000%	164,125.00	969,125.00	
06/30/2023					1,133,250.00
11/01/2023			144,000.00	144,000.00	
05/01/2024	845,000	5.000%	144,000.00	989,000.00	
06/30/2024					1,133,000.00
11/01/2024			122,875.00	122,875.00	
05/01/2025	890,000	5.000%	122,875.00	1,012,875.00	
06/30/2025					1,135,750.00
11/01/2025			100,625.00	100,625.00	
05/01/2026	935,000	5.000%	100,625.00	1,035,625.00	
06/30/2026					1,136,250.00
11/01/2026			77,250.00	77,250.00	
05/01/2027	980,000	5.000%	77,250.00	1,057,250.00	
06/30/2027					1,134,500.00
11/01/2027			52,750.00	52,750.00	
05/01/2028	1,030,000	5.000%	52,750.00	1,082,750.00	
06/30/2028					1,135,500.00
11/01/2028			27,000.00	27,000.00	
05/01/2029	1,080,000	5.000%	27,000.00	1,107,000.00	
06/30/2029					1,134,000.00
	8,810,000		2,537,491.11	11,347,491.11	11,347,491.11

BOND DEBT SERVICE

Alaska Muncipal Bond Bank Series 2019 One
Refunding of SE Alaska Power 2009 Bonds

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
11/01/2019			97,362.92	97,362.92	
05/01/2020	850,000	3.000%	96,825.00	946,825.00	
06/30/2020					1,044,187.92
11/01/2020			84,075.00	84,075.00	
05/01/2021	875,000	4.000%	84,075.00	959,075.00	
06/30/2021					1,043,150.00
11/01/2021			66,575.00	66,575.00	
05/01/2022	910,000	4.000%	66,575.00	976,575.00	
06/30/2022					1,043,150.00
11/01/2022			48,375.00	48,375.00	
05/01/2023	945,000	5.000%	48,375.00	993,375.00	
06/30/2023					1,041,750.00
11/01/2023			24,750.00	24,750.00	
05/01/2024	990,000	5.000%	24,750.00	1,014,750.00	
06/30/2024					1,039,500.00
	4,570,000		641,737.92	5,211,737.92	5,211,737.92

SAVINGS

Alaska Muncipal Bond Bank Series 2019 One
AMBB Series 2019 One Bonds

Date	Prior Debt Service	Refunding Debt Service	Savings	Annual Savings	Present Value to 04/30/2019 @ 2.7340537%
06/01/2019	116,428.13		116,428.13		116,156.20
06/30/2019				116,428.13	
11/01/2019		97,362.92	-97,362.92		-96,042.65
12/01/2019	116,428.13		116,428.13		114,589.72
05/01/2020		946,825.00	-946,825.00		-921,390.10
06/01/2020	986,428.13		986,428.13		957,759.54
06/30/2020				58,668.34	
11/01/2020		84,075.00	-84,075.00		-80,713.09
12/01/2020	96,853.13		96,853.13		92,770.09
05/01/2021		959,075.00	-959,075.00		-908,307.66
06/01/2021	1,001,853.13		1,001,853.13		946,676.68
06/30/2021				55,556.26	
11/01/2021		66,575.00	-66,575.00		-62,200.64
12/01/2021	76,490.63		76,490.63		71,303.22
05/01/2022		976,575.00	-976,575.00		-900,103.79
06/01/2022	1,021,490.63		1,021,490.63		939,374.12
06/30/2022				54,831.26	
11/01/2022		48,375.00	-48,375.00		-43,985.67
12/01/2022	52,275.00		52,275.00		47,424.37
05/01/2023		993,375.00	-993,375.00		-891,059.69
06/01/2023	1,047,275.00		1,047,275.00		937,284.69
06/30/2023				57,800.00	
11/01/2023		24,750.00	-24,750.00		-21,901.41
12/01/2023	26,778.13		26,778.13		23,642.55
05/01/2024		1,014,750.00	-1,014,750.00		-885,848.01
06/01/2024	1,071,778.13		1,071,778.13		933,517.06
06/30/2024				59,056.26	
	5,614,078.17	5,211,737.92	402,340.25	402,340.25	368,945.53

Savings Summary

PV of savings from cash flow	368,945.53
Less: Prior funds on hand	-53,870.14
Plus: Refunding funds on hand	4,394.96
Net PV Savings	319,470.35

SUMMARY OF REFUNDING RESULTS

Alaska Muncipal Bond Bank Series 2019 One
AMBB Series 2019 One Bonds

Dated Date	04/30/2019
Delivery Date	04/30/2019
Arbitrage yield	2.734054%
Escrow yield	2.469640%
Value of Negative Arbitrage	1,093.62
Bond Par Amount	4,570,000.00
True Interest Cost	2.063932%
Net Interest Cost	2.175922%
Average Coupon	4.560164%
Average Life	3.079
Par amount of refunded bonds	4,760,000.00
Average coupon of refunded bonds	5.007978%
Average life of refunded bonds	3.179
PV of prior debt to 04/30/2019 @ 2.734054%	5,180,498.25
Net PV Savings	319,470.35
Percentage savings of refunded bonds	6.711562%
Percentage savings of refunding bonds	6.990598%

MSRB

10 Things to Know: New SEC Rule 15c2-12 Requirements

The Municipal Securities Rulemaking Board (MSRB) operates the Electronic Municipal Market Access (EMMA®) website as the official platform through which municipal securities issuers and obligated persons disclose important information to investors and the market. The MSRB is providing this document to support compliance with regulatory changes requiring public disclosure through the EMMA website of events relating to certain financial obligations.

Understanding the Regulatory Disclosure Changes

Read the SEC's adopting release amending Rule 15c2-12.

1 SEC Rule 15c2-12 and its additional requirements.

The U.S. Securities and Exchange Commission's (SEC) Rule 15c2-12 requires an underwriter in a primary offering of certain municipal securities to reasonably determine that an issuer or obligated person has entered into a continuing disclosure agreement. A continuing disclosure agreement commits an issuer and/or obligated person to provide certain information to the MSRB on an ongoing basis concerning the occurrence of specified events pertaining to the issuer or the securities. Rule 15c2-12 sets forth the types of disclosures an issuer or obligated person must undertake to provide for the benefit of its bondholder in a continuing disclosure agreement.

Amendments to Rule 15c2-12 add two events for continuing disclosure agreements entered into on or after February 27, 2019, expanding the list from 14 to 16 events.

2 The two additional events relate to certain financial obligations of the issuer or other obligated person.

Events 15 and 16 under amended SEC Rule 15c2-12 are (emphasis added):

> (15) **Incurrence of a financial obligation** of the obligated person, if material, or **agreement to covenants, events of default, remedies, priority rights, or other similar terms** of a financial obligation of the obligated person, any of which affect security holders, if material; and
>
> (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, **any of which reflect financial difficulties**.

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3 The SEC amendments define the term "financial obligation."

The term "financial obligation" means a:

- **Debt obligation**;
- **Derivative instrument** entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or
- **Guarantee** of a debt obligation or derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation.

The term financial obligation excludes municipal securities for which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

4 The compliance date is February 27, 2019.

Amendments to the rule apply if an issuer or obligated person enters into a continuing disclosure agreement in connection with an offering subject to Rule 15c2-12 on or after February 27.

5 The additional disclosures must be made no later than 10 business days of the occurrence after the event.

As with the existing Rule 15c2-12 event disclosures, the additional disclosures must be made in a timely manner, but no more than 10 business days after the event occurs.

Event Disclosures Required by SEC Rule 15c2-12*

1. Principal and interest payment delinquencies
2. Non-payment related defaults
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions or events affecting the tax-exempt status of the security
7. Modifications to rights of security holders
8. Bond calls and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities
11. Rating changes
12. Bankruptcy, insolvency or receivership
13. Merger, acquisition or sale of all issuer assets
14. Appointment of successor trustee
15. NEW **Financial Obligation – Incurrence or Agreement (as of February 27, 2019)**
16. NEW **Financial Obligation – Event Reflecting Financial Difficulties (as of February 27, 2019)**

*For a complete text of the rule, see https://www.sec.gov/rules/final/2018/34-83885.pdf

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Submitting Additional Events to EMMA

6 **The process for submitting additional event disclosures to EMMA is similar to submitting disclosures for the current event types.**

Issuers, obligated persons and their agents currently submit event disclosures to EMMA in one of two ways:

- Manually through the EMMA Dataport user interface, or
- Through an automated computer-to-computer submission service.

The MSRB is updating both the EMMA Dataport user interface and automated service to accept submissions of the new event disclosure types.

Disclosures made through either method are publicly displayed on the EMMA website, including the issuer's homepage page and Advanced Search.

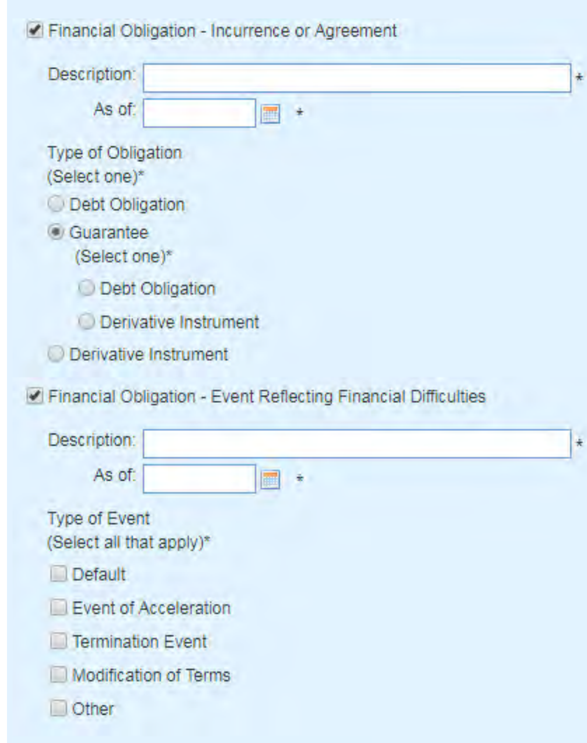
Issuers can make disclosures easier for investors to find by customizing their EMMA issuer homepage.

7 **Submitters will be asked to provide a description, date and other information about the additional event disclosures.**

This description will be displayed on the EMMA website as entered. An "as of" date for the disclosure must also be provided.

Consistent with definitions and descriptions of the additional event disclosure requirements under Rule 15c2-12, submitters also must provide additional information, as applicable (see image from EMMA Dataport, right).

Submitting Additional Disclosures in EMMA Dataport



8 **Submitters will need to associate securities to the additional event disclosures.**

Identical to the existing process for event disclosures, submitters of the additional event disclosures must indicate which of their securities to associate with the disclosure. For example, if an issuer enters into a new continuing disclosure agreement after February 27, 2019, and subsequently incurs a material bank loan—triggering event 15—the issuer would be required to submit notification to EMMA. The notification would be associated with those securities subject to the new continuing disclosure agreement. As a result, if investors were to search EMMA for information about those securities, they would see the notification about the bank loan.

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The EMMA Dataport user interface enables submitters to upload a list of specific CUSIP-9s, add securities by CUSIP-6 or search for securities by CUSIP-6 and/or issuer name and state. Submitters also have the option to create a group of securities to save for use with future submissions. Read more about associating securities, and creating and managing groups, in the EMMA Dataport Manual for Continuing Disclosure Submissions (effective as of February 27, 2019).

9 All documents uploaded to EMMA must meet MSRB standards for submission.

The MSRB requires all disclosure documents to be submitted to EMMA as word-searchable PDFs. The recommended PDF file size is less than 200 MB, but multiple files may be submitted for one disclosure. Any confidential information, such as contact information, account numbers or other personally identifiable information, may be redacted from the documents prior to submission to EMMA. Submitters should take into account that EMMA is viewable from mobile and desktop devices and consider the best way to ensure the reliability of redaction, such as using redaction software.

10 Voluntary disclosures of bank loans and alternative financings can still be submitted to EMMA.

Any issuer may provide public information about a bank loan, alternative financing or other financial obligation on a voluntary basis even if not required to do so. Voluntary disclosures may be categorized using the new event disclosure types whether that information is required by amended Rule 15c2-12 or voluntarily submitted. Consider using the word "voluntary" in the description of the financial obligation submission. Alternatively, submitters may categorize voluntary bank loan or alternative financing disclosures utilizing the "other" categories available for voluntary event and financial disclosures.

The submission process that was previously used by issuers for voluntary disclosure of bank loans and alternative financings will be discontinued on February 27, 2019. Submitters will no longer be able to modify previously submitted voluntary disclosures about bank loans or alternative financings.

For assistance submitting continuing disclosures to the EMMA website, please contact MSRB Support at 202-838-1330 or MSRBSupport@msrb.org.

Subscribe to issuer education and EMMA email updates from the MSRB.

Alaska Municipal Bond Bank Authority

Municipal Securities Disclosure Policy & Post Issuance Compliance Policy

Current Update: February 27, 2019
Last Update: June 2017
Replacing Municipal Securities Policy dated November 2014 & Post Issuance Compliance Policy dated January 2012

AMBBA Municipal Securities Disclosure Policy & Post Issuance Compliance Policy

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1. Introduction

a. Purpose

This Municipal Securities Disclosure Policy & Post Issuance Compliance Policy (the "Policy") provides a policy framework and establishes specific procedures for the Alaska Municipal Bond Bank Authority's ("AMBBA") compliance with primary, post issuance and continuing disclosure requirements under federal securities laws for bonds, notes, and other obligations (collectively, Obligations) issued by the AMBBA. The AMBBA developed this Policy to aid in meeting its disclosure responsibilities under Securities and Exchange Commission (SEC) regulations and associated contractual undertakings relating to disclosure. This document also is intended to serve as an orientation and training guide for present and future AMBBA staff.

b. Goals and Benefits

Formalizing current AMBBA disclosure practices via written policy and procedures is intended to further two key goals: i) compliance with applicable federal law and regulations; and ii) timely and cost-effective funding of the AMBBA's long-term capital needs. Specifically, the benefits of timely and complete disclosure include:

- Providing transparency and enhancing credibility with investors, financial analysts and the general bond market.
- Ensuring access to public debt markets.
- Protecting and enhancing the AMBBA;'s credit rating.
- Fostering liquidity for AMBBA securities.

2. Legal History and Context

a. Overview

State and local governments subject themselves to the requirements of federal securities laws when they issue municipal debt via the public bond market (i.e., debt obligations issued by state and local governments is commonly referred to as 'municipal' debt). The framework of the current system of securities regulation was put in place by the Securities Act of 1933 (the 33 Act) and the Securities and Exchange Act of 1934 (the 34 Act, and together with the 33 Act, the Securities Acts), which included broad anti-fraud provisions (requiring sellers to tell investors the whole truth) and created the SEC. Although municipal debt was initially exempt from many Securities Acts provisions, amendments passed in 1975 expanded their applicability to include a "government or political subdivision, agency or instrumentality of a government", making clear that state and local government issuers are not exempt from the antifraud provisions of Section 17(a) of the 33 Act, Section 10(b) of the 34 Act, and SEC Rule 10b-5 (issued under Section 10(a) of the 34 Act). SEC regulations and enforcement activities regarding disclosure practices (both primary and secondary market) continued to evolve as new forms of municipal debt proliferated and a few high profile defaults occurred. Investors, regulators and the financial press largely focused on the absence of ongoing information of many municipal credits. Large issuers tended to be in the market more frequently and provided ongoing information, both in official statements and in periodic financial reports, but small issuers could go years without issuing additional debt and, thus, without providing any updated information to the market. Investors complained about this lack of ongoing or "continuing" disclosure.

b. SEC Regulations

In response to these concerns, the SEC promulgated, and has subsequently amended from time to time, Rule 15c2-12 (the Rule) prohibiting underwriters from offering bonds unless the issuer provides an official statement (effective 1989) and contractually promises to provide specified disclosures prescribed in the Rule (effective 1994), including annual financial information, audited financial statements (when and if available), and event notices.[1] To facilitate compliance with the Rule, each Municipal Issuer must enter into a continuing disclosure agreement with the original purchaser/underwriter in connection with each new issuance of obligations, thereby contractually promising to provide the market with these disclosures.

Simultaneous with the 1994 amendment to the Rule, the SEC issued an interpretive release repeating its basic assertion of issuer liability under Rule 10b-5 that "disclosure documents used by municipal issuers, such as official statements, are subject to the prohibition against false or misleading statements of materials facts, including the omission of material facts necessary to make the statements made, in light of the circumstances in which they were made, not misleading."

An omitted fact is material if there is a substantial likelihood that, under all the circumstances, the omitted fact would have assumed actual significance in the deliberations of the reasonable investor. There must be substantial likelihood that the disclosure of the omitted fact would have been viewed by the reasonable investor as having significantly altered the "total mix" of information made available. The focus of materiality is on the importance of the information to investors making investment decisions. Examples of information that might be material include: issuer financial statements, unfunded pension liabilities, anticipated loss of significant revenue sources, and anticipated or pending litigation in which there is a potential adverse judgment that could materially affect the issuer's financial position or operations. No specific listing of material information can be made, as the identification of material information will vary over time, from issuer to issuer, and with the nature of the municipal debt at issue.

[1] When Congress created the Municipal Securities Rulemaking Board (MSRB) in 1975, it included provisions known as the 'Tower Amendment' that prohibited the Federal Government from requiring municipal issuers to register or report securities to the SEC or MSRB, but allowed such reporting to be required of broker/dealers. SEC Rule 15c2-12, while directly applicable only to broker/dealers, effectively requires municipal issuers to prepare and deliver official statements and to meet continuing disclosure requirements.

c. State and Public Officials' Liability

The requirements imposed by SEC regulations can create risks for State and Public officials who oversee the disclosure process. While the prudent selection and use of experts can minimize liability and provide certain safeguards, the AMBBA Board, and likewise the Issuers on a community level, have a level of responsibility for accurate and complete disclosure that cannot be completely delegated. Having a good understanding of the principals of disclosure will enhance all officials' ability to make the right decisions when dealing with their own facts and circumstances. The AMBBA will endeavor to use best practices and uniform procedures, and bond counsel, consultants or other experts, as necessary, to ensure primary and secondary disclosure is timely completed in full compliance with SEC regulations.

3. SEC Disclosure Requirements

a. Primary Offering Disclosure

Each time the AMBBA issues Obligations it is responsible for preparing a preliminary official statement (POS) and a final official statement (OS). These official statements consist of two basic parts:

Part I. Transaction-specific description of the Obligations being issued and the offering, prepared at the time of the transaction, and commonly referred to as the 'front-half' of the OS.
Part II. "Information Concerning the AMBBA, provides current and historic information on the finances, Bond Bank debt, financial positions, and other information deemed necessary to comply with SEC disclosure requirements. Part II is commonly referred to as the 'back-half' of the OS.

The POS and OS are intended to provide requisite disclosure to the original purchasers of the Obligations.

b. Continuing Disclosure

Continuing disclosure information is intended to reflect the financial or operating condition of an issuer as it changes over time, as well as specific events occurring after issuance, that can have an impact on both the ability to pay amounts owed and the market value of the Obligation if bought or sold prior to maturity. Each publically-issued Obligation can have its own continuing disclosure requirements per the original master or general resolution, and not all types of continuing disclosures will apply to each master or general resolution of the AMBBA. There are distinct continuing disclosure certificates for the 2005, 2010, and 2016 master / general resolutions that are fully described in Section 5, "AMBBA Disclosure Process."

For each new issuance, SEC Rule 15c2-12(b)(5)(i) requires a written agreement between the issuer and the original purchaser / underwriter for the benefit of holders of municipal securities, to provide the following to the Municipal Securities Rulemaking Board (MSRB) in an electronic format as prescribed by the MSRB:

- Annual financial information for the obligated person for whom financial information or operating data is presented in the final official statement (Annual Information);

- Audited financial statements (when and if available) for each obligated person covered by (b)(5)(i)(A) of the Rule, which borrowers are responsible for filing;
- Please see Section 5, the "AMBBA Disclosure Process" for any differences in disclosures agreed upon between issuer and original purchaser / underwriter for the 2005, 2010, and 2016 general / master resolutions;
- Notice of the occurrence of any of the following material events, within the meaning of the Rule, within 10 business days of the occurrence of the event:
    - principal and interest payment delinquencies
    - non-payment related defaults,
    - unscheduled draws on any debt service reserves,
    - unscheduled draws on credit enhancements reflecting financial difficulties
    - substitution of credit or liquidity providers (credit enhancement facility providers), or their failure to perform
    - adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax-exempt status of the Bonds
    - modifications to rights of registered owners or beneficial owners, if material
    - bond calls, if material, and tender offers
    - defeasances
    - release, substitution, or sale of property securing repayment, if material
    - bankruptcy, insolvency, receivership or similar event of the Issuer or "obligated person"[1]
    - consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, or the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
    - appointment of a successor or additional trustee or the change of name of a trustee, if material
    - rating changes
    - the failure to provide the Annual Information within the specified time
    - any change in the accounting principles applied in the preparation of the annual financial statements, or in the fiscal year
    - incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material[2]
    - default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties[2]

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1. The event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of

reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

2. "Financial Obligation:" i. Debt Obligation; **ii.** Derivative Instrument Entered into in Connection with, or Pledged as Security or a Source of Payment for, an Existing or Planned Debt Obligation; **iii.** Guarantee of a Debt Obligation or a Derivative Entered into in Connection with, or Pledged as Security or a Source of Payment for, an Existing or Planned Debt Obligation; **iv.** Monetary Obligation Resulting from a Judicial, Administrative, or Arbitration Proceeding; **v.** Exclusion of Municipal Securities as to Which a Final Official Statement has been Provided to the MSRB Consistent with Rule 15c2-12 from Definition of "Financial Obligation."

The required disclosures above are subject to change in the event of additional amendments to the Rule.

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c. Voluntary Disclosure

Although the Rule prescribes certain annual information and event-based disclosures that must be filed, issuers may determine that additional information would be of interest to investors. To this end, municipal issuers may choose to voluntarily disclose other information to the MSRB that goes beyond the requirements of the Rule. This information may include, but is not limited to, items such as monthly financial reports, updates on issues that could affect the budgetary, financial, or economic position, changes in rating *outlooks*, and other factors or reports that relate to the AMBBA.

4. Bond Bank Disclosure Compliance

a. New Issue Official Statements

For each public offering of obligations, the Bond Bank must prepare or have prepared a POS and a final OS. The AMBBA, along with bond counsel, financial adviser, and potentially disclosure counsel, reviews and discusses necessary disclosure information in drafting the OS. At transaction closing, the Bond Bank provides a certification stating that the information contained in the OS, both as of its date and the date of closing, does not contain any untrue statement of material fact or omit to state any material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading. AMBBA includes in such certification a statement that, to the best of its knowledge, there has been no material adverse change (other than in the ordinary course of the operations) in the financial condition of the AMBBA from that set forth in or contemplated by the OS.

In connection with each issue of Obligations, the AMBBA should retain legal counsel for assistance and advice regarding borrower disclosure responsibilities with respect to the POS and OS. This legal counsel may be the Bond Counsel for the issue, the borrower, borrowers counsel, or it may be separately engaged Disclosure Counsel.

b. Continuing Disclosure

The AMBBA is responsible for ensuring compliance with continuing disclosure requirements. The AMBBA accepts responsibility at the time of issuance for ongoing compliance with the requirements set-forth in each continuing disclosure certificate entered into by the AMBBA Executive Director, including but not limited to, the provision of required Annual Information, annual financial statements, and material event notices. See section 5(d) for additional information regarding post issuance compliance. The borrowers are responsible for ensuring compliance with continuing disclosure for ongoing compliance with the requirements set-forth in their specific continuing disclosure certificate.

c. Training

The AMBBA will provide and/or participate in continuing education / training regarding municipal securities disclosure and post issuance compliance and related best policy practices when deemed necessary by the Executive Director or Finance Director.

d. Bond Bank Disclosure Agent

At this time, the AMBBA is not engaged with a dissemination agent. The AMBBA files and disseminates continuing disclosure information, material event notices, and voluntary notices to the MSRB's Electronic Municipal Market Access (EMMA) system as required by the Rule and the AMBBA's continuing disclosure agreements.

5. Bond Bank Disclosure Process

The AMBBA prepares and submits required annual disclosure for all Obligations. The annual disclosure requirements consist of Annual Information and certain audited financial statements, as required by continuing disclosure agreements entered into by the AMBBA pursuant to the Rule. Each Resolution of the AMBBA should be followed in detail, as there are specific requirements dependent upon Resolution.

a. Annual Information

For the 2005 General Resolution, the AMBBA will provide to the MSRB's Electronic Municipal Market Access (EMMA system): **Provision of Annual Reports and Financial Statements.**

- **an Annual Report for the Fiscal Year**
- **a statement of authorized, issued and outstanding bonded debt**
- **the Reserve Fund balance and the estimated Required Debt Service Reserve**
- **statistics regarding Governmental Units that are 10% of the 2005 program similar to those found in Appendix D**
- **Notice to government units that are 10% of the 2005 program**

i. 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 the estimated Required Debt Service Reserve under the Resolutions; and (iv) for each of the Governmental Units that has outstanding with the Issuer an amount of Bonds equal to or greater than ten percent (10%) of all Outstanding Bonds under the General Bond Resolution as of the last day of the Fiscal Year of the Issuer, statistics regarding such Governmental Units similar to those found in Appendix D to the Official Statement. 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.

ii. 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 of all Bonds Outstanding under the General Bond Resolution, of its continuing disclosure undertaking responsibility. A list of Governmental Units deemed Obligated Persons for the prior Fiscal Year will be included in the Annual Report.

For the 2010 General Resolution, the AMBBA will provide annually to the MSRB's Electronic Municipal Market Access (EMMA system): **Provision of Annual Reports and Financial Statements.**

- **an Annual Report for the Fiscal Year**
- **a statement of authorized, issued and outstanding bonded debt**
- **the Reserve Fund balance and the estimated Required Debt Service Reserve**
- **statistics regarding Governmental Units that are 10% of the 2010 program similar to those found in Appendix D**
- **Notice to government units that are 10% of the 2010 program**

i. 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 the estimated Required Debt Service Reserve under the Resolutions; and (iv) for each of the Governmental Units that has outstanding with the Issuer an amount of Bonds equal to or greater than ten percent (10%) of all Outstanding Bonds under the General Bond Resolution as of the last day of the Fiscal Year of the Issuer, statistics regarding such Governmental Units similar to those found in Appendix C to the Official Statement. 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.

ii. 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 of all Bonds Outstanding under the General Bond Resolution, of its continuing disclosure undertaking responsibility. A list of Governmental Units deemed Obligated Persons for the prior Fiscal Year will be included in the Annual Report.

For the 2016 Master Resolution, the AMBBA will provide to the MSRB's Electronic Municipal Market Access (EMMA system): **Provision of Annual Reports and Financial Statements.**

- **an Annual Report for the Fiscal Year**
- **a statement of authorized, issued and outstanding bonded debt**
- **the Reserve Fund balance (2016 Master Resolution Reserve Fund) and the estimated Required Debt Service Reserve**
- **historical operating data and financial information of the type included in the Official Statement (for AMBBA Series 2016A (TCC)) in Tables 2, 3, 4 and 5 and in the Table entitled "Total Authority Bonds Issued and Outstanding as of May 1, 2016."**

i. Not later than 210 days after the end of each Fiscal Year, commencing with the Fiscal Year ending June 30, 2017, the Issuer will provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report. The Annual Report may cross-reference other information as provided below, and the Issuer's audited financial statements may be submitted separately from the balance of the Annual Report and later then the date required above if the audited financial statements are not available by that date. The Annual Report shall contain or include by reference: (i) annual audited financial statements of the Issuer; (ii) the 2016 Reserve Fund balance; and (iii) historical operating data and financial information of the type included in the Official Statement in Tables 2, 3, 4 and 5 and in the Table entitled "Total Authority Bonds Issued and Outstanding as of May 1, 2016." Requirement "(iii)" above is applicable to the Bond Bank's Series 2016A (TCC); however, is not a requirement under subsequent Series of bonds issued under the 2016 Master Resolution. 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.

ii. The Issuer has required that each Borrower enter into a continuing disclosure agreement, substantially in the form of the continuing disclosure agreement included in an appendix to the Borrower's Loan Agreement. The Issuer undertakes no responsibility and shall incur no liability whatsoever to any person, including any Holder or Beneficial Owner of the Bonds, in respect of any obligations or reports, notices or disclosures provided or required to be provided by such Borrower under its continuing disclosure agreement.

b. Material Event Disclosure

The AMBBA monitors material events and files timely notices. The Rule requires that material event notices be filed within 10 business days of the occurrence of the event.

Common material event notices include rating changes (including for bond insurance providers), defeasances, refundings, and mandatory sinking fund redemptions. Less common material event notices include unscheduled draws on debt service reserves.

The accompanying checklist details procedures and timelines followed in preparing and submitting the Bond Bank's material event disclosure filings, and other items mentioned in 3(b) above.

c. Voluntary Disclosure

The AMBBA prepares and files voluntary disclosure notices when, in the opinion of the Bond Bank in consultation with professional contractors, that information could be deemed relevant to investors in Bond Bank Obligations.

Types of voluntary filings may include the AMBBA's financial updates, notices of change in credit *outlooks*, corrections and supplements, general rating agency reviews and projected unscheduled draws on debt service reserves.

d. Post Issuance Compliance Policy

This subsection is intended to guide AMBBA in meeting its obligations under applicable statutes, regulations and documentation associated with securities of AMBBA. This Post Issuance Compliance Policy subsection addresses obligations of AMBBA that arise and will continue following the issuance of securities. These obligations may exist as a result of federal tax law (with respect to tax-exempt securities) and securities laws (with respect to ongoing disclosure) or as a result of contractual commitments made by AMBBA. This subsection outlines policy obligations that may be applicable to each issue of securities and identifies the party to be responsible for monitoring compliance. Within AMBBA, the Executive Director will be responsible for ensuring that the policy is followed and checklists and records maintained. The Executive Director may delegate responsibility to the Finance Director, and outside agents for developing records, and maintaining records.

A. Transcripts:

i. AMBBA's bond counsel shall provide AMBBA with two copies of the full transcript related to the issuance of securities (for each issue). The transcript shall be delivered in the following forms: one 3-ring binder and one CD-ROM and transcripts shall be delivered to AMBBA within three months following the date of issuance of securities. It is expected that the transcript will include a full record of the proceedings related to the issuance of securities, including proof of filing an 8038-G or 8038-GC, if applicable.

ii. Bond transcripts will be retained by the following party at the following location within the State of Alaska: AMBBA Executive Director's office located in the State of Alaska, State Office Building, Department of Revenue.

B. Federal Tax Law Requirements (Applicable only if the securities are issued as "tax-exempt" securities):

1. Use of Proceeds:

a. Records of investments and interest earnings on the reserve balances of each Bond Bank resolution will be maintained by the Executive Director. Such records should include the purchase price of each investment, the date each investment is made, the date each investment matures and if sold prior to maturity, its sale date, sales price, and its interest rate and/or yield.

2. Arbitrage Rebate, and Rebate Compliance:

a. The Executive Director and Finance Director of AMBBA ("Rebate Monitor") will monitor compliance with the arbitrage rebate obligations of AMBBA for each issue ("issue") of securities. Obligations are described in further detail in the tax certificate executed by AMBBA and included in the transcript for the issue. AMBBA will provide educational opportunities (opportunities to attend educational programs/seminars on the topic) for the Rebate Monitor or employees of AMBBA in which responsibility has been delegated, in order to facilitate his/her performance of these obligations.

b. Review the investment earnings records retained as described in 1(a) above. If the investment earnings records clearly and definitively demonstrate that the rate of return on investments of all proceeds of the issue were lower than the yield on the issue (see the tax certificate in the transcript), then AMBBA may opt not to follow the steps described in the following paragraph.

c. AMBBA shall retain the services of an arbitrage rebate consultant on an ongoing basis in order to calculate any potential arbitrage rebate liability. A rebate consultant may also be selected on an issue by issue basis. The Rebate Monitor will obtain the names of at least three qualified consultants and request that the consultants submit proposals for consideration prior to being selected as AMBBA's rebate consultant. The selected rebate consultant shall provide written reports to AMBBA with respect to all required calculations and with respect to any arbitrage rebate owed.

d. based on the report of the rebate consultant, file reports with and make any required payments to the Internal Revenue Service, no later than the fifth anniversary of the date of each issue (plus 60 days), and every five years thereafter, with the final installment due no later than 60 days following the retirement of the last obligation of the issue.

3. Records Retention

a. Records with respect to matters described in this Subsection B will be retained by AMBBA for the life of the securities issue (and any issue that refunds the securities issue) and for a period of three years thereafter.

b. Records to be retained:
   - (i) The transcript;
   - (ii) Arbitrage rebate reports prepared by outside consultants;
   - (iii) Work papers that were provided to the rebate consultants;
   - (iv) Copies of all certificates and returns filed with the IRS (e.g., for payment of arbitrage rebate); and

C. Ongoing Disclosure:

Under the provisions of SEC Rule 15c2-12 (the "Rule"), underwriters are required to obtain agreement on historical ongoing disclosure in connection with the public offering of securities issued by AMBBA. Unless AMBBA is exempt from compliance with the Rule as a result of certain permitted exemptions, the transcript for each issue will include an undertaking by AMBBA to comply with the Rule. The Rebate Monitor of AMBBA will monitor compliance by AMBBA with its undertakings. These undertakings may include the requirement for an annual filing of operating and financial information and will include a requirement to file notices of listed "material events." For some types of material events (early bond calls), AMBBA's fiscal agent has undertaken the responsibility of filing notice of the applicable material event.

D. Other Notice Requirements:

In some instances, the proceedings authorizing the issuance of securities will require AMBBA to file information periodically with other parties, e.g., bond insurers, banks, rating agencies. The types of information required to be filed may include (1) budgets, (2) annual financial reports, (3) issuance of additional debt obligations (4) amendments to financing documents, and (5) Bond Resolution Debt Concentration by Borrower in excess of 10% dependent upon Resolution. The Rebate Monitor of AMBBA will monitor ongoing compliance.

6. Periodic Review of Policy and Procedures

This Policy shall be followed, and reviewed and updated periodically as new requirements are identified or improvements are made. Copies of any revised Policy will be distributed to borrowers and posted on the AMBBA's website as soon as possible after any significant revisions.

pfm

$12,070,000 General Obligation Bonds, 2018 Series One

Deven Mitchell
Executive Director
Alaska Municipal Bond Bank
P.O. Box 110405
Juneau, AK 99811

December 17, 2018

Dear Deven:

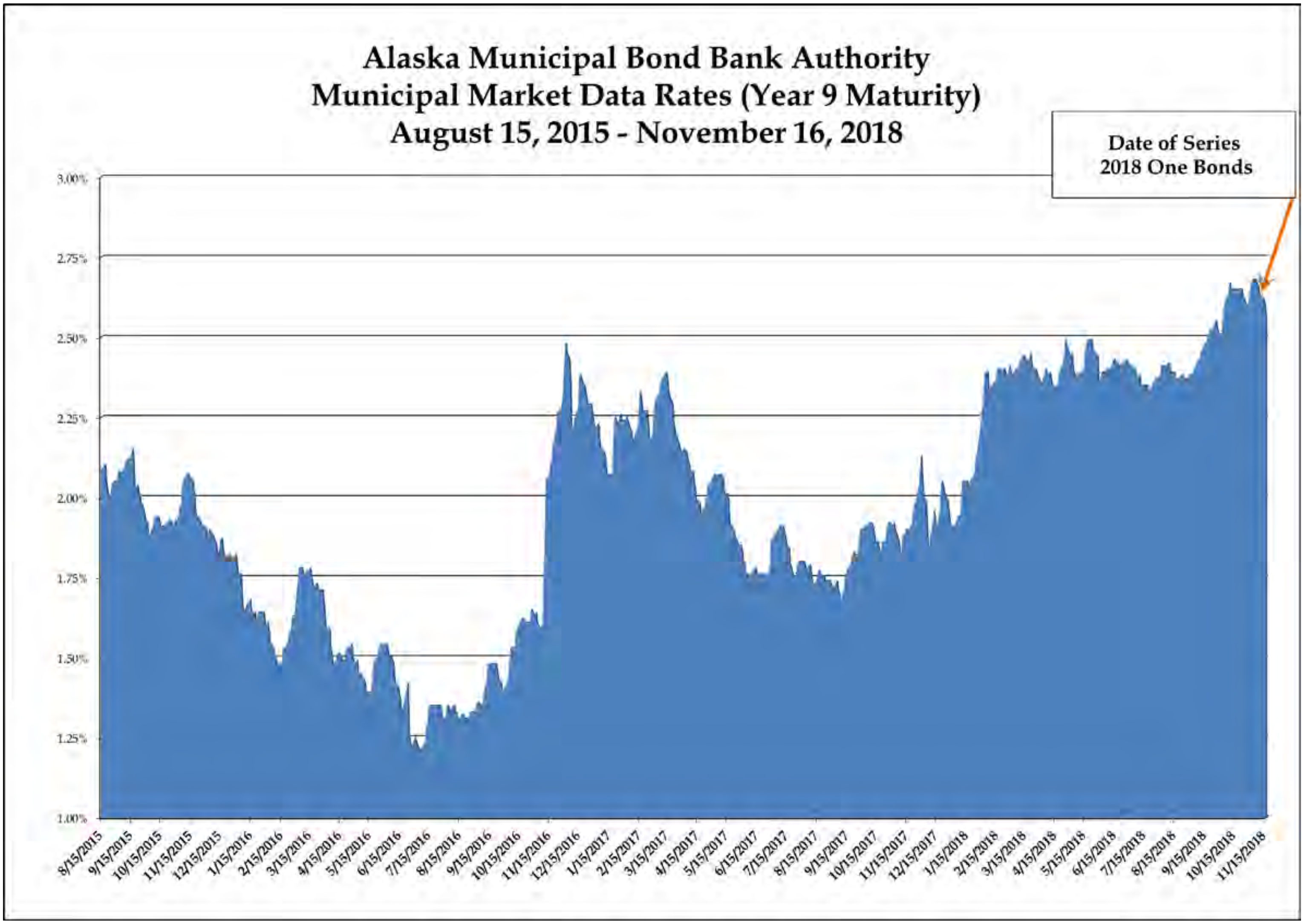
With the sale of the Alaska Municipal Bond Bank's General Obligation Bonds, 2018 Series One on November 8, 2018, I have prepared this sales results summary.

The bonds were sold by negotiated sale to RBC Capital Markets. The bonds carry a true interest cost of 4.1953%. RBC purchased the bonds with an underwriter cost of $4.08/$1,000. For comparison, the table below summarizes the true interest costs, average life and underwriter costs of recent Bond Bank issues.

Issue	TIC	Average Life	Underwriter Cost (per $1,000)	Method of Sale
2018 One (AMT)	4.1953%	12.201	$ 4.08	Negotiated
2017 Three	3.1005	11.912	13.69	Competitive
2017 Two (AMT)	3.9459	16.336	3.36	Negotiated
2017 One	2.8599	7.287	3.46	Negotiated
2016 Four (AMT)	3.4576	11.280	3.38	Negotiated
2016 Three	2.4400	6.589	2.93	Negotiated
2016 Two	2.6756	11.166	8.77	Competitive
2016 One	2.5574	10.493	5.16	Competitive
2015 Three	3.6984	18.153	3.56	Negotiated
2015 Two	3.6255	11.732	3.03	Negotiated
2015 One	2.7652	8.173	2.90	Negotiated
2014 Three	3.3368	13.214	3.09	Negotiated
2014 Two	3.7806	18.742	2.75	Competitive
2014A One	3.5484	12.374	2.94	Negotiated
2014B One	2.2643	4.318	2.52	Negotiated
2013 Three	4.1274	16.753	3.19	Negotiated
2013 Two	3.4048	11.843	3.20	Negotiated
2013 One	3.6056	17.671	3.15	Negotiated

It should be noted that the 2018 One bonds are subject to the Alternative Minimum Tax, and therefore carry higher yields than governmental purpose bonds. PFM estimates that a yield spread of 20 to 35 basis points on AMT bonds versus governmental purpose bonds is necessary to successfully market AMT bonds.

The graph on the following page presents Municipal Market Data's AAA Index for a bond maturing in 9 years for the period leading up to and immediately following the Bond Bank's sale.



The past three years have been characterized by wide swings in the yields of highly rated bonds. In January rising yields, led by increasing inflation expectations, pushed the longer end of the US Treasury yield curve swiftly higher. US government benchmark yields climbed to levels not seen since 2014. At the time of the 2018 One bond sale, the yield on the 10-year Treasury had risen by 79 basis points from the start of the year to approximately 3.24% from 2.45%. Yields on the benchmark 30-year bond increased by 65 basis points to reach approximately 3.43%.

The tone of the municipal bond market was not good in the weeks leading up to the 2018 One sale. The upward pressure on rates started in mid-summer, reaching the highest point since 2013 during the week of the 2018 One sale. Prior to the sale, Fitch and S&P Global Ratings both affirmed the Bond Bank's AA- rating, and maintained their stable outlook.

The 2018 One bonds priced wider to the MMD AAA index than the 2017 Three bonds. Part of this widening was attributed to the 2018 One bond's relatively small par size and, as mentioned previously, and the bond's AMT status. The 2018 One bond did, however, price tighter to the MMD AAA index relative to the Bond Bank's two most recent AMT bond issues, the 2017 Two and 2016 Four bonds.

The table below presents the AMBB and MMD scales for sample maturities of the 2018 Series One Bonds compared to MMD yield spreads for the 2016 Series Four (AMT), the 2017 Two (AMT) and 2017 Series Three Bonds. The yields have been adjusted to reflect the "yield kick" associated with callable premium bonds. Callable premium bonds are priced to the earliest call date, so the yield kick refers to the difference between the yield to maturity and the yield to the call date. Because the yield to maturity is higher than the yield to the call date, investors receive a higher rate of return if the bonds are not called. Measuring the spread to MMD based on the kicked yield is a more accurate measure of the true yield facing issuers, and allows an apple-to-apples comparison of discount, par and premium bonds.

	MMD AAA Index (11/8/18)	AMBB (2018 I Bonds-AMT)	Difference (2018 I Bonds-AMT)	Difference (2017 III Bonds)	Difference (2017 II Bonds-AMT)	Difference (2016 IV Bonds-AMT)
Year 1	1.84	2.30	.46	.28	.40	.18
Year 3	2.11	2.66	.55	.23	.60	.45
Year 5	2.26	2.91	.65	.31	.81	.68
Year 8	2.53	3.33	.80	.41	.96	.86
Year 12	2.87	3.94	1.07	.47	1.31	1.13
Year 14	3.00	4.31	1.31	.82	1.42	1.39
Year 15	3.05	4.31	1.26	.83	1.31	1.47

On the morning of November 7th, the working group gathered by conference call to discuss a pre-marketing scale that RBC would discuss with prospective investors in advance of the marketing of the 2018 One bonds on November 8th. RBC initially proposed spreads to the MMD AAA that ranged from 45 basis points in 2019 to 90 basis points 2028 through 2038. PFM recommended a reduction of 10 basis points throughout the scale, suggesting that the RBC proposed scale may be realistic, but that a more aggressive pre-marketing scale should be presented to prospective buyers. RBC agreed to the adjustment to the pre-marketing scale.

Prior to the release of the wire on November 8th, RBC reported that there had been no indications of interest at the pre-marketing scale, and that the tone of the market was not good. Consequently, Bond Bank staff, RBC and PFM agreed to make the 10 basis point upward adjustment in yields that had been discussed the previous morning.

Following the order period, RBC reported decent, if not overwhelming order flow. Several of the maturities were subscribed for one time. This included the 2019 through 2023 maturities, 2027 through 2029 and the 2036 and 2037 maturities. The 2024 maturity had a 50% subscription level, the 2035 maturity was nearly fully subscribed for and the 2038 maturity had two orders for all the bonds. The remaining maturities (2025, 2026 and 2030 through 2034) had no orders. This left an unsold balance of approximately $4.4 million.

To its credit, RBC was willing to underwrite the unsold balance with one minor structural adjustment. The RBC underwriter requested that the 2033 and 2034 maturities be combined into a 2034 term maturity, which, with a combined par of approximately $1.6 million, would be more easily marketed. Bond Bank staff agreed to that change and provided the verbal award to RBC.

The proceeds of the 2018 Series One Bond sale were provided to the City and Borough of Sitka to fund improvements to its airport as well as to Crescent Boat Harbor. Gross savings to the Borough as a result of borrowing through the Bond Bank are estimated at $872 thousand, or $612 thousand on a present value basis.

The bond sale closed on November 27th in Seattle. As always, it was a pleasure to serve the Bond Bank on this transaction. If you have any questions, please feel free to call me.

Sincerely,

Chip Pierce
Western Financial Group, LLC
(503) 719-6113

ANNUAL REPORT FROM THE CHAIRPERSON

Dear Fellow Alaskans:

On behalf of the entire Board of Directors, I am pleased to report that the Alaska Municipal Bond Bank Authority (Bond Bank) completed another year of saving Alaskans money by providing lower cost financing options during Fiscal Year 2018. Lending activity slowed in 2018 due to fewer municipal capital projects and changes in the federal tax code limiting refinancing opportunities. The Bond Bank is well prepared for this change in activity through the use of professional contractors and just two part-time staff that flex between the Bond Bank and other State of Alaska, Department of Revenue functions. As a result, the Bond Bank's operational expenditures in FY 2018 were less than half of the authorized budget. A few accomplishments we are proud of this year include:

- The issuance of $29.0 million in new municipal bonds and,
- the more than $3.4 million saved by Alaskans as a result of the reduction in bond interest rates.

Savings are realized by borrowers utilizing the Bond Bank's authority to capitalize on the financial strength of the State of Alaska to achieve high credit ratings and combine community bond issuances into larger more economic offerings which result in lower costs to issue bonds.

The Bond Bank operates by selling bonds with high credit ratings on the national market, and using the proceeds to purchase bonds from local governments and other authorized borrowers at the same rate. For 43 years, the Bond Bank has provided a lower cost alternative for authorized borrowers in financing capital improvement projects such as schools, water and sewer systems, public buildings, ports and harbors, hospitals, and public utilities.

Since 1975 the Bond Bank has facilitated 274 loans to Alaskan communities, a ferry authority, the University of Alaska, and two Regional Health Organizations to finance infrastructure projects. We find that borrowers rely on the Bond Bank primarily to lower loan interest rates and save money; however, borrowers also rely on the financial expertise of bond bank staff to ease the administrative burden on local officials. The monetary and time savings achieved by the borrowing communities has directly reduced local taxpayer burden. The State of Alaska also benefits when communities borrow through the Bond Bank at lower interest rates since the State of Alaska pays lower reimbursement rates for qualifying projects such as schools, transportation projects, and health care facilities.

We hope you share our pride in the Bond Bank's accomplishments in FY 2018 and we look forward to continuing to efficiently serve all Alaskan borrowers that seek our expertise and assistance in the future.

In accordance with Alaska Statute 44.85.100, the Bond Bank respectfully submits this report along with the attached FY 2018 audited financial statements and 2018 fully funded reserve certifications.

Sincerely,

Luke Welles

Luke Welles
Bond Bank Chairperson

ALASKA MUNICIPAL BOND BANK AUTHORITY

333 Willoughby Avenue, 11th floor
P.O. Box 110405
Juneau, Alaska 99811-0405

Tel (907) 465-2388
FAX (907) 465-2902
E-mail: ambba@revenue.state.ak.us

January 7, 2019

The Honorable Michael J. Dunleavy
Governor of the State of Alaska

The Honorable Pete Kelly
President of the Alaska State Senate

The Honorable Bryce Edgmon
Speaker of the Alaska House of Representatives

I, Luke Welles, Chairperson of the Alaska Municipal Bond Bank Authority Board, hereby certify pursuant to Alaska Statute 44.85.270g that the amount of funds necessary to restore the debt service reserves for fiscal year ended June 30, 2018 is as follows:

$0.00 Zero Dollars and Zero Cents

CERTIFICATE:	General Bond Resolution 2005 Adopted July 13, 2005
CERTIFICATE:	General Bond Resolution 2010 Adopted November 2, 2010
CERTIFICATE:	General Bond Resolution 2016 Adopted May 5, 2016

BY: Luke Welles

Luke Welles
Chairperson
Board of Directors
Alaska Municipal Bond Bank Authority

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

Financial Statements and Supplemental Schedule
without note disclosures

For the Six Month Period Ended December 31, 2018

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

Statement of Net Position and
Governmental Funds Balance Sheets

December 31, 2018

	General Fund	Debt Service Fund	Total	Adjustments	Statement of Net Position
ASSETS					
Cash and cash equivalents	$ 527,219	$ 9,228,680	$ 9,755,899	$ -	$ 9,755,899
Investments, at fair value	11,318,178	41,828,881	53,147,059	-	53,147,059
Accrued interest receivable:					
Bonds receivable	42,378	14,277,261	14,319,639	-	14,319,639
Investment securities	59,210	172,330	231,540	-	231,540
Bonds receivable	5,961,166	1,095,865,000	1,101,826,166	-	1,101,826,166
Other receivables	9,323	-	9,323	-	9,323
Interfund receivables	6,290,067	-	6,290,067	(6,290,067)	-
Total assets	$ 24,207,541	$ 1,161,372,152	$ 1,185,579,693	(6,290,067)	1,179,289,626
LIABILITIES					
Accounts payable	$ 73,014	$ -	$ 73,014	-	73,014
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	-	6,993,150	6,993,150	-	6,993,150
Long-term liabilities:					
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	-	-	-	1,032,795,000	1,032,795,000
Total liabilities	73,014	13,283,217	13,356,231	1,111,107,925	1,124,464,156
FUND BALANCES/NET POSITION					
Fund balances:					
Restricted	4,956,430	1,148,088,935	1,153,045,365	(1,153,045,365)	-
Unassigned	19,178,097	-	19,178,097	(19,178,097)	-
Total fund balances	24,134,527	1,148,088,935	1,172,223,462	(1,172,223,462)	-
Total liabilities and fund balances	$ 24,207,541	$ 1,161,372,152	$ 1,185,579,693		
Net position:					
Restricted				36,198,937	36,198,937
Unrestricted				18,626,533	18,626,533
Total net position				$ 54,825,470	$ 54,825,470

These financial statements have not been subjected to an audit, review or compilation engagement, and no assurance is provided on them.

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 Six Month Period Ended December 31, 2018

	General Fund	Debt Service Fund	Total	Adjustments	Statement of Activities
Revenues:					
Investment earnings	$ 181,819	$ 816,681	$ 998,500	$ -	$ 998,500
Interest income on bonds receivable	55,766	25,859,121	25,914,887	-	25,914,887
Total revenues	237,585	26,675,802	26,913,387	-	26,913,387
Expenditures / expenses:					
Debt service:					
Principal payments	-	50,735,000	50,735,000	(50,735,000)	-
Interest payments / expense	-	26,036,246	26,036,246	-	26,036,246
Professional services	147,561	-	147,561	-	147,561
Personal services	48,024	-	48,024	-	48,024
Administrative travel	3,344	-	3,344	-	3,344
Office expense	2,263	-	2,263	-	2,263
Total expenditures / expenses	201,192	76,771,246	76,972,438	(50,735,000)	26,237,438
Excess (deficiency) of revenues over expenditures / expenses	36,393	(50,095,444)	(50,059,051)	50,735,000	675,949
Other financing sources / (uses):					
Proceeds from issuance of bonds	-	12,070,000	12,070,000	(12,070,000)	-
Total other financing sources / (uses)	-	12,070,000	12,070,000	(12,070,000)	-
Net change in fund balance / net position	36,393	(38,025,444)	(37,989,051)	38,665,000	675,949
Fund balances / net position:					
Beginning of the year	24,098,134	1,186,114,379	1,210,212,513	(1,156,062,992)	54,149,521
End of the year	$ 24,134,527	$ 1,148,088,935	$ 1,172,223,462	$ (1,117,397,992)	$ 54,825,470

These financial statements have not been subjected to an audit, review or compilation engagement, and no assurance is provided on them.

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

Supplemental Schedule of Statutory Reserve Accounts - Assets, Liabilities, and Account Reserves

December 31, 2018

	2005 Resolution	2010 Resolution	2016 Resolution	Total
ASSETS				
Cash	$ 7,755,762	$ 39,837	$ 17,289	$ 7,812,888
Accrued interest receivable	136,314	1,180	34,836	172,330
Marketable securities	34,598,915	362,774	6,867,192	41,828,881
Interaccount receivables	-	-	44,758	44,758
Total Assets	$ 42,490,991	$ 403,791	$ 6,964,075	$ 49,858,857
LIABILITIES				
Accrued interest payable	$ 120,731	$ -	$ -	$ 120,731
Interaccount payables	4,917,877	11,442	-	4,929,319
Bond proceeds held in reserve	-	-	6,993,150	6,993,150
Bonds payable	7,135,000	-	-	7,135,000
Total Liabilities	12,173,608	11,442	6,993,150	19,178,200
RESERVES				
State appropriated	28,046,530	393,086	-	28,439,616
Unappropriated	2,732,787	5,194	54,624	2,792,605
Unrealized gain (loss)	(461,934)	(5,931)	(83,699)	(551,564)
Total Reserves	30,317,383	392,349	(29,075)	30,680,657
Total Liabilities & Reserves	$ 42,490,991	$ 403,791	$ 6,964,075	$ 49,858,857

These financial statements have not been subjected to an audit, review or compilation engagement, and no assurance is provided on them.

ALASKA MUNICIPAL BOND BANK AUTHORITY

333 Willoughby Avenue, 11th floor
P.O. Box 110405
Juneau, Alaska 99811-0405

Tel (907) 465-2388
FAX (907) 465-2902
E-mail: ambba@revenue.state.ak.us

TO: AMBBA Board Members
Luke Welles, Craig Chapman, Greg Samorajski,
Lamar Cotten, Jon Faulkner

DATE: March 13, 2019

FROM: Deven Mitchell, Executive Director **TELEPHONE:** 465-3750

Following are updates on items not covered in the March 21, 2019 Agenda:

In October 2018 a Request for Proposals was issued for Financial Advisory services. In November responses were received from Hilltop Securities and PFM. The responses were reviewed and scored in December by Luke Welles, Craig Chapman, Deven Mitchell, and Ryan Williams. After the subjective scoring was added to points for cost and the Alaska bidder's preference, which Hilltop Securities qualified for, PFM had less than one point higher ranking than Hilltop. In December Hilltop appealed the evaluation of their proposal and the appeal was denied by the procurement officer in early January. Chip Pierce, who was the primary individual named in the PFM proposal announced his upcoming retirement in January. Based on the close and somewhat contentious nature of the procurement and the lack of other individuals besides Mr. Pierce being named in the proposal Bond Bank staff determined that the procurement should be re-done. The new RFP will be released in March.

In December analysis determined that the City and Borough of Juneau, Wildflower Court revenue bond was overfunded by approximately $513 thousand. The diminished reserve requirement was the result of Wildflower Court's debt service shape with annual payments diminishing significantly after the December 2019 principal payment. Managing the release of these funds in consideration of operational challenges that Wildflower Court has been facing involved negotiations with CBJ, Bond Bank and Wildflower Court staff. The most appropriate use of funds was determined to be the pre-payment of calendar year 2019 debt service to ensure Wildflower Court will meet their bond's rate covenant. On December 21, 2018 $513,963 was transferred from the debt service reserve to the debt service account, proving for the partial pre-payment of 2019 debt service.

On January 17, 2019 a Request for Proposals was issued for Investment Management services. In February responses were received from Alaska Permanent Capital Management, US Bank, First National Bank Alaska, and Time Value Investments. The responses were reviewed and scored by Lamar Cotton, Deven Mitchell and Ryan Williams. In March offerors were allowed to provide a best and final fee proposal after subjective evaluation was complete. The final outcome will be determined on March 18, 2019.

On February 4, 2019 the Bank of New York was directed to optionally redeem $4,375,000 of Bond Bank reserve obligations originally issued to partially fund the 2005 Reserve requirement. The bonds otherwise matured between 2023 and 2029. Funds were transferred from the custodian account to provide for the redemption. Based on cash-flow projections the remaining unrestricted custodian account balance should be stable and the nominal benefit to the Bond Bank by pre-paying the bonds is $1,067,116.

Communities that have contacted the Bond Bank about potential future loans include the City and Borough of Juneau and the Kenai Peninsula Borough.

HilltopSecurities
A Hilltop Holdings Company.

Steven Kantor
Regional Managing Director

December 6, 2018

Ms. Dorie Choquette
Administrative Operations Manager
State of Alaska
Department of Revenue
Juneau, Alaska

Dear Ms. Choquette:

Please be advised that Hilltop Securities would like to protest the Notice of Intent to award RFP 2019-0400-4096 (the"RFP"). The RFP was issued to select a financial advisor for the Alaska Municipal Bond Bank Authority.

My address is 485 Madison Avenue, Suite 1800, New York, New York 10022.

My telephone number is 212.642.4350.

The basis of our protest is as follows. We believe that the evaluation of our proposal by the Proposal Evaluation Committee was unfair, inconsistent, and discriminatory. In particular, the evaluation by Mr. Luke Welles was unfair and inconsistent with the criteria articulated in the RFP.

Proposal Evaluation Committee	**Hilltop Securities**	**PFM Financial Advisors**
Deven Mitchell	37.00	50.00
Craig Chapman	38.00	48.00
Ryan Williams	30.00	49.00
Luke Welles	19.00	50.00
Total	**31.00**	**49.25**

You reported to us that each evaluation was completed independently. It is clear by the results in the table above that Mr. Welles evaluated the Hilltop proposal differently than the other 3 evaluators. Each of the other evaluators rated the technical part of our proposal from 30-37. It is apparent that Mr. Welles used a different standard as his scores are materially different than the other evaluators in evaluating the same questions. The employment of different standards by one evaluator is unfair and discriminatory.

A further examination into Mr. Welles's notes on his evaluation of the proposal confirms these inconsistencies in evaluation. For example, in the Mr. Welles evaluation of 5.03 2, he states "Will the

Bond Bank work with anyone in Alaska?" As we noted in our proposal, Hilltop has an office in Alaska, PFM does not have an office in Alaska. As a result, PFM does not have anyone in Alaska to work on this assignment. "Working with anyone in Alaska" was not a criteria of evaluation. Rather, the ability to provide services in Alaska was a criteria. Having an office in Alaska and being the number one ranked financial advisor in Alaska are demonstrations of a commitment to provide financial advisory services in Alaska.

Similarly, in Mr. Welles' notes for question 5.03.3, Mr. Welles asks "Will someone from Kodiak be expected to work on east coast time?" As we stated quite clearly in the proposal, Hilltop Securities is the number one ranked financial advisory firm in Alaska, and has been for many years. We have consistently demonstrated our ability to be responsive to all of our Alaska clients on Alaska time. If Mr. Welles has questions about our service, he could have consulted one of our many Alaskan references. At no time in our response did we infer or imply that we would be working on "east coast time". Mr. Wells gave PFM a score of 10 and Hilltop a score of 3, despite PFM not having an office in Alaska and Hilltop having substantial experience as an financial advisor in Alaska. There is no factual basis for such a wide disparity between the two scores on this question.

Another example of the inequity of the process occurs in Mr. Welles evaluation of question 5.04. Mr. Welles clearly did not recognize our experience in Alaska. His notes, which indicate his acceptance of our qualifications, contradict his scoring of our proposal, which was 10 out of 20. There was nothing in our response, nor his notes that justify such a score. Each of the other evaluators, using the same criteria evaluated our response to 5.04 at least 15 points, with one score 17 points.

Mr. Welles consistently focus on the lack of rural Alaska experience. First, the RFP does not request our experience in rural Alaska. Had we been asked, ,we would have responded with over 25 years of working with Alaska Housing Finance Corporation in such Alaskan communities as Bethel, Dutch Harbor, Wrangel and Barrow. It is not fair for Mr. Welles to substitute his own criteria to evaluate our proposal for the criteria stated in the RFP.

Mr. Welles's evaluation is ripe with these inconsistencies, and his scoring of our proposal reflects the inconsistency of his work that cannot be substantiated by the proposal. Given the scope of the inconsistencies and to preserve the integrity of the evaluation process, we believe that the appropriate action for the Department in this situation is to disqualify Mr. Welles's evaluation and rescore both responses using the scores of the remaining three evaluators. Under this scenario, the score in this section would be 35 for Hilltop and 49 for PFM. When the cost proposals and Alaska bidder's preferences are taken into account the totals would be 85 for Hilltop and 81.57 for PFM.

We appreciate you considering our request. Please call me if you have any questions on the information presented.

Sincerely yours,

Steven J. Kantor
Regional Managing Director

THE STATE
of ALASKA
GOVERNOR MICHAEL J. DUNLEAVY

Department of Revenue
ADMINISTRATIVE SERVICES DIVISION
333 Willoughby Avenue, 11th Floor
PO Box 110410
Juneau, Alaska 99801-0410
Main: 9074652313

Steve Kantor
Hilltop Securities, Inc.
485 Madison Avenue, Suite 1800
New York, NY 10022

Re: Response to Protest of RFP 2018-0400-4096 Notice of Intent to Award

Dear Mr. Kantor,

Thank you for your correspondence received December 7, 2018, regarding Hilltop Securities protest of the Notice of Intent to Award for RFP 2018-0400-4096: Financial Advisor Services.

I have conducted a review of the following concerns raised in the protest letter:

1. The evaluation of your proposal by the Proposal Evaluation Committee, was unfair, inconsistent, and discriminatory.
2. The evaluation by Mr. Luke Welles, was unfair and inconsistent with the criteria articulated in the RFP.

In full accordance with State Purchasing Regulations, specifically 2 AAC 12.260, (i), and (j) each member of the PEC received instruction consistent with the Regulations and Statutes prescribed. Each member of the PEC was deliberately chosen for their ability to provide an informed and thorough review of each proposal. Additionally, PEC members were required to agree with and sign a Non-Conflict of Interest Form.

With regards to the claim of bias on the part of Mr. Welles, the State disagrees. The evaluation of technical proposals, is a matter within the contracting agency discretion, since technical evaluators have considerable latitude in assigning ratings which reflect their subjective judgments of a proposal's relative merits. Evaluators may have different judgments as to a proposal's merits. PEC members are instructed to demonstrate independent judgment when evaluating proposals. One evaluator's scoring is not unreasonable merely because it is based on judgments different from those of other evaluators. PEC members have considerable latitude in assigning ratings which reflect their subjective judgments of a proposal's relative merits.

With regard to the claim that the evaluation by Mr. Welles was unfair and inconsistent with the criteria articulated in the RFP, the State disagrees. Notes by Mr. Welles, and a follow up interview in consideration of this protest do not substantiate this claim. The PEC consisted of four different people, from different parts of the State with deep knowledge and understanding of the Alaska Municipal Bond Bank Authority's business and mission with multiple perspectives considering the offers received. Additionally, 2 AAC 12.260 (f)(1) and (4), allows for additional evaluation factors that may be considered, including similar experience and past performance.

In consideration of this review, your request to disqualify Mr. Welles's evaluation scores and rescore both responses using the scores of the remaining three evaluators and award to Hilltop is denied. If you wish to appeal this decision you may do so in accordance with Alaska Statute 36.30.590.

Sincerely,

DChoquette

Dorie Choquette
Procurement Officer
Department of Revenue

cc: Brad Ewing, Administrative Services Director, Department of Revenue
Deven Mitchell, Executive Director, Alaska Municipal Bond Bank Authority

CITY AND BOROUGH OF JUNEAU, ALASKA
NONRECOURSE REVENUE AND REFUNDING BOND, 2012
(WILDFLOWER COURT, INC. PROJECT)

CERTIFICATE REGARDING PREPAYMENT

On March 6, 2012, the City and Borough of Juneau, Alaska (the "City and Borough") delivered its Nonrecourse Revenue and Refunding Bond, 2012 (Wildflower Court, Inc. Project) (the "2012 Bond") to the Alaska Municipal Bond Bank (the "Bond Bank") pursuant to a Loan Agreement between the City and Borough and the Bond Bank (the "Bond Bank Loan Agreement"). The 2012 Bond has a schedule of principal and interest on the 2012 Bond that is paid to The Bank of New York Mellon Trust Company, N.A. as Trustee to the Bond Bank (the "Bond Bank Trustee").

The City and Borough loaned the proceeds of the 2012 Bond to Wildflower Court, Inc. ("Wildflower") pursuant to a Loan Agreement between the City and Borough and Wildflower dated as of March 1, 2012 (the "Wildflower Loan Agreement"). Pursuant to the Wildflower Loan Agreement, Wildflower agreed to make the 1/6-1/12 payments to U.S. Bank National Association ("U.S. Bank") pursuant to a Trust Agreement dated as of March 1, 2012 between the City and Borough and U.S. Bank (the "Wildflower Trust Agreement").

On December 21, 2018, the City and Borough and Wildflower executed a Disbursement Direction directing the Bond Bank Trustee, as Depositary under the Reserve Depositary Agreement dated as of March 5, 2012 between the City and Borough, Wildflower and the Bond Bank Trustee (the "Depositary Agreement") to release excess reserve funds of $513,963.00 to the bond fund for the 2012 Bond to prepay debt service coming due in 2019 (the "Reserve Release"). The Bond Bank Trustee made such transfer of funds on January 3, 2019. The City and Borough and Wildflower intend that the Reserve Release will be applied to the payment of debt service on the 2012 Bond that would have become due in 2019. Since the payment of $513,963 was available in 2018, Wildflower's debt service payment obligation for 2019 has accordingly been reduced.

The Bond Bank and the Bond Bank Trustee agree that the remaining balance as of January 1, 2019 under the 2012 Bond is $4,240,000. In accordance with the original schedule of debt service for the 2012 Bond, a payment of interest on the 2012 Bond is due on June 1, 2019 and December 1, 2019, each payment being $60,062.50. In addition, a payment of principal in the amount of $1,465,000.00 is due on December 1, 2019.

U.S. Bank has advised us that it has on hand the amount of $132,197.85 (the payment made by Wildflower on December 15, 2018).

The parties hereto agree that the balance of funds required to be transmitted to the Bond Bank Trustee is $938,036.98. In accordance with the Wildflower Loan Agreement and the

Wildflower Trust Agreement, the monthly deposit (11-month amortization) required to be made to U.S. Bank is $85,276.08.

Dated this ____ day of __________, 20__.

Robert Bartholomew, Finance Director
City and Borough of Juneau, Alaska

Deven Mitchell, Executive Director
Alaska Municipal Bond Bank

Ruth Johnson, Administrator
Wildflower Court, Inc.

________________, __________
The Bank of New York Mellon Trust Company, N.A.

Thomas Zrust, Vice President
U.S. Bank National Association

SCHEDULE A

June 1, Interest	60,062.50	
December 1, Principal	1,465,000.00	
2019 Annual Debt Service		1,525,062.50
US Bank Cash on Hand (12/15/18 payment made)		(132,197.85)
December 1, 2019 Interest		60,062.50
BNY Cash on Hand (including reserve release)		(514,890.17)
Remaining 2019 Funds Required		**938,036.98**
11-month Amortization of Remaining Funds Required in 2019		**85,276.08**

502067767 v1

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Wildflower Court - 2012 One Bonds
Reserve Release Calculation

SOURCES AND USES OF FUNDS

Wildflower Court - 2012 One Bonds
Reserve Release Calculation

Sources:	
Bond Proceeds:	
Par Amount	513,962.50
	513,962.50

Uses:	
Refunding Escrow Deposits:	
Cash Deposit	513,962.50
	513,962.50

ESCROW SUFFICIENCY

Wildflower Court - 2012 One Bonds
Reserve Release Calculation

Date	Escrow Requirement	Net Escrow Receipts	Excess Receipts	Excess Balance
12/24/2018		513,962.50	513,962.50	513,962.50
06/01/2019	60,062.50		-60,062.50	453,900.00
12/01/2019	453,900.00		-453,900.00	
	513,962.50	513,962.50	0.00	

ESCROW COST

Wildflower Court - 2012 One Bonds
Reserve Release Calculation

Purchase Date	Cost of Securities	Cash Deposit	Total Escrow Cost
12/24/2018		513,962.50	513,962.50
	0	513,962.50	513,962.50

ESCROW REQUIREMENTS

Wildflower Court - 2012 One Bonds
Reserve Release Calculation

Period Ending	Principal	Interest	Total
06/01/2019		60,062.50	60,062.50
12/01/2019	445,000.00	8,900.00	453,900.00
	445,000.00	68,962.50	513,962.50

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February 4, 2019

The Bank of New York Mellon Trust Company, N.A.
ATTN: Gordon Fung
Corporate Trust
100 Pine Street, Suite 3200
San Francisco, CA 94111

Dear Mr. Fung:

The Alaska Municipal Bond Bank Authority ('AMBBA') is requesting notice be provided and action taken to optionally redeem $4,375,000 of AMBBA reserve obligation bonds, including all accrued interest through the call date of 3/8/2019.

Consider this letter direction to optionally redeem:

$2,220,000 in principal of the 2008 Series One AMBBA Reserve Obligation ($1,085,000 4/1/2023 Maturity, and $1,135,000 4/1/2028 Maturity), to be redeemed on 3/8/2019, including accrued interest through that date.

$820,000 in principal of the 2008 Series Two AMBBA Reserve Obligation ($400,000 6/1/2023 Maturity, and $420,000 6/1/2028 Maturity), to be redeemed on 3/8/2019, including accrued interest through that date.

$380,000 in principal of the 2009 Series One AMBBA Reserve Obligation ($185,000 9/1/2023 Maturity, and $195,000 9/1/2028 Maturity), to be redeemed on 3/8/2019, including accrued interest through that date.

$955,000 in principal of the 2009 Series Two AMBBA Reserve Obligation ($465,000 2/1/2024 Maturity, and $490,000 2/1/2029 Maturity), to be redeemed on 3/8/2019, including accrued interest through that date.

Please expeditiously provide required notices and optionally redeem maturities stated above.

Let me know if you have any questions or require additional information.

Sincerely,

Deven Mitchell
Executive Director
Alaska Municipal Bond Bank Authority
(907) 465-3750

CC: Luke Welles, Chairperson, AMBBA, Ryan Williams, Finance Director, AMBBA, Chip Pierce, PFM, Les Krusen, Orrick

	current	FY 19 Activity	End of FY 2019	FY 20 Activity	End of FY 2020	FY 21 Activity	End of FY 2021	FY22 Activity	End of FY 2022	FY 23 Activity	End of FY 2023
Custodian Reserve	11,884,010		7,828,900		7,620,894		7,803,777		7,711,194		6,681,509
Obligations											
optional redemption/ principal		4,375,000		430,000				235,000		1,155,000	
interest		117,757		84,550		69,500		63,625		28,875	
Investment Earnings		1,237,646		1,156,544		1,152,384		1,156,042		1,154,190	
Operating		800,000		850,000		900,000		950,000		1,000,000	
Loan											
Earnings assumption	0.02										

FY 2024 Activity	End of FY 2024		total Assets	annual earnings
	6,765,105	Current	61,882,308	1,237,646
		end of FY 2019	57,827,198	1,156,544
		end of FY 2020	57,619,192	1,152,384
		end of FY 2021	57,802,075	1,156,042
1,133,596		end of FY 2022	57,709,492	1,154,190
		end of FY 2023	56,679,807	1,133,596
1,050,000		end of 2024	56,763,403	1,135,268