# ALASKA MUNICIPAL BOND BANK AUTHORITY

# **BOARD OF DIRECTOR'S MEETING**

TO BE HELD AT:

Department of Revenue 333 Willoughby Ave., 11th Floor Juneau, AK 99801

Telephonic Access: 1-907-202-7104 with Code 507 624 615#

**November 6, 2023** 

9:30 am Alaska Time





333 Willoughby Avenue, 11<sup>th</sup> Floor P.O. Box 110405 Juneau, Alaska 99811-0405 Phone: (907) 465-2893 dor.trs.ambba@alaska.gov

# AGENDA FOR BOARD OF DIRECTOR'S MEETING Meeting Place:

Department of Revenue, Conf. Room, 333 Willoughby Ave., 11<sup>th</sup> Floor, Juneau, AK 99801 Telephonic Access: (907) 202-7104 With passcode 507 624 615# November 6, 2023, at 9:30 a.m. AK

- I. Call to Order
- II. Roll Call
- III. Public Meeting Notice
- IV. Approval of Agenda
- V. Minutes of the August 16, 2023, Meeting of the Board of Directors
- VI. General Business
  - A. AMBBA Review of Prior Authorization and Updates for the Municipality of Skagway Port Revenue Discussion
  - B. AMBBA Resolution No. 2023-01 A Series Resolution Authorizing the issuance of GO Bonds of the Bond Bank 2023 Series Three
  - C. Review of the Fiscal Year 2023 Final Audited Financial Statements
  - D. Executive Director's Report
- VII. Public Comments
- VIII. Board Comments
- IX. Adjournment

#### **STATUS: Active**

# NOTICE OF PUBLIC MEETING - AMBBA Board of Director's Meeting 11/6/2023

Meeting Place: Department of Revenue, Conf. Room, 333 Willoughby Ave., Floor 11, Juneau, Alaska 99801; For telephonic participation: (907) 202-7104, With pass code 507 624 615#; November 6, 2023, at 9:30 a.m. AK.

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

# AGENDA FOR BOARD OF DIRECTOR'S MEETING, AMBBA:

- I. Call to Order
- II. Roll Call
- III. Public Meeting Notice
- IV. Approval of Agenda
- V. Minutes of the August 16, 2023, Meeting of the Board of Directors
- VI. General Business
- A. AMBBA Review of Prior Authorization and Updates for the Municipality of Skagway Port Revenue -
- B. AMBBA Resolution No. 2023-01 A Series Resolution Authorizing the issuance of GO Bonds of the Bond Bank - 2023 Series Three
- C. Review of the Fiscal Year 2023 Final Audited Financial Statements
- D. Executive Director's Report
- VII. Public Comments
- VIII. Board Comments
- IX. Adjournment

#### Attachments, History, Details

#### **Attachments**

AMBBA Agenda 11-6-2023 FINAL.pdf

#### **Revision History**

Created 10/27/2023 2:30:46 PM by rswilliams

Modified 10/27/2023 2:31:18 PM by rswilliams

[Details]

#### Details

Department: Revenue

Category: **Agency Meetings** 

Sub-Category:

Location(s): Statewide

Project/Regulation #:

Publish Date: 10/27/2023 Archive Date: 11/7/2023

Events/Deadlines:



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

# MINUTES of the BOARD OF DIRECTORS MEETING

#### ALASKA MUNICIPAL BOND BANK AUTHORITY

August 16, 2023

## I. <u>CALL TO ORDER</u>

Luke Welles called the meeting to order on August 16, 2023, at 10:02 a.m. Alaska Time. Members participated at the State of Alaska, Department of Revenue, Small Conference Room, 333 Willoughby Ave, Floor 11, Juneau, AK 99801, and telephonically at 1-907-202-7104, with passcode 315 432 555#.

# II. ROLL CALL

Luke Welles
Bruce Tangeman
Fadil Limani
Micaela Fowler
Ken Koelsch

All members were present and there was a quorum.

## **OTHERS IN ATTENDANCE:**

- Ryan Williams, Executive Director, Alaska Municipal Bond Bank Authority
- Les Krusen, Bond Counsel to AMBBA, Orrick, Herrington & Sutcliffe LLP
- Fred Eoff, Financial Advisor to AMBBA, PFM
- Matt Schoenfeld, Financial Advisor to AMBBA, PFM
- Vasily Shportko, BDO Director, Independent Auditor to AMBBA

## III. PUBLIC MEETING NOTICE

**AMBBA Minutes** 

Meeting: August 16, 2023

Page 2

Mr. Williams reviewed the 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 August 8, 2023, on the Alaska Online Public Notice website for the August 16, 2023, meeting date.

## IV. <u>APPROVAL OF AGENDA</u>

The agenda was reviewed by the board. Mr. Welles asked if there were any comments. There were no comments and no objections to the agenda as written.

## V. <u>ELECTION OF OFFICERS FOR FISCAL YEAR 2024</u>

Mr. Tangeman moved to keep elected officers in the same positions in fiscal year 2024 as fiscal year 2023, with Mr. Welles as Chair, and Mr. Tangeman as Vice Chair. Ms. Fowler seconded the motion. Mr. Williams stated the need for renomination of a Treasurer and Secretary position, proposing Mr. Williams, to undergo the operations of the Bond Bank. Mr. Welles added an amendment to include Mr. Williams as Treasurer and Secretary. There were no additional comments and no objections by the Board to the original motion or amendment. There were five 'yes' votes and the amended motion passed unanimously by board members.

# VI. Minutes of the May 31, 2023, Meeting of the Board of Directors

The May 31, 2023, minutes of the AMBBA Board of Director's meeting were reviewed by the board. Mr. Koelsch moved to approve the May 31, 2023, minutes subject to corrections throughout the minutes, replacing instances of "made a motion" to "moved." Mr. Tangeman seconded the motion subject to those amendments. Mr. Welles asked if there were any comments. There were no comments and no objections. Mr. Williams conducted a roll call vote, and there were five 'yes' votes. The May 31, 2023, minutes, as amended, were approved unanimously by board members.

# VII. <u>GENERAL BUSINESS</u>

AMBBA Independent Audit – BDO Audit Planning Presentation for Fiscal Year 2023, by Vasily Shportko

Mr. Shportko presented the audit plan, as a required communication, by BDO for AMBBA's fiscal year 2023 independent audit. The audit plan presentation was

AMBBA Minutes Meeting: August 16, 2023 Page 3

> previously distributed to the Board for review. The presentation outlined responsibilities by management, oversight, and BDO's audit strategy related to any issuance of opinion on AMBBA's financial statements for the fiscal year ended June 30, 2023. Their opinion underlines risk and does not govern the internal control processes. Mr. Shportko walked through the considerations for review including comparisons to the prior year results, new issues, any prevalent risks, accounting pronouncements, procedures, and all related activity by the Bond Bank. Mr. Shportko noted the implementation consideration for GASB 96 for subscription-based IT arrangements and would be expecting an analysis by the Bond Bank for the new pronouncement. Mr. Welles asked for additional clarification on subscription-based arrangements. Mr. Shportko noted the implantation is somewhat similar to GASB 87 lease arrangement but concentrates on subscription-based commitments entered into by entities and would need to be reported. Mr. Shportko addressed all related significant risks to the authority that would be inspected. Mr. Shportko covered the audit timeline. Mr. Limani noted the effective date of December 2025 for implementation of the Quality Management standards by the AICPA Auditing Standards Board and asked Mr. Shportko if there was a plan by BDO for any early implementation, or if they are working to meet the deadline as stated. Mr. Shportko had knowledge of the firm's preparation for the updated Quality Management standards, but there is not a set date to know if early implementation would be an outcome. Mr. Welles thanked Mr. Shportko for the informative presentation.

# AMBBA – Kroll GO Credit Rating Released July 2023 – Discussion

Mr. Williams discussed a summary of the Kroll Rating report for the Bond Bank, which initiates the rating on Bond Bank GO bonds at 'AA-,' and believed it was an informative report covering many aspects of the program. Mr. Williams noted the importance of the one notch rating differential from the State of Alaska's GO rating ('AA' released by Kroll in conjunction with the Bond Bank report). Mr. Williams stated the one notch rating differential, which is discussed in the report, effectively shows a credit strength similar to a subject to appropriation credit due to the "advance funding" of an appropriation to backfill the reserve, if necessary. Mr. Tangeman asked Mr. Limani for additional feedback on the rating meetings and context on their approach in analyzing revenue streams of the state, including both oil and investment revenue, and specifically from the POMV adoption in 2019. Mr. Limani noted robust meeting discussions with all four rating agencies, including Kroll, who had not previously rated the State or Bond Bank. Mr. Limani noted an upgraded presentation at the State level and stated

AMBBA Minutes

Meeting: August 16, 2023

Page 4

there is still difficulty overcoming perspectives of rating analysts that benchmark our state to other state credits due to Alaska's unique revenue sources and other metrics, such as GDP on the pension side, that are used in the underlying analysis. Mr. Williams reiterated the difficulty in overcoming perspectives that arise during the rating process related to benchmarking the State's credit rating to others nationwide, especially on the revenue side of the equation. Mr. Limani noted the extensive process on the Kroll side and thanked Mr. Williams for working with their team during the rating initiation process.

Review of Fiscal Year 2024 Operating Budget

Mr. Williams provided a summary to the board regarding the FY2024 budget authority for AMBBA by line item. Mr. Williams mentioned that authority can be moved around per line item, but there has been increased scrutiny in and out of travel and justification would be required. Mr. Williams provided a breakdown of \$1,281,200 for AMBBA receipts, consisting of \$237,600 for personal services, \$24,500 for travel, \$1,015,300 for services, and \$3,800 for commodities. The budget also includes \$105,000 for services or 'restricted' designated receipts related to proceeds of the bond issues from regional health organizations. With both AMBBA receipts and services the grand total is \$1,386,200. Mr. Williams mentioned that AMBBA is a self-sufficient program where expenses are commensurate with actual annual activity and the budget authority was partially extended with the prior expansion of authority for lending to regional health organizations. Mr. Koelsch moved approval of the FY24 operating budget and was seconded by Mr. Tangeman. Mr. Welles asked if there were any comments. There were no comments and no objections. Mr. Williams conducted a roll call vote, and there were five 'yes' votes. The FY24 Bond Bank budget was approved unanimously by board members.

Executive Director's Report

Mr. Williams provided the following updates on items not covered in the August 16, 2023, Agenda:

The 6/30/2023 quarterly ethics report was filed with the Department of Law without any findings.

The contracts for Trustee (BoNY), Financial Advisor (PFM), Accounting Preparation / FS Compilation (Elgee Rehfeld), and Investment Manager (APCM)

AMBBA Minutes Meeting: August 16, 2023 Page 5

are being optionally extended for a year per the original RFPs. The contract for Arbitrage Rebate services (AMTEC) is being optionally extended for two years per the original RFP.

In March and April 2023, Kenai Peninsula Borough made final payments on outstanding direct loan obligations with the Bond Bank for their CKPH service area specialty clinic building (\$3.2 million, 2015 loan, and \$3.05 million, 2016 loan).

On July 21, 2023, Wildflower Court, in conjunction with AMBBA, CBJ and Bartlett Hospital ('BRH') optionally redeemed all remaining maturities associated with AMBBA's 2012 Series One bonds (December 1, 2023-2025 maturities, \$1,465,000 total principal, all were currently callable). Mr. Williams mentioned that the BRH was in the process of acquiring Wildflower Ct., which created the need to call those outstanding maturities. Mr. Williams noted that BRH was recently in the news regarding certain services provided and employee firings, so he would undergo due diligence through conversations with CBJ and BRH on compliance with their local ordinance, specific to outstanding debt through the Bond Bank.

Mr. Williams stated the Bond Bank's 2017-2B bonds, AMT portion, had undergone a routine examination by the IRS, and closed with no changes at the beginning of calendar year 2023. Mr. Williams stated that the Bond Bank's 2015-2B bonds, AMT portion, is currently undergoing a routine examination by the IRS, and he is currently working with the underlying communities associated with that Bond issuance and is responding to the IRS inquires.

Mr. Welles asked Mr. Williams to review the Trustee extension with BoNY. Mr. Williams noted that working under the confines of the procurement process, the Bond Bank would have either the option to extend again (in October 2024) if contract cap is beneath "dollar amount" requirements or undergo an RFP that would take effect after the expiration date of the current extension. Mr. Welles asked for a specific section in the next meeting to address Trustee and noted the inherent difficulty in switching Trustees as an issuer.

Mr. Welles asked Mr. Williams to review the unique structure of direct loans to the Kenai Peninsula Borough ('KPB'). Mr. Williams noted the direct loans to KPB for the Central Peninsula Hospital Special Clinic Building, in both 2015 and 2016, created, at that time, a direct investment option from the Bond Bank custodial **AMBBA Minutes** 

Meeting: August 16, 2023

Page 6

account to obtain a taxable rate in an environment where shorter-term governmental securities were yielding in the ballpark of 10 basis points or less. Also, the direct loan had a reasonable funding timeframe compared to waiting for pooling potential future loans into a larger issuance and fit a current need for KPB at that time.

Mr. Tangeman moved approval of the Executive Director's report, and was seconded by Mr. Limani. Mr. Welles asked if there were any comments. There were no comments and no objections. Mr. Williams conducted a roll call vote, and there were five 'yes' votes. The Executive Director's report was approved unanimously by board members.

# VIII. PUBLIC COMMENTS

There were none.

# IX. BOARD COMMENTS

Mr. Tangeman stated for the record that he has run a small consulting business for some time, and one of his current clients is the University of Alaska. He has worked on various projects at the University of Alaska and recently has concentrated on the potential of utilizing financing for deferred maintenance issues and backlogs. Mr. Tangeman noted that since the Bond Bank is an option for any future potential financings of the University of Alaska, he has asked Mr. Williams to reach out to the Department of Law on the best approach and outline to disclosing the conflict, what steps to take, and what physical waivers or underlying documentation may be necessary. Mr. Tangeman noted that the University has an underlying financial advisor, Hilltop Securities, and he has been concentrating on the policy aspects for approaching certain deferred maintenance projects.

# X. <u>ADJOURNMENT</u>

Mr.	Welles	adiourned	the meeting	without ob	iection at	t 10:46 a.m.	Alaska '	Time
TATT.	VVCIICS	adjourned	are meeting	williout ob	jection at	t 10.40 a.iii.	THUSING	THIC

Luke Welles, Chairperson	

# Alaska Municipal Bond Bank Application Credit Review Summary Page

Applicant:	Municipality of Skagway ("Skagway" or "the Municipality")
Loan Amount:	\$35,120,000 (maximum)
Project Type:	Ore Peninsula dock redevelopment
Project Description:	Skagway is redeveloping the Ore Peninsula dock located at the Port of Skagway (the "Port"). The project consists of constructing a cruise terminal floating dock and a roll-on roll-off industrial transfer bridge, relocating a marine fuel header and lines, and constructing associated upland improvements.
Term of Loan:	30 years
Revenues Pledged to Loan:	Port Enterprise Fund revenues and State shared Commercial Passenger Vessel ("CPV") revenue <sup>1</sup>
Most recent FY (2023) Net Pledged Revenues: <sup>2</sup>	\$4,993,574
FY 2024 Budgeted Net Pledged Revenues:	\$10,270,650
Estimated Maximum Annual Debt Service ("MADS") (2023 Series Three Loan):	\$2,412,913
2024 Estimated Annual Debt Service (existing Port revenue debt and 2023 Series Three Loan MADS):	\$4,383,251
Projected FY 2024 Pledged Debt Service Coverage Ratio: <sup>3</sup>	2.34x
Total Revenue Subject to Intercept:	\$6,387,609
Estimated MADS (all prior Bond Bank loans plus proposed 2023 Series Three loan):	\$5,878,913
Debt Service Coverage of AMBBA DS from Total Revenue Subject to Intercept:	1.09x
Loan Subject to State Debt Service Reimbursement:	No
No Litigation Letter Received:	Yes

 $^{1}$  It is expected that the Skagway Assembly transfer CPV revenues in an amount sufficient to maintain 1.25x coverage on debt service.

 $<sup>^2</sup>$  Represents Year to Date from 1/1/23 - 10/26/23

<sup>&</sup>lt;sup>3</sup> Coverage calculation assumes 2024 Budgeted Pledged Revenue figure.

# Loan Application Evaluation Municipality of Skagway

## Introduction

The Municipality of Skagway ("Skagway" or the "Municipality") has applied to the Alaska Municipal Bond Bank Authority (the "Bond Bank") for a Port Revenue Bond Loan totaling \$65,000,000. The Bond Bank financed \$29,880,000 of the request through the issuance of 2023 Series Two (AMT), with the remaining \$35,120,000 expected to be financed through the issuance of 2023 Series Three (AMT). Skagway will use its loan to redevelop the Ore Peninsula dock located at the Port of Skagway ("the Port"). 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

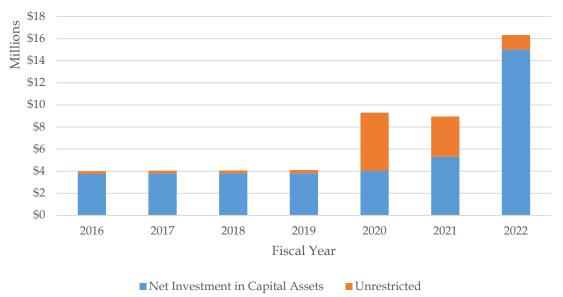
Skagway is seeking financing to redevelop the Ore Peninsula dock located at the Port of Skagway. The project consists of constructing a cruise terminal floating dock and a roll-on roll-off industrial transfer bridge, relocating a marine fuel header and lines, and constructing associated upland improvements. The improvements will accommodate larger cruise ships that are expected to port in Skagway and meet increased demand for ore export. The voters approved the issuance of the bond in the October 2022 election, with 58.2% voting "Yes". The total project cost is estimated to be \$75.2 million, for which voters approved \$65 million to be financed through the two bond issuances. In February 2023, \$29.88 million was financed through the Bond Bank's 2023 Series Two (AMT) Bonds.

#### **Port Operations and Fund**

Skagway operates the Port as an enterprise of the Municipality. Prior to 2023, income of the Port was limited. Through 2022, the facility was leased to the White Pass and Yukon Railroad. In March 2023, the Municipality took over the Port for the first time in several decades. Audited 2022 financials showed \$384,228 in revenue from rentals or leases in the Port Fund. Additionally, funds are transferred in from State shared Cruise Passenger Vessel Excise Tax revenue ("CPV revenue" or "Cruise Passenger revenue"). These revenues are deposited into the Excise Tax Special Revenue Fund and will be transferred to the Port as needed. Considering the current revenue limitations, the Port enterprise fund's net position is strong. A one-time transfer in FY 2020 due to the reclassification of port bond funds from the Capital Projects Fund to the Port Fund boosted unrestricted cash to over \$5.2 million. The Port has utilized these funds to start paying for project start-up costs.

FY 2023 marks the first year of full operations of the Port by the Municipality. The Port collects a vessel impact fee for each person ("per head") that disembarks the cruise ships. Details of the fee are described below. Other major revenue sources include cruise ship dockage and wharf & barge fees. Year-to-date (as of October 26, 2023) revenues have been stronger than the projections provided in their initial application. The original projections estimated \$6.9 million of Port revenues, while current, preliminary revenues total \$7.7 million (before CPV transfer).

Port of Skagway Net Position FY 2016 - 2022



As shown in the following table, budgeted, 2024 own-source net revenue debt service coverage is projected to be 2.34x in 2024.

					2024	
	$2020^{4}$	<b>2021</b> <sup>5</sup>	20226	2023 YTD <sup>7</sup>	Budget	
Operating Revenues <sup>8</sup>	\$127,200	\$190,800	\$384,228	\$7,741,818	\$14,584,400	
Operating Expenses	\$127,682	\$375,672	\$2,364,104	\$2,748,244	\$4,313,750	
Operating Income	(\$482)	(\$184,872)	(\$1,979,876)	\$4,993,574	\$10,270,650	
Transfers In <sup>9</sup>	\$5,194,224	(\$162,842)	\$9,353,887	\$3,673,185	-	
Cash Available for Debt	\$5,193,742	(\$22,030)	\$7,374,000	\$8,666,759	\$10,270,650	
Service	Φ3,193,742	(\$22,030)	\$7,374,000	фо,000,739	\$10,270,030	
Existing Port Debt Service	-	-	-	\$1,652,158	\$1,970,338	
2023 Series Three Loan Debt					\$2,412,913	
Service (est.) (assumes MADS)	-	-	-	-	Φ2,412,913	
Total Debt Service	-	-	-	\$1,652,158	\$4,383,251	
Net Own-Source Debt Service				2.02	2.24	
Coverage	-	-	-	3.02x	2.34x	
Total Net Debt Service				E 25.	2 242	
Coverage	-	-	-	5.25x	2.34x	

<sup>&</sup>lt;sup>4</sup> Fiscal Year End changed to 12/31 starting in 2021. 2020 figures represent a 6/30/20 FY end.

<sup>&</sup>lt;sup>5</sup> Source: Fiscal Year 2021 Audited Financial Statements. 2021 figures represent a year of activity, from 1/1/21 to 12/31/21.

 $<sup>^6</sup>$  Source: Fiscal Year 2022 Audited Financial Statements. 2022 figures represent a year of activity, from 1/1/22 to 12/31/22.

<sup>&</sup>lt;sup>7</sup> 2023 Year to Date represents 1/1/2023 - 10/26/2023.

 $<sup>^8</sup>$  2020 & 2021 actual revenues are generated solely from leases. 2023 & 2024 operating revenue projections include cruise ship dockage and passenger vessel impact fees.

<sup>&</sup>lt;sup>9</sup>2020 and 2022 transfers include State CPV shared revenue and capital contributions. 2023 transfers include expected state CPV funds, and excludes bond proceeds and other capital related activity.

The Port has budgeted for \$14,584,400 of total revenue in FY 2024, including \$1,550,000 in cruise dockage fees, \$432,000 of wharf and barge fees and \$11,484,000 in cruise passenger vessel impact fees. The 2024 budget is expected to be presented to the Assembly on November 2, 2023. Additionally, the Port expects to have additional CPV revenues to support debt service if there is a revenue shortfall and the debt service coverage ratio is not met (see "Security Pledge" section). The Port's full revenue projections are attached in Appendix B. FY 2024 represents the first season with the completed cruise ship dock, and operating expenses are expected to tick up, lowering operating income in the short term. However, this figure should improve, as revenue growth is projected to outpace expenditures.

The Municipality provided updated revenue projections through 2039 (see Appendix B). The assumptions used to build these projections are relatively conservative. The Municipality assumes that the expected cruise ships that come to port at the dock will be at 80% capacity. There is also a private dock located in the Port, and the assumption is that 50% of the ships will dock at the public dock, with the other 50% at the private facility. The Assembly approved a \$5 increase to the vessel impact fee for 2024, for a total of \$13 per head at the public dock. The per head vessel impact fee at the private dock is increasing to \$8, from a \$3 fee previously. Additionally, the State CPV fee charged to passengers is \$5 per head, which is collected by the cruise ship, paid to the State, and redistributed to the Municipality. The increases are included in the projections provided in Appendix B.

# **Security Pledge**

Skagway will pledge all future Port Enterprise Fund revenues for repayment of the Bond Bank loan. The Port Enterprise Fund revenues are not currently pledged to any outstanding debt other than the Bond Bank's 2023 Series Two bonds. FY 2023 year-to-date revenue has exceeded projections and is generating enough net revenue to meet debt service requirements. Skagway's additional bonds test requires 1.25x coverage. To meet the 1.25x additional bonds test, in addition to Port generated revenues, Skagway intends transfer CPV revenues in an amount sufficient to meet future coverage. The Municipality will also fund a local debt service reserve equal to the lesser of 10% of par, 125% of average annual debt service, or maximum annual debt service. We project the reserve requirement for the 2023 Series Three Bonds to be approximately \$2,412,913, which is expected, in part, to be cash funded.

#### **State Aid**

In addition to the pledge of all Port Enterprise Fund revenues and fees net of operating expenses, the Bond Bank has the ability to intercept state-shared revenues that would otherwise flow to the Municipality. This is an additional source of security for this loan. The table below summarizes the revenues subject to intercept, along with the maximum annual debt service on the Municipality's bonds, including this proposed loan. Note that CPV revenues are subject to the intercept.

Shared Taxes and Fees	\$3,673,185
Reimbursement and Other Education Funding	-
Education Support Funding	\$1,283,827
Active Matching Grants	\$1,100,000
Community Jails	-
PILT Transfers	-
Revenue Sharing	\$330,597
Total Revenue Subject to Intercept	\$6,387,609
Other Fiscal Year 2024 Debt Service	\$3,466,000
Maximum Annual Debt Service on Proposed Loans (est)	\$2,412,913
Total Estimated Debt Service	\$5,878,913
Debt Service Intercept Coverage	1.09x

# **Future Capital Plans**

While the Municipality does not have any additional planned financings, there is the possibility of needing additional capital to complete the project.

## **Statement of No Litigation**

Skagway has provided a letter of no litigation in connection with their initial application which states in part that: There is no litigation pending or threatened in any court in any way: (1) affecting the corporate existence of the Municipality...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 an interest on the bonds or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the bonds or of the loan agreement between the applicant and the Bond Bank, or contesting the power of the Municipality with respect to the bonds; (2) There is no litigation against the Municipality or involving any of the property or assets under control of the Municipality... which would result in any material change in the revenues properties or assets, or in the condition, financial or otherwise, of the Municipality.

#### Summary

Based on our assessment, the security offered by Skagway, as set forth in the Municipality's loan application and supplemental materials, and projected revenue generated by the Port upon project competition, provides sufficient security to justify approval of the application. The security for this loan, which is primarily provided by a pledge of Skagway's Port enterprise revenues, is enhanced by the deposit of a debt service reserve fund with the Bond Bank trustee. This security is augmented by the State's ability to intercept state revenues that would otherwise flow to the Municipality.

We recommend approval of this loan application. If any of the Board members have questions regarding our analysis prior to the board meeting, please feel free to call me at (206) 858-5370.

# For PFM Financial Advisors LLC

-JAR. EN

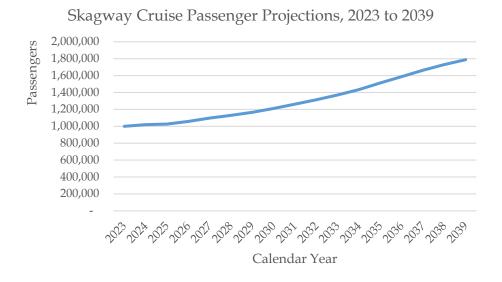
Fred Eoff, Director

# Appendix A - Municipality of Skagway Community Economic and Demographic Information<sup>10</sup>

Located in the upper Lynn Canal and considered the northernmost point in Southeast Alaska, the Municipality of Skagway is 80 air miles from the City and Borough of Juneau, Alaska, and 110 miles by road from Whitehorse, Yukon Territory, Canada. As of 2021, Skagway's population is 1,203, having grown slightly from 1,155 in 2017. The Port of Skagway is the northernmost ice free, deep-water port in North America and serves as a year-round transportation hub between Alaska, the Yukon Territory, Northern British Columbia, the Northwest Territories and Europe.

The Port of Skagway is the community's primary economic development resource and includes three deep-water docks (two within the Skagway tidelands lease boundary), a barge cargo facility and storage yard, the State of Alaska's ferry terminal and dock, and a small boat harbor, as well as small commercial ventures. Cruise ships arriving in the summer months (primarily May - September), ore barges, and fuel barges are served on the main docks of Skagway. The current ferry dock accommodates ferries managed by the Alaska Marine Highway System, small cruise ships, and commercial vessels. The small boat harbor provides for recreation and commercial vessels for citizens from Skagway and into the Yukon.

Skagway represents one of three marquee Alaska ports that serve to draw cruise passengers to the region throughout the summer months. The figure below shows Skagway's projected passenger growth from 2023 through 2039.<sup>11</sup> A conservative capture rate of 76.2%, which is the 10-year trend for Skagway, was used to show the projection range growing to between 1.634 million and 2.044 million in 2039. Growth is 2.6% - 3.7% per annum over the period. This growth is attributable to the desire of existing and new cruise brands serving a variety of demographics to deploy vessels and increase their capacity in Alaska.



<sup>10</sup> Source: Municipality of Skagway11 Source: Municipality of Skagway

Due to trends towards larger cruise ships and more cruise visitors, Skagway can expect the average vessel to increase in physical size and passenger capacity over time as well, growing from some 2,268 passengers per call on average in 2020, to more than 3,798 per call in 2039. Thus, existing port facilities and upland tourism infrastructure must be built to accommodate these increasing demands. Overall, it is estimated that cruise calls will grow from 452 to as many as 538 in 2039. A majority of the passenger growth is expected to occur through larger vessels and not just a higher volume of current format ships.

# Appendix B - Municipality of Skagway - Strategic Planning and Execution of Cruise Related Activities Financial Projections

Municipality of Skagway Strategic Planning and Execution of Cruise Related Ac Financial Projections @ 80% Capacity	ctivities																
10/26/2023	CY																
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Revenues																	
Cruise Dockage	\$1,452,000	\$1,542,750	\$1,583,086	\$1,664,268	\$1,761,441	\$1,848,336	\$1,946,092	\$2,062,806	\$2,192,468	\$2,328,134	\$2,478,284	\$2,643,966	\$2,844,133	\$3,044,467	\$3,254,184	\$3,453,512	\$3,640,969
Cruise Passenger Vessel Impact Fee	\$5,250,000	\$11,475,000	\$11,686,256	\$12,252,224	\$12,933,040	\$13,535,484	\$14,214,647	\$15,029,005	\$15,933,933	\$16,878,512	\$17,923,882	\$19,076,980	\$20,473,605	\$21,865,725	\$23,319,545	\$24,693,427	\$25,977,448
State Cruise Passenger Vessel Shared Revenue	\$3,660,000	\$5,000,000	\$5,130,727	\$5,288,074	\$5,487,093	\$5,644,882	\$5,826,894	\$6,055,250	\$6,309,672	\$6,568,727	\$6,855,264	\$7,170,157	\$7,561,755	\$7,935,675	\$8,316,000	\$8,652,333	\$8,943,120
Total Cruise Revenue	\$10,362,000	\$18,017,750	\$18,400,068	\$19,204,566	\$20,181,574	\$21,028,702	\$21,987,633	\$23,147,061	\$24,436,073	\$25,775,373	\$27,257,430	\$28,891,103	\$30,879,493	\$32,845,867	\$34,889,729	\$36,799,272	\$38,561,538
Metrics																	
Total Estimated Passengers	1,000,000	1,020,000	1,026,145	1,057,615	1,097,419	1,128,976	1,165,379	1,211,050	1,261,934	1,313,745	1,371,053	1,434,031	1,512,351	1,587,135	1,663,200	1,730,467	1,788,624
Gross revenue per passenger	\$10.36	\$17.66	\$17.93	\$18.16	\$18.39	\$18.63	\$18.87	\$19.11	\$19.36	\$19.62	\$19.88	\$20.15	\$20.42	\$20.70	\$20.98	\$21.27	\$21.56
Debt Service & Operating Expenditures																	
Debt Service (principal & interest)	\$1,700,000	\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000
% of projected Cruise Revenue	16.4%	25.0%	24.5%	23.4%	22.3%	21.4%	20.5%	19.4%	18.4%	17.5%	16.5%	15.6%	14.6%	13.7%	12.9%	12.2%	11.7%
Subtotal operating expenses Other CPV Xfrs to Operating Budgets: water/sewer,	4,900,000	4,124,100	4,208,318	4,291,802	4,378,479	4,463,312	4,549,556	4,637,835	4,727,571	4,818,169	4,910,275	5,003,914	5,100,405	5,197,171	5,294,890	5,392,236	5,489,216
garbage, fire, police, visitor, public works	2,000,000	2,050,000	2,101,250	2,153,781	2,207,626	2,262,816	2,319,387	2,377,372	2,436,806	2,497,726	2,560,169	2,624,173	2,689,778	2,757,022	2,825,948	2,896,596	2,969,011
Total Expense - \$65M	8,600,000	10,674,100	10,809,568	10,945,584	11,086,105	11,226,129	11,368,943	11,515,207	11,664,377	11,815,895	11,970,444	12,128,088	12,290,182	12,454,193	12,620,837	12,788,833	12,958,228
Estimated Net Revenues @ \$65M Debt Service	1,762,000	7,343,650	7,590,500	8,258,982	9,095,470	9,802,573	10,618,690	11,631,854	12,771,696	13,959,478	15,286,986	16,763,015	18,589,311	20,391,674	22,268,892	24,010,440	25,603,311
	2.04	2.63	2.69	2.84	3.02	3.18	3.36	3.58	3.84	4.10	4.40	4.73	5.13	5.53	5.95	6.34	6.69

# ALASKA MUNICIPAL BOND BANK RESOLUTION NO. 2023-01

A SERIES RESOLUTION AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS, 2023 SERIES THREE OF THE ALASKA MUNICIPAL BOND BANK

**ADOPTED ON NOVEMBER 6, 2023** 

# **TABLE OF CONTENTS**

	Page
Article I AUTHORITY AND DEFINITIONS	1
Section 101 - Series Resolution.	1
Section 102 - Definitions.	1
Article II AUTHORIZATION OF 2023 Bonds	4
Section 201 - Principal Amount, Designation and Series.	
Section 202 - Purposes of the 2023 Bonds.	
Section 203 - Date, Maturities and Interest Rates.	
Section 204 - Interest Payments.	
Section 205 - Denominations, Numbers and Other Designation.	
Section 206 - Securities Depository	
Section 207 - Places and Manner of Payment	7
Section 208 - Optional Redemption.	7
Section 209 - Mandatory Redemption.	7
Section 210 - Sale of 2023 Bonds.	
Section 211 - Preliminary Official Statement and Official Statement.	8
Article III DISPOSITION OF BOND PROCEEDS	9
Section 301 - Disposition of Proceeds for Loan Purposes.	
Section 302 - Reserve Fund Deposit; Credit Enhancement.	9
Section 303 - Disposition of Remainder of Bond Proceeds	10
Article IV EXECUTION AND FORM OF 2023 Bonds	10
Section 401 - Execution and Form of 2023 Bonds.	10
Article V MISCELLANEOUS	15
Section 501 - Paying Agent.	
Section 502 – Arbitrage Rebate.	15
Section 503 - 2023 Series Three Debt Service Accounts.	15
Section 504 - Tax Exemption and General Tax Covenant	16
Section 505 - Arbitrage Covenant	
Section 506 - Resolution Clarification.	
Section 507 - Loan Agreements.	
Section 508 - Continuing Disclosure.	
Section 509 - Chairman and Executive Director	
Section 510 - Effective Date.	17
Appendix A – Blanket Issuer Letter of Representations	
Appendix B – Form of Continuing Disclosure Certificate	
Appendix C Form of Lon Agreement C1	

# ALASKA MUNICIPAL BOND BANK RESOLUTION NO. 2023-01

# A SERIES RESOLUTION AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS, 2023 SERIES THREE 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 \$35,120,000 (or otherwise as provided in Section 201 hereof), to be designated "Alaska Municipal Bond Bank General Obligation Bonds, 2023 Series Three," 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 "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 Series Resolution and with respect to the hereinafter defined 2023 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) "<u>Bank</u>" shall mean the Alaska Municipal Bond Bank (in the Act also referred to as the "Alaska Municipal Bond Bank Authority").
- (3) "Beneficial Owner" shall mean the person in whose name a 2023 Bond is recorded as the beneficial owner of such 2023 Bond by the respective systems of The Depository Trust

AMBB - 2023 Series Three Bonds Series Resolution No. 2023-01 Company and Depository Trust Company Participants or the Holder of a 2023 Bond if such 2023 Bond is not then held in book-entry form pursuant to Section 206.

- (4) "Bond Purchase Agreement" shall mean 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 2023 Bonds.
- (5) "<u>Bond Year</u>" shall mean each one-year period that ends on an anniversary of the date of issue of the 2023 Bonds.
  - (6) "Chairman" shall mean the chairman of the Board of Directors of the Bank.
- (7) "Code" shall mean the Internal Revenue Code of 1986, together with all regulations applicable thereto.
- (8) "Continuing Disclosure Certificate" shall mean the Continuing Disclosure Certificate executed by the Bank and dated the date of issuance and delivery of the 2023 Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.
- (9) "<u>Depository Trust Company</u>" or "<u>DTC</u>" 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.
- (10) "<u>Depository Trust Company Participant</u>" or "<u>DTC Participant</u>" shall mean a trust company, bank, broker, dealer, clearing corporation and any other organization that is a participant of Depository Trust Company.
- (11) "Excess Investment Earnings" shall mean the amount of investment earnings on gross proceeds of the 2023 Bonds determined by the Bank to be required to be rebated to the United States of America under the Code.
- (12) "<u>Letter of Representations</u>" shall mean the Blanket Issuer Letter of Representations, dated April 15, 2019, from the Bank to DTC, a copy of which is attached hereto as Appendix A, and the operational arrangements referred to therein.
- (13) "Loan Agreement" shall mean the following agreement pertaining to the repayment of a Loan or Loans to the related Governmental Unit as provided for herein: the agreement by and between the Bank and Skagway Borough, Alaska ("Skagway") to finance a portion of the costs of port and related upland improvements (the "Skagway Project").
  - (14) "Municipal Advisor" shall mean PFM Financial Advisors LLC.
  - (15) "Official Statement" shall have the meaning assigned thereto in Section 211 hereof.

- (16) "<u>Preliminary Official Statement</u>" shall have the meaning assigned thereto in Section 211 hereof.
- (17) "Record Date" shall mean the date fifteen calendar days preceding each interest payment date with respect to the 2023 Bonds of one or more series.
- (18) "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.
- (19) "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.
- (20) "<u>Underwriter</u>" shall mean RBC Capital Markets, LLC, the underwriter of one or more series of the 2023 Bonds.
- (21) "2023 Bond Credit Enhancement" shall mean a Credit Enhancement, if any, issued by a 2023 Bond Insurer on the date of issuance of the 2023 Bonds for the purpose of further securing the payment of the principal of and interest on all or a portion of one or more series of 2023 Bonds.
- (22) "2023 Bond Insurer" shall mean a monoline insurance company, if any, selected by the Chairman or the Executive Director to provide a 2023 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 2023 Bonds.
- (23) "2023 Bonds" shall mean the Alaska Municipal Bond Bank General Obligation Bonds, 2023 Series Three and such other Series of Bonds authorized in Article II hereof.
- (24) "2023 Reserve Fund Credit Enhancement" shall mean the Credit Enhancement, if any, issued by a Surety Bond Issuer on the date of issuance of the 2023 Bonds for the purpose of satisfying a portion of the Reserve Fund Requirement.
- (25) "2023 Reserve Fund Credit Enhancement Agreement" shall mean if a 2023 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.

(26) "2023 Series Three Debt Service Account" shall mean the debt service account of that name established pursuant to Section 503 hereof.

# ARTICLE II AUTHORIZATION OF 2023 BONDS

# Section 201- Principal Amount, Designation and Series.

Pursuant to the provisions of the Resolution, a Series of Bonds designated as "Alaska Municipal Bond Bank General Obligation Bonds, 2023 Series Three" is hereby authorized to be issued in an aggregate principal amount not to exceed \$35,120,000. The Chairman or the Executive Director, in consultation with the Bank's Municipal Advisor, shall determine the number of series and the series names and designations and the aggregate principal amount of the 2023 Bonds of each series, provided that the aggregate principal amount of all 2023 Bonds issued pursuant to this Series Resolution does not exceed \$35,120,000.

The Chairman or the Executive Director is authorized hereby to change the designations of the 2023 Bonds, and/or to establish additional series of 2023 Bonds and to determine designations thereof.

# Section 202- Purposes of the 2023 Bonds.

The purposes for which the 2023 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 2023 Bonds.

## Section 203- Date, Maturities and Interest Rates.

- (1) The 2023 Bonds of each series shall be dated the date the 2023 Bonds of such series are delivered to the Underwriter thereof, subject to the terms and conditions set forth in this Series Resolution and in the applicable Bond Purchase Agreement. Subject to adjustment as provided for in this Section 203, the 2023 Bonds of each series shall mature, or have Sinking Fund Installments due, on the date(s) in each of the years and in the principal amounts to be set forth in the applicable Bond Purchase Agreement.
- (2) The number of series of 2023 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, interest rates and payment dates of the 2023 Bonds of each series shall be fixed and determined by the Chairman or by the Executive Director at the time the applicable Bond Purchase Agreement is executed and delivered, pursuant to Section 210 hereof, but subject to the limitations set forth in Sections 201 and 210 hereof.

# Section 204- Interest Payments.

The 2023 Bonds of each series shall bear interest from their date of delivery to the Underwriter thereof, payable on such date or dates as may be fixed and determined by the Chairman or the Executive Director at the time the applicable Bond Purchase Agreement is executed and delivered. 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 2023 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 2023 Bonds authorized herein. The 2023 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 2023 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 2023 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 2023 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 2023 Bonds of a series, together with a written request of an Authorized Officer and a supply of new 2023 Bonds of such series, authenticate a single new 2023 Bond for the Outstanding 2023 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 2023 Bonds of such series may then be transferred to any person or entity as provided in the Resolution and the 2023 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 2023 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 2023 Bonds of such series by the Trustee, together with a written request of an Authorized Officer to the Trustee, new 2023 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.

- For so long as the 2023 Bonds are held in book-entry form under this Section, the (5)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 2023 Bonds registered in its name for the purposes of payment of principal or Redemption Price of and interest on such 2023 Bonds, selecting such 2023 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 2023 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 2023 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 2023 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 2023 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 2023 Bonds only to or upon the order of DTC, 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 2023 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 2023 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 2023 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 2023 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 2023 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 2023 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 2023 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 2023 Bonds will be payable at the corporate trust office of the Trustee upon surrender of the 2023 Bonds representing such principal. Both principal of and interest on the 2023 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.

- (1) The Chairman and the Executive Director are, and each of them is, hereby authorized to determine the optional redemption provisions, if any, for the 2023 Bonds of each series, and such provisions shall be included in the applicable Bond Purchase Agreement and in the form of the 2023 Bonds of such series.
- Unless otherwise determined by the Chairman or Executive Director by the time the applicable Bond Purchase Agreement is executed and delivered, 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 2023 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 2023 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.

(1) The Chairman or the Executive Director are, and each of them is, hereby authorized to approve the mandatory redemption provisions, if any, for the 2023 Bonds of each series that are

term bonds, and such provisions shall be included in the applicable Bond Purchase Agreement and in the 2023 Bonds of such series and maturity.

(2) Unless otherwise determined by the Chairman or Executive Director by the time the applicable Bond Purchase Agreement is executed, 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 2023 Bonds to be redeemed.

#### Section 210- Sale of 2023 Bonds.

- (1) The 2023 Bonds of each series shall be sold to the Underwriter thereof pursuant to the terms of a Bond Purchase Agreement, as determined by the Executive Director or the Chairman after consulting with the Municipal Advisor. The Chairman and the Executive Director are, and each of them is, hereby authorized to (i) approve, execute and deliver one or more Bond Purchase Agreements, in each case with terms consistent with the provisions of this Series Resolution; (ii) determine the number of series of 2023 Bonds, and the name and designation of each such series, and for each series of 2023 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 2023 Bonds shall not exceed \$35,120,000; (B) the true interest cost on the 2023 Bonds shall not exceed 6.50 percent. Prior to the execution and delivery of a Bond Purchase Agreement, the Chairman or the Executive Director, with the assistance of the Municipal Advisor, shall take into account those factors that, in their judgment, will result in the lowest true interest cost of the 2023 Bonds of each series.
- (2) 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 Series Resolution.

#### Section 211- Preliminary Official Statement and Official Statement.

(1) 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 preliminary official statement for the 2023 Bonds of one or more series (including any supplements and amendments thereto prior to the execution and delivery of the applicable 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 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 2023 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.

(2) 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.

Upon the delivery of the 2023 Bonds, the Bank shall apply, in accordance with Article V of the Resolution, proceeds derived from the sale of the 2023 Bonds (i) to make a Loan to Skagway in an aggregate principal amount not to exceed \$35,120,000, to finance a portion of the costs of the Skagway Project, to make a deposit to Skagway's reserve account securing such Loan (if applicable) and to pay Skagway's costs of issuance related thereto; (ii) to satisfy the Reserve Fund Requirement as provided in Section 302 hereof; and (iii) to finance costs of issuance of the 2023 Bonds.

# Section 302- Reserve Fund Deposit; Credit Enhancement.

- (1) On or before the date of sale of the 2023 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 2023 Bonds of such series, (3) a 2023 Reserve Fund Credit Enhancement or (4) a combination of cash, proceeds from the sale of the 2023 Bonds and/or a 2023 Reserve Fund Credit Enhancement, to satisfy the Reserve Fund Requirement upon delivery of the 2023 Bonds, and shall cause such deposits and/or purchase to be made on or before the date of delivery of the 2023 Bonds.
- (2) In the event a deposit to the Reserve Fund is required to satisfy the portion of the Reserve Fund Requirement related to the 2023 Bonds, the Chairman and the Executive Director are each hereby authorized to determine whether to satisfy such requirement by depositing with the Trustee a 2023 Reserve Fund Credit Enhancement in the form of a debt service reserve surety bond; to select a Surety Bond Issuer and purchase such 2023 Reserve Fund Credit Enhancement; and, to negotiate, approve, execute and deliver a 2023 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 Municipal Advisor, are advisable and in the best interest of the Bank.
- (3) 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.

(4) The Chairman and the Executive Director are each hereby authorized to determine whether purchasing a 2023 Bond Credit Enhancement for any of the 2023 Bonds is in the best interest of the Bank and if so, to solicit commitments for such 2023 Bond Credit Enhancement with respect to payment of the interest on and principal of all or a portion of the 2023 Bonds and thereafter to accept one or more such commitments that are in the best interest of the Bank, to purchase such 2023 Bond Credit Enhancement, and to negotiate, approve, execute and deliver a 2023 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 Municipal 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 2023 Bonds, including any premium received over the principal amount of the 2023 Bonds, after deducting the amounts to be paid for costs of issuing the 2023 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 related Loan Agreement) or such other permitted purpose, including costs of the projects financed or refinanced with proceeds of the 2023 Bonds.

# ARTICLE IV EXECUTION AND FORM OF 2023 BONDS

# Section 401 - Execution and Form of 2023 Bonds.

The 2023 Bonds shall be executed in the manner set forth in Section 303 of the Resolution. Subject to the provisions of the Resolution, the 2023 Bonds, and the Trustee's certificate of authentication, shall be of substantially the following form and tenor:

# ALASKA MUNICIPAL BOND BANK GENERAL OBLIGATION BONDS, 2023 SERIES THREE

INTEREST RATE:%	MATURITY DATE: 1, 20	CUSIP NO.
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 June 1 and December 1, commencing June 1, 2024. 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 2023 Series Three 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 "2023 Series Three Bonds") issued in the aggregate principal amount of \$\_\_\_\_\_ under the Resolution of the Bank and a series resolution of the Bank, adopted on November 6, 2023, and entitled "A Series Resolution Authorizing the Issuance of General Obligation Bonds, 2023 Series Three 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 2023 Series Three Bonds; the nature, extent and manner of enforcement of such pledges; the rights and remedies of the registered owners of the 2023 Series Three 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 2023 Series Three Bonds are subject to redemption prior to their respective scheduled maturities as set forth below.

The 2023 Series Three 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 2023 Series Three 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 2023 Series Three 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 2023 Series Three 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 2023 Series Three 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 2023 Series Three 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 2023 Series Three Bonds are issuable in the denomination of \$5,000 or any integral multiple thereof, not exceeding the aggregate principal amount of 2023 Series Three 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, 2023 Series Three 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 2023 Series Three 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 2023 Series Three Bond 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 2023 Series Three 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 2023 Series Three 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 2023.

[SEAL]	ALASKA MUNICIPAL BOND BANK
	LUKE WELLES Chairman
ATTEST:	
RYAN S. WILLIAMS 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 2023 Series Three Bonds of the Alaska Municipal Bond Bank.

# 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 2023 Bonds.

## Section 502 – Arbitrage Rebate.

If any of the 2023 Bonds are issued on a tax-exempt basis, except as otherwise provided in the Bank's 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 2023 Bonds issued on a tax-exempt basis 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 related to such 2023 Bonds issued on a tax-exempt basis.

#### Section 503 - 2023 Series Three Debt Service Accounts.

There is hereby established as a special account in the Debt Service Fund the "2023 Series Three Debt Service Account," for the purpose of receiving amounts in the Debt Service Fund allocable to the 2023 Series Three Bonds; provided, that if so determined by the Chairman or Executive Director, separate debt service accounts for any additional series of 2023 Bonds are hereby authorized to be established. Such amounts and the earnings thereon shall be deposited and held, and separately accounted for, in the 2023 Series Three Debt Service Account.

# Section 504 - Tax Exemption and General Tax Covenant.

The Bank intends that interest on any 2023 Bonds issued on a tax-exempt basis 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. If any 2023 Bonds are issued as tax-exempt bonds, 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 such 2023 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.

If any 2023 Bonds are issued on a tax-exempt basis, the Bank shall make no use or investment of the gross proceeds of such 2023 Bonds issued on a tax-exempt basis which will cause such 2023 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 2023 Bonds issued on a tax-exempt basis are outstanding, the Bank, with respect to the gross proceeds of such 2023 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 November 6, 2023, 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 form of 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 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 Series Resolution, the Resolution or the 2023 Bonds; however, the Beneficial Owner of any 2023 Bond may bring an

action for specific performance, to cause the Bank to comply with its obligations under the Continuing Disclosure Certificate and this Section.

### Section 509 - Chairman and Executive Director.

The Chairman and the Executive Director are, and each is, hereby authorized to execute all documents and to take any action necessary or desirable to carry out the provisions of this Series Resolution and to effectuate the issuance, delivery and management of the 2023 Bonds, including the approval, execution and delivery of one or more of the Bond Purchase Agreements, for the 2023 Bonds of one or more series, and all prior actions taken to effectuate and in connection with the provisions of this Series Resolution and the issuance and delivery of the 2023 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 2023 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 Series Resolution shall take effect immediately on the date hereof (November 6, 2023).

### APPENDIX A

## BLANKET ISSUER LETTER OF REPRESENTATIONS

# The Depository Trust Company

A subsidiary of the Depository Trust & Clearing Corporation

#### BLANKET ISSUER LETTER OF REPRESENTATIONS

(To be completed by insuer and Co-issuer(s), if applies sig).

# Alaska Municipal Bond Bank

(Name of Issuer and On-Issuer(4), if applicable)

April 15, 2019

The Depository Trust Company 18301 Bernauda Green Drive Tampa, PL 33647 Attention: Underwriting Department

Ladies and Gentlemen:

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

Issuer is: (Note: Issuer shall represent one and cross out the other.)

[incorporated in] [formed under the laws of]

the State of Alaska

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

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

Very truly yours,

Alaska Municipal,Bond-Bank

Deven Mitchell, Executive Director

(Pip) Nenct 333 Willoughby Avenue, 11th Floor

> (Since Address) Juneau, Alaska USA 99811

(907) 465-2388 (Zip Cyde)

(Phone N. mher) deven.mitchell@alaska.gov

BLOR 06-2913



#### 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, 2023 Series Three (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. 2023-01, adopted on November 6, 2023 (the "Series Resolution," and together with the General Bond Resolution, the "Resolutions"). The Issuer covenants and agrees as follows:

Section 1. <u>Purpose of the Disclosure Certificate</u>. 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. <u>Definitions</u>. 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 \_\_\_\_\_\_\_, 2023 relating to the Bonds.

AMBB - 2023 Series Three Bonds Series Resolution No. 2023-01 "Participating Underwriter" means any of the original underwriters of the Bonds of one or more series required to comply with the Rule in connection with the offering of the Bonds of one or more 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. <u>Provision of Annual Reports and Financial Statements</u>. Commencing with its Annual Report for Fiscal Year ending June 30, 2024, 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) financial and operating data of Governmental Units that had an amount of bonds equal to or greater than twenty percent (20%) of all outstanding bonds under the General Bond Resolution of the type included in the Official Statement, if any, 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, that had, as of the end of such Fiscal Year, an amount of bonds equal to or greater than twenty percent (20%) of all outstanding bonds 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. 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 Governmental Unit under its continuing disclosure agreement.
- Section 4. <u>Notice of Failure to Provide Information</u>. 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. <u>Reporting of Significant Events</u>. (a) The Issuer shall file with the MSRB a notice of any of the following events with respect to the Bonds of one or more 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.<sup>1</sup>
- (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 more series, within ten (10) business days of the occurrence of such event, if material:
  - (1) Unless described in Section 5(a)(5), other notices or determinations by the IRS with respect to the tax status of the Bonds or other events affecting the tax status of the Bonds.
    - (2) Nonpayment-related defaults.
    - (3) Modifications to rights of holders of the Bonds.
    - (4) Bond calls.
    - (5) Release, substitution or sale of property securing repayment of the Bonds.
  - (6) The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an

<sup>&</sup>lt;sup>1</sup> Note: for the purposes of the event identified in subparagraph 5(a)(9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer 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 Issuer, 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 Issuer.

action, or a termination of a definitive agreement relating to any such actions, other than pursuant to 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. <u>Termination of Reporting Obligation</u>. 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. <u>Amendment; Waiver</u>. 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. <u>Filing</u>. 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. <u>Default</u>. 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. <u>Beneficiaries</u>. 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	2023.
	ALASKA MUNICIPAL BOND BANK
	RYAN S. WILLIAMS
	Evacutiva Director

### APPENDIX C

### **FORM OF**

## **LOAN AGREEMENT**

THIS LOAN AGREEMENT, dated as of 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 [City [Borough] of, Alaska, a duly constituted [city] [borough of the State (the "[City] [Borough]"):
of the State (the "[City] [Borough]"):
WITNESSETH:
WHEREAS, pursuant to the Act, the Bank is authorized to issue bonds and make loans o 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 is authorized to accept a Loan from the Bank evidenced by its municipal bond; and
WHEREAS, the [City] [Borough] desires to borrow money from the Bank in the amoun not to exceed \$ to [describe purpose] (the "[Name of project] Project") and has submitted an application to the Bank for a Loan in the amount not to exceed \$ (the "[Name of project] Loan") to pay a portion of the costs of the [Name of project] Project; and
WHEREAS, the [City] [Borough] has duly authorized the issuance of its fully registered [General Obligation/Revenue Bond], [year] Series [] in the principal amount of \$[PAR] (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 [Name of project] Loan in accordance with this Loan Agreement; and
WHEREAS, the application of the [City] [Borough] contains the information requested by the Bank; 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

money with which to make and/or refinance Loans, the Board of Directors of the Bank (the "Board") has adopted its General Obligation Bond Resolution on July 13, 2005, as amended

WHEREAS, to provide for the issuance of bonds of the Bank to obtain from time to time

(the "General Bond Resolution"); and

WHEREAS, on November 6, 2023 the Board adopted Series Resolution No. 2023-01 (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, 2023 Series Three (the "2023 Bonds"), make the [Name of project] 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 [Name of project] Loan, and the [City] [Borough], hereby accepts the [Name of project] Loan in the principal amount of \$[PAR]. As evidence of the [Name of project] 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 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 [Name of project] Loan and to purchase the Municipal Bond (the "Loan Obligations") and shall be paid by the [City] [Borough] [for certain 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 in amounts sufficient to pay the principal of the Loan Obligations as the same matures based upon the maturity schedule stated in Exhibit A (the "Municipal Bond Principal Payments"), shall be paid [for certain revenue obligations in monthly installments on the dates and in amounts sufficient] at least seven (7) Business Days before the payment date stated in the Municipal Bond.
- 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 *AMBB 2023 Series Three Bonds*

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.

- 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 [City's] [Borough's] 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 that 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 that 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 that 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]

AMBB - 2023 Series Three Bonds

[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 address	ssed to the [City]
[Borough], Attention:,,, Alaska 99 The [City	
give the Bank and the corporate trust office of the Trustee under the General Bo	ond 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	
of the [City] [Borough] with the Trustee, and that the yield on amounts held in su	
	ion fund shan 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 Bank upon request.
- 15. Prior to payment of the amount of the [Name of project] 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 the 2023 Bonds, and receipt of the proceeds thereof.

4144-3614-5996.3

- 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 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, to the extent permitted by law, indemnify and hold harmless the Bank (a) for any reasonable costs or expenses of the Bank arising from (i) an audit of the Municipal Bond, (ii) an audit of the 2023 Bonds arising from or in any way related to the issuance or use of proceeds of, or any other matter relating to, the Municipal Bond, or (iii) any determination by the Internal Revenue Service that the interest on the Municipal Bond or the 2023 Bonds shall be subject to federal income taxation as a result of any finding by the Internal Revenue Service with respect to the Municipal Bond and (b) 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.

The Bank agrees to give prompt written notice to the [City] [Borough] of any communication received by the Bank from a representative of the Internal Revenue Service regarding the federal tax-exempt status of interest on the 2023 Bonds affecting the Municipal Bond, including any such communication indicating the possible commencement of an examination or audit of the 2023 Bonds affecting the Municipal Bond by the Internal Revenue Service. The [City] [Borough] agrees to give prompt written notice to the Bank of any communication received by the [City] [Borough] from a representative of the Internal Revenue Service regarding the federal tax-exempt status of interest on the Municipal Bond, including any such communication indicating the possible commencement of an examination or audit of the Municipal Bond by the Internal Revenue Service, and that the Bank shall be permitted to participate in any such audit, examination or related proceeding in a manner satisfactory to the Bank.

Each of the Bank and the [City] [Borough] further agree that it will consult with, and cooperate with, the other party, at the expense of the [City] [Borough], in connection with any such audit, examination or related proceeding as set forth in this Section 18.

AMBB - 2023 Series Three Bonds

- 19. Upon request of the Bank, the [City] [Borough] agrees that if its bonds constitute twenty percent (20%) 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.
- 20. The [City] [Borough] agrees that if its bonds constitute twenty percent (20%) or more of the outstanding principal of municipal bonds held by the Bank under its General Bond Resolution it shall provide to the Bank for inclusion in future official statements of the Bank and the Bank's annual reports, to the extent required by the Bank's continuing disclosure undertakings, financial and operating information of the [City] [Borough] of the type and in the form requested by the Bank.
- 21. 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.
- 22. 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.
- 23. 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.
- 24. 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 [and if not defined herein or in Article I of the General Bond Resolution, shall have the meanings given to them in Exhibit B hereto.].
- 25. This Loan Agreement shall remain in full force and effect so long as the Municipal Bond remains outstanding.
- 26. 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:
RYAN S. WILLIAMS
Executive Director
[CITY] [BOROUGH] OF [_], ALASKA
By:
-J.
Its:

# **EXHIBIT A**

\$[PAR]

[Gener	[City] [Borough], Alaska ral Obligation] [Revenue] Bond, (the "Municipal Bond")	, 20
Due (1)	Principal <u>Amount</u>	Interest Rate
Principal installments shall be pa set forth above. Interest on the Mo on1 and	unicipal Bond shall be payable o	
[Prepayment Provisions: The Mu prior to maturity.]	nicipal Bond principal installme	ents are not subject to prepayment
Optional Prepayment: The 1, 20 are subject to [Borough] on any date on or afte thereof to be prepaid, plus accrue	o prepayment in whole or in prepayment in whole or in prepayment.	part at the option of the [City] of 100% of the principal amount

# [EXHIBIT B

Additional Defined Terms]

AMBB - 2023 Series Three Bonds Series Resolution No. 2023-01

Page C-10 4144-3614-5996.3

## **TABLE OF CONTENTS**

# Alaska Municipal Bond Bank Authority General Obligation Bonds, 2023 Series Three Municipality of Skagway - Port Revenue Bonds (AMT) Rates as of 10/23/2023 \*\*Preliminary Analysis\*\*

Report	Page
Sources and Uses of Funds	 1
Bond Summary Statistics	 2
Bond Pricing	 3
Bond Debt Service	 4
Form 8038 Statistics	6

### **SOURCES AND USES OF FUNDS**

# Alaska Municipal Bond Bank Authority General Obligation Bonds, 2023 Series Three Municipality of Skagway - Port Revenue Bonds (AMT) Rates as of 10/23/2023 \*\*Preliminary Analysis\*\*

Dated Date 12/13/2023 Delivery Date 12/13/2023

Sources:

Bond Proceeds:	
Par Amount	35,120,000.00
Net Premium	296,855.90
	35,416,855.90
Other Sources of Funds:	
Cash Contribution for DSRF	2,186,536.60
Bond Bank Grant for COI	200,000.00
	2,386,536.60
	37,803,392.50
Uses:	
Project Fund Deposits:	

Project Fund 35,000,000.00

Other Fund Deposits:
 Local Debt Service Reserve Fund 2,412,912.50

Delivery Date Expenses:
 Cost of Issuance 200,000.00

 Underwriter's Discount
 140,480.00

 Local Cost of Issuance
 50,000.00

 390,480.00

37,803,392.50

Note: Assumes \$4.00/bond UWD

## **BOND SUMMARY STATISTICS**

# Alaska Municipal Bond Bank Authority General Obligation Bonds, 2023 Series Three Municipality of Skagway - Port Revenue Bonds (AMT) Rates as of 10/23/2023 \*\*Preliminary Analysis\*\*

Dated Date Delivery Date First Coupon Last Maturity	12/13/2023 12/13/2023 06/01/2024 12/01/2053
Arbitrage Yield True Interest Cost (TIC) Net Interest Cost (NIC) All-In TIC Average Coupon	5.497614% 5.533289% 5.585204% 5.597327% 5.608225%
Average Life (years) Weighted Average Maturity (years) Duration of Issue (years)	19.342 19.305 11.436
Par Amount Bond Proceeds Total Interest Net Interest Bond Years from Dated Date Bond Years from Delivery Date Total Debt Service Maximum Annual Debt Service Average Annual Debt Service	35,120,000.00 35,416,855.90 38,095,232.08 37,938,856.18 679,274,333.33 679,274,333.33 73,215,232.08 2,412,912.50 2,443,222.43
Underwriter's Fees (per \$1000) Average Takedown Other Fee	4.000000
Total Underwriter's Discount	4.000000
Bid Price	100.445262

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	PV of 1 bp change
Serial Bonds (5%)	8,895,000.00	101.720	5.000%	7.658	08/09/2031	5,354.65
Serial Bonds (5.25%)	3,020,000.00	100.020	5.250%	15.001	12/13/2038	2,894.10
Serial Bonds (5.5%)	4,870,000.00	100.927	5.500%	18.535	06/26/2042	3,724.20
Term Bond 2048	7,860,000.00	100.751	5.750%	23.082	01/11/2047	5,973.60
Term Bond 2053	10,475,000.00	100.373	5.750%	28.082	01/12/2052	7,856.25
	35,120,000.00			19.342		25,802.80

	TIC	All-In TIC	Arbitrage Yield
Par Value + Accrued Interest	35,120,000.00	35,120,000.00	35,120,000.00
<ul><li>+ Premium (Discount)</li><li>- Underwriter's Discount</li><li>- Cost of Issuance Expense</li><li>- Other Amounts</li></ul>	296,855.90 -140,480.00	296,855.90 -140,480.00 -200,000.00 -50,000.00	296,855.90
Target Value	35,276,375.90	35,026,375.90	35,416,855.90
Target Date Yield	12/13/2023 5.533289%	12/13/2023 5.597327%	12/13/2023 5.497614%

### **BOND PRICING**

# Alaska Municipal Bond Bank Authority General Obligation Bonds, 2023 Series Three Municipality of Skagway - Port Revenue Bonds (AMT) Rates as of 10/23/2023 \*\*Preliminary Analysis\*\*

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Serial Bonds (5%):	12/01/2024 12/01/2025 12/01/2026 12/01/2027 12/01/2028 12/01/2030 12/01/2030 12/01/2031 12/01/2033 12/01/2033 12/01/2033	55 525,000 550,000 550,000 6 610,000 6 640,000 6 705,000 7 75,000 7 745,000 7 745,000 8 8 780,000 8 820,000 8 865,000	5.000% 5.000% 5.000% 5.000% 5.000% 5.000% 5.000% 5.000% 5.000% 5.000% 5.000% 5.000%	4.700% 4.630% 4.550% 4.500% 4.470% 4.550% 4.600% 4.650% 4.700% 4.7550% 4.750% 5.000%	100.278 100.686 101.233 101.796 102.335 102.589 102.659 102.641 102.540 102.363 101.964 C 101.172 C 100.000	4.768% 4.869%	12/01/2033 12/01/2033	100.000	1,390.00 3,601.50 6,781.50 10,416.80 14,243.50 16,569.60 17,815.30 18,619.05 18,923.00 18,431.40 16,104.80 10,137.80
Serial Bonds (5.25%):	12/01/2037 12/01/2038 12/01/2039	1,005,000	5.250% 5.250% 5.250%	5.150% 5.260% 5.300%	100.769 C 99.895 99.463	5.172%	12/01/2033	100.000	7,343.95 -1,055.25 -5,692.20 596.50
Serial Bonds (5.5%):	12/01/2040 12/01/2041 12/01/2042 12/01/2043	1,180,000 2 1,250,000	5.500% 5.500% 5.500% 5.500%	5.300% 5.350% 5.400% 5.450%	101.530 C 101.144 C 100.760 C 100.378 C	5.361% 5.400% 5.435% 5.468%	12/01/2033 12/01/2033 12/01/2033 12/01/2033	100.000 100.000 100.000 100.000	17,136.00 13,499.20 9,500.00 4,989.60 45,124.80
Term Bond 2048:	12/01/2044 12/01/2045 12/01/2046 12/01/2047 12/01/2048	1,480,000 1,565,000 1,660,000	5.750% 5.750% 5.750% 5.750% 5.750%	5.650% 5.650% 5.650% 5.650% 5.650%	100.751 C 100.751 C 100.751 C 100.751 C 100.751 C	5.693% 5.693% 5.693% 5.693% 5.693%	12/01/2033 12/01/2033 12/01/2033 12/01/2033 12/01/2033	100.000 100.000 100.000 100.000 100.000	10,476.45 11,114.80 11,753.15 12,466.60 13,217.60 59,028.60
Term Bond 2053:	12/01/2049 12/01/2050 12/01/2051 12/01/2052 12/01/2053	1,970,000 2,090,000 2,210,000	5.750% 5.750% 5.750% 5.750% 5.750%	5.700% 5.700% 5.700% 5.700% 5.700%	100.373 C 100.373 C 100.373 C 100.373 C 100.373 C	5.724% 5.724% 5.724% 5.724% 5.724%	12/01/2033 12/01/2033 12/01/2033 12/01/2033 12/01/2033	100.000 100.000 100.000 100.000 100.000	6,937.80 7,348.10 7,795.70 8,243.30 8,746.85 39,071.75
		35,120,000							296,855.90
		Dated Date Delivery Date First Coupon			12/13/2023 12/13/2023 06/01/2024				
		Par Amount Premium			35,120,000.00 296,855.90				
		Production Underwriter's Dis	count		35,416,855.90 -140,480.00	100.8452 -0.4000			
		Purchase Price Accrued Interest			35,276,375.90	100.4452	62%		
		Net Proceeds			35,276,375.90				

### **BOND DEBT SERVICE**

# Alaska Municipal Bond Bank Authority General Obligation Bonds, 2023 Series Three Municipality of Skagway - Port Revenue Bonds (AMT) Rates as of 10/23/2023 \*\*Preliminary Analysis\*\*

Dated Date 12/13/2023 Delivery Date 12/13/2023

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2024			898,525.83	898,525.83
06/30/2025	500,000	5.000%	1,912,912.50	2,412,912.50
06/30/2026	525,000	5.000%	1,887,287.50	2,412,287.50
06/30/2027	550,000	5.000%	1,860,412.50	2,410,412.50
06/30/2028	580,000	5.000%	1,832,162.50	2,412,162.50
06/30/2029	610,000	5.000%	1,802,412.50	2,412,412.50
06/30/2030	640,000	5.000%	1,771,162.50	2,411,162.50
06/30/2031	670,000	5.000%	1,738,412.50	2,408,412.50
06/30/2032	705,000	5.000%	1,704,037.50	2,409,037.50
06/30/2033	745,000	5.000%	1,667,787.50	2,412,787.50
06/30/2034	780,000	5.000%	1,629,662.50	2,409,662.50
06/30/2035	820,000	5.000%	1,589,662.50	2,409,662.50
06/30/2036	865,000	5.000%	1,547,537.50	2,412,537.50
06/30/2037	905,000	5.000%	1,503,287.50	2,408,287.50
06/30/2038	955,000	5.250%	1,455,593.75	2,410,593.75
06/30/2039	1,005,000	5.250%	1,404,143.75	2,409,143.75
06/30/2040	1,060,000	5.250%	1,349,937.50	2,409,937.50
06/30/2041	1,120,000	5.500%	1,291,312.50	2,411,312.50
06/30/2042	1,180,000	5.500%	1,228,062.50	2,408,062.50
06/30/2043	1,250,000	5.500%	1,161,237.50	2,411,237.50
06/30/2044	1,320,000	5.500%	1,090,562.50	2,410,562.50
06/30/2045	1,395,000	5.750%	1,014,156.25	2,409,156.25
06/30/2046	1,480,000	5.750%	931,500.00	2,411,500.00
06/30/2047	1,565,000	5.750%	843,956.25	2,408,956.25
06/30/2048	1,660,000	5.750%	751,237.50	2,411,237.50
06/30/2049	1,760,000	5.750%	652,912.50	2,412,912.50
06/30/2050	1,860,000	5.750%	548,837.50	2,408,837.50
06/30/2051	1,970,000	5.750%	438,725.00	2,408,725.00
06/30/2052	2,090,000	5.750%	322,000.00	2,412,000.00
06/30/2053	2,210,000	5.750%	198,375.00	2,408,375.00
06/30/2054	2,345,000	5.750%	67,418.75	2,412,418.75
	35,120,000		38,095,232.08	73,215,232.08

### **BOND DEBT SERVICE**

# Alaska Municipal Bond Bank Authority General Obligation Bonds, 2023 Series Three Municipality of Skagway - Port Revenue Bonds (AMT) Rates as of 10/23/2023 \*\*Preliminary Analysis\*\*

Dated Date 12/13/2023 Delivery Date 12/13/2023

12/01/2024         500,000         5.000%         962,706.25         1,462,706.25           06/01/2025         950,206.25         950,206.25         2,4           12/01/2026         525,000         5.000%         950,206.25         1,475,206.25           06/01/2026         937,081.25         937,081.25         2,4           12/01/2026         550,000         5.000%         937,081.25         1,487,081.25           06/01/2027         923,331.25         923,331.25         2,4           12/01/2028         610,000         5.000%         923,331.25         1,503,331.25         2,4           12/01/2028         610,000         5.000%         908,831.25         908,831.25         2,4           12/01/2029         640,000         5.000%         893,581.25         1,533,581.25         2,4           12/01/2030         670,000         5.000%         893,581.25         1,533,581.25         2,4           12/01/2031         860,831.25         1,547,581.25         2,4           12/01/2031         705,000         5.000%         860,831.25         1,547,581.25           06/01/2032         860,831.25         1,565,831.25         2,4           12/01/2032         843,206.25         843,206.25         2	898,525.83 412,912.50 412,287.50 410,412.50 412,162.50 412,412.50 411,162.50 408,412.50
12/01/2024         500,000         5.000%         962,706.25         1,462,706.25           06/01/2025         950,206.25         950,206.25         2,4           12/01/2026         525,000         5.000%         950,206.25         1,475,206.25           06/01/2026         937,081.25         937,081.25         2,4           12/01/2026         550,000         5.000%         937,081.25         1,487,081.25           06/01/2027         923,331.25         923,331.25         2,4           12/01/2028         610,000         5.000%         923,331.25         1,503,331.25         2,4           12/01/2028         610,000         5.000%         908,831.25         908,831.25         2,4           12/01/2029         640,000         5.000%         893,581.25         1,533,581.25         2,4           12/01/2030         670,000         5.000%         893,581.25         1,533,581.25         2,4           12/01/2031         860,831.25         1,547,581.25         2,4           12/01/2031         705,000         5.000%         860,831.25         1,547,581.25         2,4           12/01/2032         843,206.25         843,206.25         2,4	412,912.50 412,287.50 410,412.50 412,162.50 412,412.50 411,162.50 408,412.50
12/01/2025         525,000         5.000%         950,206.25         1,475,206.25           06/01/2026         937,081.25         937,081.25         2,4           12/01/2026         550,000         5.000%         937,081.25         1,487,081.25         2,4           06/01/2027         923,331.25         923,331.25         923,331.25         2,2         1,503,331.25         2,4           06/01/2028         908,831.25         908,831.25         908,831.25         2,4           12/01/2028         610,000         5.000%         908,831.25         1,518,831.25         2,4           06/01/2029         893,581.25         893,581.25         2,4           12/01/2029         640,000         5.000%         893,581.25         1,533,581.25         2,4           12/01/2030         670,000         5.000%         877,581.25         877,581.25         2,4           12/01/2031         860,831.25         1,547,581.25         2,4           12/01/2031         705,000         5.000%         860,831.25         1,565,831.25         2,4           12/01/2032         843,206.25         843,206.25         843,206.25         2,4	412,287.50 410,412.50 412,162.50 412,412.50 411,162.50 408,412.50
06/01/2026         937,081.25         937,081.25         2,4           12/01/2026         550,000         5.000%         937,081.25         1,487,081.25         2,4           06/01/2027         580,000         5.000%         923,331.25         923,331.25         2,2           12/01/2028         908,831.25         908,831.25         908,831.25         2,4           12/01/2028         610,000         5.000%         908,831.25         1,518,831.25           06/01/2029         893,581.25         893,581.25         2,4           12/01/2029         640,000         5.000%         893,581.25         1,533,581.25           06/01/2030         877,581.25         877,581.25         2,4           12/01/2030         670,000         5.000%         877,581.25         1,547,581.25         2,4           06/01/2031         705,000         5.000%         860,831.25         1,565,831.25         2,4           06/01/2032         843,206.25         843,206.25         843,206.25         2,4	410,412.50 412,162.50 412,412.50 411,162.50 408,412.50
06/01/2026         937,081.25         937,081.25         2,4           12/01/2026         550,000         5.000%         937,081.25         1,487,081.25         2,4           06/01/2027         580,000         5.000%         923,331.25         923,331.25         2,2           12/01/2028         908,831.25         908,831.25         2,2         908,831.25         2,2           12/01/2028         610,000         5.000%         908,831.25         1,518,831.25         2,4           06/01/2029         893,581.25         893,581.25         2,4 <td>410,412.50 412,162.50 412,412.50 411,162.50 408,412.50</td>	410,412.50 412,162.50 412,412.50 411,162.50 408,412.50
06/01/2027         923,331.25         923,331.25         2,4           12/01/2027         580,000         5.000%         923,331.25         1,503,331.25         2,4           06/01/2028         908,831.25         908,831.25         908,831.25         2,4	412,162.50 412,412.50 411,162.50 408,412.50
12/01/2027         580,000         5.000%         923,331.25         1,503,331.25           06/01/2028         908,831.25         908,831.25         2,4           12/01/2028         610,000         5.000%         908,831.25         1,518,831.25         2,4           06/01/2029         640,000         5.000%         893,581.25         893,581.25         2,4           12/01/2030         877,581.25         877,581.25         2,4           12/01/2031         670,000         5.000%         877,581.25         1,547,581.25         2,4           06/01/2031         860,831.25         860,831.25         860,831.25         360,831.25         2,4           06/01/2032         843,206.25         843,206.25         843,206.25         2,4	412,162.50 412,412.50 411,162.50 408,412.50
06/01/2028         908,831.25         908,831.25         2,4           12/01/2028         610,000         5.000%         908,831.25         1,518,831.25         2,4           06/01/2029         893,581.25         893,581.25         893,581.25         2,4           12/01/2030         877,581.25         1,533,581.25         2,4           12/01/2030         670,000         5.000%         877,581.25         1,547,581.25         2,4           06/01/2031         860,831.25         860,831.25         860,831.25         2,4           12/01/2031         705,000         5.000%         860,831.25         1,565,831.25         2,4           06/01/2032         843,206.25         843,206.25         843,206.25         2,4	412,412.50 411,162.50 408,412.50
12/01/2028         610,000         5.000%         908,831.25         1,518,831.25           06/01/2029         893,581.25         893,581.25         2,4           12/01/2029         640,000         5.000%         893,581.25         1,533,581.25           06/01/2030         877,581.25         877,581.25         2,4           12/01/2030         670,000         5.000%         877,581.25         1,547,581.25         2,4           06/01/2031         860,831.25         860,831.25         860,831.25         2,4           12/01/2031         705,000         5.000%         860,831.25         1,565,831.25           06/01/2032         843,206.25         843,206.25         2,4	412,412.50 411,162.50 408,412.50
12/01/2028     610,000     5.000%     908,831.25     1,518,831.25       06/01/2029     640,000     5.000%     893,581.25     893,581.25     2,4       12/01/2029     640,000     5.000%     893,581.25     1,533,581.25     2,4       06/01/2030     877,581.25     877,581.25     2,4       12/01/2031     860,831.25     860,831.25     860,831.25     2,4       12/01/2031     705,000     5.000%     860,831.25     1,565,831.25       06/01/2032     843,206.25     843,206.25     843,206.25     2,4	412,412.50 411,162.50 408,412.50
06/01/2029         893,581.25         893,581.25         2,4           12/01/2029         640,000         5.000%         893,581.25         1,533,581.25         2           06/01/2030         877,581.25         877,581.25         877,581.25         2,4           12/01/2031         860,831.25         1,547,581.25         860,831.25         860,831.25         2,4           12/01/2031         705,000         5.000%         860,831.25         1,565,831.25         2,4           06/01/2032         843,206.25         843,206.25         843,206.25         2,4	411,162.50 408,412.50
12/01/2029     640,000     5.000%     893,581.25     1,533,581.25       06/01/2030     877,581.25     877,581.25     2,4       12/01/2030     670,000     5.000%     877,581.25     1,547,581.25     2,4       06/01/2031     860,831.25     860,831.25     860,831.25     2,4       12/01/2031     705,000     5.000%     860,831.25     1,565,831.25       06/01/2032     843,206.25     843,206.25     843,206.25     2,4	408,412.50
12/01/2030     670,000     5.000%     877,581.25     1,547,581.25       06/01/2031     860,831.25     860,831.25     2,4       12/01/2031     705,000     5.000%     860,831.25     1,565,831.25       06/01/2032     843,206.25     843,206.25     2,4	408,412.50
06/01/2031       860,831.25       860,831.25       2,4         12/01/2031       705,000       5.000%       860,831.25       1,565,831.25         06/01/2032       843,206.25       843,206.25       2,4	
12/01/2031 705,000 5.000% 860,831.25 1,565,831.25 06/01/2032 843,206.25 843,206.25 2,4	
06/01/2032 843,206.25 843,206.25 2,4	
12/01/2022 7/5 000 5 000% 8/3 206 25 4 599 206 25	409,037.50
12/01/2032 745,000 5.000% 843,206.25 1,588,206.25	
06/01/2033 824,581.25 824,581.25 2,4	412,787.50
12/01/2033 780,000 5.000% 824,581.25 1,604,581.25	
	409,662.50
12/01/2034 820,000 5.000% 805,081.25 1,625,081.25	ŕ
	409,662.50
12/01/2035 865,000 5.000% 784,581.25 1,649,581.25	,
	412,537.50
12/01/2036 905,000 5.000% 762,956.25 1,667,956.25	,
	408,287.50
12/01/2037 955,000 5.250% 740,331.25 1,695,331.25	,
	410,593.75
12/01/2038 1,005,000 5.250% 715,262.50 1,720,262.50	,
	409,143.75
12/01/2039 1,060,000 5.250% 688,881.25 1,748,881.25	,
	409,937.50
12/01/2040 1,120,000 5.500% 661,056.25 1,781,056.25	,
	411,312.50
12/01/2041 1,180,000 5.500% 630,256.25 1,810,256.25	,-
	408,062.50
12/01/2042 1,250,000 5.500% 597,806.25 1,847,806.25	,
	411,237.50
12/01/2043 1,320,000 5.500% 563,431.25 1,883,431.25	,
	410,562.50
12/01/2044 1,395,000 5.750% 527,131.25 1,922,131.25	,
	409,156.25
12/01/2045 1,480,000 5.750% 487,025.00 1,967,025.00	,
	411,500.00
12/01/2046 1,565,000 5.750% 444,475.00 2,009,475.00	,
	408,956.25
12/01/2047 1,660,000 5.750% 399,481.25 2,059,481.25	,
	411,237.50
12/01/2048 1,760,000 5.750% 351,756.25 2,111,756.25	,201.00
	412,912.50
12/01/2049 1,860,000 5.750% 301,156.25 2,161,156.25	, o o o
	408,837.50
12/01/2050 1,970,000 5.750% 247,681.25 2,217,681.25	. 50,001.00
	408,725.00
12/01/2051 2,090,000 5.750% 191,043.75 2,281,043.75	. 50,. 20.00
	412,000.00
12/01/2052 2,210,000 5.750% 130,956.25 2,340,956.25	,000.00
	408,375.00
	412,418.75
	, . 10.70
35,120,000 38,095,232.08 73,215,232.08 73,2	215,232.08

### **FORM 8038 STATISTICS**

# Alaska Municipal Bond Bank Authority General Obligation Bonds, 2023 Series Three Municipality of Skagway - Port Revenue Bonds (AMT) Rates as of 10/23/2023 \*\*Preliminary Analysis\*\*

Dated Date 12/13/2023 Delivery Date 12/13/2023

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Serial Bonds (5%):						
	12/01/2024	500,000.00	5.000%	100.278	501,390.00	500,000.00
	12/01/2025	525,000.00	5.000%	100.686	528,601.50	525,000.00
	12/01/2026	550,000.00	5.000%	101.233	556,781.50	550,000.00
	12/01/2027	580,000.00	5.000%	101.796	590,416.80	580,000.00
	12/01/2028	610,000.00	5.000%	102.335	624,243.50	610,000.00
	12/01/2029	640,000.00	5.000%	102.589	656,569.60	640,000.00
	12/01/2030	670,000.00	5.000%	102.659	687,815.30	670,000.00
	12/01/2031	705,000.00	5.000%	102.641	723,619.05	705,000.00
	12/01/2032	745,000.00	5.000%	102.540	763,923.00	745,000.00
	12/01/2033	780,000.00	5.000%	102.363	798,431.40	780,000.00
	12/01/2034	820,000.00	5.000%	101.964	836,104.80	820,000.00
	12/01/2035	865,000.00	5.000%	101.172	875,137.80	865,000.00
	12/01/2036	905,000.00	5.000%	100.000	905,000.00	905,000.00
Serial Bonds (5.25%):						
	12/01/2037	955,000.00	5.250%	100.769	962,343.95	955,000.00
	12/01/2038	1,005,000.00	5.250%	99.895	1,003,944.75	1,005,000.00
	12/01/2039	1,060,000.00	5.250%	99.463	1,054,307.80	1,060,000.00
Serial Bonds (5.5%):						
,	12/01/2040	1,120,000.00	5.500%	101.530	1,137,136.00	1,120,000.00
	12/01/2041	1,180,000.00	5.500%	101.144	1,193,499.20	1,180,000.00
	12/01/2042	1,250,000.00	5.500%	100.760	1,259,500.00	1,250,000.00
	12/01/2043	1,320,000.00	5.500%	100.378	1,324,989.60	1,320,000.00
Term Bond 2048:						
	12/01/2044	1,395,000.00	5.750%	100.751	1,405,476.45	1,395,000.00
	12/01/2045	1,480,000.00	5.750%	100.751	1,491,114.80	1,480,000.00
	12/01/2046	1,565,000.00	5.750%	100.751	1,576,753.15	1,565,000.00
	12/01/2047	1,660,000.00	5.750%	100.751	1,672,466.60	1,660,000.00
	12/01/2048	1,760,000.00	5.750%	100.751	1,773,217.60	1,760,000.00
Term Bond 2053:						
	12/01/2049	1,860,000.00	5.750%	100.373	1,866,937.80	1,860,000.00
	12/01/2050	1,970,000.00	5.750%	100.373	1,977,348.10	1,970,000.00
	12/01/2051	2,090,000.00	5.750%	100.373	2,097,795.70	2,090,000.00
	12/01/2052	2,210,000.00	5.750%	100.373	2,218,243.30	2,210,000.00
	12/01/2053	2,345,000.00	5.750%	100.373	2,353,746.85	2,345,000.00
		35,120,000.00			35,416,855.90	35,120,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity Entire Issue	12/01/2053	5.750%	2,353,746.85 35,416,855.90	2,345,000.00 35,120,000.00	19.3045	5.4976%
Proceeds used for	bond issuance cos credit enhanceme	nt `	nderwriters' discoun	t)		0.00 340,480.00 0.00 412,912.50

# ALASKA MUNICIPAL BOND BANK GENERAL OBLIGATION BONDS, 2023 SERIES THREE Financing Schedule 10/16/2023

	(	ОСТС	BER	2023	3	
S	М	Т	W	Т	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				

Responsible Party	Code
<ul> <li>AMBBA Staff</li> </ul>	Staff
<ul> <li>Bond Counsel – Orrick Herrington</li> </ul>	BC
<ul> <li>Financial Advisor – PFM Financial Advisors LLC</li> </ul>	FA
<ul><li>Underwriter – RBC</li></ul>	UWs
<ul> <li>Underwriters Counsel – K&amp;L Gates</li> </ul>	UWC
<ul><li>Trustee – Bank of New York Mellon</li></ul>	Trustee
<ul> <li>Rating Agencies – S&amp;P Global, Moody's, Kroll</li> </ul>	RAs
<ul><li>Working Group – Staff, BC, FA, UWs, UWC</li></ul>	WG

Date	Activity	Responsible Party
TBD	Finance Team Call	WG
Oct 23	Distribute 1st Draft POS	BC/UWC
Oct 27	Comments due to 1 <sup>st</sup> Draft POS	WG
Oct 31	Distribute 2 <sup>nd</sup> Draft POS	BC/UWC
Nov 3	<ul> <li>Draft POS, Bond Resolution, and other Board materials to Board members</li> <li>Comments to 2<sup>nd</sup> Draft POS</li> </ul>	<ul><li>Staff</li><li>WG</li></ul>
Week of Nov 6	AMBB Board Meeting for Borrower Loan Approvals and Resolution Adoption	Staff, BC, FA
Week of Nov 6	Rating Calls	Staff, FA
Nov 6	Distribute Draft Bond Purchase Agreement	UWC
Nov 8	Distribute 3 <sup>rd</sup> Draft of POS	BC/UWC
Fri, Nov 10	Veterans Day	
Nov 13	Comments to 3 <sup>rd</sup> Draft of POS	WG
Nov 15	Due Diligence Call	WG
Nov 16	Rating Confirmations     Distribute Final POS for Signoff	<ul><li>Staff, FA, RAs</li><li>BC</li></ul>
Nov 17	<ul><li>Post POS</li><li>Bond Marketing &amp; Retail Order Period</li></ul>	<ul><li>UWC</li><li>WG</li></ul>
Thurs, Nov 23	Thanksgiving Day Holiday	
Nov 30	Pricing	Staff, UWs, FA, UWC, BC
Dec 1	Distribute Draft FOS	ВС
Dec 6	Comments Due on Draft FOS	WG
Dec 7	Post FOS	BC, UWs
Dec 13	Pre-Closing	WG
Dec 14	Final Closing	WG



# ALASKA MUNICIPAL BOND BANK GENERAL OBLIGATION BONDS, 2023 SERIES THREE

# DISTRIBUTION LIST (As of 10/23/2023)

## <u>ISSUER</u>

## ALASKA MUNICIPAL BOND BANK

ALASKA MUNICIPAL BOND BANK	
333 Willoughby Avenue	
Juneau, AK 99811-0405	
Fax: (907) 465-2902	
Ryan Williams, Executive Director & Treasurer	Tel: (907) 465-2893
	ryan.williams@alaska.gov
BOND COUNSEL	
ORRICK, HERRINGTON & SUTCLIFFE LLP	
701 5 <sup>th</sup> Avenue, Suite 5600	
Seattle, WA 98104-7097	
Fax: (206) 839-4301	
(===)	
Les Krusen, Senior Associate	Tel: (206) 839-4334
	lkrusen@orrick.com
405 Howard Street	_
San Francisco, CA 94105-2669	
	T   (445) ==== ====
John Stanley, <i>Partner</i>	
400 Constant April 20th Flores	jstanley@orrick.com
400 Capitol Mall, 30 <sup>th</sup> Floor	
Sacramento, CA 95814-4497	
Nina Brox, Attorney	Tel: (415) 818-5109
	nbrox@orrick.com
1120 NW Couch St., Suite 200	
Portland, OR 97209	
Fax: (503) 943-4801	
Greg Blonde, Partner	Tal· (503) 9/3-//823
Greg bioliue, ruraner	gblonde@orrick.com
Doug Goe, Partner	_
boug doe, rurther	dgoe@orrick.com
Angie Gardner, Project Manager	<u> </u>
This durine, Troject Manager	agardner@orrick.com
FINANCIAL ADVISOR	a <sub>0</sub> a. aa. @ 0111011100111
PFM FINANCIAL ADVISORS LLC	
107 Spring Street	
Seattle, WA 98104	
Seattle, 1771 30107	

Fred Eoff, Director	Tel: (206) 858-5370
	eofff@pfm.com
Matt Schoenfeld, Senior Managing Consultant	Tel: (206) 858-5365
	schoenfeldm@pfm.com
Katie O'Toole, Senior Analyst	Tel: (630) 453-8612
	otoolek@pfm.com

kerry.salas@klgates.com

### **TRUSTEE**

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A. 400 South Hope Street Los Angeles CA 90071	
Gonzalo Urey, Vice President, Transaction Manager	Tel: (213) 630-6237
100 Pine Street, Suite 3150 San Francisco CA 94111	gonzalo.urey@bnymellon.com
Larry Swift, Vice President, Client Service Manager	
Milly Canessa, Vice President, Client Service Manager	larry.swift@bnymellon.com Tel: (415) 263-2420 milly.canessa@bnymellon.com
Troy Pitman, Vice President, Relationship Manager	
TRUSTEE COUNSEL (LA mailing address)	troy.pitman@bnymellon.com
Rhea Ricard	Tel: (213)630-6476
	rhea.ricard@bnymellon.com
MANAGING UNDERWRITER  RBC CAPITAL MARKETS  Two Embarcadero Center, Suite 1200  San Francisco, CA 94111	
Tom Yang, Managing Director	Tel: (415) 445-8206
250 Nicollet Mall, Suite 2000 Minneapolis, MN 55401	tom.a.yang@rbccm.com
Laura Janke, <i>Director</i>	Tel: (612) 371-7864 laura.janke@rbccm.com
Corey Marty, Vice President	Tel: corey.marty@rbccm.com
UNDERWRITER COUNSEL	
<b>K&amp;L GATES</b> 925 Fourth Avenue, Suite 29000 Seattle, WA 98104	
Cynthia Weed, Attorney	, ,
Scott McJannet, Attorney	
Kerry Salas, Paralegal	scott.mcjannet@klgates.com Tel: (206) 939 - 85544

### AMBBA 2023 SERIES THREE FINANCE TEAM EMAIL GROUP:

ryan.williams@alaska.gov; lkrusen@orrick.com; jstanley@orrick.com; gblonde@orrick.com; dgoe@orrick.com; agardner@orrick.com; nbrox@orrick.com; eofff@pfm.com; schoenfeldm@pfm.com; otoolek@pfm.com; gonzalo.urey@bnymellon.com; larry.swift@bnymellon.com; troy.pitman@bnymellon.com; milly.canessa@bnymellon.com; rhea.ricard@bnymellon.com; tom.a.yang@rbccm.com; laura.janke@rbccm.com; corey.marty@rbccm.com; cynthia.weed@klgates.com; scott.mcjannet@klgates.com; kerry.salas@klgates.com

### SERIES THREE BORROWER and BORROWER'S BOND COUNSEL

# **MUNICIPALITY OF SKAGWAY**

P.O. Box 415 Skagway, AK 99840

Brad Ryan, Borough Manager	Tel: (907) 983-2151
	manager@skagway.org
Emily Deach, Deputy Borough Manager	Tel: (907) 983-9708
	e.deach@skagway.org
Heather Rodig, Borough Treasurer	Tel: (907) 983-2297
	h.rodig@skagway.org

## **MUNICIPALITY OF SKAGWAY COUNSEL**

**K&L GATES** 

925 Fourth Avenue, Suite 29000 Seattle, WA 98104

Cynthia Weed, Attorney	Tel: (206) 370-6201
	cynthia.weed@klgates.com
Scott McJannet, Attorney	Tel: (206) 370-8190
	scott.mcjannet@klgates.com
Kerry Salas, Paralegal	Tel: (206) 939 - 5544
	kerry.salas@klgates.com

## **BORROWER EMAIL GROUP:**

manager@skagway.org; e.deach@skagway.org; h.rodig@skagway.org; cynthia.weed@klgates.com; scott.mcjannet@klgates.com; kerry.salas@klgates.com

# ALASKA MUNICIPAL BOND BANK AUTHORITY

(a Component Unit of the State of Alaska)

**Financial Statements** 

For the Year Ended June 30, 2023

Together with Independent Auditor's Report Thereon



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

# Table of Contents

	<u>Page</u>
Independent Auditor's Report	1-3
Management's Discussion and Analysis (Unaudited)	5-11
Financial Statements	
Statement of Net Position and Governmental Funds Balance Sheets	12
Statement of Activities and Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances/Net Position	13
Notes to Financial Statements	14-32
Supplementary Information	
Supplemental Schedule of Statutory Reserve Accounts – Assets, Liabilities, and Account Reserves	33
Continuing Disclosure Tables	34-40



www.bdo.com

3601 C Street, Suite 600 Anchorage, AK 99503

## **Independent Auditor's Report**

**Board of Directors** Alaska Municipal Bond Bank Authority Juneau, Alaska

### Report on the Audit of the Financial Statements

### **Opinions**

We have audited the financial statements of the governmental activities and each major fund of the Alaska Municipal Bond Bank Authority (the Authority), a component unit of the State of Alaska, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Authority, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

BDO USA, P.C., a Virginia professional corporation, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.



### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit
  procedures that are appropriate in the circumstances, but not for the purpose of
  expressing an opinion on the effectiveness of the Authority's internal control. Accordingly,
  no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The supplemental schedule of statutory reserve accounts and continuing disclosure tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedule of statutory reserve accounts and continuing disclosure tables are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

BDO USA, P.C.

Anchorage, Alaska September 29, 2023 This page intentionally left blank

#### ALASKA MUNICIPAL BOND BANK AUTHORITY

(a Component Unit of the State of Alaska)

Management's Discussion and Analysis

Year Ended June 30, 2023

This Management's Discussion and Analysis (MD&A) is required by GASB Statement No. 34, a standard established by the Governmental Accounting Standards Board. This section is intended to make the financial statements more understandable to the average reader who is not familiar with traditional accounting terminology.

This financial report has two integral parts: this MD&A and the financial statements with the accompanying notes that follow. Together, they present the Alaska Municipal Bond Bank Authority's (Bond Bank) financial performance during the fiscal year ended June 30, 2023. Summarized prior fiscal year information is shown within this MD&A, as needed, for comparative purposes.

## **Required Financial Statements**

GASB Statement No. 34 requires two types of financial statements: The Statement of Net Position and Governmental Fund Balance Sheets and the Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balances/Net Position. These statements report financial information about the Bond Bank's activities using accounting principles generally accepted in the United States of America. In addition to the basic financial statements, the Notes to Financial Statements provide information that is essential to a full understanding of the data provided in the basic financial statements.

## **Financial Highlights**

During fiscal year 2023, the Bond Bank entered into 7 loan agreements to fund approximately \$107.2 million in loans. Bond Bank loans funded 7 construction projects for communities. The Bond Bank issued approximately \$97.5 million in bonds to generate approximately \$107.2 million in funding. Bond Bank activity produced estimated gross savings of approximately \$13.5 million to all borrowers.

In comparison, during fiscal year 2022, the Bond Bank entered into 5 loan agreements to fund approximately \$54.6 million in loans. Bond Bank loans funded 4 construction projects for communities and refinanced a loan for savings. The Bond Bank issued approximately \$47.0 million in bonds to generate approximately \$54.6 million in funding. Bond Bank activity resulted in approximately \$41.3 million in loans to authorized borrowers for new capital projects and \$5.7 million to refinance a loan for savings. Bond Bank activity produced estimated gross savings of approximately \$3.7 million to all borrowers.

### Statement of Net Position

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

#### **Assets**

Assets represent 1) The value of the Bond Bank's investments and investment income receivable on the financial statement date, recorded at fair market value, and 2) Bond principal and interest payments receivable from borrowers. The investments generate income for the Bond Bank, used to meet reserve requirements and pay operating costs. Historically excess operating account

### ALASKA MUNICIPAL BOND BANK AUTHORITY

(a Component Unit of the State of Alaska)

Management's Discussion and Analysis

Year Ended June 30, 2023

earnings were transferred to the State of Alaska's (State) general fund each year. Since 2010 and continuing through fiscal year 2024, the State's enacted operating budget has appropriated any excess earnings of the operating account to the Bond Bank's reserve fund (HB 39, Sec. 72(e)). Interest received on bonds purchased from borrowers is used to pay the Bond Bank's corresponding interest payments on the bonds that it has issued.

### Liabilities

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

### **Restricted and Unrestricted Net Position**

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

The following table shows the value of Bond Bank assets summarized as of June 30, 2023, and 2022, as well as liabilities and net position:

					Changes from 2022 to 2023		
	As of June 30,			Increase/(Decrease)			
	2023		2022		Dollars		Percent
Assets:				_		_	
Cash, investments, related accrued interest and accounts receivable	\$	67,611,318	\$	69,350,745	\$	(1,739,427)	-2.51%
Bonds and bond interest receivable		1,024,720,205		1,001,331,654		23,388,551	2.34%
Total assets	_	1,092,331,523		1,070,682,399		21,649,124	2.02%
Liabilities:							
Accounts payable and accrued liabilities		13,280,239		14,510,473		(1,230,234)	-8.48%
Bonds and bond interest payable		1,024,042,340		1,000,688,234		23,354,106	2.33%
Total liabilities		1,037,322,579		1,015,198,707		22,123,872	2.18%
Net Position:							
Restricted		40,370,937		39,546,137		824,800	2.09%
Unrestricted		14,638,007		15,937,555		(1,299,548)	-8.15%
Total net position	\$	55,008,944	\$	55,483,692	\$	(474,748)	-0.86%

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

The increase in bonds and bond interest receivable, as well as in bonds and bond interest payable, reflects the issuance of approximately \$97.5 million in new bonds during the year, net of principal payments on bonds previously issued of approximately \$73.9 million. Approximately \$97.5 million of funding was generated for capital projects by authorized borrowers.

(a Component Unit of the State of Alaska)

Management's Discussion and Analysis

Year Ended June 30, 2023

#### Statement of Activities

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

#### Revenues

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

#### **Expenses**

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

The following is a condensed statement of the Bond Bank's changes in net position for the years ended June 30, 2023, and 2022:

					C	Changes from 20	022 to 2023	
	For the years ended June 30,					Increase/(Decrease)		
		2023		2022	Dollars		Percent	
Revenues:	·			_			_	
Interest income on bonds receivable	\$	41,224,004	\$	40,637,759	\$	586,245	1.44%	
Investment earnings (losses)		83,418		(2,565,496)		2,648,914	103.25%	
Other income		6,338		11,683		(5,345)	-45.75%	
Total revenues		41,313,760		38,083,946		3,229,814	8.48%	
Expenses:								
Interest expense on bonds payable		41,203,667		40,641,076		562,591	1.38%	
Operating expenses		584,841		492,459		92,382	18.76%	
Total expenses		41,788,508		41,133,535		654,973	1.59%	
Change in net position		(474,748)		(3,049,589)		2,574,841	84.43%	
Net position, beginning of period		55,483,692		58,533,281		(3,049,589)	-5.21%	
Net position, end of period	\$	55,008,944	\$	55,483,692	\$	(474,748)	-0.86%	

Interest income and expense on bonds receivable and payable are a function of the total amount of bonds outstanding, the age of the bonds and the interest rates at which they are issued. The interest income and expense decreases are consistent with the decreases in bond receivable and payable balances, respectively.

Investment earnings are a function of market conditions, and active management. The decrease in net position is primarily due to total investment returns and total operating expenses. The Bond Bank's total investment earnings increased approximately \$2.6 million from the prior fiscal year. Total operating expenses remained within budgeted authority but exceeded total investment earnings over the fiscal year.

(a Component Unit of the State of Alaska)

Management's Discussion and Analysis

Year Ended June 30, 2023

#### **Governmental Funds**

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

The following tables show governmental funds' condensed balance sheets and statements of revenues, expenditures and changes in fund balances as of June 30, 2023, and 2022.

#### **General Fund**

	As of J	une 30	,	Changes from 2022 to 202 Increase/(Decrease)		
	2023		2022		Dollars	Percent
Assets:						
Cash, investments, related accrued						
interest and accounts receivable	\$ 13,350,617	\$	10,962,431	\$	2,388,186	21.79%
Bonds and bond interest receivable	677,864		1,815,670		(1,137,806)	-62.67%
Interfund receivable	9,501,571		11,376,964		(1,875,393)	-16.48%
Total assets	 23,530,052		24,155,065		(625,013)	-2.59%
Liabilities:						
Accounts payable and accrued liabilities	 116,833		324,924		(208,091)	-64.04%
Fund Balance:						
Restricted for debt service	5,349,516		5,349,516		-	0.00%
Unassigned	18,063,703		18,480,625		(416,922)	-2.26%
Total fund balance	23,413,219		23,830,141		(416,922)	-1.75%
Total liabilities and fund balance	\$ 23,530,052	\$	24,155,065	\$	(625,013)	-2.59%

(a Component Unit of the State of Alaska)

### Management's Discussion and Analysis

Year Ended June 30, 2023

### **Debt Service Fund**

		As of J	une 3	0,	(	022 to 2023 ecrease)	
		2023		2022		Dollars	Percent
Assets:						<del>-</del>	
Cash, investments, related accrued							
interest and accounts receivable	\$	54,260,701	\$	58,390,314	\$	(4,129,613)	-7.07%
Bonds and bond interest receivable		1,024,042,341		999,513,984		24,528,357	2.45%
Total assets	_	1,078,303,042		1,057,904,298		20,398,744	1.93%
Liabilities:							
Accrued liabilities		13,163,406		14,185,549		(1,022,143)	-7.21%
Interfund payables		9,501,571		11,376,964		(1,875,393)	-16.48%
Total liabilities		22,664,977		25,562,513		(2,897,536)	-11.34%
Fund Balance:							
Restricted for debt service	_	1,055,638,065		1,032,341,785		23,296,280	2.26%
Total liabilities and fund balance	\$	1,078,303,042	\$	1,057,904,298	\$	20,398,744	1.93%

#### General Fund

			Changes from 2022 to 2023			
	 For the years e	ended	Increase/(Decrease)			
	2023		2022		Dollars	Percent
Revenues:	_					_
Interest income on bonds receivable	\$ 29,961	\$	56,391	\$	(26,430)	-46.87%
Investment earnings (losses)	7,012		(422,974)		429,986	101.66%
Other income	6,338		11,683		(5,345)	-45.75%
Total income	43,311		(354,900)		398,211	112.20%
Expenditures:						
Operating expenditures	 584,841		492,459		92,382	18.76%
Deficiency of revenues						
over expenditures	(541,530)		(847,359)		305,829	36.09%
Other financing sources - transfers	 124,608		151,185		(26,577)	-17.58%
Net change in fund balance	(416,922)		(696,174)		279,252	40.11%
Fund balance, beginning of year	 23,830,141		24,526,315		(696,174)	-2.84%
Fund balance, end of year	\$ 23,413,219	\$	23,830,141	\$	(416,922)	-1.75%

(a Component Unit of the State of Alaska)

#### Management's Discussion and Analysis

Year Ended June 30, 2023

#### **Debt Service Fund**

	For the years e	ende	d June 30,	(	Changes from 2 Increase/(D	
	 2023	2022			Dollars	Percent
Revenues:						
Interest income on bonds receivable Investment earnings (losses)	\$ 41,194,043 76,406	\$	40,581,368 (2,142,522)	\$	612,675 2,218,928	1.51% 103.57%
Total revenues	 41,270,449		38,438,846		2,831,603	7.37%
Expenditures:						
Interest payments	41,499,561		41,104,058		395,503	0.96%
Principal payments	 73,860,000		73,390,000		470,000	0.64%
Total expenditures	 115,359,561		114,494,058		865,503	0.76%
Deficiency of revenues						
over expenditures	(74,089,112)		(76,055,212)		1,966,100	2.59%
Other financing sources (uses):						
Bonds issued	97,510,000		41,335,000		56,175,000	135.90%
Refunding bonds issued	-		5,725,000		(5,725,000)	-100.00%
Payments to refunded bond escrow agent	-		(7,980,000)		7,980,000	100.00%
Transfers	 (124,608)		(151,185)		26,577	17.58%
Total other financing sources:	97,385,392		38,928,815		58,456,577	150.16%
Net change in fund balance	23,296,280		(37,126,397)		60,422,677	162.75%
Fund balance, beginning of year	1,032,341,785		1,069,468,182		(37,126,397)	-3.47%
Fund balance, end of year	\$ 1,055,638,065	\$	1,032,341,785	\$	23,296,280	2.26%

#### Long-term Debt

At June 30, 2023, the Bond Bank had \$1,016,715,000 of bonds outstanding, up 2.38% from \$993,065,000, at June 30, 2022. This excludes conduit debt obligations of the Coastal Energy Loan Program. Payment of principal and interest on the Bond Bank's Coastal Energy Bond is not secured by a pledge of any amounts held by or payable to the Bond Bank under the General Bond Resolution, including the Reserve Account, and is not in any way a debt or liability of the Bond Bank and accordingly, are not included in the basic financial statements. Please see note (8) to the financial statements.

As discussed in the previous section, the net increase in 2023 long-term debt balances is due to the principal payments during the fiscal year on bonds previously issued being less than the new issuance activity from the Bond Bank.

AS 44.85.180(c) was originally enacted in 1975, limiting the Bond Bank outstanding bonds at any time to \$150 million. This Statute has been periodically amended to raise the limit and modify the definition of authorized borrowers.

During fiscal year 2023, the legislature passed, and the Governor signed into law House Bill 127 (HB 127), which amended the Act to grant broader authority to the Bond Bank to issue bonds on behalf of the University of Alaska (University) and Regional Health Organizations, effective July 3,

(a Component Unit of the State of Alaska)

Management's Discussion and Analysis

Year Ended June 30, 2023

2022. HB 127 permits the Bond Bank to issue bonds on behalf of the University for any University purpose, and the maximum authorized amount increased from \$87.5 million to \$500 million. Additionally, HB 127 increased the maximum amount that Regional Health Organizations are permitted to borrow for a given project from 49% of the project costs to 100% of the project costs, and from a maximum authorized amount of \$102.5 million to \$250 million of the cost of a project. Total lending authority of the Bond Bank for Regional Health Organization bond issuances increased from \$205 million to \$500 million.

With the legislation, total debt limit as of June 30, 2023, was \$2,500,000,000, comprised of \$1.5 billion in authority for political subdivisions including joint action agencies and the Alaska Municipal League's Joint Insurance Association, \$500 million for the University of Alaska, and \$500 million for Regional Health Organizations. Total Bond Bank bonds and notes outstanding as of June 30, 2023, was \$1,016,715,000. The limit on additional bond issuance as of June 30, 2023, was approximately \$1,483.3 million, of which \$657.1 million of authority is available for the main political subdivision program, \$422.5 million is available to the University of Alaska, and \$403.7 million is available to Regional Health Organizations.

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

	Changes from 2022 to 202								
As of J	une 30	Increase/(Decrease)							
2023	3 2022			Dollars	Percent				
\$ 1,016,715,000	\$	993,065,000	\$	23,650,000	2.38%				

#### **Credit Ratings**

As of June 30, 2023, the Bond Bank retains ratings of A+/A/A1 from S&P Global Ratings (S&P), Fitch Ratings (Fitch), and Moody's Investors Service, Inc. (Moody's), respectively. The outlook on the S&P rating is positive, and the Moody's and Fitch rating outlooks are stable. Effective July 20, 2023, Kroll Bond Rating Agency (KBRA) initiated a rating on AMBBA's outstanding General Obligation Bonds, assigning a long-term rating of AA-, and the outlook is stable. The Bond Bank receives certain credit support from the State of Alaska, with ratings linked to the State's General Obligation debt rating.

#### **Subsequent Events**

On July 21, 2023, the outstanding Bond Bank 2012 Series One Bonds were optionally redeemed, including the remaining principal amount of \$1.465 million plus accrued interest to the date of redemption.

#### Contacting the Bond Bank's Financial Management

This financial report is designed to provide our customers, investors, and creditors with a general overview of the Bond Bank's finances and to demonstrate the Bond Bank's accountability of its assets. If you have any questions about this report or need additional financial information, contact the Executive Director of the Bond Bank at (907) 465-2893.

## Statement of Net Position and Governmental Funds Balance Sheets

	General Fund		D	ebt Service Fund	Total			Adjustments	Sta	tement of Net Position
ASSETS										
Cash and cash equivalents	\$	391,594	\$	8,069,051	\$	8,460,645	\$	-	\$	8,460,645
Investments, at fair value (note 4) Accrued interest receivable:		12,867,690		45,937,347		58,805,037		-		58,805,037
Bonds receivable		903		7,327,341		7,328,244		-		7,328,244
Investment securities		81,751		254,303		336,054		-		336,054
Bonds receivable (note 5)		676,961	1	.,016,715,000	1	L,017,391,961		-		1,017,391,961
Accounts receivable		9,582		-		9,582		-		9,582
Interfund receivables		9,501,571				9,501,571		(9,501,571)		
Total assets	\$	23,530,052	\$ 1	.,078,303,042	\$ 1	1,101,833,094		(9,501,571)		1,092,331,523
LIABILITIES										
Accounts payable	\$	62,930	\$	-	\$	62,930	\$	-	\$	62,930
Due to Primary Government		48,063				48,063		-		48,063
Principal and interest payments received in advance		-		6,170,256		6,170,256		-		6,170,256
Arbitrage interest rebate payable		5,840		-		5,840		-		5,840
Accrued interest payable		-		- 0 501 571		-		7,327,340		7,327,340
Interfund payables Bond proceeds held in reserve (note 6)		-		9,501,571 6,993,150		9,501,571 6,993,150		(9,501,571)		6,993,150
Long-term liabilities (note 7):  Portion due or payable within one year:		-		0,993,130		0,993,130		-		6,995,150
General obligation bonds payable Portion due or payable after one year:		-		-		-		71,490,000		71,490,000
General obligation bonds payable		-						945,225,000		945,225,000
Total liabilities		116,833		22,664,977		22,781,810	:	1,014,540,769	:	1,037,322,579
FUND BALANCES/NET POSITION Fund balances:										
Restricted for debt service (note 2) Unassigned		5,349,516 18,063,703	1	.,055,638,065 -	1	1,060,987,581 18,063,703	(	1,060,987,581) (18,063,703)		-
Total fund balances		23,413,219	1	.,055,638,065	1	1,079,051,284	(	1,079,051,284)		-
Total liabilities and fund balances	\$	23,530,052	\$ 1	.,078,303,042	\$ 1	L,101,833,094				
Net position: Restricted (note 2) Unrestricted								40,370,937 14,638,007		40,370,937 14,638,007
Total net position							\$	55,008,944	\$	55,008,944

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

For the Year Ended June 30, 2023

	General Fund		Debt Service Fund		Total		Adjustments		Statement of Activities	
Revenues:										
Investment earnings	\$	7,012	\$	76,406	\$	83,418	\$	-	\$	83,418
Interest income on bonds receivable		29,961		41,194,043		41,224,004		-		41,224,004
Other income		6,338				6,338				6,338
Total revenues		43,311		41,270,449		41,313,760				41,313,760
Expenditures / expenses:										
Debt service:										
Principal payments		-		73,860,000		73,860,000		(73,860,000)		-
Interest payments / expense Current:		-		41,499,561		41,499,561		(295,894)		41,203,667
Professional services		384,381		-		384,381		-		384,381
Personal services		192,176		-		192,176		-		192,176
Administrative travel		5,284		-		5,284		-		5,284
Office		3,000		_		3,000		-		3,000
Total expenditures / expenses		584,841		115,359,561		115,944,402		(74,155,894)		41,788,508
Excess (deficiency) of revenues										
over expenditures / expenses		(541,530)		(74,089,112)		(74,630,642)		74,155,894		(474,748)
Other financing sources (uses):										
General obligation bonds issued		_		97,510,000		97,510,000		(97,510,000)		-
Transfers - internal activities		124,608		(124,608)		<u> </u>				
Total other financing sources (uses)		124,608		97,385,392		97,510,000		(97,510,000)		
Net change in fund balance /										
net position		(416,922)		23,296,280		22,879,358		(23,354,106)		(474,748)
Fund balances / net position:										
Beginning of the year		23,830,141	1	1,032,341,785		1,056,171,926	(1,	000,688,234)		55,483,692
End of the year	\$	23,413,219	\$ 1	1,055,638,065	\$ 2	1,079,051,284	\$ (1,	024,042,340)	\$	55,008,944

#### Notes to Financial Statements

For the Year Ended June 30, 2023

#### (1) History/Reporting Entity

The Alaska Municipal Bond Bank Authority (Authority or Bond Bank) was created pursuant to Alaska Statute, Chapter 85, Title 44, as amended, (Act) as a public corporation and instrumentality of the State of Alaska (State), but with a legal existence independent of and separate from the State. The Authority is a discretely presented component unit of the State of Alaska for purposes of financial reporting. The Authority commenced operations in August 1975.

The Authority was created for the purpose of making monies available to authorized borrowers within the State to finance capital projects primarily through the issuance of bonds by the Authority. Bond proceeds are then used to purchase general obligation and revenue bonds from authorized borrowers.

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

Alaska Statue (AS) 44.85.180(c) was originally enacted in 1975, limiting Bond Bank outstanding bonds at any time to \$150 million. This Statue has been periodically amended to raise the limit and modify the definition of authorized borrowers.

During fiscal year 2023, the legislature passed, and the Governor signed into law House Bill 127 ("HB 127"), which amended the Act to grant broader authority to the Bond Bank to issue bonds on behalf of the University of Alaska ("University") and Regional Health Organizations, effective July 3, 2022. HB 127 permits the Bond Bank to issue bonds on behalf of the University for any University purpose, and the maximum authorized amount increased from \$87.5 million to \$500 million. Additionally, HB 127 increased the maximum amount that Regional Health Organizations are permitted to borrow for a given project from 49% of the project costs to 100% of the project costs, and from a maximum authorized amount of \$102.5 million to \$250 million of the cost of a project. Total lending authority of the Bond Bank for Regional Health Organization bond issuances increased from \$205 million to \$500 million.

With this legislation, the total debt limit as of June 30, 2023 was \$2,500,000,000. The total debt limit is comprised of \$1.5 billion in authority for political subdivisions, \$500 million for the University of Alaska, and \$500 million for Regional Health Organizations. Total Bond Bank bonds and notes outstanding as of June 30, 2023 was \$1,016,715,000. The limit on additional bond issuance as of June 30, 2023 was approximately \$1,483.3 million, of which \$657.1 million of authority is available for the main political subdivision program, \$422.5 million is available to the University of Alaska, and \$403.7 million is available to Regional Health Organizations.

Notes to Financial Statements

#### (2) Summary of Significant Accounting Policies

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

#### (a) Government-wide and Fund Financial Statements

The government-wide statement of net position and the statement of activities report information on all of the activities of the Authority. For the most part, the effect of interfund activity has been removed from these statements. The balance sheet and statement of revenues, expenditures and changes in fund balances are provided for governmental funds. Due to the single purpose nature of the activities of the Authority, the government-wide and fund financial statements have been presented together with an adjustments column reconciling the two statements.

#### (b) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of* accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting.* Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 180 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The Authority reports the following major governmental funds:

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

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

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

#### General Fund

The General Fund is comprised of a Custodian Account and an Operating Account. The Custodian Account is established to account for appropriations by the State of Alaska Legislature available to fund the Special Reserve Accounts. The Operating Account is

#### Notes to Financial Statements

established to account for the ordinary operations of the Authority. Monies are derived from the following sources: (a) amounts appropriated by the Legislature, (b) fees and charges collected, (c) income on investments of the Statutory Reserve Account in excess of required debt service reserves required by bond resolutions and (d) any other monies made available for purposes of the General Fund from any other source. Amounts in the Operating Account may be used to pay (a) administrative expenditures of the Authority, (b) fees and expenditures of the Trustee and paying agents, (c) financing costs incurred with respect to issuance of bonds and (d) any expenditures in carrying out any other purpose then authorized by the Act. The excess revenues of the Operating Account are returned to the State of Alaska. The State of Alaska may appropriate the excess revenues to the Bond Bank Custodian Account to fund Reserve Accounts.

#### **Debt Service Fund**

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

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

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

2016 Master Bond Resolution – The reserve fund may be funded with transfers from the custodian account, surety policies, bond proceeds, or other funds available to the Bond Bank.

At June 30, 2023, the 2005 General Bond Resolution, and 2016 Master Bond Resolution reserves must be the least of: (i) 10% of the initial principal amount of each Series of Bonds outstanding; (ii) the maximum annual principal and interest requirements on all bonds outstanding; (iii) 125% of the average annual debt service on all bonds then outstanding; or (iv) such lower amount as may be allowed by law. Amounts in excess

#### Notes to Financial Statements

of the debt service reserve requirement in any reserve are transferred to the Operating Account on a periodic basis.

#### (c) Adjustments

Certain adjustments are considered to be necessary to the governmental funds in order to present the Authority's financial position and the results of its operations. These adjustments include the elimination of inter-fund payables and receivables. Bond proceeds are reported as other financing sources and payments to refunding escrow agents as other financing uses in governmental funds and thus contribute to the change in fund balance. Accrued interest is not reported in the governmental funds but is reported as a liability in the statement of net position. Issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. Repayment of principal is an expenditure in the governmental funds and reduces the liability in the statement of net position.

#### (d) Restricted Assets and Net Position Restricted for Debt Service

Certain resources set aside for the repayment of the Authority's bonds, net of certain proceeds from additional bonds issued, are classified as restricted on the statement of net position because they are maintained in separate trust accounts and their use is limited by applicable bond covenants. Cash and cash equivalents and investments include \$40,370,937 of restricted assets. These assets were funded as follows:

Original State of Alaska appropriation	\$ 18,601,414
2008 appropriation of excess earnings	855,347
2009 appropriation of excess earnings	819,843
2010 appropriation of excess earnings	32,628
2011 appropriation of excess earnings	86,814
2012 appropriation for loan forgiveness	13,000,000
Total State of Alaska appropriated equity	\$ 33,396,046
Restricted for Debt Service: Appropriated amounts residing in reserve accounts	\$ 28,046,530
Appropriated amounts residing in Custodian account	5,349,516
Total State of Alaska appropriated equity	33,396,046
Bond Bank equity residing in reserve accounts	6,974,891
Bona Bank equity restaining in reserve accounts	0,577,051
Total restricted for debt service/net position	\$ 40,370,937

#### Notes to Financial Statements

#### (e) Bond Receivables

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

#### (f) Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Any premium or discount on bond issuance or refunding is not recorded by the Authority, as the premium or discount is recorded by the authorized borrowers associated with the issuance and amortized by them. Therefore, bonds payable are presented at par. Certain bond issue costs are paid by the authorized borrowers but when costs are paid by the Authority they are paid from the General Account and considered operating expenditures/expenses.

#### (g) Fund Equity

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

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

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

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

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

#### (h) Interfund Receivables, Payables and Transfers

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

#### Notes to Financial Statements

#### (i) Interest Arbitrage Rebate

Bonds issued and funds segregated into reserves after August 15, 1986 are subject to Internal Revenue Service income tax regulations which require rebates to the U.S. Government of interest income earned on investments purchased with the proceeds from the bonds or any applicable reserves in excess of the allowable yield of the issue. Amounts owed are expensed when paid and refunds are recorded when received at the five year anniversary date of the bond issue or upon final repayment. The Bond Bank's arbitrage rebate consultant will update all general obligation bond rebate analysis annually as of June 30. The Bond Bank had an arbitrage rebate liability of \$5,840 as of June 30, 2023.

#### (i) Income Taxes

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

#### (3) Cash

The Authority considers all highly liquid investments purchased with an original maturity of three months or less at the date of purchase to be cash equivalents. Cash and cash equivalents at June 30, 2023 consist of money market accounts.

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

#### (4) Investments

In accordance with the authoritative guidance on fair value measurements and disclosures, the Authority discloses the fair value of its investments in a hierarchy that ranks the inputs to valuation techniques used to measure the fair value. The hierarchy gives the highest ranking to valuations based upon unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest ranking to valuations based upon unobservable inputs that are significant to the valuation (Level 3 measurements). The guidance establishes three levels of the fair value hierarchy as follows:

Level 1 - Quoted prices in active markets for identical assets.

Level 2 - Inputs other than quoted prices that are observable for the assets, including quoted prices for similar investments based on interest rates, credit risk and like factors.

Level 3 - Unobservable inputs for the assets.

Investments are assigned a level based upon the observability of the inputs which are significant to the overall valuation. The inputs and methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

#### Notes to Financial Statements

The aggregate fair value by input level, as of June 30, 2023 is as follows:

			Level	
Debt Securities	6/30/2023	1	2	3
General Fund				
U.S. Treasury securities	\$10,731,316	\$10,731,316	\$ -	\$ -
U.S. Government agencies securities	2,136,374		2,136,374	
Total General Fund	12,867,690	10,731,316	2,136,374	
Debt Service Fund				
U.S. Treasury securities	41,561,776	41,561,776	-	-
U.S. Government agencies securities	4,375,571		4,375,571	
Total Debt Service Fund	45,937,347	41,561,776	4,375,571	
Total Investments	\$58,805,037	\$52,293,092	\$ 6,511,945	\$ -

U.S. Treasury securities are liquid and have quoted market prices. Fair value of U.S. Treasury securities is based on live trading feeds. U.S. Treasury securities are categorized in Level 1 of the fair value hierarchy. Government agency securities use market-based and observable inputs. As such, these securities are classified as Level 2 of the fair value hierarchy.

The fair value of debt security investments by contractual maturity as of June 30, 2023 is shown below.

	Les	s than 1 Year	1-5 Years		6	-10 Years	More than 10 Years		Total
General Fund U.S. Treasury securities U.S. Government agencies	\$	2,346,324	\$	7,411,353	\$	973,639	\$	-	\$ 10,731,316
securities				2,136,374		-			2,136,374
Total General Fund		2,346,324		9,547,726		973,639			 12,867,690
Debt Service Fund									
U.S. Treasury securities U.S. Government agencies		7,772,435		31,107,501		2,681,840		-	41,561,776
securities				2,846,245		1,529,327			 4,375,571
Total Debt Service Fund		7,772,435		33,953,746		4,211,166			45,937,347
Total investments	\$	10,118,759	\$	43,501,473	\$	5,184,805	\$	_	\$ 58,805,037

Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without penalty.

#### (a) Investment Policies

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

#### Notes to Financial Statements

#### **Custodian Account**

The Custodian Account investment portfolio is designed with the objective of attaining the highest market rate of return subject to the required use of the Custodian Account for operations, funding transfers to the state, and funding reserves. The Custodian Account balance must maintain a minimum balance of \$5 million, and be forecasted to maintain that \$5 million balance for the subsequent twelve-month period, and an analysis of risk profile and historical benefit between the varying strategies must be undertaken before any shift in the investment strategy of the Account. Up to \$1,000,000 shall be used for longer term, 5 to 10 year U.S. Treasury and Agency securities. The Custodian Account has to maintain sufficient liquidity to meet operating requirements, provide the prior fiscal year's state dividend (if not otherwise appropriated back to the Bond Bank), and to allow transfers to reserves as needed for bond issuance activity. Long-term preservation of principal is the third objective of the Custodian Account's investment program. Investments shall be undertaken in a manner that minimizes the probability of long-term loss.

o There are no arbitrage restrictions.

The bond resolutions limit investments to:

- o 5% money market fund (no less than \$350,000).
- 95% Government Agencies and U.S. Treasuries.
- The performance benchmark is 5% three month U.S. Treasury Bill, and 95% Barclays 1-5 year government bond index.

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

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

#### **Bond Reserve Funds**

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

#### Notes to Financial Statements

anticipated that the Reserve Funds cumulative average return should target the blended arbitrage yield limit of the bond issues secured.

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

The 2005 and 2016 Reserve Fund bond resolutions limit investments to:

- 90% +/- 10% government agencies and U.S. Treasuries with maturities of less than 5 years.
- o 10% +/- 10% government agencies and U.S. Treasuries with maturities of more than 5 years and less than 10 years.
- o Performance benchmark is 100% Barclays U.S. 1-5 year government bond index.

#### **Municipal Debt Payments**

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

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

#### (b) Concentration of Credit Risk

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

At June 30, 2023, the Authority's investments had no concentrations exceeding five percent from any issuer other than U.S. Treasury securities that are explicitly guaranteed by the U.S. government.

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

#### (c) Credit Risk

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

#### Notes to Financial Statements

#### (d) Custodial Credit Risk

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

#### (e) Interest Rate Risk

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

#### (5) Bonds Receivable

The General Fund includes bonds receivable with interest rates varying from 1% to 5% due from the City of Galena and Kodiak Island Borough with maturities as follows:

			K	odiak Island	Tota	l General Fund
	Cit	y of Galena		Borough	Bon	ds Receivable
2024	\$	175,684	\$	55,000	\$	230,684
2025		156,277		55,000		211,277
2026		-		55,000		55,000
2027		-		60,000		60,000
2028		-		60,000		60,000
2029 - 2053				60,000		60,000
	\$	331,961	\$	345,000	\$	676,961

#### Notes to Financial Statements

Bonds receivable by debt service program at June 30, 2023 mature in varying annual installments as follows:

Year						
Ending						
June 30	2	005 General	2(	016 General	1	otal Principal
2024	\$	69,180,000	\$	2,310,000	\$	71,490,000
2025		62,860,000		2,425,000		65,285,000
2026		60,790,000		2,525,000		63,315,000
2027		58,795,000		2,650,000		61,445,000
2028		56,930,000		2,780,000		59,710,000
2029 - 2033		251,650,000		15,820,000		267,470,000
2034 - 2038		172,290,000		19,230,000		191,520,000
2039 - 2043		116,565,000		24,095,000		140,660,000
2044 - 2048		54,090,000		24,505,000		78,595,000
2049 - 2053		17,225,000				17,225,000
	\$	920,375,000	\$	96,340,000	\$	1,016,715,000

#### (6) Authority Reserve Funds Derived from Series 2017A Bond Proceeds

The Authority deposited bond proceeds from the issuance of the Series 2017A bonds to satisfy the Authority's 2016 Master Resolution Reserve requirement. The Yukon-Kuskokwim Health Corporation (2017A Borrower) is obligated by the loan agreement to pay all interest expense associated with the Series 2017A bonds including the bonds that funded the deposit to the 2016 Master Resolution. These reserve funds are held by the Trustee until the maturity of the bonds when per the loan agreement proceeds attributable to funding the Authority's 2016 Master Resolution reserve requirement will be used to repay the 2017A bonds that funded them. The amount initially required to satisfy the Authority's reserve at time of issuance was \$6,993,150.

#### (7) Long-Term Liabilities

The Authority does not have unused lines of credit, direct borrowings, or direct placements.

During the year ended June 30, 2023 the Authority's long-term liabilities changed as follows:

	Beginning					End	I	Due within
	of Year New Debt			F	lepayments	of Year		One Year
General obligation	 							
bonds payable	\$ 993,065,000	\$	97,510,000	\$	(73,860,000)	\$ 1,016,715,000	\$	71,490,000

### Notes to Financial Statements

Bond Bank's long-term liabilities consist of the following as of June 30, 2023:

	Debt Ser	vice Account
		Principal
Issue	Interest Rate	Outstanding
2005 Bond Resolution:		
2009-B-Four Series	4.63%-5.40%	\$ 15,890,000
Ketchikan Gateway Borough		
2011-Series Three	2.00%-5.00%	2,560,000
Northwest Arctic Borough		
City of Hoonah		
Municipality of Skagway		
2012-Series One	2.00%-5.00%	1,465,000
Juneau, City and Borough of (Wildflower Court)		
2012-Series Two	1.75%-5.00%	1,100,000
City of Nome		
City of North Pole		
Petersburg Borough		
2012-Series Three	1.50%-5.00%	2,165,000
Juneau, City and Borough of (REF)		
Petersburg Borough		
Haines Borough		
2013-Series One	2.00%-5.00%	5,645,000
Juneau, City and Borough of (Hospital Rev REF)		
2013-Series Two A	2.00%-4.00%	740,000
City of Homer		
Municipality of Skagway		
2013-Series Two B	3.00%-4.00%	1,330,000
Kodiak Island Borough		
2013 Series Three	1.50%-5.00%	2,705,000
City and Borough of Juneau		
Kenai Peninsula Borough		
Lake and Peninsula Borough		
		(continued)

	Debt Servi	ice Account
		Principal
Issue	Interest Rate	Outstanding
2014-Series One A	0.38%-5.00%	21,855,000
City and Borough of Juneau		, ,
Kodiak Island Borough		
Kenai Peninsula Borough - Exempt		
2014-Series Two A	3.00%-5.00%	38,135,000
City of Ketchikan (Harbor)	3,00% 3,00%	33,233,333
City of Ketchikan (Hospital)		
City of King Cove (Electric)		
2014-Series Three	1.25%-5.00%	18,825,000
City and Borough of Juneau	1.2370 3.0070	10,023,000
City of Saxman		
City of Adak (REF)		
Municipality of Ancorage (Rev REF)		
Haines Borough (REF)		
Kenai Peninsula Borough		
City of Nome (REF)		
Northwest Arctic Borough (REF)		
<b>5</b>		
Petersburg Borough (REF)		
City of Seward (REF)		
City of Seward (REF) - 2	2 000/ 5 000/	20.705.000
2015-Series One	2.00%-5.00%	28,795,000
City of Craig - New Money		
City of Cordova - New Money		
Aleutians East Borough (REF2006A)		
City of Nome (REF2006A)		
City and Borough of Sitka (REF2008-2)		
City of Unalaska (REF2009-1)		
City of Cordova (REF2009-2)		
City of Nome (REF2009-2)		
2015-Series Two	2.00%-5.00%	32,390,000
City of Cordova - CC		
Municipality of Skagway - PSB		
City and Borough of Juneau - PP		
Municipality of Skagway - PP		
City and Borough of Juneau (REF2007-3)		
Kenai Peninsula Borough (REF2007-4)		
2015-Series Three	2.00%-5.25%	84,545,000
University of Alaska		
Haines Borough		
Kodiak Island Brough - School		
Kodiak Island Borough - R&R		
City of King Cove		
		(continued)

	Debt Servi	ce Account
•		Principal
Issue  2016-Series One Kenai Peninsula Borough CES 15-Year Loan City of Klawock Kodiak Island Borough - R&R Kodiak Island Borough - School City of Seward (REF2008-1) City of Seward (REF2008-2) 2016-Series Two Fairbanks North Star Borough 2016-Series Three City of Petersburg 2007 One Current Refunding Aleutians East Borough 2007 Two Refunding Kenai Peninsula Borough 2007 Two Refunding City of Bethel 2007 Three Refunding City of Kodiak 2007 Five Float Refunding City of Kodiak 2007 Five Lift Refunding City of Sodiak 2008 One Loan Refunding Kodiak Island Borough 2008 One Loan Refunding Kodiak Island Borough 2008 One Loan Refunding Kodiak Island Borough 2008 Two Loan Refunding City of Kodiak 2009 One Loan Refunding City of Kodiak 2009 One Loan Refunding City of Kodiak 2009 Hose Loan Refunding City of Ketchikan Port 2006 Two Loan Refunding City of Ketchikan Port New Money 2017-Series Four City of Seward 2017-Series Three Kenai Peninsula Borough Hospital Loan City of Seward 2017-Series Three Kenai Peninsula Borough Hospital District 2018-Series One City and Borough of Sitka Airport Loan City and Borough of Sitka Airport Loan City and Borough of Sitka Harbor Loan City and Borough of Sitka Harbor Loan City of Homer - Police Station Northwest Arctic Borough - Loan to Kivalina Southeast Alaska Power Agency - Refunding City of Dillingham	Interest Rate	Outstanding
2016-Series One	2.00%-5.00%	23,180,000
Kenai Peninsula Borough CES 15-Year Loan		
City of Klawock		
Kodiak Island Borough - R&R		
Kodiak Island Borough - School		
	3.00%-5.00%	42,970,000
Fairbanks North Star Borough		, ,
	2.00%-5.00%	33,670,000
,		
,		
,		
, and the second		
, and the second		
· · · · · · · · · · · · · · · · · · ·		
•	2.00%-5.00%	22,365,000
	2.0070 3.0070	22,303,000
· · · · · · · · · · · · · · · · · · ·		
	2.50%-5.00%	5,285,000
	2.3070-3.0070	3,203,000
- · · · · · · · · · · · · · · · · · · ·		
	3.63%-5.00%	28,280,000
	3.03/0-3.00/0	28,280,000
•		
	3.00%-5.00%	23,985,000
	3.0070-3.0070	23,963,000
- · · · · · · · · · · · · · · · · · · ·	F 000/	10 410 000
	5.00%	10,410,000
· · · · · · · · · · · · · · · · · · ·		
	F 000/	22.445.000
	5.00%	22,445,000
· · · · · · · · · · · · · · · · · · ·		
<u> </u>		
3 ,		
City of Dillingnam		(- C D
		(continued)

	Debt Servi	ce Account
		Principal
Issue	Interest Rate	Outstanding
2019-Series Two	2.65%-3.60%	2,330,000
Fairbanks North Star Borough - Taxable		
2019-Series Three	5.00%	11,910,000
City and Borough of Juneau Airport AMT		
City and Borough of Juneau Revenue		
Kenai Peninsula Borough - ERV		
2019-Series Four	5.00%	2,950,000
City and Borough of Juneau Airport		
City and Borough of Juneau Revenue		
2020-Series One	4.00%-5.00%	73,250,000
Northwest Arctic Borough 2010 One B Refunding		
Northwest Arctic Borough 2010 One B Refunding		
City of Kenai 2010 One B Refunding		
Petersburg Borough 2010 One B Refunding		
City of Unalaska 2010 One B Refunding		
City and Borough of Juneau 2010 Two B Refunding		
City of King Cove 2010 Two B Refunding		
City of King Cove 2010 Three B Refunding		
City of Unalaska 2010 Three B Refunding		
City and Borough of Sitka 2010 Four A Refunding		
Kenai Peninsula Borough 2010 Four B Refunding		
City of Ketchikan 2010 Four B Refunding		
Ketchikan Gateway Borough 2010 Four B Refunding		
City and Borough of Sitka 2010 Four B Refunding		
City of Soldotna 2010 Four B Refunding		
Ketchikan Gateway Borough - Taxable		
Fairbanks North Star Borough Refunding 2006 I		
Fairbanks North Star Borough Refunding 2007 J		
Fairbanks North Star Borough Refunding 2008 L		
Fairbanks North Star Borough Refunding 2010 M		
Fairbanks North Star Borough Refunding 2012 R		
City of Ketchikan New Money		
Kodiak Island Borough - High School		
Kodiak Island Borough - School Renovation		
City of King Cove		
2021-Series One/Two	5.00%	215,315,000
Aleutians East Borough 2010 Three B Refunding		
City of Homer 2013 Two A Refunding		
City and Borough of Juneau 2013 One Refunding - Ho	spital	
City and Borough of Juneau 2013 One Refunding - Ne		
Kenai Peninsula Borough 2011 Three Refunding - Hos		
Kenai Peninsula Borough 2011 Three Refunding	•	
Kenai Peninsula Borough 2013 One Refunding		
Kenai Peninsula Borough 2013 Three Refunding		
5		(continued)
		•

	Debt Serv	ice Account
		Principal
Issue	Interest Rate	Outstanding
2021-Series One/Two continued		
City of Ketchikan 2012 Two Refunding		
City of Ketchikan 2013 Two A Refunding		
Kodiak Island Borough 2011 One Refunding		
Kodiak Island Borough 2011 Three Refunding - Solid	Waste Facility	
Kodiak Island Borough 2012 Two Refunding - 04C	,	
Kodiak Island Borough 2013 One Refunding		
Kodiak Island Borough 2013 Two B Refunding		
Kodiak Island Borough 2014 One A Refunding		
Lake and Peninsula Borough 2013 Three Refunding		
City of Sand Point 2013 One Refunding		
City of Seward 2011 Three Refunding - New Money		
City and Borough of Sitka 2011 Two Refunding		
City and Borough of Sitka 2012 Two Refunding - 04A		
City and Borough of Sitka 2012 Two Refunding - 05B		
City and Borough of Sitka 2013 One Refunding - Elect	tric	
City and Borough of Sitka 2013 One Refunding - Hark		
City and Borough of Sitka 2013 Three Refunding - Ele		
City and Borough of Sitka 2014 Three Refunding - Ele		
City and Borough of Sitka AEA - Electric		
City of Sand Point - New Money		
Southeast Alaska Power Agency - New Money		
2021-Series Three	5.00%	5,725,000
City and Borough of Juneau 2015 Two B Refunding		5/5/555
2022-Series One	5.00%	40,740,000
City and Borough of Juneau - Hospital		
Ketchikan Gateway Borough		
Petersburg Borough - Electric		
City of Seward - Utility		
2022-Series Two	5.00%	10,900,000
Southeast Alaska Power Agency - Electric	3,0070	=0/300/000
City of Cordova - Harbor		
2023-Series One/Two	5.00%-5.25%	86,520,000
Kenai Peninsula Borough - CES Service Area	3.0070 3.2070	00/020/000
Kenai Peninsula Borough - School		
Municipality of Skagway - Port		
City of Soldotna		
City and Borough of Wrangell		
		000 375 000
Total 2005 Bond Resolution		920,375,000
2016 Master Bond Resolution:		
2017 Series A - Yukon-Kuskokwim Health Corporation	3.00%-5.50%	96,340,000
Total 2016 Master Bond Resolution		96,340,000
Total Long-Term Liabilities		\$ 1,016,715,000

#### **Notes to Financial Statements**

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

On June 16, 2021, the Authority issued \$230.75 million in general obligation and refunding bonds, the 2021 Series One (Tax-Exempt), with interest rate yields ranging between 0.15% and 1.88% and bond coupon rates between 4% and 5%, and the 2021 Series Two (Taxable), with interest rate yields and coupons ranging between 0.243% and 3.128%. The Authority issued the bonds to current and advance refund \$194,945,000 in outstanding Series 2010-3B, 2011-1, 2011-2, 2011-3, 2012-2, 2013-1, 2013-2A, 2013-2B, 2013-3, 2014-1A, and 2014-3 general obligation bonds with interest rate yields ranging between 2.03% and 5.432% and bond coupons between 2.75% and 5.432%. The Authority used the net proceeds along with other resources to purchase U.S. government securities. These securities were deposited in an irrevocable trust to provide for all future debt service on the refunded portion of the series bonds listed above. As a result, these bonds are considered legally defeased, and the Authority has removed the liability from its financial statements. The outstanding principal of the defeased bonds was \$78,730,000 on June 30, 2023. At the time of issuance, the advance refunding reduced the total debt service payments over a 26-year period by over \$36.1 million. This resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$29.4 million.

The above bonds mature in varying annual installments. The maturities at June 30, 2023 are as follows:

	2005 Resolution	2016 Resolution		
Year Ending June 30	General	General	Total Principal	Total Interest
2024	\$ 69,180,000	\$ 2,310,000	\$ 71,490,000	\$ 41,501,778
2025	62,860,000	2,425,000	65,285,000	38,538,960
2026	60,790,000	2,525,000	63,315,000	35,802,263
2027	58,795,000	2,650,000	61,445,000	33,127,653
2028	56,930,000	2,780,000	59,710,000	30,575,438
2029 - 2033	251,650,000	15,820,000	267,470,000	117,896,349
2034 - 2038	172,290,000	19,230,000	191,520,000	72,248,812
2039 - 2043	116,565,000	24,095,000	140,660,000	37,530,172
2044 - 2048	54,090,000	24,505,000	78,595,000	11,167,567
2049 - 2053	 17,225,000	 	 17,225,000	 2,066,881
	\$ 920,375,000	\$ 96,340,000	\$ 1,016,715,000	\$ 420,455,873

#### (8) Conduit Debt

Under the Coastal Energy Loan Program (Program), the Authority issued \$5,000,000 1986 Series A Coastal Energy Bonds (Bonds) payable to the National Oceanic and Atmospheric Administration (NOAA). The proceeds of these bonds were used to purchase port revenue bonds from the City of Nome. The City of Nome entered into a tripartite agreement with NOAA and the Authority effective August 2, 1994 to defer payment of the principal and

#### Notes to Financial Statements

accrual of interest for ten years. Effective January 29, 2009, a second amendment to the tripartite agreement was executed. The amendment authorized the issuance of 2009A Bonds for the purpose of refunding by exchange the outstanding City of Nome, Alaska, Port Revenue Bond 1986 Series A. As of June 30, 2023 the aggregate amount outstanding for conduit debt obligations was \$3,307,650.

Also under the Program, the Authority issued \$6,563,000 1987 Series A Coastal Energy Bonds payable to NOAA. The proceeds of these bonds were used to purchase port revenue bonds from the City of St. Paul. The City of St. Paul entered into a tripartite agreement with NOAA and the Authority effective December 14, 2000 to modify and defer payment. As of June 30, 2023 the aggregate amount outstanding for the City of St. Paul conduit debt obligations was \$6,005,878.

The related loan payables do not represent a general obligation of the Authority as they are payable only from proceeds received from the City of Nome and St. Paul, respectively. Payment of principal and interest on the Bond Bank's Coastal Energy Bond is not secured by a pledge of any amounts held by or payable to the Bond Bank under the General Bond Resolution, including the Reserve Account, and is not in any way a debt or liability of the Bond Bank and accordingly, are not included in the basic financial statements. Additionally, no commitments regarding the bonds have been extended by the Authority.

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

#### (9) Commitments

During 2011, State Legislature appropriated \$2,450,000 to the Bond Bank to issue a 15-year, one percent interest loan to the City of Galena to retire existing debt obligations and make certain utility improvements. The intent of the legislature was that loan repayments made for the loan be paid into the State of Alaska General Fund in accordance with the provisions of the AS 44.85.270(h). The amount of receipts available to the Authority during fiscal year 2023 as discussed in Note 2(d), included \$173,937 of City of Galena loan repayments for the year ended June 30, 2023. There were no excess receipts over operating expenditures during fiscal year 2023.

The amount of Authority receipts determined under AS 44.85.270(h) and, as discussed in Note 2(d), available for transfer by the Authority and appropriation to the Bond Bank Authority Reserve Fund under AS 44.85.270(a) was \$-0- for fiscal year 2023; the cumulative state appropriated amount, therefore, remained \$33,396,046 at June 30, 2023.

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

#### (10) Subsequent Events

On July 21, 2023, the outstanding Bond Bank 2012 Series One Bonds were optionally redeemed, including the remaining principal amount of \$1.465 million plus accrued interest to the date of redemption.

#### Notes to Financial Statements

### (11) Upcoming Accounting Pronouncements

There are several recently issued Governmental Accounting Standards Board standards that the Bond Bank must consider with upcoming implementation dates. The Bond Bank has not fully evaluated the potential effects of these statements, and actual impacts have not yet been determined. The statements are as follows:

GASB 100 - *Accounting Changes and Error Corrections*. Effective for fiscal years beginning after June 15, 2023.

GASB 101 - *Compensated Absences*. Effective for fiscal years beginning after December 15, 2023.



Supplemental Schedule of Statutory Reserve Accounts - Assets, Liabilities, and Account Reserves

June 30, 2023

	2005 Resolution			6 Resolution	Total
ASSETS Cash Accrued interest receivable Marketable securities	\$	75,554 230,255 39,372,479	\$	4,984 24,048 6,564,868	\$ 80,538 254,303 45,937,347
Total Assets	\$	39,678,288	\$	6,593,900	\$ 46,272,188
LIABILITIES Interaccount payables Bond proceeds held in reserve Total Liabilities	\$	7,643,433 - 7,643,433	\$	39,880 6,993,150 7,033,030	\$ 7,683,313 6,993,150 14,676,463
RESERVES State appropriated Unappropriated Unrealized gain		28,046,530 6,953,259 (2,964,934)		21,632 (460,762)	28,046,530 6,974,891 (3,425,696)
Total Reserves		32,034,855		(439,130)	31,595,725
Total Liabilities & Reserves	\$	39,678,288	\$	6,593,900	\$ 46,272,188

#### Continuing Disclosure Tables

Pursuant to the Securities and Exchange Commission Rule 15c2-12 and the Authority's continuing disclosure undertakings, the Authority is obligated to provide annual financial information. In addition to annual financial statements the Authority must provide a statement of authorized, issued and outstanding bonded debt, reserve fund balances, and government unit statistics in substantially the same form as Appendix C of official statements of the Authority. The following supplemental information related to the 2005 general and 2016 master resolutions is provided in compliance with the Appendix C filing requirement.

## Supplemental Schedule of 2005 Bond Resolution Program - Borrower Concentration

Porrower	Outstanding Par	Percent of
Borrower City and Borough of Sitka	\$ 130,240,000	Outstanding 14.15%
Kenai Peninsula Borough	120,840,000	13.13%
City and Borough of Juneau	88,030,000	9.56%
City of Ketchikan	83,550,000	9.08%
University of Alaska	77,470,000	8.42%
Fairbanks North Star Borough	68,690,000	7.46%
Kodiak Island Borough	59,680,000	6.48%
City of Unalaska	46,770,000	5.08%
Municipality of Skagway	45,345,000	4.93%
City of Seward	32,180,000	3.50%
Ketchikan Gateway Borough	25,625,000	2.78%
Southeast Alaska Power Agency	17,905,000	1.95%
City of Cordova	15,180,000	1.65%
Aleutians East Borough	13,850,000	1.50%
Northwest Arctic Borough	13,575,000	1.47%
Lake and Peninsula Borough	13,025,000	1.42%
Petersburg Borough	10,715,000	1.16%
City of Kodiak	10,170,000	1.10%
City of Soldotna	10,060,000	1.09%
City of Dillingham	7,720,000	0.84%
City of Homer	5,720,000	0.62%
Haines Borough	4,930,000	0.54%
City and Borough of Wrangell	3,100,000	0.34%
City of Sand Point	2,930,000	0.32%
City of Anchorage	2,645,000	0.29%
City of King Cove	2,170,000	0.24%
City of Whittier	1,580,000	0.17%
City of Craig	1,290,000	0.14%
City of Nome	1,155,000	0.13%
City of Bethel	1,115,000	0.12%
City of Klawock	1,095,000	0.12%
City of Kenai	760,000	0.08%
City of Hoonah	660,000	0.07%
City of North Pole	285,000	0.03%
City of Adak	195,000	0.02%
City of Saxman	125,000	0.01%
Total Outstanding Par	\$ 920,375,000	100.00%

#### Supplemental Schedule of 2005 Bond Resolution Program - Debt Service Requirements

Borrower	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Ketchikan Gateway Borough-2009 Four Loan	\$ 1,694,654	\$ 1,684,964	\$ 1,664,500	\$ 1,652,551	\$ 1,633,521	\$ 1,617,708	\$ 1,594,815	\$ 1,578,530	\$ 1,554,797	\$ 1,533,923
Northwest Arctic Borough 2011 Three Refunding	1,681,000	-	-	-	-	-	-	-	-	-
City of Hoonah 2011 Three	89,500	91,700	89,100	91,400	88,250	89,625	90,750	91,625	92,250	-
Municipality of Skagway 2011 Three	36,625	35,500	34,500	33,500	37,250	35,750	34,250	37,625	35,875	-
Juneau Wildflower Court Refunding 2012 One	583,463	442,172	491,063	-	-	-	-	-	-	-
City of Nome 2012 Two	133,250	-	-	-	-	-	-	-	-	-
City of North Pole 2012 Two	99,750	100,125	101,375	-	-	-	-	-	-	-
Petersburg Borough 2012 Two	468,125	246,000	-	-	-	-	-	-	-	-
Haines Borough 2012 Three	84,344	86,544	83,944	86,594	84,494	87,272	84,928	82,584	85,063	82,363
Juneau 2012 Three Refunding	973,750	-	-	-	-	-	-	-	-	-
Petersburg Borough 2012 Three	105,500	101,450	102,750	99,425	101,500	-	-	-	-	-
City and Borough of Juneau (Bartlett Hospital) 2013 One	1,199,975	1,200,725	125,125	125,125	125,125	125,125	125,125	125,125	425,125	1,615,375
City of Homer 2013 Two	190,000	21,000	-	=	-	-	-	-	-	-
Kodiak Island Borough 2013 Two	301,863	44,613	44,613	44,613	44,613	44,613	44,613	394,613	387,113	389,063
Municipality of Skagway 2013 Two	72,000	69,750	67,500	70,250	67,750	70,250	72,500	69,500	71,500	68,250
City and Borough of Juneau 2013 Three	902,000	· -	· -	· =			· -	· =	· -	· -
Kenai Peninsula Borough	999,375	=	=	=	=	-	=	=	-	=
Lake and Peninsula Borough 2013 Three	871,250	=	=	=	=	-	=	=	-	=
Kenai Peninsula Borough 2014 One	2,955,500	2,958,250	2,959,500	2,957,750	2,960,000	2,955,750	=	=	-	=
Kodiak Island Borough 2014 One	1,147,688	1,144,688					=	=	-	=
City and Borough of Juneau 2014 One	406,138	406,138	404,575	403,825	407,575	405,575	408,075	404,825	407,450	402,950
City of Ketchikan Hospital (G.O.) 2014 Two	2,556,450	2,557,700	2,561,200	2,561,700	2,559,200	2,556,800	2,562,400	2,560,600	2,561,600	2,565,200
City of Ketchikan Harbor (G.O.) 2014 Two	207,800	206,300	209,550	207,300	209,800	208,400	206,800	205,000	208,000	205,600
City of King Cove Electric 2014 Two	39,050	38,050	37,050	41,050	39,800	38,800	37,800	41,800	40,600	39,400
City and Borough of Juneau 2014 Three	911,500	908,875	909,875	909,375	907,375	908,750	908,375	911,125	911,875	910,625
City of Saxman 2014 Three	16,000	15,500	15,000	14,500	14,000	13,500	13,000	12,500	12,000	11,500
City of Adak Refunding 2014 Three	102,375	102,500	-,	-	-	-,	-,	-	-	-
Municipality of Anchorage Refunding 2014 Three	298,000	294,375	290,500	291,250	296,375	291,000	295,125	288,750	291,875	294,250
Haines Borough Refunding 2014 Three	1,189,500	1,190,625	1,189,000	- ,		- ,				
Kenai Peninsula Borough Refunding 2014 Three	181,000	177,875	179,375	=	=	-	=	=	-	=
City of Nome Refunding 2014 Three	269,500	271,625	· -	=	=	-	=	=	-	=
Northwest Arctic Borough Refunding 2014 Three	447,125	442,000	445,875	-	-	-	_	-	_	-
Petersburg Borough Refunding 2014 Three	401,875	398,750	399,750	-	-	-	_	-	_	-
City of Seward 2005 Refunding 2014 Three	107,125	102,375	102,500	=	=	-	=	=	-	=
City of Seward 2006 Refunding 2014 Three	320,975	321,850	637,100	=	=	-	=	=	-	=
City of Cordova 2015 One New Money	135,075	135,950	136,575	136,950	137,075	136,950	136,575	136,525	136,825	136,925
City of Cordova 2015 One 2009 Refunding	1,345,875	1,343,375	1,343,250	1,330,625	1,325,500	1,327,375			-	-
City of Craig 2015 One New Money	135,238	136,113	136,738	137,113	137,238	137,113	136,738	136,688	136,988	137,088
Aleutians East Borough 2015 One 2006 Refunding	169,125	117,500	97,375							
Nome 2015 One 2006 Refunding	90,250	86,250	87,125	_	_	_	_	_	_	_
Nome 2015 One 2009 Refunding	52,250	50,250	48,250	51,125	53,750	51,250	-	-	-	-
Sitka 2015 One 2008 Refunding	537,688	536,000	537,875	533,625	538,125		_	_	_	_
Unalaska 2015 One 2009 Refunding	1,846,138	1,841,825	1,840,575	1,841,200	1,833,700	1,837,825	1,833,325	1,833,300	1,828,300	1,825,800
The Late Color Loop Relationship	2,0 .0,100	2,0 .2,023	2,0.0,373	1,0 .1,200	2,000,700	1,03.,023	1,000,020	2,000,000	2,020,000	(continued)

#### Supplemental Schedule of 2005 Bond Resolution Program - Debt Service Requirements, continued

Borrower	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Cordova 2015 Two	213,750	212,500	211,000	214,250	212,000	214,500	216,500	213,000	211,000	213,800
Skagway 2015 Two	683,100	684,600	680,350	680,600	680,100	683,850	681,600	683,600	683,400	682,600
City and Borough of Juneau 2015 Two (Harbor Refunding)	741,650	743,150	738,400	737,650	735,650	737,400	385,400	450,899	514,950	591,450
Kenai Peninsula Borough 2015 Two	1,091,000	1,093,250	1,088,250	1,091,250	1,086,750	-	-	-	-	-
Juneau 2015 Two (Cruise Dock)	1,334,000	1,334,250	1,337,000	1,337,000	1,334,250	1,338,750	-	-	-	-
Skagway 2015 Two (Port)	361,188	360,688	359,688	363,188	360,938	363,188	359,688	362,788	360,250	362,288
University of Alaska 2015 Three	5,587,838	5,590,463	5,587,838	5,589,713	5,585,838	5,585,963	5,589,588	5,585,913	5,587,175	5,588,100
Haines Borough 2015 Three	92,550	90,050	92,425	89,675	91,800	93,675	90,425	92,400	89,163	90,356
Kodiak Island Borough 2015 Three High School	494,088	490,588	491,463	491,588	490,963	489,588	492,338	491,063	493,425	492,425
Kodiak Island Borough 2015 Three Renewal & Replace	226,500	226,250	225,500	=	-	_	=	-	-	-
King Cove 2015 Three	73,588	76,963	75,213	73,463	76,588	74,588	77,463	75,438	73,356	75,863
Kenai Peninsula Borough CES 15-Year Loan - 2016 One	178,688	176,813	179,563	179,263	179,513	178,013	177,481	177,625	-	-
City of Klawock New Money Loan - 2016 One	86,950	89,325	91,450	89,350	87,550	85,150	88,097	86,269	84,319	77,444
Kodiak Island Borough R&R Loan - 2016 One	674,375	678,750	676,500	-	-	-	-	-		-
Kodiak Island Borough High School Loan - 2016 One	131,544	132,169	132,544	134,169	131,169	132,069	133,525	130,431	132,056	133,531
City of Seward 2008 One Refunding - 2016 One	1,446,006	1,439,881	1,441,256	1,452,256	1,437,356	1,434,656	1,443,753	1,437,725	1,438,275	1,432,700
City of Seward 2008 Two Refunding - 2016 One	339,950	334,825	339,200	341,400	339,400	334,900	336,819	339,638	336,763	338,663
Fairbanks North Star Borough - 2016 Two	4,109,150	4,109,400	4,112,900	4,109,400	4,110,000	4,111,775	4,112,325	4,108,950	4,113,775	4,109,350
City of Petersburg 2007 One New Money Refunding - 2016 Three	83,000	79,500	80,875	82,000	-			-	-	-
Aleutians East Borough 2007 Two Refunding - 2016 Three	2,044,875	2,119,750	2,167,375	2,193,625	2,209,000	2,208,875	-	-	-	-
Kenai Peninsula Borough 2007 Two Refunding - 2016 Three	722,625	· · ·	· · ·		· · ·	· · ·	=	=	=	=
City of Bethel 2007 Three Refunding - 2016 Three	255,625	250,250	249,500	253,125	251,125	-	=	=	=	=
City of Kodiak 2007 Five Float Refunding - 2016 Three	114,788	111,538	113,163	114,538	110,788	116,788	118,313	115,556	117,666	119,556
City of Kodiak 2007 Five Lift Refunding - 2016 Three	220,075	219,200	218,075	216,700	215,075	218,075	271,375	274,941	273,144	271,050
City of Dillingham 2008 One Loan Refunding - 2016 Three	1,064,000	1,060,500	1,064,750	1,066,500	1,060,875	=	=	=	-	=
City of Kodiak 2008 One Loan Refunding - 2016 Three	449,575	451,450	447,700	448,325	453,075	447,075	448,850	448,281	447,188	450,469
Kodiak Island Borough 2008 One Loan Refunding - 2016 Three	619,875	619,500	622,750	619,625	620,125	-	-	-	-	-
City of Skagway 2008 Two Loan Refunding - 2016 Three	356,875	357,250	356,875	355,750	358,750	-	-	-	-	-
City of Kodiak 2009 One Loan Refunding - 2016 Three	60,806	59,056	62,181	60,181	63,056	60,806	54,081	57,778	56,372	59,856
City and Borough of Juneau New Money - 2016 Three	332,750	328,500	328,625	328,000	-	-	-	-	-	-
City of Ketchikan Port 2006 Two Loan Refunding - 2016 Four	2,204,875	2,204,125	2,200,375	2,198,500	2,198,250	2,199,375	2,191,875	2,195,500	2,190,000	2,190,250
City of Ketchikan Port New Money - 2016 Four	141,875	143,000	143,875	144,500	144,875	145,000	144,875	144,500	143,875	143,000
Kenai Peninsula Borough Hospital Loan - 2017 One	401,669	399,419	399,669	399,169	397,919	402,719	402,069	400,663	398,475	-
City of Seward - 2017 One	207,556	209,431	207,931	206,181	209,181	209,681	205,031	205,188	204,988	209,213
City of Unalaska - 2017 Two	2,010,600	2,014,100	2,010,350	2,014,600	2,011,350	2,010,850	2,012,850	2,012,100	2,013,600	2,014,013
City of Whittier - 2017 Two	154,275	155,275	156,025	156,525	156,775	156,775	156,525	156,025	155,275	155,925
Kenai Peninsula Borough Central Hosptial - 2017 Three	2,057,788	2,058,788	2,061,663	2,061,288	2,062,538	2,060,288	2,059,413	2,058,038	2,060,263	2,058,963
Sitka Harbor - 2018 One	587,000	590,000	592,250	593,750	589,500	589,750	589,250	588,000	586,000	588,250
Sitka Airport - 2018 One	333,500	335,500	337,000	333,000	333,750	334,000	333,750	333,000	331,750	335,000
Dillingham Fire - 2019 One	44,000	43,000	47,000	45,750	44,500	43,250	42,000	45,750	44,500	43,800
Dillingham Street - 2019 One	231,750	231,500	236,000	235,000	233,750	232,250	235,500	233,250	235,500	231,700
Fairbanks North Star Borough - 2019 One	288,250	288,250	288,250	288,250	288,250	363,250	739,500	736,750	738,000	738,000
										(continued)

#### Supplemental Schedule of 2005 Bond Resolution Program - Debt Service Requirements, continued

City of Homes - 2019 One	Borrower	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Southeast Alaska Power Agency - 2019 Tree   1.5   1.	City of Homer - 2019 One	394,000	397,500	395,250	392,500	394,250	395,250	395,500	395,000	393,750	396,750
Fairbanks North Sar Borough - 2019 Two   448,288   446,818   449,544   446,439   447,660   372,560   125,070   125	Northwest Arctic Borough - 2019 One	872,500	872,500	871,500	874,500	871,250	872,000	871,500	869,750	871,750	872,250
Reminusula Borough - 7.019 Three   125,000   126,875   126,000   128,875   125,000   126,375   125,000   125,000   125,000	Southeast Alaska Power Agency - 2019 One	981,750	-	-	-	-	-	-	-	-	_
City and Borough of Juneau Alprort - 2019 Priver (2741,759   2744,875   2734,269   632,750   632	Fairbanks North Star Borough - 2019 Two	448,288	446,818	449,544	446,430	447,660	372,960	-	-	-	-
City and Borough of Juneau Airport - 2019 Fritre	Kenai Peninsula Borough - 2019 Three	125,500	126,875	128,000	128,875	129,500	125,000	125,375	125,500	125,375	125,000
City and Borough of Juneaus Airport - 2019 Four   635,000   629,500   632,750   634,500   288,675   287,000   -   -   -   -   -   -   -   -   -	City and Borough of Juneau Airport - 2019 Three	2,741,750	2,740,875	2,734,250	2,731,625		366,500	369,000	· -	· -	-
Northwest Arctic Borough - 2020 One (file 20108 BABe) 191,760 188,125 197,375 180,025 151,752 198,625 204,500 199,875		635,000			634,500		285,625	287,000	=	=	=
City of Kernal - 2020 One	Northwest Arctic Borough - 2020 One (Ref 2010B BABs)	191,750	188,125	179,375	· -	· <u>-</u>	· -	· -	=	=	=
City of Kerabary - 2020 One   130,625   130,750   130,625   130,750   130,625   138,875   178,500   120,235   127,425	Northwest Arctic Borough - 2020 One (Ref 2010B RZEDBs)	36,250	36,250	36,250	197,125	198,625	204,500	199,875	=	=	=
City of Unalaska - 2020 One 1,424,750 1,861,000	City of Kenai - 2020 One	130,625	130,750	130,625	125,375	125,000	129,250	128,125	=	=	=
City of Unaleska - 2020 One 1,424/750 1,810.00 - 2020 One 1,425/750 1,810.00 - 2020 One 1,425/750 1,810.00 1,825/750	City of Petersburg - 2020 One	175,750	174,625	183,000	180,875	178,500	180,750	177,625	174,250	=	=
City and Borough of Juneau - 2020 One 1,424,750 1,681,000	City of Unalaska - 2020 One	324,625	322,625	320,125	326,875		323,250	322,875	· -	=	=
City of King Cove - 2020 One 44,000 42,000 41,000 42,500 41,000 42,500 42,000 46,250 41,250 46,255 - CT CITY of King Cove - 2020 One 325,375 323,875 317,000 324,500 326,125 317,250 317,875 317,750 - CT CITY of Lordwind of Sitks - 2020 One 215,0500 883,75 - CT CITY of Marksta - 2020 One 45,075 45	City and Borough of Juneau - 2020 One	1.424.750	1.681.000			· -	· -		-	-	-
City of Unalisaks - 2020 One	•			31,125	29,875	33,500	32,000	25,625	=	=	=
City of Unalisaks - 2020 One	City of King Cove - 2020 One	44.000	42,500	41.000	49.250	47.250	45,250	43.250	46.125	-	-
City and Borough of Stika - 2020 One	City of Unalaska - 2020 One	325.375	323.875	317,000	324,500		317,250	317.875	317,750	-	-
Renipelinsula Borough - 2020 One				- ,	- ,		•	- ,	•	-	-
City of Ketchikan – 2020 One				1.056.625	1.050.500	1.047.500	1.047.375	1.040.125	1.045.500	-	-
Kethikan Gateway Borough - 2020 One   266,625   269,500   271,625   3.01.5 (2.98,375   2.98,375   2.98,4500   2.994,250   2.97,250										=	=
City of Solidonia - 2020 One 1543.72 2020 One 1543.75 158.875 158.00 156.875 158.875 158.00 156.875 158.875 158.00 156.875 158.875 158.00 156.875 158.500 158.500 158.					· -	· <u>-</u>	· -	· -	· -	=	=
City of Soldotha = 2020 One					3.001.250	2.993.375	2.989.500	2.984.250	2.972.500	-	-
Retnikan Gateway Borough   -2020 One   685.625   684.625   681.875   -252.925   254.925   251.550   252.800   253.800   253.800   248.675   248.175   Fairbanks North Star Borough (Ref 2006) - 2020 One   814.875   809.875   808.250   809.750   -2		154.375			156.875			156.375		-	-
Fairbanks North Star Borough (Ref 2006) - 2020 One		· ·								248.675	248.175
Fairbanks North Star Borough (Ref 200R) - 2020 One					- ,	- ,	- ,		=	-,	-, -
Fairbanks North Star Borough (Ref 2010M RZEDBs) - 2020 One			809,875		809,750	<del>-</del>	=	=	=	=	=
Fairbanks North Star Borough (Ref 2012M R 22D0 One		748,125				763,625	=	=	=	=	=
Fairbanks North Star Borough (Ref 2012R) - 2020 One 688,000 688,000 690,750 685,250 688,505 688,375 688,875 698,750 691,875 72 610 Ketchikan (New Money) - 2020 One 735,175 737,425 738,675 734,055 73		742,875		741,250	755,625	753,125	749,125	753,375	=	=	=
City of Ketchikan (New Money) - 2020 One 735,175 737,425 738,675 734,050 738,425 736,050 738,425 736,050 733,925 735,050 734,925 738,425 Kodiak Island Borough (School Renovation Project) - 2020 One 43,750 42,250 45,625 43,875 42,125 45,250 43,250 46,125		688,000			685,250		685,375		689,750	691,875	=
Kodiak Island Borough (School Renovation Project) - 2020 One         233,750         235,500         235,500         235,500         237,500         38,300         36,800         35,300         36,800         35,800         36,800         36,800         35,800         36,800         30,800         30,215         30,300         30,215         30,300         30,215	City of Ketchikan (New Money) - 2020 One	735,175	737,425	738,675	734,050		736,675	733,925	735,050	734,925	738,425
City of King Cove (New Money) - 2020 One         35,800         39,675         38,425         37,175         35,925         34,675         38,300         36,800         35,300         38,675           Kenai Peninsula Borough (Hospital Refunding) - 2021 One         3,321,000         -	Kodiak Island Borough (High School Project) - 2020 One	43,750	42,250	45,625	43,875	42,125	45,250	43,250	46,125	-	_
Kenai Peninsula Borough (Hospital Refunding) - 2021 One         3,321,000         - <td>Kodiak Island Borough (School Renovation Project) - 2020 One</td> <td>233,750</td> <td>235,500</td> <td>236,750</td> <td>237,500</td> <td>237,750</td> <td>232,625</td> <td>237,000</td> <td>235,750</td> <td>-</td> <td>-</td>	Kodiak Island Borough (School Renovation Project) - 2020 One	233,750	235,500	236,750	237,500	237,750	232,625	237,000	235,750	-	-
Kodiak Island Borough (2011 Series One) - 2021 One         516,125         517,875         518,625         513,500         512,500         510,500         517,250         517,625         -	City of King Cove (New Money) - 2020 One	35,800	39,675	38,425	37,175	35,925	34,675	38,300	36,800	35,300	38,675
Kodiak Island Borough (2011 Series Three) - 2021 One         274,000         272,250         274,875         276,750         -	Kenai Peninsula Borough (Hospital Refunding) - 2021 One	3,321,000	-	-	-	-	-	-	-	-	_
City of Seward (2011 Series Three) - 2021 One         207,300         201,800         201,175         200,300         199,175         202,675         205,675         198,425         200,925         202,925           City and Borough of Sitka (2011 Series Two) - 2021 One         350,000         352,625         349,625         355,875         351,375         351,250         350,375         353,625         -	Kodiak Island Borough (2011 Series One) - 2021 One	516,125	517,875	518,625	513,500	512,500	510,500	517,250	517,625	-	-
City and Borough of Sitka (2011 Series Two) - 2021 One         350,000         352,625         349,625         355,875         351,375         351,250         350,375         353,625         - </td <td>Kodiak Island Borough (2011 Series Three) - 2021 One</td> <td>274,000</td> <td>272,250</td> <td>274,875</td> <td>276,750</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td>	Kodiak Island Borough (2011 Series Three) - 2021 One	274,000	272,250	274,875	276,750	-	-	-	-	-	-
City of Sand Point - 2021 One         91,850         89,350         91,725         93,850         90,850         92,725         89,475         91,100         92,475         88,725           Southeast Alaska Power Agency - 2021 One         777,850         778,975         779,350         778,975         777,850         780,850         777,975         779,225         779,475         778,725           Aleutians East Borough - 2021 Two         315,525         313,899         316,408         308,227         309,323         304,593         309,125         308,084         -         -         -           City of Homer - 2021 Two         79,616         84,370         248,130         265,687         267,529         263,696         264,296         264,452         264,323         258,893           City and Borough of Juneau (Barlett Hospital) - 2021 Two         373,095         372,068         370,511         1,412,313         1,420,436         1,414,837         1,406,175         1,410,211         1,407,699         1,124,822           City and Borough of Juneau (Various Capital) - 2021 Two         57,342         196,683         200,186         203,220         200,778         197,842         199,460         205,664         201,624         207,278           Kenai Peninsula Borough (Bear Creek Fire) - 2021 Two <td>City of Seward (2011 Series Three) - 2021 One</td> <td>207,300</td> <td>201,800</td> <td>201,175</td> <td>200,300</td> <td>199,175</td> <td>202,675</td> <td>205,675</td> <td>198,425</td> <td>200,925</td> <td>202,925</td>	City of Seward (2011 Series Three) - 2021 One	207,300	201,800	201,175	200,300	199,175	202,675	205,675	198,425	200,925	202,925
Southeast Alaska Power Agency - 2021 One         777,850         778,975         779,350         778,975         777,850         780,850         777,975         779,225         779,475         778,725           Aleutians East Borough - 2021 Two         315,525         313,899         316,408         308,227         309,323         304,593         309,125         308,084         -	City and Borough of Sitka (2011 Series Two) - 2021 One	350,000	352,625	349,625	355,875	351,375	351,250	350,375	353,625	-	_
Aleutians East Borough - 2021 Two       315,525       313,899       316,408       308,227       309,323       304,593       309,125       308,084       -       -       -         City of Homer - 2021 Two       79,616       84,370       248,130       265,687       267,529       263,696       264,296       264,452       264,323       258,893         City and Borough of Juneau (Barlett Hospital) - 2021 Two       373,095       372,068       370,511       1,412,313       1,420,436       1,414,837       1,406,175       1,410,211       1,407,699       1,121,482         City and Borough of Juneau (Various Capital) - 2021 Two       57,342       196,683       200,186       203,220       200,778       197,842       199,460       205,664       201,624       207,278         Kenai Peninsula Borough (Bear Creek Fire) - 2021 Two       86,931       86,503       85,854       89,995       83,948       87,681       86,200       89,552       87,791       85,944	City of Sand Point - 2021 One	91,850	89,350	91,725	93,850	90,850	92,725	89,475	91,100	92,475	88,725
Aleutians East Borough - 2021 Two 315,525 313,899 316,408 308,227 309,323 304,593 309,125 308,084 City of Homer - 2021 Two 79,616 84,370 248,130 265,687 267,529 263,696 264,296 264,452 264,323 258,893 (21) and Borough of Juneau (Barlett Hospital) - 2021 Two 573,42 196,683 200,186 203,220 200,778 197,842 199,460 205,664 201,624 207,278 Kenai Peninsula Borough (Bear Creek Fire) - 2021 Two 86,931 86,503 85,854 89,995 83,948 87,681 86,200 89,552 87,791 85,944	Southeast Alaska Power Agency - 2021 One	777,850	778,975	779,350	778,975	777,850	780,850	777,975	779,225	779,475	778,725
City and Borough of Juneau (Barlett Hospital) - 2021 Two     373,095     372,068     370,511     1,412,313     1,420,436     1,414,837     1,406,175     1,410,211     1,407,699     1,121,482       City and Borough of Juneau (Various Capital) - 2021 Two     57,342     196,683     200,186     203,220     200,778     197,842     199,460     205,664     201,624     207,278       Kenai Peninsula Borough (Bear Creek Fire) - 2021 Two     86,931     86,503     85,854     89,995     83,948     87,681     86,200     89,552     87,791     85,944		315,525	313,899	316,408	308,227	309,323	304,593	309,125	308,084	-	_
City and Borough of Juneau (Various Capital) - 2021 Two     57,342     196,683     200,186     203,220     200,778     197,842     199,460     205,664     201,624     207,278       Kenai Peninsula Borough (Bear Creek Fire) - 2021 Two     86,931     86,503     85,854     89,995     83,948     87,681     86,200     89,552     87,791     85,944	City of Homer - 2021 Two	79,616	84,370	248,130	265,687	267,529	263,696	264,296	264,452	264,323	258,893
City and Borough of Juneau (Various Capital) - 2021 Two     57,342     196,683     200,186     203,220     200,778     197,842     199,460     205,664     201,624     207,278       Kenai Peninsula Borough (Bear Creek Fire) - 2021 Two     86,931     86,503     85,854     89,995     83,948     87,681     86,200     89,552     87,791     85,944											
Kenai Peninsula Borough (Bear Creek Fire) - 2021 Two 86,931 86,503 85,854 89,995 83,948 87,681 86,200 89,552 87,791 85,944		57,342	196,683	200,186	203,220			199,460		201,624	207,278
	· · · · · · · · · · · · · · · · · · ·	,		,			- * "	,		- , - <del>-</del>	

#### Supplemental Schedule of 2005 Bond Resolution Program - Debt Service Requirements, continued

Borrower	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Kenai Peninsula Borough (Ref 2013 Three) - 2021 Two	509,402	1,509,326	1,508,202	1,508,833	1,506,016	1,509,270	1,509,121	1,501,560	1,502,441	1,506,210
City of Ketchikan (Ref 2012 Series 2) - 2021 Two	339,799	338,088	340,467	337,091	337,915	337,816	341,885	335,394	338,554	-
City of Ketchikan (Electric) - 2021 Two	400,549	1,041,814	1,043,934	1,038,776	1,036,219	1,035,921	1,033,277	1,033,903	1,033,386	1,036,388
Kodiak Island Borough (2012 Series Two) - 2021 Two	1,377,621	1,379,799	-	-	-	-	-	-	-	-
Kodiak Island Borough (2013 Series One) - 2021 Two	1,534,739	1,532,162	1,530,606	1,530,684	1,532,150	1,534,507	1,528,389	1,529,728	1,529,366	1,531,832
Kodiak Island Borough (2013B Series Two) - 2021 Two	857,631	863,374	856,887	858,525	858,139	860,450	855,818	859,739	857,693	859,444
Kodiak Island Borough (2014A Series One) - 2021 Two	497,810	496,384	1,648,236	1,642,568	1,643,153	1,644,450	1,642,079	1,642,020	1,650,101	1,645,885
Lake and Peninsula Borough (2013 Three) - 2021 Two	444,759	1,320,318	1,315,605	1,313,092	1,317,542	1,313,574	1,316,665	1,317,549	1,317,005	1,314,686
City of Sand Point (Harbor System) - 2021 Two	163,928	163,215	162,134	165,721	163,957	161,837	159,430	161,783	158,986	156,054
City and Borough of Sitka (2012 Series Two) - 2021 Two	1,407,324	607,111	-	=	-	-	-	-	-	-
City and Borough of Sitka (2013 Series One) - 2021 Two	1,344,286	1,347,700	1,345,278	1,347,149	1,343,283	1,343,591	1,343,172	1,347,180	2,864,521	2,864,003
City and Borough of Sitka (2013 Series One - Harbor) - 2021 Two	283,597	282,199	280,080	282,338	283,909	279,750	279,979	279,736	284,139	283,111
City and Borough of Sitka (2013 Series Three - Electric) - 2021 Two	1,026,445	1,025,105	1,028,046	1,025,389	1,027,095	1,028,056	1,028,378	1,028,235	1,908,352	1,907,988
City and Borough of Sitka (2014 Series Three) - 2021 Two	692,230	691,146	689,503	692,370	689,725	691,501	692,749	693,604	1,495,606	1,498,065
City and Borough of Sitka (AEA) - 2021 Two	550,356	552,629	548,477	548,134	551,478	548,362	549,006	548,720	552,786	551,055
City and Borough of Juneau (Cruise Ship Dock) - 2021 Three	286,250	286,250	286,250	286,250	286,250	286,250	286,250	1,358,750	1,357,375	1,348,375
City and Borough of Juneau (Bartlett Hospital) - 2022 One	1,510,125	1,509,125	1,506,625	1,507,500	1,501,750	1,504,250	1,504,750	1,503,250	1,499,750	1,499,125
Ketchikan Gateway Borough - 2022 One	535,875	534,875	533,375	531,375	533,750	535,375	531,375	531,750	531,375	530,250
Petersburg Borough - 2022 One	499,875	501,875	503,375	499,500	500,250	500,500	500,250	499,500	498,250	501,375
City of Seward - 2022 One	441,750	441,750	588,000	590,250	587,125	588,625	589,625	590,125	590,125	589,625
Southeast Alaska Power Agency - 2022 Two	359,338	359,463	359,338	358,963	358,338	357,463	356,338	354,963	358,213	356,088
City of Cordova - 2022 Two	223,563	335,688	339,688	338,313	336,688	339,688	337,313	339,563	336,438	337,938
Kenai Peninsula Borough (CES) - 2023 One	1,150,125	1,147,875	1,149,500	1,149,875	1,149,000	1,146,875	1,148,375	1,148,375	1,146,875	1,148,750
Kenai Peninsula Borough (Schools) - 2023 One	2,372,625	2,371,750	2,373,500	2,372,750	2,374,375	2,373,250	2,374,250	2,372,250	2,372,125	2,373,625
City of Soldotna - 2023 One	582,625	580,750	578,625	581,125	578,250	580,000	581,250	582,000	582,250	582,000
City and Borough of Wrangell - 2023 One	247,625	242,875	243,000	242,875	247,375	246,500	245,375	244,000	247,250	245,125
Municipality of Skagway (Port Revenue) - 2023 Two (AMT)	1,956,205	1,958,831	1,960,206	1,960,329	1,959,206	1,956,833	1,958,083	1,957,834	1,956,082	1,957,706
Total Loan Obligation Debt Service	\$ 106,059,740	\$ 96,883,172	\$ 92,188,100	\$ 87,647,865	\$ 83,366,400	\$ 78,536,506	\$ 70,311,416	\$ 69,679,648	\$ 66,406,745	\$ 65,803,877

# Supplemental Schedule of 2016 Master Resolution Program - Borrower Concentration

	(	Outstanding	Percent of
Borrower		Par	Outstanding
Yukon-Kuskokwim Health Corporation	\$	96,340,000	100.00%
Total Outstanding Par	\$	96,340,000	100.00%

#### Supplemental Schedule of 2016 Master Resolution Program - Debt Service Requirements

Borrower	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Yukon-Kuskokwim Health Corporation	\$ 6,932,038	\$ 6,940,788	\$ 6,929,163	\$ 6,924,788	\$ 6,919,038	\$ 6,916,538	\$ 6,938,731	\$ 6,933,538	\$ 6,935,750	\$ 6,903,600
Total Loan Obligation Debt Service	\$ 6,932,038	\$ 6,940,788	\$ 6,929,163	\$ 6,924,788	\$ 6,919,038	\$ 6,916,538	\$ 6,938,731	\$ 6,933,538	\$ 6,935,750	\$ 6,903,600



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 **DATE**: October 30, 2023

Luke Welles, Bruce Tangeman, Fadil Limani, Micaela Fowler, Ken Koelsch

**FROM:** Ryan Williams, Exec. Director **TELEPHONE:** 907-465-2893

The following are updates on items not covered in the November 6, 2023, Agenda:

The quarterly ethics report as of 9/30/23 was filed with the Department of Law without any findings.

The AMBBA FY23 Audited Financial Statements were filed through EMMA / MSRB, meeting the disclosure requirement. The required documentation to complete our annual report and reserve certifications as of 6/30/23 are due for disclosure postings by or on 1/26/24 (210 days after the last day of fiscal year).

The State of Alaska Budget is anticipated to be released on December 15, 2023. I will communicate any updates to the Board on Bond Bank program operations and annual appropriations at the next meeting.

The Trustee contract has been extended through the end of October 2024 per the original terms of the RFP. From a discussion with procurement, if extended at the same dollar amount, there is possibility of two additional one-year extensions to October 2025 and October 2026, respectively, in which time we would need to conduct an RFP for Trustee services, unless otherwise providing a reason for necessity of not providing an RFP and approval subsequently occurs. I will speak through general difficulties in approaching Trustee contracts from a bond issuers perspective during the meeting.

#### **Portfolio Market Values and Performance:**

Attached as an exhibit to this report is a snapshot of the Bond Bank's performance and asset values as of September 30, 2023, for the 2005 and 2016 Reserves, as well as the Bond Bank's Custodian Account.

### **Surety Analysis:**

Surety Policy Issues	Incremental Surety Coverage Provided at Issuance	Notes and Expiration
2016 Three & Four	7,500,000	2016 Three expires December 1, 2037; 2016 Four - December 1, 2035
2016 Two	3,383,328	Term Expires December 1, 2035
Stand Alone \$1.23mm	1,230,000	Term Expires March 1, 2046
2016 One	718,412	Term Expires August 1, 2040
2015 Three	5,198,466	Term Expires October 1, 2044

Coverage stated amount: \$18.0 million

Most recent Parity Reserve Fund Valuation on the 2005 Resolution Reserve (6/30/23): \$41.8 million. With \$18 million in surety coverage, total reserve fund valuation is \$59.8 million.

Please reach out to discuss any items contained in the report.

Thank you, Ryan

Ryan Williams
Executive Director
Alaska Municipal Bond Bank Authority
Ryan.Williams@Alaska.gov

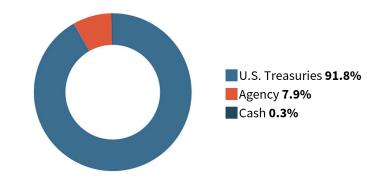
Phone: (907) 465-2893

## Portfolio Overview

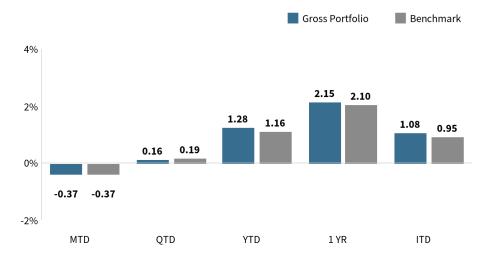
BEGINNING VALUE + ACCRUED	\$39,704,764
TRANSFERS IN/ OUT	-\$4,827
REALIZED GAINS	-\$17,160
CHANGE IN MARKET VALUE	-\$182,111
INTEREST INCOME	\$53,262
ENDING VALUE + ACCRUED	\$39,553,928



### **Portfolio Composition**



### **Investment Performance**



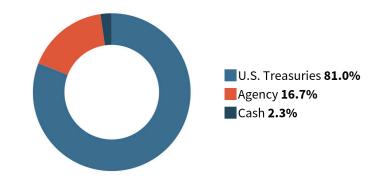
Performance is annualized for periods greater than one year. Inception to date performance begins June 01, 2011 Past performance is not indicative of future results.

## Portfolio Overview

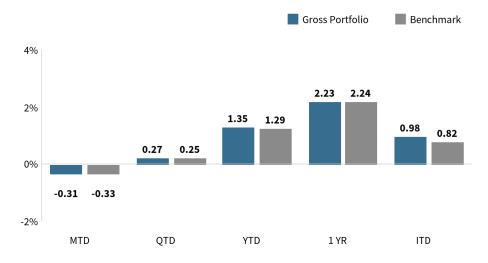
BEGINNING VALUE + ACCRUED	\$13,336,072
TRANSFERS IN/ OUT	-\$37,650
REALIZED GAINS	-\$8,182
CHANGE IN MARKET VALUE	-\$56,836
INTEREST INCOME	\$23,929
ENDING VALUE + ACCRUED	\$13,257,333



### **Portfolio Composition**



### **Investment Performance**



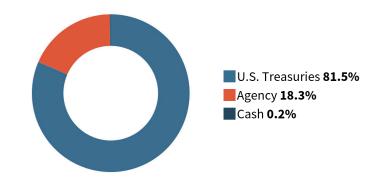
Performance is annualized for periods greater than one year. Inception to date performance begins June 01, 2011 Past performance is not indicative of future results.

## Portfolio Overview

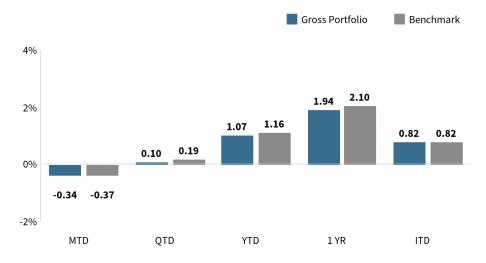
BEGINNING VALUE + ACCRUED	\$6,610,921
TRANSFERS IN/ OUT	-\$21
REALIZED GAINS	\$0
CHANGE IN MARKET VALUE	-\$29,391
INTEREST INCOME	\$7,028
ENDING VALUE + ACCRUED	\$6,588,537



### **Portfolio Composition**



### **Investment Performance**



Performance is annualized for periods greater than one year. Inception to date performance begins April 01, 2017 Past performance is not indicative of future results.