NEW ISSUE – BOOK-ENTRY ONLY **RATINGS: See "RATINGS" herein**

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Interest on the Bonds is not included in taxable income for purposes of the State of Alaska income tax imposed on corporations. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See "TAX MATTERS."

$110,080,000
STATE OF ALASKA
General Obligation Refunding Bonds
Series 2024A

Dates, Interest Rates, Prices and Yields Are Shown on the Inside Cover Page

The State of Alaska (the "State") is issuing $110,500,000 aggregate principal amount of General Obligation Refunding Bonds, Series 2024A (the "Bonds").

The Bonds will be general obligations of the State and the full faith, credit and resources of the State will be pledged to the payment of principal of and interest on the Bonds. See "THE BONDS – Security for the Bonds" herein.

The Bonds will be issued in fully registered form without coupons in denominations of $5,000 or any integral multiple thereof. Interest on the Bonds will be payable on August 1, 2024 and semiannually thereafter on February 1 and August 1 in each year until maturity. Interest will be calculated on the basis of a 360-day year of twelve 30-day months at the annual rates set forth on the inside front cover. The Bonds will not be subject to redemption prior to maturity.

The Bonds initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Purchasers of Bonds will not receive physical certificates representing their interest in the Bonds purchased. DTC will act as securities depository for the Bonds. Individual purchases of interests in the Bonds will be made in book-entry form only, in the principal amount of $5,000 or any integral multiple thereof. The principal of and interest on the Bonds will be payable directly to DTC by U.S. Bank Trust Company, National Association, Seattle, Washington as authenticating agent, paying agent and registrar for the Bonds. Upon receipt of payments of principal and interest, DTC is to remit such principal and interest to the Direct Participants (defined in Appendix E) for subsequent disbursement to the purchasers of beneficial interests in the Bonds, as described herein.

The Bonds are being issued pursuant to the Alaska Constitution, Alaska Statutes 37.15.010 through 37.15.220 (the "Bond Act") and the Resolution (as defined herein) for the purpose of refunding all or a portion of the State's General Obligation Bonds, Series 2010A (Taxable Build America Bonds – Direct Payment). See "THE BONDS – Application of Bond Proceeds."

This cover page contains certain information for quick reference only. Investors must read the entire Official Statement to obtain information essential to the making of an informed decision.

The Bonds are offered when, as and if issued, subject to receipt of an approving opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the State Bond Committee. Certain legal matters will be passed upon for the Underwriters by their special counsel, Nixon Peabody LLP. Acacia Financial Group, Inc. is serving as Financial Advisor to the State. It is expected that the Bonds in book-entry form will be available for delivery by Fast Automated Securities Transfer, through the facilities of DTC, on or about June 4, 2024.

Goldman Sachs & Co. LLC **Jefferies**

The date of this Official Statement is May 15, 2024

$110,080,000

STATE OF ALASKA

GENERAL OBLIGATION REFUNDING BONDS
SERIES 2024A

Dated: Date of Delivery

Due: August 1, as shown below

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS, PRICES, CUSIPS

Maturity August 1	Principal Amount	Interest Rate	Yield	Price	CUSIP*
2026	$2,625,000	5.00%	3.22%	103.678%	0117705H3
2027	2,760,000	5.00	3.06	105.794	0117705J9
2028	2,900,000	5.00	2.98	107.841	0117705K6
2029	18,420,000	5.00	2.94	109.789	0117705L4
2030	19,345,000	5.00	2.96	111.403	0117705M2
2031	20,310,000	5.00	3.01	112.725	0117705N0
2032	21,325,000	5.00	3.01	114.296	0117705P5
2033	22,395,000	5.00	3.01	115.821	0117705Q3

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[1] The reference to the State's website is not part of this Official Statement, and investors should not rely on information presented in the State's website in determining whether to purchase the Bonds. This inactive textual reference to the State's website is not a hyperlink and does not incorporate the State's website by reference.

The information contained in this Official Statement has been obtained from sources the State deems reliable. The information concerning DTC and its book-entry system has been obtained from DTC, and no representation is made by the State as to the completeness or accuracy of such information.

No dealer, broker, salesperson or other person has been authorized by the State or by the State Bond Committee (the "Committee") or the Underwriters to give any information or to make any representations, other than those contained in this Official Statement, in connection with the offering of the Bonds, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Underwriters, the State or by the Committee.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sales made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the State or DTC since the date hereof. This Official Statement does not constitute a contract between the State and any one or more of the purchasers or registered owners of the Bonds.

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

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

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

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE BOND RESOLUTION BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

TABLE OF CONTENTS

INTRODUCTORY STATEMENT 1

THE BONDS 2
- Authority for Issuance and Purpose of the Bonds 2
- Security for the Bonds 2
- General Description of the Bonds 2
- Application of Bond Proceeds 3
- Sources and Uses of Funds 3
- Redemption of the Bonds 3
- Purchase of the Bonds 4
- Defeasance 4
- Book-Entry System 4

INFORMATION CONCERNING THE STATE OF ALASKA 4
- General 4
- State Government 5
- State Bond Committee 5
- Infectious Disease Outbreak – COVID-19 5
- State Revenues 6
- Government Budgets and Appropriations 16
- Government Funds 21
- Revenue Forecasts 25
- General Fund Expenditure Trends 26
- 10-Year Plan and General Fund Forecast 27
- Other Funds Maintained by the State 29
- State Ownership of Land and Natural Resources 29
- Oil and Gas Reserves and Potential Future Recoverable Resources 30
- Natural Gas Pipeline Developments 32
- Mineral Resources 33
- Other Major Resources 34
- Public Debt and Other Obligations of the State 34

STATE PENSION AND OTHER POST-EMPLOYMENT BENEFIT RESPONSIBILITIES 43
- General 43
- The ARM Board 44
- Administration of the Systems 44
- Valuation Reports 44
- The Public Employees' Retirement System 45
- Teachers' Retirement System 54
- Pension Reforms 62
- The Other Retirement Systems 63
- State's Supplemental Benefits System 63
- State's Deferred Compensation Plan 63
- State's Annual/Personal Leave and Sick Leave 63

INVESTMENT POLICIES 64
- General Fund, Constitutional Budget Reserve Fund and Other Subfunds 64
- The Permanent Fund 64

SPECIAL INVESTOR CONSIDERATIONS 65
- Revenues of the State 65

Other Factors Affecting the State 66
Infectious Disease Outbreak 67
Ratings 67
Early Redemption 67
Federal Income Tax Considerations 67
Secondary Market and Prices 68
LITIGATION 68
Oil and Gas Tax Litigation 68
Environmental Litigation 68
Tort Claims 69
Medicaid Payment Rate Appeals 69
Employment Claims 69
Tobacco Company Litigation 69
Opioid Litigation 70
Other Litigation 70
CERTAIN LEGAL MATTERS 70
TAX MATTERS 71
VERIFICATION OF SUFFICIENCY 73
FORWARD-LOOKING STATEMENTS 73
RATINGS 73
FINANCIAL ADVISOR 74
UNDERWRITING 74
CONTINUING DISCLOSURE 75
MISCELLANEOUS 75
EXECUTION OF OFFICIAL STATEMENT 76

APPENDIX A – Summary Information Regarding the Economy of the State
APPENDIX B – State of Alaska "General Purpose Financial Statements" from the Annual Comprehensive Financial Report, Fiscal Year Ended June 30, 2023
APPENDIX C – Proposed Form of Bond Counsel Opinion
APPENDIX D – Proposed Form of Continuing Disclosure Undertaking
APPENDIX E – Information Regarding The Depository Trust Company

OFFICIAL STATEMENT

Relating to

$110,080,000
STATE OF ALASKA
General Obligation Refunding Bonds,
Series 2024A

INTRODUCTORY STATEMENT

The purpose of this Official Statement, including the Appendices, is to provide certain information concerning the State of Alaska (the "State") and the issuance of $110,080,000 aggregate principal amount of the State of Alaska General Obligation Refunding Bonds, Series 2024A (the "Bonds"). The Bonds will be issued pursuant to Resolution No. 2024-01 (the "Resolution"), adopted by the State Bond Committee (the "Committee") on March 26, 2024. See "THE BONDS" herein for a description of the Bonds and the security therefor.

The Bonds will be general obligations of the State and the full faith, credit and resources of the State will be pledged to the payment of the principal of and interest on the Bonds. See "THE BONDS – Security for the Bonds" herein.

The Bonds are being issued to refund all or a portion of the State's outstanding General Obligation Bonds, Series 2010A (Taxable Build America Bonds – Direct Payment) (the "Series 2010A Bonds"), as more fully described under the caption "THE BONDS – Application of Bond Proceeds" herein.

The proposed form of the opinion of Bond Counsel is included in Appendix C.

The proposed form of the Continuing Disclosure Undertaking is included in Appendix D.

The historical financial information included in this Official Statement is derived primarily from the State's audited financial statements and from the State's unaudited financial documents and records. All of the historical information about the State's financial condition and about its economy and resources and all summaries of resolutions, statutes, agreements, reports and other documents are subject to and are qualified in their entirety by reference to such financial statements, records, resolutions, statutes, agreements, reports and other documents. A copy of the State's audited financial statements for the fiscal year ended June 30, 2023, is included in this Official Statement as Appendix B.

In addition to historical information, this Official Statement includes information about the State's long-term plans and proposed budgets and forecast information about the State's resources, economy and revenues and expenditures. Forecast information is derived from a number of sources and is based upon a variety of assumptions, many of which themselves are based upon other forecasts and assumptions and most of which are not within the State's control. Actual budgets, plans and results may differ materially from the plans, budgets and results described herein.

On March 13, 2024, the Department of Revenue issued its Spring 2024 Revenue Forecast (the "Spring 2024 Revenue Forecast"), which provides updated projections, and is based on certain assumptions, including that no major disruptions to economic activity from COVID-19, geopolitical events or economic events occur during the forecast period and that the State will continue to receive federal funding from the Infrastructure Investment and Jobs Act ("IIJA"). Historic information in this Official Statement about the

finances and operations of the State that predates the outbreak of COVID-19 should be considered in light of the effects the COVID-19 outbreak had and may have on the current and future finances and operations thereof. The Spring 2024 Revenue Forecast and any other budget and projection information and all other forward-looking statements in this Official Statement were based on expectations as of the date thereof and are not intended as representations of fact or guarantees of results. Any such forward-looking statements are inherently subject to a variety of risks and uncertainties that could cause actual results or performance to differ materially from those that have been forecast, estimated, or projected.

For a discussion of certain risks associated with an investment in the Bonds, see "SPECIAL INVESTOR CONSIDERATIONS"

THE BONDS

Authority for Issuance and Purpose of the Bonds

The Bonds are being issued pursuant to the Alaska Constitution, AS 37.15.010 through 37.15.220 (the "Bond Act") and the Resolution.

Security for the Bonds

When issued, the Bonds will be general obligations of the State, and the full faith, credit and resources of the State will be pledged to the payment of the principal of and interest on the Bonds. Pursuant to the Bond Act, the amounts required annually to pay the principal of and interest and redemption premium on all issued and outstanding general obligation bonds of the State are appropriated to the Committee to make all required payments of principal, interest and redemption premium. AS 37.15.012 provides that, if such appropriation is insufficient to fully pay these amounts, the necessary additional amounts are appropriated from the General Fund to the Committee to make all required payments of principal, interest and redemption premium.

For the payment of principal of and interest on general obligation indebtedness, including the Bonds, the State has the power to levy taxes, including taxes on all taxable property and other sources of revenues to the State, without limitation as to rate or amount. For a description of the State's current taxes and other sources of revenues, see "INFORMATION CONCERNING THE STATE OF ALASKA – State Revenues" and "INFORMATION CONCERNING THE STATE OF ALASKA – Public Debt and Other Obligations of the State" herein.

General Description of the Bonds

The Bonds are issuable solely as fully registered Bonds without coupons (initially in the book-entry only system) in denominations of $5,000 or any integral multiple thereof. The Bonds will be dated as of their date of original issuance and delivery and will bear interest at the rates and will mature on the dates set forth on the inside cover page of this Official Statement. Interest on the Bonds will be payable semiannually on February 1 and August 1 of each year, commencing on August 1, 2024, computed on the basis of a 360-day year (consisting of 12 months of 30 days each).

When issued, the Bonds will be registered in the name of Cede & Co. as the partnership nominee of the Depository Trust Company, New York, New York ("DTC"). So long as Cede & Co. (or such other name as may be requested by an authorized representative of DTC), is the registered owner of the Bonds, principal of and interest on the Bonds are payable by wire transfer by the U.S. Bank Trust Company, National Association, as bond registrar (the "Bond Registrar") to DTC, which, in turn, is obligated to remit such principal and interest to the Direct Participants for subsequent disbursement to the Beneficial Owners (each as defined in Appendix E) of the Bonds. See "– Book-Entry-System" below and "INFORMATION REGARDING THE DEPOSITORY TRUST COMPANY" in Appendix E.

In the event that DTC or its successor (or substitute securities depository or its successor) resigns and no substitute securities depository can be obtained, or in the event the State determines that it is in the best interests of the Beneficial Owners that they be able to obtain Bonds in the form of bond certificates, new Bonds are required to be issued and registered.

Application of Bond Proceeds

The Bonds are being issued to provide for the optional redemption on June 4, 2024 of all of the outstanding principal amount of the Series 2010A Bonds (the "Refunded Bonds"). Details of the Refunded Bonds are set forth below.

Refunded Bonds
State of Alaska General Obligation Bonds, Series 2010A (Taxable Build America Bonds – Direct Payment)
Dated: December 14, 2010

Maturity (August 1)	Outstanding Principal Amount	Coupon	Redemption Date	Price	CUSIP No.
2026	$4,090,000	5.242%	June 4, 2024	100.000%	011770T79
2027	4,235,000	5.342%	June 4, 2024	100.000%	011770T87
2028	4,390,000	5.442%	June 4, 2024	100.000%	011770T95
2029	19,825,000	5.542%	June 4, 2024	100.195%	011770U28
2030	20,560,000	5.642%	June 4, 2024	100.794%	011770U36
2033*	66,470,000	5.742%	June 4, 2024	101.715%	011770U44
	$119,570,000				

* Term Bond

Sources and Uses of Funds

The State expects to apply the proceeds of the Bonds as shown below.

Sources of Funds:	
Principal Amount of Bonds	$110,080,000.00
Net Original Issue Premium	13,669,077.50
Total	$123,749,077.50
Uses of Funds:	
Redemption of the Refunded Bonds	$123,219,804.28
Costs of Issuance	529,273.22
Total	$123,749,077.50

Note: Costs of issuance include legal fees, printing costs, underwriting discount, financial advisory fees, rating agency fees and other costs related to the issuance of the Bonds.

Redemption of the Bonds

Optional Redemption. The Bonds are not subject to redemption prior to maturity.

Purchase of the Bonds

The State has reserved the right to purchase any of the Bonds offered to the State at any time at a price deemed reasonable by the State.

Defeasance

The Resolution provides that in the event that money and/or noncallable direct obligations of the United States or obligations unconditionally guaranteed by the United States, (together with such money, if necessary) sufficient to redeem and retire part or all of the Bonds in accordance with their terms, are set aside in a special account of the State to effect such redemption and retirement and are pledged for such purpose, then no further payments need be made for the payment of the principal of and interest on the Bonds so provided for, and such Bonds shall cease to be entitled to any lien, benefit or security of the Resolution except the right to receive the moneys so set aside and pledged, and such Bonds shall be deemed to be no longer outstanding under the Resolution.

Book-Entry System

When issued, the Bonds will be registered in the name of Cede & Co. (or such other name as may be requested by an authorized representative of DTC), as nominee of DTC. DTC will act as securities depository for the Bonds. Unless the State elects to substitute another depository or determines that Beneficial Owners of the Bonds obtain Bond certificates, individual purchases will be made only in book-entry form through DTC, and purchasers will not receive physical certificates representing their interests in the Bonds purchased. Except as provided in the Resolution so long as Cede & Co. (or such other name as may be requested by an authorized representative of DTC) is the registered owner of the Bonds, as nominee of DTC, references in this Official Statement to Owners, Registered Owners or holders mean Cede & Co. (or such other name) and not the Beneficial Owners of the Bonds. For information about DTC and its book-entry system, see "INFORMATION REGARDING THE DEPOSITORY TRUST COMPANY" in Appendix E.

INFORMATION CONCERNING THE STATE OF ALASKA

General

Alaska is a sovereign state of the United States of America, located in the far northwest of North America to the west of Canada, with its southeastern border approximately 500 miles north of the State of Washington. Alaska became a state in 1959. The State's population grew each year and increased approximately 8.2 percent between fiscal year 2008 and fiscal year 2016; however, since 2016 the population has contracted by approximately 0.8 percent with a population estimate of 736,812 (2023 preliminary and adjusted estimates, Alaska Department of Labor and Workforce Development, Research & Analysis Section).

Alaska includes approximately 586,412 square miles (approximately 365 million acres) of land and is the largest state of the United States (roughly equivalent in size to one-fifth of all of the other 49 states combined). Unlike the other 49 states, where significant portions of the land may be owned by individuals or entities in the private sector, less than one percent of the land in Alaska is owned by private, non-Alaska Native owners. As described below, most of the State's revenue is derived from resources owned by the State itself, including petroleum and minerals extracted from State-owned lands and investment income on securities in funds owned by the State.

State Government

Alaska became the 49th state in 1959 pursuant to the Alaska Statehood Act, which was enacted by the United States Congress in 1958 (the "Statehood Act"). The Alaska Constitution was adopted by the Constitutional Convention on February 5, 1956, ratified by the people of Alaska on April 24, 1956, and became operative with the formal proclamation of statehood on January 3, 1959.

Alaska government has three branches: legislative, executive, and judicial. The legislative power of the State is vested in a legislature consisting of a Senate with a membership of 20 and a House of Representatives with a membership of 40 (the "Legislature"). The executive power of the State is vested in the Governor. The judicial power of the State is vested in a supreme court, a superior court, and the courts established by the Legislature. The jurisdiction of courts and judicial districts is prescribed by law. The courts constitute a unified judicial system for operation and administration.

The State provides or funds a range of services including education, health and human services, transportation, law enforcement, judicial, public safety, community and economic development, public improvements, and general administrative services.

There are 19 organized boroughs in Alaska and 145 cities, 49 of which are located within an organized borough and 96 of which are located within the unorganized borough. Of these, 15 boroughs and 21 cities impose property taxes and 9 boroughs and 94 cities impose general sales taxes.

State Bond Committee

The Legislature, by AS 37.15.110, has created the Committee. The Committee is comprised of the Commissioner of the Department of Commerce, Community & Economic Development ("DCCED"), as chairperson, the Commissioner of the Department of Revenue, as secretary, and the Commissioner of the Department of Administration, or their designees. The Committee adopts resolutions and generally oversees the proceedings relating to the issuance of bonds by the State.

Infectious Disease Outbreak – COVID-19

The CARES Act, passed by the 116th U.S. Congress in March 2020, established a $150 billion Coronavirus Relief Fund to, among other things, provide financial assistance to states. The State has received its approximately $1.25 billion allocation from the Coronavirus Relief Fund, which can be used to cover COVID-19 related expenses. The CARES Act limits the State's use of funds from the Coronavirus Relief Fund to COVID-19 expense reimbursement rather than to offset anticipated state tax revenue losses. A unique provision specific to just over $1 billion of the federal relief funds allowed the State to appropriate a portion of the funding to replace revenue lost due to COVID-19. This provision functionally allowed these funds to be appropriated toward any public purpose, just like unrestricted General Fund revenue. In the fiscal year 2022 and fiscal year 2023 budgets, a total of approximately $750 million was appropriated as unrestricted revenue replacement, and in some reports produced by the State's Office of Management and Budget ("OMB") and Legislative Finance Division, these funds are depicted as unrestricted revenue for illustrative purposes. However, in the Fall 2022 and Spring 2023 Revenue Forecast, all federal funds were shown as restricted revenue in all years.

Historic information in this Official Statement about the finances and operations of the State, that predates the outbreak of COVID-19 should be considered in light of the possible negative effects the COVID-19 outbreak may have on the current and future finances and operations thereof. The Spring 2024 Revenue Forecast and any other budget, outlook, and projection information and all other forward-looking statements in this Official Statement are based on current expectations and are not intended as representations of fact or guarantees of results. Any such forward-looking statements are inherently subject

to a variety of risks and uncertainties that could cause actual results or performance to differ materially from those that have been forecast, estimated, or projected.

State Revenues

The State does not currently impose personal income taxes and has never imposed statewide general sales taxes or statewide property tax with the exception of taxation of certain oil and gas activities and properties. The State does, however, impose a number of business-related taxes that, together with rents and royalties and fines and fees, represented nearly 100 percent of designated and unrestricted non-investment General Fund revenue in fiscal year 2023. Grants, contributions, and other revenue from the federal government and interest and investment income represent the remaining portions of State revenue.

The key drivers of the Alaska economy include natural resource development, federal (including national defense) and State government, seafood, and tourism. Approximately 24.0 percent of the State's total nonfarm employment is derived from government (including federal, state, and local). Other major industries in Alaska include the educational (private) and health services industry, making up 15.7 percent, trade, transportation, and utilities, making up 20.0 percent and the leisure and hospitality industry, making up 10.9 percent of total nonfarm employment. The State's unemployment rate in March 2024 was 4.6 percent (seasonally adjusted, preliminary), according to the U.S. Department of Labor, Bureau of Labor Statistics. The State's major exports are oil, seafood (primarily salmon, halibut, cod, pollock, and crab), coal, gold, silver, zinc, and other minerals (Alaska Department of Labor and Workforce Development, Research & Analysis, Preliminary and adjusted estimates; 2023 Annual Average).

The Department of Revenue releases a formal state revenue forecast twice per year. The revenue forecast is intended to be a policy-neutral document that provides fundamental data and information to inform the public and aid decision-makers. The revenue sources book published each fall is the comprehensive annual forecast released in December, and the revenue forecast published in the spring is an annual, partial update of the revenue sources book published in the preceding fall. The most recent revenue forecast comes from the Spring 2024 Revenue Forecast, released by the Department of Revenue on March 13, 2024 (the "Spring 2024 Revenue Forecast"). The next forecast update, the Fall 2024 Revenue Sources Book and Forecast (the "Fall 2024 Revenue Forecast"), is anticipated to be released in December 2024.

The Spring 2024 Revenue Forecast reflects a modest increase in expected unrestricted General Fund revenue for fiscal years 2024 and 2025, compared to the Fall 2023 Revenue Sources Book and Forecast, released by the Department of Revenue on December 14, 2023. The modest increases in expected unrestricted General Fund revenue contained in the Spring 2024 Revenue Forecast are largely a function of the Alaska North Slope ("ANS") oil price forecast increasing by $1.69 and $2.00 per barrel for fiscal years 2024 and 2025, respectively. The ANS oil production forecast has been adjusted to 467.6 thousand barrels per day for fiscal year 2024 and 476.8 thousand barrels per day for fiscal year 2025, representing a decrease of 2,800 barrels per day for fiscal year 2024 and an increase of 13,100 barrels per day for fiscal year 2025 when compared to the previous fall forecast.

The Fall 2023 Revenue Forecast, released December 14, 2023, included the most recent forecast for federal revenue related to the IIIJA, as of November 30, 2023. The IIJA, passed by Congress in November 2021, included $550 billion in investments for transportation, water, power and energy, environmental remediation, broadband and cybersecurity, carbon reduction, and resilience. The legislation targets disadvantaged communities, a designation which applies to most of Alaska. It was originally estimated that State, local governments, tribes, and other organizations in the State could receive a total of nearly $5 billion in funding over fiscal years 2023-2027 as a result of the legislation, some of which would represent overall increases to state revenue from federal funding. However, as of November 30, 2023, the total state revenue, including overall increases and discretionary grants, is estimated at $5.4 billion. These

include $1 billion for a new Broadband Equity, Access, and Development Program; $136 million for the Clean Water State Revolving and Drinking Water State Revolving Funds; and $53 million for the Alaska Energy Authority's State Energy Program, Energy Efficiency, and Revolving Loan Fund, Energy Efficiency and Conservation, and Weatherization Assistance Program. The Department of Transportation and Public Facilities also received $165 million for airport terminal upgrades and increased airport safety, and $239 million for ferry service for rural communities. The State also received funding for the Carbon Reduction Program, Restoring Fish Passage Program, Abandoned Mine Reclamation Fund, Port Infrastructure Development Program, Emerging Contaminants in Small or Disadvantaged Communities Grant Program, and Community Wildfire Defense Grant Program. The State, local governments, tribes, and other entities are regularly partnering on applications for discretionary IIJA funding grants. Award announcements are made on a rolling basis and Alaska is number one in per capita funding under IIJA. There can be no assurance that federal grants currently available to the State will not decrease or cease and grant awards are subject to amendment or repeal.

The Inflation Reduction Act, passed by Congress in August 2022, provides $369 billion to address climate-related issues by expanding tax credits for clean energy and electric vehicles, boosting energy efficiency, establishing a national climate bank, supporting climate-smart agriculture, supporting production of sustainable aviation fuel, reducing air pollution at ports, among other items. Nearly three-quarters of the Inflation Reduction Act's climate change investment ($270 billion) is delivered through tax incentives and will have no impact on the State's spending or federal revenue. As a result, projections of State revenues from federal funds within the Spring 2024 Revenue Forecast only include recently announced Home Energy Rebate program grants totaling $74.5 million from the Inflation Reduction Act.

The federal tax incentives included in the Inflation Reduction Act could provide material support for some new projects in Alaska. For example, expanded tax credits for carbon sequestration projects could provide incentives for projects in Alaska that would otherwise not be viable. The Department of Revenue monitors these incentives for potential State revenue impacts.

Historically, petroleum-related revenue has been the largest source of unrestricted revenue for the General Fund. In fiscal year 2018 approximately 80 percent of total unrestricted General Fund revenue was generated from oil production. In 2018, the Legislature enacted Senate Bill 26 ("SB 26"), which directs the State to appropriate amounts from the earnings reserve of the Alaska Permanent Fund to the General Fund as unrestricted General Fund revenue, diminishing the percentage of unrestricted General Fund revenue that petroleum-related revenue represents to approximately 38 percent in fiscal year 2019, 24 percent in fiscal year 2020, 25 percent in fiscal year 2021, 50 percent in fiscal year 2022 and 44 percent in fiscal year 2023. In the Spring 2024 Revenue Forecast, the State forecasts the percentage of unrestricted General Fund revenue that petroleum-related revenue represents to be approximately 37 percent in fiscal year 2024 and 34 percent in fiscal year 2025.

In fiscal year 2019, pursuant to SB 26, the State began appropriating amounts from the Permanent Fund Earnings Reserve to the General Fund as unrestricted General Fund revenue. SB 26 adjusted the transfers from the Permanent Fund Earnings Reserve to an amount determined by taking 5.25 percent of the average market value of the Permanent Fund for the first five of the preceding six fiscal years, including the fiscal year just ended. Effective July 1, 2021, the amount determined for transfers from the Permanent Fund Earnings Reserve was reduced to 5.00 percent of the average market value of the Permanent Fund for the first five of the preceding six fiscal years, including the fiscal year just ended. As described below in "Government Funds – The Alaska Permanent Fund," this calculation does not include the principal attributable to the settlement of *State v. Amerada Hess*. The Alaska Permanent Fund Corporation ("APFC"), which manages the Permanent Fund, projects these annual transfers to the General Fund as unrestricted revenue in their monthly history and projections report, as reflected in Table 2. The Permanent Fund Earnings Reserve transferred approximately $3.4 billion to General Fund revenue in fiscal year 2023 and is expected to transfer approximately $3.5 billion and $3.7 billion to General Revenue in fiscal years 2024

and 2025, respectively. The Permanent Fund Dividend may be paid out of these transfers, and any residual revenue is available for other appropriation. The Permanent Fund Dividend amount, paid in calendar year 2022, was $3,284 per qualified resident, and the Permanent Fund Dividend amount, paid in calendar year 2023, was $1,312 per qualified resident.

The Alaska Permanent Fund was established by a voter-approved constitutional amendment that took effect in February 1977. Pursuant to legislation enacted in 1982, annual appropriations are made from the Permanent Fund Earnings Reserve, first for dividends to qualified Alaska residents and then for inflation-proofing. The principal portion of the Permanent Fund, which was approximately $69.6 billion as of March 31, 2024, unaudited, may not be spent without amending the State Constitution. The earnings reserve, approximately $10.0 billion as of March 31, 2024, unaudited (subsequent to June 30, 2023, this amount includes approximately $3.7 billion committed to the State's General Fund pursuant to SB 26 for the succeeding fiscal year, and $1.4 billion for current fiscal year inflation proofing), may be appropriated by a majority vote of the Legislature. See "– Government Funds – *The Alaska Permanent Fund*" below.

In the Spring 2024 Revenue Forecast, the State forecasted general purpose unrestricted revenue to be approximately $6,543.9 million in fiscal year 2024 and $6,448.5 million in fiscal year 2025, compared to $6,939.2 million in fiscal year 2022 and $7,050.0 million in fiscal year 2023.

In the Spring 2024 Revenue Forecast, the State forecasts that ANS oil prices will average $84.08 in fiscal year 2024 and $78.00 in fiscal year 2025, compared to actual prices averaging $86.63 in fiscal year 2023, $91.41 in fiscal year 2022 and $54.14 in fiscal year 2021. The State forecasts that ANS production will average approximately 467.6 thousand barrels of oil per day in fiscal year 2024 and 476.8 thousand barrels of oil per day in fiscal year 2025, compared to 479.4 thousand barrels of oil per day in fiscal year 2023, 476.5 thousand barrels of oil per day in fiscal year 2022 and 486.1 thousand barrels of oil per day in fiscal year 2021. In the Spring 2024 Revenue Forecast, the State forecasts ANS oil prices and production and general purpose unrestricted revenue through fiscal year 2034. See Table 4.

Oil and Gas Revenues. The State's unrestricted General Fund revenues have historically been generated primarily from petroleum production activities. The State receives petroleum revenues (some of which are restricted) from four sources: oil and gas property taxes, oil and gas production taxes, oil and gas royalties, and corporate income taxes.

Oil and Gas Property Tax. The State levies an oil and gas property tax on the value of taxable oil and gas exploration, production and pipeline transportation property in the State at a rate of 20 mills (two percent) of the assessed value of the property. This is the only centrally assessed statewide property tax program in Alaska. Oil and gas reserves, oil or gas leases, the rights to explore or produce oil or gas, and intangible drilling expenses are not considered taxable property under the statute. The most notable properties that are subject to this tax are the Trans-Alaska Pipeline System, including the terminal at Valdez ("TAPS") and the field production systems at Prudhoe Bay. The assessed value of all existing properties subject to this tax was approximately $30.4 billion as of January 1, 2023, $28.6 billion as of January 1, 2022, $28.2 billion as of January 1, 2021, and $29.0 billion as of January 1, 2020.

Property taxes on exploration property are based upon estimated market value of the property. For property taxes on production property, values are based upon replacement cost, less depreciation based on the economic life of the proven reserves (or the economic limit in the case of taxes on offshore platforms or onshore facilities). The amount collected from property taxes on existing production property is expected to decrease in the future. For property taxes on pipeline transportation property (primarily TAPS property), values are determined based upon the economic value, taking into account the estimated life of the proven reserves of gas or unrefined oil expected to be transported by the pipeline and replacement cost, less depreciation based on the economic life of the reserves.

When the oil and gas property is located within the jurisdiction of a municipality, the municipality may also levy a tax on the property at the same rate the municipality taxes all other non-oil and gas property. The tax paid to a municipality on oil and gas property acts as a credit toward the payment to the State. Of the $608.9 million of gross tax levied in fiscal year 2023 on oil and gas property in the State, the State's share was approximately $128.8 million. In the Spring 2024 Revenue Forecast, the State forecasts income from the oil and gas property tax to be approximately $133.3 million in fiscal year 2024 and $133.2 million in fiscal year 2025.

Revenue from oil and gas property taxes is deposited in the General Fund; however, the State Constitution requires that settlement payments received by the State after a property tax assessment dispute be deposited in the Constitutional Budget Reserve Fund (the "CBRF"). In fiscal years 2022 and 2023, $21.1 million and $196.0 million, respectively, in total tax and royalty settlements were deposited into the CBRF, and in the Spring 2024 Revenue Forecast, the State forecasts tax and royalty settlements to be $10.0 million in fiscal year 2024 and $20.0 million in fiscal year 2025. See "– Government Funds – *The Constitutional Budget Reserve Fund*" below.

Oil and Gas Production Taxes. The State levies a tax on oil and gas production income generated from production activities in the State. The tax on production is levied on sales of all onshore oil and gas production, except for federal and State royalty shares and on offshore developments within three miles of shore.

The oil and gas production tax can be a significant source of revenue and in many past years has been the State's single largest source of revenue. The production tax is levied differently based upon the type of production (oil versus gas) and the geographical location (North Slope versus Cook Inlet, the State's two producing petroleum basins).

For North Slope oil and export gas, the tax uses the concept of "Production Tax Value" ("PTV"), which is the gross value at the point of production minus lease expenditures. PTV is similar in concept to net profit, but different in that all lease expenditures can be deducted in the year incurred; that is, capital expenditures are not subject to a depreciation schedule. The production tax rate is 35 percent of PTV with an alternative minimum tax of 0 percent to 4 percent of gross value, with the 4 percent minimum tax applying when average ANS oil prices for the year exceed $25 per barrel.

Several tax credits and other mechanisms are available for North Slope oil production to provide incentives for additional investment. A per-taxable-barrel credit is available, which is reduced progressively from $8 per barrel to $0 per barrel as wellhead value increases from $80 per barrel to $150 per barrel. A company that chooses to take this credit may not use any other credits to reduce tax paid to below the gross minimum tax. An additional incentive applies for qualifying new production areas on the North Slope. The so-called "Gross Value Reduction" ("GVR") allows a company to exclude 20 percent or 30 percent of the gross value for that production from the tax calculation. Qualifying production includes areas surrounding a currently producing area that may not be commercial to develop, as well as new oil pools. Oil that qualifies for this GVR receives a flat $5 per-taxable-barrel credit rather than the sliding-scale credit available for most other North Slope production. As a further incentive, this $5 per-taxable-barrel credit can be applied to reduce tax liability below the minimum tax. The GVR is available only for the first seven years of production and ends early if ANS prices exceed $70 per barrel for any three years.

Effective January 1, 2022, for North Slope export gas, the tax rate is 13 percent of gross value at the point of production. Currently, only a very small amount of gas is technically export gas, which is sold for field operations in federal offshore leases. However, this tax rate would apply to any major gas export project developed in the future.

For the North Slope, a Net Operating Loss ("NOL") credit in the amount of 35 percent of losses was available until December 31, 2017. It allowed a credit to be carried forward to offset a future tax liability or, in some cases, to be transferred or repurchased by the State. Effective January 1, 2018, the NOL credit was replaced with a new carried-forward annual loss provision. In lieu of credits, a company may carry forward 100 percent of lease expenditures not applied against the tax and may apply all or part of lease expenditures in a future year. A carried-forward annual loss may not reduce tax below the minimum tax and may only be used after the start of regular production from the area in which the expenditures were incurred. An unused carried-forward annual loss declines in value by one-tenth each year beginning in the eighth or eleventh year after it is earned, depending on whether the carried-forward annual loss was earned from a producing or non-producing area.

Cook Inlet oil production is officially subject to the same tax rate of 35 percent of PTV. However, the tax is limited by statute to a maximum of $1 per barrel.

For Cook Inlet gas production, the tax rate is 35 percent of PTV, and the tax is limited to a maximum value averaging 17.7 cents per thousand cubic feet. This rate also applies to North Slope gas used for qualifying in-State uses, commonly referred to as "non-export gas."

Taxpayers are required to make monthly estimated payments, based upon activities of the preceding month. These payments are due on the last day of the following month, and taxpayers are required to file an annual tax return to "true up" any tax liabilities or overpayments made during the year. From fiscal year 2007 through fiscal year 2017, as an incentive for new exploration, companies without tax liability against which to apply credits could apply for a refund of the value of most of the credits, subject to appropriation. Appropriations funded State purchase of the full balance of tax credits for fiscal year 2007 through fiscal year 2015, then partial funding beginning in fiscal year 2016 onward, with an outstanding balance remaining every year from fiscal year 2016 through fiscal year 2023. All outstanding tax credits available for State purchase have been fully retired with a final appropriation in the enacted fiscal year 2024 budget, and no future purchases or appropriations are anticipated under current law. A total of $4.1 billion of tax credits were purchased by the State over the life of the program.

In 2017, House Bill 111 ("HB 111") was enacted, making multiple changes to the State's oil and gas production tax and tax credit statutes. Following passage of HB 111, new credits will no longer be eligible for cash repurchase. Instead, companies will retain their credits until such time as they owe a tax liability to the State, at which time the credits could be used to offset the company's oil and gas production taxes.

In 2018, House Bill 331 ("HB 331") was enacted, creating a tax credit bonding program that would allow the State to purchase outstanding oil and gas tax credits at a discount to face value, and spread the funding out over several years through the issuance of subject to appropriation bonds. The fiscal year 2020 operating budget appropriated $700 million of bond proceeds to the Oil and Gas Tax Credit Fund for expenditure in fiscal year 2020 or 2021. A legal challenge delayed the tax credit bonding program, and in September 2020, the Alaska Supreme Court (the "Supreme Court") held that the tax credit bonding program under HB 331 was unconstitutional, prohibiting the Alaska Tax Credit Certificate Bond Corporation ("ATCCBC") from issuing bonds to finance the purchase of approximately $700 million in outstanding tax credit certificates. All outstanding tax credits available for State purchase have been fully retired with the final appropriation in the enacted fiscal year 2024 budget.

All unrestricted revenue generated by the oil and gas production taxes (approximately $587 million in fiscal year 2019, $277 million in fiscal year 2020, $381 million in fiscal year 2021, $1,802 million in fiscal year 2022, $1,491 million in fiscal year 2023 and forecasted in the Spring 2024 Revenue Forecast to be $939.9 million in fiscal year 2024 and $752.3 million in fiscal year 2025) is deposited in the General

Fund, except that any payments received as a result of an audit assessment under the oil and gas production tax or as a result of litigation with respect to the tax are deposited into the CBRF. See Table 1.

Oil and Gas Royalties, Rents and Bonuses. In Alaska, the State retains ownership of all subsurface minerals on lands in the State, with the exception of some federal and Alaska Native Corporation lands. As the land owner, through the Alaska Department of Natural Resources ("DNR"), the State earns revenue from leasing as (i) upfront bonuses, (ii) annual rent charges and (iii) retained royalty interests in the oil and gas production. State land historically has been leased largely based on a competitive bonus bid system. Under this system, the State retains a statutorily prescribed minimum royalty interest of at least 12.5 percent on oil and gas production from land leased from the State, although some leases contain royalty rates of 16.67 percent and some also include a net profit-share or sliding scale component. Under all lease contracts the State has ever written, the State reserves the right to switch between taking its royalty in-kind or in cash (in cash royalty is valued according to a formula based upon the contract prices received by the producers, net of transportation charges). When the State elects to take its royalty share in-kind, the State becomes responsible for selling and transporting that royalty share, which means establishing complex contracts to accomplish these tasks. The State regularly negotiates these contracts and has historically sold roughly 95 percent of North Slope oil royalties in this way. State royalty revenue from production on State land that is not obligated to the Permanent Fund or Public School Trust Fund is unrestricted revenue that is available for general appropriations.

In addition to royalties from production on State land, the State receives 50 percent of royalties and lease bonuses and rents received by the federal government from leases of federal lands in the National Petroleum Reserve Alaska (the "NPR-A"). The State is required to deposit its entire share of lease bonuses, rents, and royalties from oil activity in the NPR-A in the NPR-A Special Revenue Fund, from which a portion is used to make grants to municipalities that demonstrate present or future impact from oil development in the NPR-A. Of the revenue in the NPR-A Special Revenue Fund that is not appropriated to municipalities, 50 percent is to be deposited to the Permanent Fund, with up to 0.5 percent to the Public School Trust Fund and then to the Power Cost Equalization Fund. Any remaining amount is then available for General Fund appropriations. The State also receives a portion of revenues from federal royalties and bonuses on all other federal lands located within State borders and from certain federal waters.

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Table 1 summarizes the sources and initial applications of oil and other petroleum-related revenue for fiscal years 2014 through 2023.

Table 1

Sources and Initial Applications of Oil and Other Petroleum-Related Revenue
Fiscal Years Ended June 30, 2014 – 2023

($ millions)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Oil Revenue to the General Fund										
Property Tax	$ 128.1	$ 125.2	$ 111.7	$ 120.4	$ 121.6	$ 119.5	$ 122.9	$ 119.2	$ 122.4	$ 128.8
Corporate Income Tax [1] .	307.6	94.8	(58.8)	(59.4)	66.4	217.7	(0.2)	(19.4)	297.5	312.4
Production Tax..	2,605.9	381.6	176.8	125.9	741.2	587.3	277.4	381.1	1,801.6	1,490.9
Royalties (including bonuses, rents and interest) [2][3]	1,721.2	1,086.3	879.8	690.1	1,011.0	1,119.3	683.0	736.6	1,259.3	1,187.4
Subtotal	$4,762.8	$1,687.9	$1,109.5	$ 876.9	$ 1,940.2	$ 2,043.8	$ 1,083.1	$ 1,217.6	$ 3,480.8	$ 3,119.4
Oil Revenue to Other Funds										
Royalties to the Permanent Fund and School Fund [2][3]	$ 786.2	$ 518.3	$ 396.9	$ 340.0	$ 363.1	$ 382.3	$ 323.9	$ 337.7	$ 548.0	$ 507.4
Tax settlements to CBRF	177.4	149.9	119.1	481.9	121.3	181.2	281.2	35.0	21.1	196.0
NPR-A royalties, rents and bonuses [4]	6.8	3.2	1.8	1.4	23.7	12.3	16.4	15.8	16.7	41.5
Subtotal	970.4	671.4	517.8	823.2	508.0	575.8	621.5	388.5	593.5	752.7
Total Oil Revenue	$5,733.2	$2,359.3	$1,627.4	$1,700.2	$2,448.2	$2,619.6	$1,704.6	$1,606.1	$4,074.3	$3,872.1

(1) Corporate income tax collections for fiscal years 2016-2017 and 2020-2021 were negative due to large refunds of prior-year estimated taxes and low estimated taxes for those fiscal years.

(2) Net of Permanent Fund, Public School Trust Fund and CBRF deposits. See APPENDIX B "State of Alaska "General Purpose Financial Statements" from the Annual Comprehensive Financial Report, Fiscal Year Ended June 30, 2021–*Independent Auditor's Report.*" The State Constitution requires the State to deposit at least 25 percent in the Permanent Fund, and between 1980 and 2003, State statutes required the State to deposit at least 50 percent in the Permanent Fund. The statutory minimum was changed to 25 percent beginning July 1, 2003, and changed back to 50 percent as of October 1, 2008. In fiscal years 2018 and 2019, only the constitutionally required 25 percent of royalties were deposited into the Permanent Fund. See "-Government Funds – *The Alaska Permanent Fund*" below.

(3) Includes both Designated General Fund Royalties and Other Restricted Royalties. Beginning with fiscal year 2022, the hazardous release surcharge and refined fuel surcharge are shown as Designated General Fund revenue. Previously these surcharges were shown as unrestricted General Fund revenue.

(4) By federal statute, the State receives 50 percent of federal revenues from oil and gas lease sales located in the NPR-A.

Source: 2014 through 2023 Revenue Sources Books and Forecast, including the Spring 2024 Revenue Forecast Update, Tax Division.

Corporate Income Tax. The State levies a corporate income tax on Alaska taxable net income of corporations doing business in Alaska (other than certain qualified small businesses and income received by certain corporations from the sale of salmon or salmon eggs). Corporate income tax rates are graduated and range from zero percent to 9.4 percent of income earned in Alaska. Taxable income generally is

calculated using the provisions of the federal Internal Revenue Code, and the calculation of Alaska taxable income varies, depending upon whether the corporation does business solely in Alaska, does business both inside and outside Alaska, or is part of a group of corporations that operate as a unit in the conduct of a single business (a "unitary" or "combined" group). Oil and gas companies are combined on a world-wide basis, although for other industries only the companies doing business in the United States are combined. Taxpayers may claim all federal incentive credits, but federal credits that refund other federal taxes are not allowed as credits against State corporate income taxes. In addition to the federal incentive credits, the State provides additional incentives, including an education credit for contributions made to accredited State universities or colleges for education purposes, a minerals exploration incentive, an oil and gas exploration incentive, and a gas exploration and development tax credit.

Most corporate net income tax collections are deposited in the General Fund, although collections from corporate income tax audit assessments of oil and gas corporations are deposited in the CBRF.

Non-Oil Revenues. The State also receives unrestricted and restricted General Fund revenues from activities unrelated to petroleum. The State receives revenues from corporate income taxes paid by corporations other than petroleum producers, cigarette/tobacco/marijuana excise taxes, motor fuel taxes, alcoholic beverage taxes, fishery business taxes, electric and telephone cooperative taxes, insurance premium taxes, commercial passenger vessel excise taxes and service charges, permit fees, fines and forfeitures, mining license taxes, and miscellaneous revenues. See "– Government Budgets and Appropriations – *General Appropriations*" below. A number of these non-oil tax, license, and fee revenues (but not investment income and federal revenue) are shared with municipalities. In fiscal year 2023, unrestricted revenues unrelated to petroleum production (excluding investment income and federal revenues) was $472.3 million, and in the Spring 2024 Revenue Forecast, the State forecasts the value to be $461.1 million in fiscal year 2024 and $517.4 million in fiscal year 2025. Contained in the non-oil figures is the minerals industry, which contributes State revenue in the form of corporate income tax, mining license tax, and mining rents and royalties. For additional information, see "– Government Budgets and Appropriations – *General Appropriations*" below.

Federal Revenue. The federal government is a significant employer in Alaska, directly and indirectly, in connection with its military bases and as a result of procurement contracts, grants, and other spending. In addition to expenditures in connection with federal military bases and other activities in Alaska, the State receives funding from the federal government, approximately $3.4 billion in fiscal year 2019, $4.2 billion in fiscal year 2020, $7.6 billion in fiscal year 2021, $6.9 billion in fiscal year 2022, and $5.8 billion in fiscal year 2023. In the Spring 2024 Revenue Forecast, the State forecasts restricted federal revenue to be approximately $6.2 billion in fiscal year 2024 and $6.5 billion in fiscal year 2025. The forecasts represent total budgeted spending authority for federal receipts, and actual federal receipts are subject to change. The federal funds are used primarily for road and airport improvements, aid to schools, and Medicaid payments, all of which are restricted by legislative appropriation to specific uses. Federal funds are most often transferred to the State on a reimbursement basis, and all transfers are subject to federal and State audit. Most federal funding requires State matching.

Investment Revenues. The State earns unrestricted and restricted by custom investment earnings from a number of internal funds. Two primary sources of investment income for the State are the two constitutionally-mandated funds: the Permanent Fund and the CBRF. The Permanent Fund had a fund balance (principal and earnings reserve) of approximately $79.6 billion as of March 31, 2024, unaudited, which includes approximately $3.7 billion committed to the State's General Fund pursuant to SB 26 for the succeeding fiscal year and $1.4 billion for current year inflation proofing. The Permanent Fund had a total fund balance of $78.0 billion as of June 30, 2023, $76.3 billion as of June 30, 2022, $81.9 billion as of June 30, 2021, $65.3 billion as of June 30, 2020, and $66.3 billion as of June 30, 2019. The CBRF had an asset balance of approximately $2.8 billion as of March 31, 2024. The CBRF had an asset balance of approximately $2.6 billion as of June 30, 2023, $0.9 billion as of June 30, 2022, $1.1 billion as of June 30,

2021, $2.0 billion as of June 30, 2020, and $1.8 billion as of June 30, 2019. Restricted investment revenue from the CBRF was approximately $62.9 million in fiscal year 2023. In the Spring 2024 Revenue Forecast, the State forecasts restricted investment revenue from the CBRF to be $119.3 million in fiscal year 2024 and $78.7 million in fiscal year 2025. The Permanent Fund Earnings Reserve balance is available for appropriation with a majority vote of the Legislature, while appropriation of the Permanent Fund's principal balance requires amendment of the State Constitution. The balance of the CBRF is available for appropriation with a three-fourths vote of each house of the Legislature, and as described below, the State has historically borrowed from the CBRF when needed to address mismatches between revenue receipts and expenditures in the General Fund and/or to balance the budget at the end of the fiscal year.

As previously described, SB 26, relating to the earnings of the Permanent Fund, was enacted in 2018. The APFC projects these annual transfers of unrestricted General Fund revenue from the Permanent Fund Earnings Reserve to the General Fund, as reflected in Table 2.

Table 2

State of Alaska
Transfers from the Permanent Fund Earnings Reserve
to the General Fund for the Fiscal Years Ending June 30, 2019 - 2023
APFC Forecast for Fiscal Years Ending June 30, 2024 – 2034

($ millions)

Fiscal Year	Transfer Amount
2019	$2,723
2020	2,933
2021	3,092
2022	3,069
2023	3,361
Projected [(1)]	
2024	3,526
2025	3,657
2026	3,790
2027	3,957
2028	3,983
2029	4,090
2030	4,208
2031	4,338
2032	4,473
2033	4,613
2034	4,758

(1) APFC transfer projections as of the Spring 2024 Revenue Forecast, and subject to change.

Source: Spring 2024 Revenue Forecast

General Fund asset balances listed as of June 30 may include borrowings from the CBRF for future fiscal year operating requirements. All CBRF values stated above are asset values. See "– Government Funds – *The Constitutional Budget Reserve Fund*" and "– *The Alaska Permanent Fund*" below.

In the past, the State has also received earnings on the Statutory Budget Reserve Fund (the "SBRF"). Earnings on the SBRF are considered General Fund unrestricted revenue unless otherwise appropriated back to the SBRF. Article IX, Section 17(d) of the Alaska Constitution provides that the amount of money in the General Fund available for appropriation at the end of each succeeding fiscal year is to be deposited in the CBRF until the amount appropriated from the CBRF is repaid. The available fund balance of the SBRF diminished to zero during fiscal year 2016. The SBRF unassigned fund balance for fiscal year 2023, reported in the State's Annual Comprehensive Financial Report ("ACFR"), was zero. See "– Government Funds – *The Statutory Budget Reserve Fund*" below.

In addition to investment income from the above-described funds, the State receives investment income (including interest paid) from investment of other unrestricted funds ($97.7 million in fiscal year 2023, an investment loss of $59.1 million in fiscal year 2022, $29.4 million in fiscal year 2021, $58.1 million in fiscal year 2020, and $93.3 million in fiscal year 2019). In the Spring 2024 Revenue Forecast, the State forecasts investment revenue of other unrestricted funds to be approximately $124.6 million in fiscal year 2024 and $77.9 million in fiscal year 2025. See "– Government Funds" below.

Major Components of State Revenues. Table 3 summarizes the sources of unrestricted and restricted revenues available to the State in fiscal years 2018 through 2023, with a forecast for fiscal years 2024 and 2025 from the Spring 2024 Revenue Forecast.

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Table 3

Total State Government Revenue by Major Component
Fiscal Years Ended June 30, 2018 – 2023
Forecast for Fiscal Years Ending June 30, 2024 – 2025

($ millions)

	2018	2019	2020	2021	2022	2023	2024 [2]	2025 [2]
Revenue Source								
Unrestricted								
Oil Revenue	$ 1,940.2	$ 2,043.8	$ 1,083.1	$ 1,217.6	$ 3,480.9	$ 3,119.4	$ 2,432.3	$ 2,196.0
Non-Oil Revenue	457.0	490.1	454.8	444.3	448.1	472.3	461.1	517.4
Investment Earnings	16.3	2,815.9	2,991.2	3,120.9	3,010.2	3,458.3	3,650.6	3,735.1
Subtotal	$ 2,413.5	$ 5,349.8	$ 4,529.1	$ 4,782.8	$ 6,939.2	$ 7,050.0	$ 6,543.9	$ 6,448.5
Restricted								
Oil Revenue [1]	$ 508.1	$ 575.8	$ 621.5	$ 376.0	$ 576.7	$ 711.2	$ 518.3	$ 496.0
Non-Oil Revenue	697.4	631.2	558.6	590.9	643.0	680.5	831.4	848.3
Investment Earnings [3]	5,616.4	1,188.0	(1,208.5)	16,460.9	(6,422.1)	1,210.1	1,346.3	2,250.5
Federal Revenue	3,124.6	3,434.5	4,173.0	7,555.0	6,911.8	5,826.8	6,225.3	6,472.5
Subtotal	9,446.5	5,829.6	4,144.6	24,982.8	1,709.4	8,428.6	8,921.2	10,067.3
Total	$12,360.0	$11,179.4	$ 8,673.7	$29,765.6	$ 8,648.6	$ 15,478.7	$ 15,465.2	$ 16,515.8

Totals may not foot due to rounding.

(1) "Restricted Oil Revenue" includes oil revenue for the State's share of rents, royalties, and bonuses from the NPR–A, shared by the federal government. Starting in fiscal year 2022, hazardous release surcharge and refined fuel surcharge are included in Restricted Oil Revenue. Prior to 2021, these surcharges were included in "Unrestricted Oil Revenue."

(2) Forecasts for fiscal years 2024 and 2025 include a projection for the transfer from the Permanent Fund Earnings Reserve to the General Fund for unrestricted General Fund expenditures, including the Permanent Fund Dividend, based on SB 26. All values for fiscal years 2024 and 2025 are based on projections as of the release of the Spring 2024 Revenue Forecast and are subject to change.

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

Source: 2018 through 2023 Revenue Sources Books and Forecasts, including the Spring 2024 Revenue Forecast and Update, Tax Division.

Government Budgets and Appropriations

The Legislature is responsible for enacting the laws of the State, including laws that impose State taxes, and for appropriating money to operate the government. The State is limited by federal law, the State Constitution and statutes, and by policy in how it manages its funds and, as in other states, no funds, regardless of source, may be spent without a valid appropriation from the Legislature. The Legislature has a 90-day statutory time limit, and a constitutional time limit of 120 days with an allowance for up to an additional 10 days, to approve a budget. If the Legislature fails to approve a budget, or if other limited purpose legislation needs to be considered, the Governor or Legislature may call a special session to consider such matters. See "– *General Appropriations*" below.

Budgets. The State's fiscal year begins on July 1 and ends on the following June 30, and the Legislature meets in regular session beginning on the fourth Monday of January in each year. The Governor

is required by AS 37.07.020(a) to prepare: (1) a statutorily conforming budget for the succeeding fiscal year, including capital, operating, and mental health budgets, setting forth all proposed expenditures (including expenditures of federal and other funds not generated by the State) and anticipated income of all departments, offices, and agencies of the State; (2) a general appropriation bill to authorize proposed expenditures; and (3) in the case of proposed new or additional revenues, one or more bills containing recommendations for such new or additional revenues. In accordance with AS 37.07.020(b), the Governor is also required to prepare a six-year capital budget covering the succeeding six fiscal years and a 10-year fiscal plan. To assist the Governor in preparing budgets, proposed appropriation bills, and fiscal plans, the Tax Division prepares forecasts of annual revenues in December and March or April of each year. See "– State Revenues" above and "– *General Appropriations*," Table 4, "– Government Funds," and "– Revenue Forecasts" below.

The State Constitution prohibits the withdrawal from the treasury of nearly all funds, regardless of source, without an appropriation. As a consequence, the Governor's proposed budget and the Legislature's appropriation bills include federal and other funds as well as funds from the State and, by practice, funds that may be available for withdrawal without an appropriation. The State has customarily restricted certain revenue sources each fiscal year by practice. Such revenue is nonetheless available for appropriation.

General Appropriations. The Governor is required by State law to submit the three budgets—an operating budget, a mental health budget, and a capital budget—by December 15 and to introduce the budgets and appropriation bills formally to the Legislature in January by the fourth day of the regular Legislative session. These three budgets then to go the House Finance Committee and are voted upon by the House of Representatives. The three budgets then go to the Senate Finance Committee, are voted upon by the full Senate, and may go to a conference committee to work out differences between the House and Senate versions (and then be submitted to both houses for final votes). Bills passed by both houses are delivered to the Governor for signature. The Governor may veto one or more of the appropriations made by the Legislature in an appropriations bill (a "line-item veto") or may sign the bill or permit the bill to become law without a signature or veto. The Legislature may override a veto by the Governor (by a vote of three-fourths of the members of each house of the Legislature in the case of appropriation bills and by a vote of two-thirds of the members of each house in the case of other bills). Either the Governor or the Legislature may initiate supplemental appropriations during the fiscal year to deal with new or changed revenue receipts, to correct errors, or for any other reason. An appropriation is an authorization to spend, not a requirement to spend. Enacted budget appropriations may be expended beginning July 1.

The Governor is permitted to prioritize or restrict expenditures, to redirect funds within an operating appropriation to fund core services, and to expend unanticipated federal funds or program receipts. Historically, Alaskan Governors have placed restrictions on authorized operating and capital expenditures during years in which actual revenues were less than forecast and budgeted. Such expenditure restrictions have included deferring capital expenditures, State employment hiring and compensation freezes, lay-offs and furloughs, and restrictions on non-core operating expenses. Operating and capital expenditures have generally declined over the same time period through, among other actions, use of administrative restrictions on spending. See "– Public Debt and Other Obligations of the State" below.

Additional options for the State to manage budget funding include reducing State expenditures, transferring spending authority among line items, providing additional incentives to develop petroleum or mining resources, reinstituting a State personal income tax, or imposing other broad-based statewide taxes, such as a sales tax. Most of these options, including the imposition of personal income taxes or other taxes, would require action by the Legislature.

Governor Michael J. Dunleavy was reelected in November 2022, originally taking office in December 2018. In his fiscal year 2020 budget, the Governor declared that significant adjustments to the State budget were needed to allow for a Permanent Fund Dividend distribution to State residents based on

a historical statutory formula. This proposal was not approved by the Legislature. In his fiscal year 2021 and 2022 budgets the Governor again requested a Permanent Fund Dividend distribution to eligible State residents based on the historical statutory formula. Again, the Legislature did not approve these proposals. The fiscal year 2023 budget included an appropriation of approximately $2.1 billion for Permanent Fund Dividend distributions to all eligible Alaskans, of which approximately $420.1 million was designated as a special appropriation for energy relief. The enacted fiscal year 2024 budget includes approximately $881.6 million for Permanent Fund Dividend distributions to all eligible Alaskans.

Through special appropriations in the fiscal year 2024 enacted budget, if the unrestricted General Fund revenue, collected in fiscal year 2024, exceeds $6,264,300,000, the amount remaining, after all appropriations have been made that take effect in fiscal year 2024, of the difference between $6,264,300,000 and the actual unrestricted General Fund revenue collected in fiscal year 2024, not to exceed $636,400,000, is appropriated as follows:(i) 50 percent from the General Fund to the dividend fund to pay a one-time energy relief payment as part of the permanent fund dividend and for administrative and associated costs for fiscal year 2025; and (ii) 50 percent from the General Fund to the CBRF. After the appropriations described in clauses (i) and (ii) above are made, the amount remaining, after all other appropriations have been made that take effect in fiscal year 2024, of the difference between $6,900,700,000 and the actual unrestricted General Fund revenue collected in fiscal year 2024, is appropriated from the General Fund to the CBRF.

The State's enacted budget for fiscal year 2024, including forecasted supplemental appropriations, decreased spending from fiscal year 2023 from $15.9 billion to $14.5 billion. The fiscal year 2023 expenditure value, provided by the OMB fiscal summary as of June 19, 2023, was inclusive of the permanent fund dividend distribution of approximately $2.1 billion.

Appropriations for Debt and Appropriations for Subject-to-Appropriation Obligations. The Governor's appropriations bills include separate subsections for appropriations for State debt and other subject-to-appropriation obligations and specify the sources of funds to pay such obligations. For the State's outstanding voter-approved general obligation bonds and bond anticipation notes and for revenue anticipation notes to which the State's full faith and credit are pledged, money is appropriated from the General Fund and, if necessary, to the General Fund from other funds, including the Permanent Fund, to the Committee to make all required payments of principal, interest, and redemption premium. For these full faith and credit obligations, the State legally is required to raise taxes if State revenues are not sufficient to make the required payments.

The Governor's appropriation bills also include separate subsections for appropriations for subject-to-appropriation obligations, such as outstanding capital leases and lease-purchase financings authorized by law, and for State appropriations to replenish debt service reserves in the event of a deficiency. Such appropriations are made from the General Fund or from appropriations transferring to the General Fund money available in other funds such as the CBRF, SBRF, the Power Cost Equalization Fund, unencumbered funds of the State's public corporations, and the Permanent Fund Earnings Reserve.

Appropriation Limits. The State Constitution does not limit expenditures but does provide for an appropriation limit and reserves one-third of the amount within the limit for capital projects and loan appropriations. Because State appropriations have never approached the limit, the reservation for capital projects and loan appropriations has not been a constraint. The appropriation limit does not include appropriations for Permanent Fund Dividends described below, appropriations of revenue bond proceeds, appropriations to pay general obligation bonds, or appropriations of funds received in trust from a non-State source for a specific purpose, including revenues of a public enterprise or public corporation of the State that issues revenue bonds. In general, under the State Constitution, appropriations that do not qualify for an exception may not exceed $2.5 billion by more than the cumulative change, derived from federal indices, in population and inflation since July 1, 1981. For fiscal year 2022, the OMB estimated the appropriation

limit to be approximately $11.1 billion. The fiscal year 2022 budget, not counting the excluded appropriations, was $7.3 billion, or $3.8 billion less than the constitutional limit.

As shown in Table 4, unrestricted General Fund revenue increased to $6.9 billion in fiscal year 2022 and further increased to approximately $7.1 billion in fiscal year 2023. In fiscal year 2019, the State began appropriating amounts from the Permanent Fund Earnings Reserve to the General Fund as unrestricted General Fund revenue, which significantly diminishes the percentage of unrestricted revenue that petroleum-related revenue represents. The fiscal year 2023 budget included approximately $3.4 billion in transfers from the Permanent Fund Earnings Reserve to the General Fund as unrestricted revenue. This shift of classification of revenue of the Permanent Fund from restricted to unrestricted was incorporated into the State's revenue projections in Table 4.

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Table 4

State of Alaska
Total Unrestricted General Fund Revenue, ANS West Coast Oil Price, and ANS Oil Production
Fiscal Years Ended June 30, 2014 – 2023 and
Forecast for Fiscal Years Ending June 30, 2024 – 2034

Fiscal Year	Total Unrestricted General Fund Revenue ($ millions)	ANS West Coast Oil Price ($/barrel)	ANS Oil Production (thousands of barrels per day)
2014	5,390	107.57	530.4
2015	2,256	72.58	501.0
2016	1,533	43.18	514.7
2017	1,355	49.43	526.4
2018	2,414	63.61	518.5
2019	5,350	69.46	496.9
2020	4,529	52.12	471.8
2021	4,783	54.14	486.1
2022	6,939	91.41	476.5
2023	7,050	86.63	479.4
Projected (1)			
2024	6,544	84.08	467.6
2025	6,449	78.00	476.8
2026	6,430	74.00	482.0
2027	6,617	72.00	520.0
2028	6,707	70.00	547.2
2029	6,813	70.00	542.8
2030	6,869	69.00	545.2
2031	7,008	69.00	573.1
2032	7,305	71.00	614.9
2033	7,604	73.00	640.2
2034	7,833	75.00	641.1

(1) The values for fiscal years 2024 through 2034 use the projections included in the Spring 2024 Revenue Forecast, and are subject to change. Fiscal year 2024 includes approximately $3.5 billion in transfers from the Permanent Fund Earnings Reserve to the General Fund as unrestricted revenue. The forecast period includes a projection for the transfers from the Permanent Fund Earnings Reserve to the General Fund for unrestricted General Fund expenditures, including the Permanent Fund Dividend, based on SB 26.

Source: 2014 through 2023 Revenue Sources Books and Forecast, including the 2024 Spring Revenue Forecast Update, Tax Division.

The State's constitutionally based obligation for K-12 education has been one of the largest single recurring budget line items in the State's budget. In the enacted fiscal year 2024 budget, approximately $1.17 billion is appropriated to the public education fund, comprised of an estimated $1.14 billion from the General Fund, and $32.2 million from the Public School Trust Fund. See "– Public Debt and Other Obligations of the State – *State-Supported Debt – State-Supported Municipal Debt Eligible for State Reimbursement*" below.

The Spring 2024 Revenue Forecast projects approximately $6.5 billion in unrestricted General Fund revenue in fiscal year 2024 prior to any carryforwards and adjustments from fiscal year 2023, and the enacted fiscal year 2024 budget includes approximately $5.2 billion in unrestricted General Fund operating and capital budget appropriations. The enacted fiscal year 2024 budget includes approximately $3.5 billion in transfers from the Permanent Fund Earnings Reserve to the General Fund as unrestricted revenue. In addition, the fiscal year 2024 expenditure value for the permanent fund dividend distribution was $881.6 million.

In fiscal year 2024, projections for unrestricted General Fund capital budget appropriations decreased to approximately $387.5 million from $734.9 million in fiscal year 2023. Prior to fiscal year 2023, there were seven consecutive fiscal years that unrestricted General Fund capital budget appropriations had been under $250 million, compared to $608 million in fiscal year 2015. The State's fiscal year 2024 total capital budget appropriations, including unrestricted general funds, designated general funds, and other federal funds were approximately $3.1 billion (Source: Office of Management and Budget, Fiscal Summary as of June 19, 2023, and March 13, 2024).

Government Funds

Because the State is dependent upon taxes, royalties, fees, and other revenues that can be volatile, the State has developed a framework of constitutionally and statutorily restricted revenue that is held in a variety of reserve funds to provide long-term and short-term options to address cash flow mismatches and budgetary deficits. The State Constitution provides that with three exceptions, the proceeds of State taxes or licenses "shall not be dedicated to any special purpose." The three exceptions are when required by the federal government for State participation in federal programs, any dedication existing before statehood, and when provided by the State Constitution, such as restricted for savings in the Permanent Fund or the CBRF.

Current State funding options available on a statutory basis include General Fund unrestricted revenue (which pursuant to SB 26 includes an annual transfer from the Permanent Fund Earnings Reserve), use of the earnings or the principal balance of the SBRF, borrowing restricted earnings revenue or principal balance from the CBRF, use of the statutorily restricted oil revenue currently flowing to the Permanent Fund, and use of the unrestricted earnings revenue of the Permanent Fund. To balance revenues and expenditures in a time of financial stress, each of these funds can be drawn upon, following various protocols. The CBRF may be accessed with a majority vote of the Legislature following a year-over-year total decline in total revenue available for appropriation, or in any year by a three-quarters vote of both houses of the Legislature. A majority vote of the Legislature is needed to appropriate from the SBRF and from the Permanent Fund Earnings Reserve.

The General Fund. Unrestricted State revenue is annually deposited in the General Fund, which serves as the State's primary operating fund and accounts for most of the State's unrestricted financial resources. The State has, however, created more than 60 subfunds and "cash pools" within the General Fund to account for funds allocated to particular purposes or reserves, including the CBRF, the SBRF, an Alaska Capital Income Fund, and a debt retirement fund. In terms of long-term and short-term financial flexibility, the CBRF and the SBRF (subfunds within the General Fund) have been of particular importance to the State.

The Constitutional Budget Reserve Fund. The State Constitution requires that oil and gas and mineral dispute-related revenue be deposited in the CBRF. The State Constitution provides that other than money required to be deposited in the Permanent Fund and the Public School Trust Fund, all money received by the State after July 1, 1990 as a result of the termination, through settlement or otherwise, of an administrative proceeding or of litigation involving mineral lease bonuses, rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments or bonuses, or involving taxes imposed on mineral

income, production, or property, are required to be deposited in the CBRF. Money in the CBRF may be appropriated (i) for any public purpose, upon the affirmative vote of three-fourths of each house of the Legislature; or (ii) by majority vote if the amount available to the State for appropriation for a fiscal year is less than the amount appropriated for the previous fiscal year; however, the amount appropriated may not exceed the amount necessary, when added to other funds available for appropriation, to provide for total appropriations equal to the amount of appropriations made in the previous calendar year for the previous fiscal year. The State Constitution also provides that until the amount appropriated from the CBRF is repaid, excess money in the General Fund at the end of each fiscal year must be deposited in the CBRF.

The State historically has borrowed from the CBRF as part of its cash management plan to address timing mismatches between revenues and disbursements within a fiscal year and also to balance the budget, when necessary, at the end of the fiscal year. The State has drawn on the CBRF in each year since fiscal year 2014, although in some years dedicated earnings and deposits into the CBRF were greater than the draws. Historical borrowing from the CBRF in the 1990's through 2005 was completely repaid in fiscal year 2010 and no borrowing activity from the CBRF occurred until fiscal year 2015.

The fiscal year 2015 capital budget approved by the Legislature included a $3 billion transfer from the CBRF to the Public Employees Retirement System ("PERS") and Teachers Retirement System ("TRS"). PERS received $1 billion and TRS received $2 billion. This transfer resulted in a liability of the General Fund. Additional amounts were appropriated from the CBRF to the General Fund annually in fiscal years 2016 through 2023, to fund shortfalls between State revenue and General Fund appropriations. The total net amount appropriated from the CBRF since fiscal year 2015 as of June 30, 2023 was approximately $11.3 billion. Pursuant to the State's fiscal year 2023 ACFR, the June 30, 2023, unassigned fund balance of the CBRF was approximately $2.6 billion.

The asset balance in the CBRF as of June 30, 2023, was approximately $2.6 billion, including earnings of approximately $62.9 million. General Fund asset balances listed as of June 30 may include borrowings from the CBRF for future fiscal year operating requirements. As of June 30, 2022, the asset balance was approximately $914.5 million, including earnings of approximately $1.2 million; as of June 30, 2021, the asset balance was approximately $1.1 billion, including earnings of approximately $2.2 million; as of June 30, 2020, the asset balance was approximately $2.0 billion, with investment earnings of $62.8 million; and as of June 30, 2019, the asset balance was $1.8 billion, with investment earnings of $74.8 million.

The Statutory Budget Reserve Fund. The SBRF has existed in the State's accounting structure since 1986. The SBRF is available for use for legal purposes by majority vote of the Legislature and with approval by the Governor. If the unrestricted amount available for appropriation in any fiscal year was insufficient to cover General Fund appropriations, the amount necessary to balance revenue and General Fund appropriations or to prevent a cash deficiency in the General Fund may be appropriated from the SBRF to the General Fund. Article IX, Section 17(d) of the Alaska Constitution provides that the amount of money in the General Fund available for appropriation at the end of each succeeding fiscal year is to be deposited in the CBRF until the amount appropriated from the CBRF is repaid. The SBRF unassigned fund balance for fiscal year 2023, reported in the State's ACFR, was zero. Any earnings on the SBRF are considered unrestricted investment revenue and flow to the General Fund, unless otherwise appropriated back to the fund.

The Alaska Permanent Fund. The Permanent Fund was established by a voter-approved constitutional amendment that took effect in February 1977. The amendment provides that "at least twenty-five percent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments and bonuses received by the State shall be placed in a permanent fund, the principal of which shall be used only for those income-producing investments specifically designated by law as eligible for

permanent fund investments" and that "all income from the permanent fund shall be deposited in the General Fund unless otherwise provided by law."

In 1980, legislation was enacted that provided for the management of the Permanent Fund by the APFC, a public corporation within the DOR managed by a board of trustees. The same legislation modified the contribution rate to the Permanent Fund from 25 percent (the minimum constitutionally mandated contribution) to 50 percent of all mineral lease rentals, royalties, royalty sale proceeds, net profit shares, federal mineral revenue sharing payments, and bonuses received by the State from mineral leases issued after December 1, 1979 or, in the case of bonuses, after May 1, 1980. The statutory contribution rate was changed back to 25 percent by legislation as of July 1, 2003 but then returned to 50 percent as of October 1, 2008. For fiscal year 2023, State oil and mineral revenues deposited in the Permanent Fund were $754 million, compared to $549 million in fiscal year 2022, $320 million in fiscal year 2021, $319 million in fiscal year 2020, and $385 million in fiscal year 2019. Since inception, as of June 30, 2023, contributions to the principal account of the Permanent Fund, both constitutionally and statutorily mandated, include $22.2 billion for inflation proofing, $19.2 billion in royalty contributions, and $15.0 billion in special appropriations.

The Permanent Fund tracks earnings on a basis compliant with statements pronounced by the Governmental Accounting Standards Board ("GASB") in the compilation of the financial statements of the Permanent Fund. Fund balance consists of two parts: (1) principal, which is non-spendable, and (2) earnings reserve, which is spendable with an appropriation by the Legislature. By statute, only realized gains are deposited in the earnings reserve. Unrealized gains and losses associated with principal remain allocated to principal. Because realized gains deposited in the earnings reserve are invested alongside the principal, however, the unrealized gains and losses associated with the earnings reserve are spendable with an appropriation of the Legislature.

Pursuant to legislation enacted in 1982, annual appropriations are made from the Permanent Fund Earnings Reserve, first for dividends to qualified Alaska residents and then for inflation proofing. Between 1982 and 2023, approximately $30.2 billion of dividends were paid to Alaska residents and $22.2 billion of Permanent Fund income has been added to principal for inflation proofing. For fiscal years 2016, 2017, and 2018, there were no appropriations and therefore no transfers from the earnings reserve to principal for inflation proofing. The amount calculated under statute for fiscal year 2019 inflation proofing, $989 million, provided for in the enacted fiscal year 2019 operating budget, was appropriated from the earnings reserve to the principal of the Permanent Fund to offset the effect of inflation on the principal for fiscal year 2019. The State's fiscal year 2020 budget included an appropriation of approximately $4.8 billion from the earnings reserve to the principal of the Permanent Fund. The State's fiscal year 2021 budget did not include an appropriation for additions to principal for inflation proofing. The Legislature made an approximate $4.0 billion special appropriation to principal in the fiscal year 2022 budget. For fiscal year 2023, approximately $4.2 billion was appropriated from the earnings reserve to the principal of the Permanent Fund. The Permanent Fund Dividend amount, paid in calendar year 2022, was $3,284 per qualified resident, inclusive of amounts designated as energy relief to Alaskans. The Permanent Fund Dividend amount, paid in calendar year 2023, was $1,312 per qualified resident.

If any income remains after these transfers (except the portion transferred to the Alaska Capital Income Fund as described below), it remains in the Permanent Fund Earnings Reserve as undistributed income. The Legislature may appropriate funds from the earnings reserve at any time for any other lawful purpose. The principal portion of the Permanent Fund, approximately $67.5 billion as of June 30, 2023, up from approximately $60.2 billion as of June 30, 2022, may not be spent without amending the State Constitution. The earnings reserve, approximately $10.5 billion as of June 30, 2023, down from approximately $16.1 billion as of June 30, 2022, may be appropriated by a majority vote of the Legislature.

During fiscal years 1990 through 1999, the Permanent Fund received dedicated State revenues from settlements of a number of North Slope royalty cases (known collectively as *State v. Amerada Hess*). The total of the settlements and retained income thereon, as of June 30, 2023, was approximately $424.4 million. Earnings on the settlements are excluded from the dividend calculation and are not subject to inflation proofing in accordance with State law, and beginning in 2005, the settlement earnings have been appropriated to the Alaska Capital Income Fund, a subfund within the General Fund. The Alaska Capital Income Fund realized earnings on settlement principal of approximately $14.3 million during fiscal year 2023.

As previously discussed, SB 26 created a percent of market value to provide a sustainable draw on the earnings reserve for transfer to the General Fund as unrestricted revenue.

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Table 5

State of Alaska
Available Funds and Recurring and Discretionary General Fund Expenditures
Fiscal Years Ended June 30, 2013 – 2023

Fiscal Year	General Purpose Unrestricted Revenue ($ mil)	Recurring & Discretionary General Fund Expenditures ($ mil)	Unrestricted Revenue Surplus/ (Deficit) ($ mil)	Ending SBRF Reserves Available Balance ($ mil)	Ending CBRF Reserves Available Balance ($ mil) [1]	Permanent Fund Earnings Reserve Balance ($ mil)	Oil Price ($/barrel)	ANS Oil Production (thousands of barrels per day)
2013	6,929	7,455	(526)	4,711 [2]	11,564	4,054	107.57	531.6
2014	5,394	7,314	(1,920)	2,791 [2]	12,780	6,211	107.57	530.4
2015	2,257	4,760	(2,503) [3]	288 [2]	10,101	7,162	72.58	501.0
2016	1,533	5,213	(3,680) [3]	– [2]	7,331	8,570	43.18	514.7
2017	1,354	4,498	(3,144) [3]	– [2]	3,896	12,816	49.43	526.4
2018	2,414	4,489	(2,075) [3]	– [2]	2,360	18,864 [4]	63.61	518.5
2019	5,350 [5]	4,889	461 [3]	– [2]	1,832	18,481 [4]	69.46	495.0
2020	4,529 [5]	4,805	(276) [3]	– [2]	1,983	12,894 [4]	52.12	471.8
2021	4,783 [5]	5,031 [3]	(248) [3]	481 [2]	1,076	21,148 [4]	54.14	486.1
2022	6,939 [5]	5,362 [3]	1,577 [3]	370	915	16,150 [4]	91.41	476.5
2023	7,050 [5]	5,641	1,409 [3]	– [2]	2,620	10,491 [4]	86.63	479.4

(1) The CBRF available balance represents the historical asset values.

(2) Includes unassigned fund balance through net transfer from the SBRF to the General Fund reconciled at the release of the State's ACFR.

(3) The SBRF was used to balance the fiscal year 2015 deficit, with $288 million remaining as of June 30, 2015. Article IX, Section 17(d) of the Alaska Constitution provides that the amount of money in the General Fund available for appropriation at the end of each succeeding fiscal year is to be deposited in the CBRF until the amount appropriated is repaid. The available fund balance of the SBRF as of June 30, 2016, was zero. Fiscal year 2021 includes an estimated $325 million transfer to the SBRF from the unrestricted General Fund, and fiscal year 2022 includes an estimated $109 million draw from the SBRF, and the fiscal year 2023 unassigned fund balance was zero.

(4) Includes amount committed for General Fund transfer pursuant to SB 26, as well as any special appropriations and/or inflation proofing transfers.

(5) Includes Permanent Fund Earnings Reserve transfer prior to dividend payments.

Source: State of Alaska Department of Revenue and OMB.

Revenue Forecasts

The State regularly prepares revenue forecasts for planning and budgetary purposes. Of necessity, such forecasts include assumptions about events that are not within the State's control. The forecast oil production volumes include only production expected from projects currently under development or evaluation. The forecast does not include any revenues that could be received if a natural gas pipeline is constructed. In making its forecasts, the State makes assumptions about, among other things, the demand for oil and national and international economic factors and assumes that the Legislature will not amend current laws to change materially the sources and uses of State revenue and that no major calamities such as earthquakes or catastrophic damage to TAPS will occur. Portions of TAPS are located in areas that have experienced and may in the future again experience major earthquakes. Actual revenues and expenditures will vary, perhaps materially, from year to year, particularly if any one or more of the assumptions upon which the State's forecasts are based proves to be incorrect or if other unexpected events occur. The State's most recent forecast is set forth in the Spring 2024 Revenue Forecast. The State will next update its forecast in the Fall 2024 Revenue Forecast, which is anticipated to be released in December 2024. The State has provided certain estimates for fiscal years 2024 and 2025 based on information available as of the Spring 2024 Revenue Forecast, as well as certain audited results for fiscal year 2023 for the CBRF. See "–

Government Funds" above for a description of some of the actions the State can take when revenues prove to be lower than expected.

The State has customarily restricted certain revenue sources each fiscal year by practice. Such revenue is nonetheless available for appropriation. Table 6 provides a summary of the State's most recent forecast for revenues subject to appropriation in fiscal years 2024 through 2029.

Table 6

State of Alaska Projection of Revenues Subject to Appropriation
Forecast Summary for Fiscal Years 2024 through 2029 [(1)]
($ millions)

	2024	2025	2026	2027	2028	2029
Petroleum Revenue						
Unrestricted General Fund	$2,432.3	$2,196.0	$2,013.2	$1,999.7	$2,044.0	$2,029.0
Production Tax – Hazardous Release Surcharge	7.5	7.7	7.7	8.3	8.8	8.7
Royalties, Bonuses, Rents, and Interest to Alaska Permanent Fund	83.8	77.3	75.3	99.9	118.7	122.7
Tax and Royalty Settlements to CBRF	10.0	20.0	20.0	20.0	20.0	20.0
Subtotal Petroleum Revenue	**$2,533.6**	**$2,300.9**	**$2,116.3**	**$2,127.9**	**$2,191.5**	**$2,180.4**
Non-Petroleum Revenue						
Unrestricted General Fund	$ 461.1	$ 517.4	$ 549.2	$ 582.1	$ 602.1	$ 615.7
Designated General Fund	480.2	494.9	497.6	501.1	501.9	502.8
Royalties to Alaska Permanent Fund beyond 25% dedication	3.7	4.0	4.2	4.4	4.5	4.5
Subtotal Non-Petroleum Revenue	**$ 945.0**	**$1,016.4**	**$1,051.0**	**$1,087.6**	**$1,108.5**	**$1,123.0**
Investment Revenue						
Unrestricted General Fund	$3,650.6	$3,735.1	$3,867.9	$4,034.9	$4,060.9	$4,167.9
Designated General Fund	73.3	57.3	57.3	57.3	57.3	57.3
CBRF [(2)]	119.3	78.7	89.3	92.3	95.4	98.6
Subtotal Investment Revenue	**$3,843.2**	**$3,871.1**	**$4,014.5**	**$4,184.5**	**$4,213.6**	**$4,323.8**
Total Revenue Subject to Appropriation	**$7,321.8**	**$7,188.4**	**$7,181.8**	**$7,400.0**	**$7,513.5**	**$7,627.1**

(1) This table presents only the largest known categories of current year funds subject to appropriation. A comprehensive review of all accounts in the State accounting system would likely reveal additional revenues subject to appropriation beyond those identified here. Totals may not add due to rounding.

(2) CBRF earnings projections on balances reflect estimates that do not incorporate potential amounts swept to the CBRF under Alaska Constitution Article IX Sec. 17(d).

Source: Spring 2024 Revenue Forecast, Tax Division.

General Fund Expenditure Trends

From the fiscal year 2013 peak through fiscal year 2023, recurring Unrestricted General Fund expenditures have diminished from approximately $7.9 billion to $5.6 billion. Prior to fiscal year 2022, a

significant portion of the expenditures were funded from prior fiscal year excess revenue held in the CBRF, the SBRF or in the form of forward funding future fiscal year appropriations.

10-Year Plan and General Fund Forecast

The Executive branch is obligated by AS 37.07.020 (b) to provide a 10-year plan and General Fund forecast on an annual basis. The Office of the Governor, OMB annually in December submits a 10-year projection of revenues based on the Tax Division's Fall Revenue Sources Book and expenditures as projected by their staff. The expenditure projections contained in the document are intended to be used as a planning tool. They do not represent a commitment by the Executive Branch to propose spending nor generate revenue at a particular level for any given fiscal year.

The Fiscal Year 2025 Budget Overview and 10-Year Plan ("FY 2025 10-Year Plan") was released by Governor Dunleavy's administration and the OMB on December 14, 2023. The FY 2025 10-Year Plan is provided in complete form on the State of Alaska, Office of the Governor, OMB's website. The FY 2025 10-Year Plan includes recognition of the State's diminishing reserves with status-quo revenue sources and policies, a full statutory dividend payment and need for a shift in future year's new revenue targets, as reflected in the "10-Year Plan Summary" in Table 7.

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Table 7

Fiscal Year 2025 Budget Overview and 10-Year Plan Summary
Fiscal Years Ended June 30, 2025 - 2034

Permanent Fund Dividend ("PFD")	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**
PFD Transfer	$ 2,303.7	$ 2,499.7	$ 2,199.7	$ 2,272.5	$ 2,575.3	$ 2,751.9	$ 2,824.9	$ 2,899.8	$ 2,977.2	$ 3,057.1
Per Capita PFD (dollars)	3,429.0	3,720.0	3,274.0	3,382.0	3,833.0	4,096.0	4,205.0	4,316.0	4,431.0	4,550.0
Unrestricted General Fund Expenditures										
Agency Operations	4,321.8	4,386.6	4,452.4	4,519.2	4,587.0	4,655.8	4,725.6	4,796.5	4,868.4	4,941.5
Statewide Items	365.0	368.6	379.1	393.7	388.4	388.6	380.2	392.5	381.7	369.5
Operating Budget	**$ 4,686.8**	**$ 4,755.2**	**$ 4,831.5**	**$ 4,912.9**	**$ 4,975.3**	**$ 5044.4**	**$ 5,105.8**	**$ 5,189.0**	**$ 5,250.2**	**$ 5,311.0**
Capital Budget	**305.2**	**309.8**	**314.4**	**319.1**	**323.9**	**328.8**	**333.7**	**338.7**	**343.8**	**349.0**
Total General Fund Appropriations	**$ 4,992.0**	**$ 5,065.0**	**$ 5,145.9**	**$ 5,232.0**	**$ 5,299.3**	**$ 5,373.2**	**$ 5,439.5**	**$ 5,527.7**	**$ 5,594.0**	**$ 5,659.9**
Unrestricted Revenues										
Traditional Unrestricted General Fund Revenue	$2,651.2	$ 2,542.3	$ 2,585.8	$ 2,659.3	$ 2,609.2	$ 2,548.2	$ 2,547.5	$ 2,687.4	$ 2,809.9	$ 2,881.5
Gross Percent of Market Value ("POMV") Transfer	3,657.2	3,760.0	3,892.0	3,877.0	3,937.0	4,003.0	4,105.0	4,212.0	4,323.0	4,440.0
Revenue Adjustments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PFD Deposit	(2,303.7)	(2,499.7)	(2,199.7)	(2,275.5)	(2,575.3)	(2,751.9)	(2,824.9)	(2,899.8)	(2,977.2)	(3,057.1)
Status-Quo Available Revenue	**$ 4,004.7**	**$ 3,802.6**	**$ 4,278.1**	**$ 4,263.8**	**$ 3,970.9**	**$ 3,799.3**	**$ 3,827.6**	**$ 3,999.6**	**$ 4,155.7**	**$ 4,264.4**
Deposit/(Draw)	**(987.2)**	**(1,262.4)**	**(867.8)**	**(968.2)**	**(1,328.4)**	**(1,573.9)**	**(1,611.9)**	**(1,528.1)**	**(1,438.3)**	**(1,395.5)**
Reserve Balances	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**
Statutory Budget Reserve										
Statutory Budget Reserve Beginning Balance	**$ 20.9**	**$ 0.0**	**$ 0.0**	**$ 0.0**	**$ 0.0**	**$ 0.0**	**$ 0.0**	**$ 0.0**	**$ 0.0**	**$ 0.0**
Surplus/(Draws)	**(20.9)**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Statutory Budget Reserve End Balance	**$ 0.0**	**$ 0.0**	**$ 0.0**	**$ 0.0**	**$ 0.0**	**$ 0.0**	**$ 0.0**	**$ 0.0**	**$ 0.0**	**$ 0.0**
Constitutional Budget Reserve										
Constitutional Budget Reserve Beginning Balance	$ 2,829.1	$ 1,939.5	$ 715.9	($ 137.6)	($ 1,108.5)	($ 2,459.1)	($ 4,082.2)	($ 5,775.7)	($ 7,419.3)	($ 9,006.0)
Earnings and Deposits	76.7	38.8	14.3	(2.8)	(22.2)	(49.2)	(81.6)	(115.5)	(148.4)	(180.1)
Surplus/(Draws)	(966.3)	(1,262.4)	(867.8)	(968.2)	(1,328.4)	(1,573.9)	(1,611.9)	(1,528.1)	(1,438.3)	(1,395.5)
Constitutional Budget Reserve End Balance	**$ 1,939.5**	**$ 715.9**	**($ 137.6)**	**($ 1,108.5)**	**($ 2,459.1)**	**($ 4,082.2)**	**($ 5,775.7)**	**($ 7,419.3)**	**($ 9,006.0)**	**($ 10,581.6)**

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The fiscal year 2023 budget was approved by the Legislature on May 18, 2023, and on June 18, 2023, Governor Dunleavy signed into law the fiscal year 2024 budget. The most recent 10-Year Plan was released on December 14, 2023. The fiscal year 2025 10-Year Plan includes certain forecasted information contained in the Fall 2023 Revenue Forecast as well as other projected revenue scenarios over the forecast period.

Other Funds Maintained by the State

The State maintains other types of funds, such as Enterprise Funds, Trust and Agency Funds, Capital Projects Funds and Special Revenue Funds.

Enterprise Funds are operated by the State for "self-supported" activities that provide goods and/or services to the public on a charged payment basis. The International Airports Revenue Fund and a number of State loan program funds are Enterprise Funds.

Trust and Agency Funds are maintained to account for assets held by the State acting in the capacity of custodian or fiduciary agent. In addition to the Permanent Fund and the retirement systems funds, major funds in this category include the Public School Trust Fund, and the Mental Health Trust Reserve Fund.

Capital Projects Funds account for the use of the proceeds of general obligation bond issues and matching federal funds for capital outlays. In general, all capital outlay projects are accounted for through Capital Projects Funds except capital projects being financed by the General Fund through direct appropriations and capital projects financed with moneys in the International Airports Revenue Fund.

Special Revenue Funds are maintained in connection with the State's issuance of revenue bonds, such as revenue bonds issued by the Alaska International Airports System.

State Ownership of Land and Natural Resources

Alaska includes approximately 586,412 square miles (approximately 365 million acres) of land and is the largest state in the United States, roughly equivalent in size to one-fifth of all the other 49 states combined. Unlike the other 49 states, where significant portions of the land may be privately owned, less than one percent of the land in Alaska is owned by private, non-Alaska Native owners.

In 1959, when Alaska became a state, 99.8 percent of the land was owned by the federal government. The Statehood Act, as modified by the Alaska Land Transfer Acceleration Act of 2004, gave the State the right to select and acquire approximately 105.5 million of the nearly 365 million acres of federal lands in Alaska. As of 2023, over 95 percent, or about 100.6 million acres, of this grant has been conveyed to the State. In addition, the State owns approximately 65 million acres of submerged and tide lands, some of which overlie areas with the potential for natural resource production. The State is constitutionally obligated to pursue resource use and development on these lands to support its economy and the provision of public services.

Land ownership in Alaska is also shaped by the Alaska Native Claims Settlement Act ("ANCSA") enacted by Congress in 1971. Under ANCSA, 13 regional corporations and more than 200 village corporations were established with Alaska Natives as their shareholders and beneficiaries. Interests in these corporations can only be hereditarily transferred and cannot be otherwise bought or sold. These corporations were authorized to select approximately 44 million acres of federal lands and the associated subsurface and surface rights for transfer into their ownership to develop and steward on behalf of their shareholders.

In summary, Alaska Natives and ANCSA corporations own approximately 13 percent of Alaska lands, the State owns approximately 26 percent, and the federal government owns approximately 60 percent, with less than one percent of Alaska lands owned by private, non-Native owners. As described

below, the State obtains significant revenues from companies that lease State-owned lands for extraction of oil, natural gas, coal, gold, silver, zinc, copper and other minerals and shares with the federal government revenues from oil, natural gas and other assets extracted from federal lands leased by private companies. Additionally, the State receives indirect benefits and tax revenues from development and activity on ANCSA corporation-owned lands.

For State land, Article 8, Section 1 of the State Constitution provides that, "it is the policy of the State to encourage the settlement of its land and the development of its resources by making them available for maximum use consistent with the public interest." The DNR is the State entity entrusted with fulfilling this obligation on the 165-million-acre upland and tideland portfolio. Consequently, DNR has a stewardship and public trust responsibility for all State-owned land, water and resources in addition to regulatory responsibilities on private lands.

As part of this work, DNR manages the State's mineral, coal, oil and gas, geothermal, timber, material and water resources, provides land use authorizations for surface activities on State land, receives title from the federal government in accordance with the Statehood Act and the Alaska Land Transfer Acceleration Act and conveys land to private purchasers. DNR manages and distributes a large volume of technical data, public records, land records and geospatial information.

Oil and Gas Reserves and Potential Future Recoverable Resources

Most of the State's annual revenues have been generated from oil exploration and production since 1968, when the first large oil and gas reservoir on the Arctic Coast was discovered. To enable the production of this resource, the TAPS, an 800-mile, 48-inch crude oil pipeline from the State's Arctic Coast to Valdez in south-central Alaska was constructed in the 1970s and came online in 1977. This nationally important infrastructure has transmitted more than 18.7 billion barrels of crude oil from the North Slope of Alaska to market through calendar year 2023. Other pipelines exist upstream of TAPS that have spare capacity and currently deliver oil production from existing fields.

At peak production levels in 1988, over 2 million barrels per day were flowing through TAPS from the Prudhoe Bay field, the Kuparuk field (the State's second largest oil-producing area), as well as from the Endicott and Lisburne satellite fields. While total Alaska oil production has declined to approximately 480,000 barrels of oil per day in 2023, upwards of 20 billion barrels of new discoveries have been made since 2016 and currently stand at different stages of appraisal and development. Production from several of these new discoveries is proposed to be brought to market in the next five years.

The ANS continues to see new oil being produced from redevelopment of existing fields, as well as new developments that are anticipated to bring future production. New production on the North Slope helps to offset some of the volume decline since the 1988 peak. The Spring 2024 Revenue Forecast for North Slope crude oil production projects approximately 467,600 barrels per day in fiscal year 2024 and 476,800 in fiscal year 2025.

In the Spring 2024 Revenue Forecast, the State forecasted that crude oil production on the North Slope will rebound to over 500,000 barrels of oil per day in the 10-year forecast period, to 641,100 barrels of oil per day by fiscal year 2034. This forecast applies a risk-weighted view on future projects which typically fall below forecasts by operators of the projects in question.

Additionally, continued pilot and test deployments of polymer flooding, viscous and heavy oil technologies could further unlock resources that have stayed out of recoverable estimates in the past. Broad application of more viscous and heavy oil technologies could translate to significant increases in State production in viscous and heavy oil resources given the known accumulations across the North Slope.

The State does not include potential production from the Arctic National Wildlife Refuge ("ANWR") or other fields yet to be discovered in its forecasts. After President Trump signed the Tax Cuts

and Jobs Act (Public Law 115-97) in December 2017, the U.S. Department of Interior was directed to hold at least two oil and gas lease sales in the ANWR Coastal Plain. This area is commonly known as the "1002 area," after section 1002 of the Alaska National Interest Lands Conservation Act of 1980. The first of two lease sales required by the law was held in January 2021, but several of the executive orders ("EOs") signed by President Biden upon inauguration and subsequent actions by the federal administration suspended the leases and have resulted in litigation and uncertainty about the status of the leases, as well as the process for the future lease sales required by law. Two of the leaseholders from that lease sale have relinquished their leases, while the third, the Alaska Industrial Development and Export Authority ("AIDEA"), is challenging these actions by the federal government.

In recent years, oil companies operating in Alaska have been able to attract capital at competitive rates to expand development of oil and gas assets in the State. The Spring 2024 Revenue Forecast presented aggregated capital spending projections for Alaska's Oil industry on the North Slope to exceed approximately $19.2 billion through fiscal year 2028.

Oil production from the smaller fields within the Cook Inlet Basin, in south-central Alaska, has declined in the past three years, partially due to the pandemic and oil prices in fiscal year 2020 and 2021. Some of these fields have now been in production for over 60 years. Cook Inlet production grew from 10,200 barrels per day in fiscal year 2010 to over 18,000 barrels in fiscal year 2015, and most recently was 9,000 barrels of oil per day on average in fiscal year 2023. The Spring 2024 Revenue Forecast forecasts Cook Inlet production to decline to a low of 5,900 barrels of oil per day by fiscal year 2029.

The State holds potential for future production from known (discovered but undeveloped) and unknown (undiscovered) hydrocarbon resources on the North Slope. Particularly, the initial discoveries within the shallower Brookian-sourced strata are being developed and brought into production, which may drive continued interest in additional exploration across the North Slope. The Department of Revenue's Spring 2024 Revenue Forecast projects a 33.7 percent rise in total ANS crude oil production by 2034.

In the next ten years, the State anticipates new developments on State and federal lands, both of which benefit the State. Many of the opportunities to add production from State lands are from conventional light oil, expanded heavy and viscous oil development, tight oil development, continued satellite development at Alpine, and projects targeting the Brookian Nanushuk and Torok Formations. Major projects in active appraisal include the Pikka Nanushuk Phase 1 project on State lands that received a final investment decision and project sanction in mid-2022; the Willow Project, located on federal lands that received a final investment decision and project approval by the operator at the end of 2023; and the continued operation of the Nuna-Torok project that started production in 2022. These projects could increase proved crude oil reserves by several billion barrels.

While production from the western North Slope in the NPR-A is entirely on federally managed lands, the State benefits from the production of federal oil within the State through federal laws directing revenue be shared with the State. For example, in the NPR-A, the State is entitled to 50 percent of all royalties, bonuses and rents. The State also benefits from the production of oil from federal and Alaska Native Corporation lands that is shipped through TAPS in the form of a lower per-barrel transportation tariff, and thus higher value, on all state royalty oil, whether taken in value or in kind. The continued development of infrastructure on the North Slope associated with federal development also continues to improve the economic viability of new projects and prolong the economic life of producing fields.

Additionally, studies by the U.S. Geological Survey ("USGS") also point to the undiscovered resource potential of the North Slope Basin. A 2020 USGS resource assessment estimates mean undiscovered resources within the North Slope Central region at 3.5 billion un-risked barrels. This area is generally closer to infrastructure. Including the NPR-A area increases this estimate to over 13 billion barrels (USGS, 2017). Development by both ConocoPhillips Alaska and Oil Search Alaska/Santos in the Western North Slope area may increase industry confidence in the undiscovered resource potential of the area.

The State continues to see strong interest in bidding on leases of State land for oil and gas exploration and production on the North Slope. The DNR Division of Oil & Gas holds five regular areawide lease sales twice per year: Cook Inlet and the Alaska Peninsula in Spring, and North Slope, North Slope Foothills, and Beaufort Sea in Fall. In the 5-year period from fiscal years 2018 through 2023, the Division of Oil & Gas held 11 lease sales, receiving bids on 531 sale tracts from 19 unique bidding groups, bringing in over $53 million in bonus bids. Bidders included major international producers and established independent companies. As of April 2024, there are 16.5 million unleased acres in the five areawide sale areas.

To encourage interest in the State's unleased acreage, a significant amount of data related to wells, geology, and seismic surveys has been made available on several government websites, including the Division of Oil & Gas, the Division of Geological & Geophysical Surveys, and the Alaska Oil & Gas Conservation Commission.

Natural Gas Pipeline Developments

Natural gas development on the ANS has been limited because a pipeline to transport recovered natural gas to market outside the State has never been constructed. As a result, natural gas produced in conjunction with oil production on the North Slope is not yet sold commercially in significant volumes. Most of the produced gas is re-injected into the North Slope oil fields for use in enhanced oil recovery projects at the Prudhoe Bay field or at the Kuparuk field while some is used on site or is sold to TAPS and used to heat field camps, run electrical generators, or power pump stations. Although there are currently an estimated 50 TCF of known contingent gas resources on the North Slope, mostly in the Prudhoe Bay and Point Thomson fields, geologic estimates for the greater Alaska region by the USGS (onshore and state waters) and the Bureau of Ocean Energy Management (federal Outer Continental Shelf waters) place the amount of undiscovered technically recoverable resources around 200 TCF of conventional gas and 125 TCF of methane hydrates and shale gas.

The State's production tax and royalty provisions apply to natural gas products as well as to oil, and the State's long-term financial planning is based in part on efforts to develop natural gas resources in addition to continued revenue from oil production. See "– State Revenues—*Oil and Gas Revenues*" above.

To spur commercialization of Alaska natural gas, the Alaska Legislature has passed several laws designed to support moving gas off the North Slope to in-state and export markets. After passage of the Alaska Gasline Inducement Act of 2007, the State and TransCanada Alaska had investigated a plan to build a 1,715-mile natural gas pipeline from a natural gas treatment plant at Prudhoe Bay to the Alberta Hub in Canada. The project conducted its initial open season in 2010, receiving multiple bids from potential shippers. In 2012, TransCanada, ExxonMobil, ConocoPhillips and BP formally agreed on a work plan under the AGIA framework and pertinent milestones to explore and develop a concept for a liquefied natural gas project and associated pipeline to Southcentral Alaska.

More recently, in 2013, the Alaska Gasline Development Corporation ("AGDC") was established as an independent, public corporation of the State. Its mission was expanded in 2014 to include developing a liquified natural gas ("LNG") project for the State. In addition to developing initial scoping and engineering for the project, much work has been done to court potential buyers of LNG in Asian markets. Since 2016, AGDC has been leading the proposed multibillion-dollar project to build a natural gas pipeline from the North Slope to South-central Alaska, where LNG was successfully exported to Asian markets from 1969 to 2015. The full project would also include infrastructure such as a gas conditioning plant on the North Slope and a new liquefaction plant and marine terminal in Nikiski, Alaska. In April and May of 2020, AGDC received crucial authorizations from the U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration and the Federal Energy Regulatory Commission to construct

and operate the Alaska LNG Project. AGDC continues to assess commercial viability of the project and seeks private sector partners for the project.

In October 2019, Qilak LNG Inc. announced that a Heads of Agreement ("HOA") was entered with ExxonMobil Alaska Production Inc. regarding the potential supply of natural gas from the Point Thomson field to Qilak LNG's proposed LNG export project. The Qilak LNG project seeks to capitalize on recent developments in Arctic LNG technology allowing natural gas to be directly exported from the North Slope. The project targets delivery of natural gas to Asia, utilizing icebreaking LNG carriers at a rate of 4 million tons per year. In April 2021, the DNR, Division of Oil & Gas, State Pipeline Coordinator issued two pipeline right-of-way leases for an Alaska LNG Point Thomson mainline and transmission line. These pipelines would link the gas field at Point Thomson with the proposed gas treatment plant in the central Prudhoe Bay infrastructure area and be built mostly along existing oil pipeline corridors.

Mineral Resources

According to the DNR Division of Geological and Geophysical Surveys, the State contains measurable amounts of the world's mineral resources, including the following approximate percentages of global mineral resources: 17% for coal, 7.4% for zinc, 7% for gold, 1.7% for lead, 7% for silver, 12.4% for copper, and 16% for molybdenum.

Eight large mines in the State currently produce zinc, gold, lead, silver, germanium, and coal and several other large mine projects are under development or exploration. There are also more than 150 smaller-scale placer gold operations, and more than 75 sand and gravel mining operations.

In 2024, the eight major Alaska mines are:

- Red Dog Mine, a surface (open pit) mine and mill that produces zinc, lead, silver, and germanium in the Northwest Arctic Borough. It is a joint venture between Teck Alaska, Inc. and NANA, an Alaska Native Corporation. Red Dog Mine is one of the largest zinc mines in the world, both in terms of production and reserves. It is also the largest critical mineral mine in the United States.
- Fort Knox Mine, owned by Kinross Alaska, has been the largest gold producer in Alaska since production began in 1996 and is located 25 miles northeast of Fairbanks.
- Manh Choh Mine, an open pit mine near Tok, Alaska, is operated by Kinross Alaska in a 70/30 project owned by Kinross Alaska and Contango ORE LLC.
- Gil Mine, owned by Kinross Alaska, is located 8 miles east of the Fort Knox Mine. Gold production began in late 2021.
- Pogo Mine is an underground gold mining operation that began producing gold in 2006, operated by Northern Star Resources Limited.
- Usibelli Coal Mine, located outside Healy, and privately owned by Usibelli Coal Mine Inc., is the only operating coal mine in Alaska and was established in 1943.
- Greens Creek Mine, located on Admiralty Island, in southeastern Alaska near Juneau, is an underground polymetallic mine producing silver, gold, zinc and lead since 1989. It is owned by Hecla Greens Creek Mining Company (Hecla Mining Company) and is one of the world's top 10 silver producers.
- Kensington Gold Mine, located on the east side of Lynn Canal about 45 miles north-northwest of Juneau, is owned by Coeur Alaska. This underground mine began production in 2010.

Mining claims and prospecting sites covered approximately 4.3 million acres of Alaska in calendar year 2023, with 6,574 active federal and 37,642 active state mining claims. The total area of State mining claims increased by 3 percent in calendar year 2023, while the total area of Federal claims decreased by 3 percent. The total number of Alaska Placer Mining Applications has increased from 579 in 2021, to 640 in 2022, and 680 in 2023.

The total reported value of Alaska's mineral industry was $4.4 billion in calendar year 2023. The total value is a composite of the year's expenditures on exploration and development plus the estimated first market value of the commodities produced. The value of Alaska's 2023 mineral production is estimated at $3.9 billion. Mining companies are among the largest taxpayers in the City and Borough of Juneau, the Fairbanks North Star Borough, the Denali Borough, and the Northwest Arctic Borough.

Zinc continued to be the top metal produced in calendar year 2023, accounting for 44 percent of Alaska's total metal production with an estimated 646,523 tons of production. Gold followed closely at 36 percent of total production value, with approximately 733,000 total ounces. Production of silver and lead remained steady with approximately 16.2 million ounces of silver and 122,500 tons of lead in 2023.

Estimated exploration expenditures totaled $230 million in calendar year 2023, compared to $255 million for calendar year 2022 and $273 million for calendar year 2021. Total value spent on exploration since calendar year 1981 is estimated at $4.75 billion.

The State's revenues from mining are derived primarily from mining license taxes, corporate income taxes, annual rental fees and production royalties. According to current mine-life figures, production may end over the next decade at several mines that currently contribute most of the State's mining-related revenue. New resource areas are being explored for expansions and extensions of the mine life. In addition, several projects are in the advanced exploration or the permitting phase. Overall, in calendar year 2021, over $119 million of reported and estimated revenues were paid to the State and municipalities by Alaska's mineral industry, with a state total of $75 million, and an estimated municipality total of $44 million. There was an estimated $98 million in payments to Alaska Native corporations in 2021.

Alaska has several deposits and many occurrences of rare earth elements, which are used in magnets, batteries, refining and other metallurgical applications. Finished products in which they are critical include smart phones, electric and hybrid cars, military hardware, advanced consumer electronics, fiber optics and windmills. Bokan Mountain, located in Southeastern Alaska, on Prince of Wales Island near Ketchikan, has total resources of 77.5 million pounds of total rare-earth oxides. There are three other known deposits of rare earth elements located on Prince of Wales Island. The Alaska Division of Geological & Geophysical Surveys is currently engaged in a major project to evaluate Alaska's potential for rare earth elements and other strategic and critical minerals resources.

Other Major Resources

Fish and game have long been important resources in Alaska, and taxes on fish landings and processing represent a share of the State's non-petroleum revenues. Tourism has also been a source of revenue for the State. Passenger fee revenues are restricted revenues and not available for general appropriations, the large commercial passenger cruise vessels are subject to the State corporate income tax, the proceeds of which are unrestricted. See "- State Revenues—Other Non-Oil and Non-Mineral Revenues."

Public Debt and Other Obligations of the State

State debt includes general obligation bonds and revenue anticipation notes, and State-supported debt includes lease-purchase financings and revenue bonds. The State also provides guarantees and other support for certain debt and operates the School Debt Reimbursement Program (the "SDRP") and the Transportation and Infrastructure Debt Service Reimbursement Program (the "TIDSRP"). Other than the Veterans' Mortgage Program, these programs do not constitute indebtedness of the State but do provide, annually on a subject-to-appropriation basis, financial support for certain bonds of local governments and obligations of State agencies.

Outstanding State Debt. State debt includes general obligation bonds and revenue anticipation notes. The State Constitution provides that general obligation bonds must be authorized by law and be ratified by the voters and permits authorization of general obligation bonds only for capital improvements. The amount and timing of a bond sale must be approved by the Committee. For both general obligation bonds and revenue anticipation notes, the full faith, credit, and resources of the State are pledged to the payment of principal and interest. If future State revenues are insufficient to make the required principal and interest payments, the State is legally required to raise taxes to provide sufficient funds for this purpose. Approximately $577.2 million of general obligation bonds were outstanding as of June 30, 2023. See "– *Summary of Outstanding Debt*" and Tables 7 and 8 below.

Most recently, in November 2012, voters approved $453,499,200 in general obligation bonds for the purpose of design and construction of State transportation projects (the "2012 Transportation Bond Act"). During fiscal year 2021, the State issued its General Obligation Bonds Series 2020A, which used the remaining authority under the 2012 Transportation Bond Act.

The following other debt and debt programs of the State were outstanding as of June 30, 2023, except as otherwise noted.

State Guaranteed Debt. The only purpose for which State guaranteed debt may be issued is for payment of principal and interest on revenue bonds issued for the Veterans Mortgage Program by the Alaska Housing Finance Corporation ("AHFC") for the purpose of purchasing mortgage loans made for residences of qualifying veterans. These bonds are also general obligation bonds of the State, and they must be authorized by law, ratified by the voters, and approved by the State Bond Committee. In November 2010, voters approved $600 million of State guaranteed veterans' mortgage bonds, and the total unissued authorization was $584.6 million as of June 30, 2023. As of June 30, 2023, $41.3 million of State guaranteed debt was outstanding. Subsequent to June 30, 2023, the AHFC issued Veteran's Mortgage Bonds in the approximate amount of $49.9 million and on March 26, 2024, received approval through the State Bond Committee for the issuance of not-to-exceed $75 million in aggregate principal amount of Veteran's Mortgage Bonds in 2024.

State-Supported Debt. State-supported debt is debt for which the ultimate source of payment is, or may include, appropriations from the General Fund. The State does not pledge its full faith and credit to State-supported debt, but another public issuer may have pledged its full faith and credit to it. State-supported debt is not considered "debt" under the State Constitution, because the State's payments on this debt are subject to annual appropriation by the Legislature, recourse is limited to the financed property, and such debt does not create a long-term obligation of the State binding future legislatures. Voter approval of such debt is not required. State-supported debt includes lease-purchase financing obligations (structured as certificates of participation ("COPs")) and capital leases the State has entered into with respect to the Linny Pacillo Parking Garage (with AHFC) and the Goose Creek Correctional Center (with the Matanuska-Susitna Borough). Approximately $164.0 million of State-supported debt was outstanding as of June 30, 2023.

On September 4, 2020, the Alaska Supreme Court issued a decision in *Eric Forrer v. State of Alaska ("Forrer")* related to the ATCCBC that created additional limitations on when the State can issue State Supported Debt. While the decision reaffirmed prior Supreme Court decisions allowing the use of State Supported Debt for lease-purchase of real property arrangements, it specifically disallowed the structure contemplated for the ATCCBC created in 2018 pursuant to AS 37.18. Due to similarity of structure, the decision also rendered the Pension Obligation Bond Corporation (the "POBC") (created pursuant to AS 37.16) and the Toll Bridge Revenue Bonds for the Knik Arm Bridge (created in AS37.15, Article 2) illegal. On September 28, 2020, the State of Alaska Department of Law filed a Petition for Rehearing with the Supreme Court in an attempt to obtain clarity on the scope of the Court's intent in their decision. The Court declined to respond to the Petition for Rehearing without any further ruling on the merits of the case.

State-Supported Unfunded Actuarially Assumed Liability (UAAL). In 2008, Senate Bill 125 became law, declaring that the State shall fund any actuarially determined employer contribution rate above 22% for the Public Employees' Retirement System ("PERS") or 12.56% for the Teachers' Retirement System ("TRS") out of the State's general fund. This change was designed to address the stress municipal employers were experiencing due to high actuarially determined percentage of payroll amounts to pay for actuarially assumed unfunded liabilities of the retirement systems. In 2015, the Governmental Accounting Standards Board Statement 68 ("GASB 68") was enacted, updating reporting and disclosure requirements related to pension liabilities. One of the key changes was requiring a government that is committed to making payments on a pension system's unfunded actuarial assumed liability (UAAL) on behalf of another entity to record the liability as a debt of the government making the payment. As a result of GASB 68, $5.8 billion of long-term debt was added to the State's fiscal year 2015 Annual Comprehensive Financial Report, for a total of $6.0 billion of UAAL owed by the State at that time.

Annual payments are determined based on a variety of actuarial assumptions and the evolving experience as it occurs. The assumption with perhaps the greatest impact on future payments is the assumed rate of return on invested assets. The Alaska Retirement Management Board ("ARM Board") completed an experience analysis of the actuarial assumptions underlying the PERS and TRS actuarial valuation reports covering the timeframe July 1, 2017, to June 30, 2021. There have been no changes in the actuarial methods or changes in benefit provisions since the June 30, 2021, valuation. Healthcare claims costs are updated annually. However, as a result of the experience analysis, updated demographic and economic assumptions were adopted by the ARM Board in June 2022, and were used in the June 30, 2022, actuarial valuation reports. One significant item that was changed is the actuarial assumption for investment rate of return. This rate was revised from 7.38 percent down to 7.25 percent, and the assumption was included within the June 30, 2022, actuarial valuation reports.

According to the PERS and TRS ACFR as of June 30, 2023, if the actual earnings rate experience is 6.25%, the 1% reduction in the rate of return on investments increases the net PERS pension liability by approximately $1,775,923,000 and the net TRS pension liability by approximately $830,095,000.

As long as the Senate Bill 125 statutory framework is in place, the State is statutorily obligated to obtain amounts required to meet all actuarially determined employer contribution rate for PERS' employers above 22% and TRS employers above 12.56%.

Senate Bill 55 (SB 55) amended AS 39.35.255, providing that effective July 1, 2021, the State, as a participating employer, shall contribute to PERS and TRS every payroll period an amount sufficient to pay the actuarially determined employer normal cost, all contributions required under AS 39.30.370 (health reimbursement arrangements) and AS 39.35.750 (all defined contribution retirement plan costs, e.g., employer match, occupational death and disability, retiree major medical plan), and past service costs for members at the contribution rate adopted by the ARM Board under AS 37.10.220 for the fiscal year for that payroll period. The State of Alaska, as an employer, will pay the full actuarial determined employer contribution rate adopted by the Board for each fiscal year effective July 1, 2021.

As of June 30, 2023, State long-term debt for the combined PERS and TRS pension UAAL was approximately $3.5 billion. Worth noting is that the Other Post Employment Benefit ("OPEB") asset levels are greater than the assumed liabilities for both PERS and TRS. See "STATE PENSION AND OTHER POST-EMPLOYMENT BENEFIT RESPONSIBILITIES" below for certain information related to the State pension responsibilities.

State-Supported Municipal Debt Eligible for State Reimbursement. The State administers two programs that reimburse municipalities for municipal debt: the SDRP and the TIDSRP. These programs provide for State reimbursement of annual debt service on general obligation bonds of municipalities for

the SDRP and a combination of general obligation and revenue bonds of authorized participants in the TIDSRP. The State may choose not to fund these programs in part or whole.

The Department of Education and Early Development ("DEED") administers the SDRP, which was created by law in 1970. The SDRP allows municipalities to apply, and if structured correctly, be eligible for reimbursement on up to 100 percent of the debt service on general obligation bonds issued for school construction. All municipal bonds are required to be authorized as general obligation bonds of the municipality, providing the ultimate source of payment commitment. The SDRP has been partially funded in a number of years. Access to the SDRP was restricted during the 1990s due to State budgetary pressure. Beginning in the early 2000s, and through 2014, the program was generally available for any qualified municipal project at reimbursement rates of 60 to 70 percent of debt service. In 2015, the Legislature passed a moratorium on the SDRP and eliminated DEED's authority to issue agreements to reimburse debt from school bonds that voters approved after January 1, 2015, and before July 1, 2020. In 2020, the legislature extended the moratorium until July 1, 2025. Since 1983, the SDRP has been partially funded ten times, most recently in fiscal year 2017 at approximately 79 percent of the authorized amount, in fiscal year 2020 at 50 percent of the authorized amount, in fiscal year 2021 at zero percent of the authorized amount, and then in fiscal year 2022 at approximately 42 percent of the authorized amount. The fiscal year 2023 and 2024 budgets include a fully funded SDRP and Transportation and Infrastructure Debt Service Reimbursement Authorization ("TIDSRA"). In addition, fiscal year 2022 supplemental appropriations offset prior year reductions in the SDRP for fiscal year 2017 and for fiscal years 2020 through 2022.

The Department of Transportation and Public Facilities ("DOTPF") and the Alaska Energy Authority (AEA) administers the TIDSRA which was created by law in 2002. The program currently includes University of Alaska revenue bonds, six municipalities' general obligation bonds, and one electric association revenue bond. The program provides for 100% reimbursement of a limited number of municipal transportation and infrastructure related projects. The underlying municipal bonds are issued as either general obligation bonds or utility revenue bonds, providing the ultimate source of payment commitment. This was a one-time authorization and no additional authorizations have been proposed. Other than certain reimbursements for the University of Alaska, no funding was provided in the fiscal year 2020 through 2022 budgets. The fiscal year 2023 and 2024 budgets include a fully funded TIDSRA.

While the SDRP and the TIDSRP have been only partially funded or not funded at all in certain fiscal years, the statutorily allowed reimbursements are still reflected as State subject-to-appropriation obligations in current year balances and future year payment commitments within certain sections of the complete State's Public Debt publications.

State Moral Obligation Debt. State moral obligation debt consists of bonds issued by certain State agencies or authorities that are secured, in part, by a debt service reserve fund that is benefited by a discretionary replenishment provision that requires the applicable State agency or authority to report any deficiencies to the debt service reserve fund, and permits, but does not legally obligate, the Legislature to appropriate, on an annual basis, to the particular State agency or authority the amount necessary to replenish the debt service reserve fund up to its funding requirement (generally the maximum amount of debt service required in any year). Such agency or authority debt is payable in the first instance by revenues generated from loan repayments or by the respective projects financed from bond proceeds. Among those State agencies that have the ability to issue such debt are: Alaska Aerospace Development Corporation, which has not issued any debt; AEA; AHFC; AIDEA; Alaska Municipal Bond Bank Authority ("AMBBA"); and Alaska Student Loan Corporation ("ASLC"). Current outstanding moral obligation debt is limited to the AMBBA, and the AEA. Approximately $1,220.7 million of such State moral obligation debt was outstanding as of June 30, 2023.

State and University Revenue Debt. This type of debt is issued by the State or by the University of Alaska but is secured only by revenues derived from projects financed from bond proceeds. Revenue

debt is not a general obligation of the State nor of the University and does not require voter approval. Such debt is authorized by law and issued by the Committee or the University of Alaska for projects approved by the Commissioner of Transportation and Public Facilities or by the University of Alaska. This type of debt includes International Airports Revenue Bonds, various University Revenue Bonds, Notes, and Contracts, and Clean Water and Drinking Water Fund Bonds. As of June 30, 2023, there was $479.1 million of State and University revenue debt outstanding, consisting of $241.4 million of University of Alaska Revenue Bonds and Notes, and $237.7 million of Alaska International Airport System Revenue Bonds.

State Agency Debt. State agency debt is secured by revenues generated from the use of bond proceeds or the assets financed by bond proceeds or otherwise of assets of the agency issuing the bonds. This debt is not a general obligation of the State nor does the State provide security for the debt in any other manner, i.e., by appropriations, guarantees, or moral obligation pledges. As of June 30, 2023, there was $1,534.8 million aggregate principal amount of State agency debt outstanding, consisting of $1,247.3 million of AHFC obligations, $9.3 million of AMBBA Coastal Energy Impact Program Bonds payable to the National Oceanic and Atmospheric Administration, $17.3 million of Alaska Railroad Corporation obligations, and $260.9 million of obligations of the Northern Tobacco Securitization Corporation.

State Agency Collateralized or Insured Debt. As security for State agency collateralized or insured debt, the particular State agency pledges mortgage loans or other securities as primary security which, in turn, may be 100 percent insured or guaranteed by another party with a superior credit standing. This upgrades the credit rating on the debt and lowers the interest cost and makes it less likely that the State will assume responsibility for the debt. As of June 30, 2023, the total principal amount outstanding of State agency collateralized or insured debt was approximately $1,108.0 million, consisting of associated obligations issued through AHFC.

State-Supported Pension Obligation Bonds. In 2008, AS 37.16 was enacted creating the POBC for the purpose of issuing bonds for up to $5 billion for the prepayment of UAAL of the retirement systems. The POBC bonds would have been considered State-Supported debt, as they would be secured by agreements with other state agencies that are subject to annual appropriation. In 2018, the POBC bond limit was reduced to $1.5 billion. Based on the September 4, 2020 *Forrer* decision of the Supreme Court, this statutory construct is invalid.

State-Supported Tax Credit Certificate Bonds. In 2018, AS 37.18.010 was enacted creating the ATCCBC for the purpose of selling bonds for up to $1 billion to provide for the purchase of certain State tax credits. The ATCCBC bonds would be considered State-supported debt as they would be secured by agreements entered into by other State agencies that are subject to annual appropriation. A legal challenge of the State Constitutionality of the ATTCCBC was filed and delayed the potential for bond issuance. Based on the September 4, 2020 *Forrer* decision of the Supreme Court, this statutory construct is invalid.

State-Supported Toll Revenue Bonds. In April 2014, AS 37 Chapter 16 was enacted creating the Knik Arm Crossing project in the Alaska Department of Transportation and Public Facilities. The Legislation provides for the Department of Transportation to enter into a Transportation Infrastructure Finance and Innovation Act ("TIFIA") loan and for the DOR to issue up to $300 million of state-supported subordinate lien toll bridge revenue bonds. Given the green field nature of this project there is a 100 percent expectation of insufficient toll revenue to cover debt service and the State's General Fund having to make debt payments for at least 7 to 10 years, and longer if traffic forecasts are not realized. Based on the September 4, 2020, *Forrer* decision of the Supreme Court this statutory construct is invalid.

Summary of Outstanding Debt. Table 8 lists, by type, the outstanding State-related debt as of June 30, 2023, except as otherwise noted.

Table 8

State of Alaska Debt and State-Related Debt by Type as of June 30, 2023
($ millions)

	Principal outstanding	Interest to maturity	Total debt service to maturity
State Debt			
State of Alaska General Obligation Bonds	$ 577.2	$ 198.9	$ 776.1
State Guaranteed Debt			
Alaska Housing Finance Corporation Collateralized Bonds (Veterans' Mortgage Program)	41.3	11.5	52.8
State-Supported Debt			
Certificates of Participation	14.7	2.7	17.4
Lease Revenue Bonds with State Credit Pledge and Payment	149.3	39.0	188.3
Total State-Supported Debt	164.0	41.7	205.7
State-Supported Municipal Debt			
State Reimbursement of Municipal School Debt Service	433.6	77.0	510.6
State Reimbursement of Capital Projects	13.6	3.4	17.0
Total State-Supported Municipal Debt	447.2	80.4	527.6
Pension System Unfunded Actuarial Accrued Liability (UAAL) [(1)]			
Public Employees' Retirement System UAAL	2,810.0	N/A	2,810.0
Teachers' Retirement System UAAL	710.0	N/A	710.0
Total UAAL	3,520.0	N/A	3,520.0
State Moral Obligation Debt			
Alaska Municipal Bond Bank:			
2005 & 2016 General Resolution General Obligation Bonds	1,016.7	420.5	1,437.2
Alaska Energy Authority:			
Power Revenue Bonds #1 through #11	204.0	193.5	397.5
Total State Moral Obligation Debt	1,220.7	614.0	1,834.7
State Revenue Debt			
International Airport System Revenue Bonds	237.7	85.6	323.3
University of Alaska Debt			
University of Alaska Revenue Bonds	229.1	100.3	329.4
University Lease Liability and Notes Payable	12.3	2.7	15.0
Total University of Alaska Debt	241.4	103.0	344.4
Total State Revenue and University Debt	479.1	188.6	667.7

[Table 8 continues on next page]

	Principal outstanding	Interest to maturity	Total debt service to maturity
State Agency Debt			
Alaska Housing Finance Corporation:			
Commercial Paper	$ 129.6	N/A	$ 129.6
State Capital Project Bonds II	1,117.7	529.8	1,647.5
Alaska Municipal Bond Bank Coastal Energy Loan Bonds	9.3	1.4	10.7
Alaska Railroad	17.3	0.4	17.7
Northern Tobacco Securitization Corporation			
2006 Tobacco Settlement Asset-Backed Bonds [2]	260.9	444.2	705.1
Total State Agency Debt	1,534.8	975.8	2,510.6
State Agency Collateralized or Insured Debt			
Alaska Housing Finance Corporation:			
Home Mortgage Revenue Bonds:	445.9	171.4	617.3
General Mortgage Revenue Bonds II	598.5	256.7	855.2
Government Purpose Bonds	63.6	10.3	73.9
Total State Agency Collateralized or Insured Debt	1,108.0	438.4	1,546.4
Total State and State Agency Debt	9,092.3		
Municipal Debt			
School G.O. Debt	649.6	N/A	N/A
Other G.O. Debt [3]	1,714.0	N/A	N/A
Revenue Debt	848.3	N/A	N/A
Total Municipal Debt	3,211.9		
Debt Reported in More than One Category			
Less: State Reimbursable Municipal Debt and Capital Leases	(162.9)		
Less: State Reimbursable Municipal School G.O. Debt	(433.6)		
Less: Alaska Municipal Bond Bank debt included in University debt	(77.5)		
Less: Alaska Municipal Bond Bank debt included in Municipal debt	(825.0)		
Total Deductions Due to Reporting in More than One Category	(1,499.0)		
Total Alaska Public Debt	**$10,805.2**		

(1) From most recent June 30, 2022 actuarial valuation, as of the release of the Alaska Public Debt Book 2023-2024.

(2) "Interest to Maturity" and "Total Debt Service to Maturity" includes accreted interest due at maturity of $335.7 million.

(3) Other G.O. Debt includes certain information sourced directly from the Office of the State Assessor and certain municipal ACFRs.

Source: 2023 – 2024 Alaska Public Debt Book, published in January 2024.

General Fund Supported Obligations. General Fund support is pledged and required for only a portion of the total outstanding public debt. General obligation bonds are unconditionally supported, and COPs and capital leases are subject-to-appropriation commitments with associated obligations. The SDRP and TIDSRP provide discretionary annual payments to municipal issuers for qualified bonds of the municipalities that are eligible by statute to participate in the programs. Table 9 sets forth existing debt service on outstanding State-supported debt the State has provided from the General Fund for these outstanding obligations and the forecast support required to retire the outstanding obligations into the future. In the State's enacted fiscal year 2024 budget, the SDRP and TIDSRP were funded at 100 percent.

Table 9

State of Alaska
Payments on General Fund Paid Debt as of June 30, 2023
($ millions)

Fiscal Year	State G.O.*	Lease / Purchase	Capital Leases [1]	School Debt Reimburse-ment [2],[3]	Capital Project Reimbursement [3]	Statutory Debt Payment to PERS/TRS [4]	Total Debt Service
2023	$73.5	$2.9	$19.5	$77.6	$3.6	$124.9	$302.0
2024	72.7	2.9	19.5	66.2	3.6	136.7	301.6
2025	67.7	2.9	19.5	56.4	3.6	220.6	370.7
2026	67.5	2.9	19.5	46.5	2.8	219.3	358.5
2027	67.5	2.9	20.9	41.2	2.6	247.5	382.6
2028	66.5	2.9	20.9	39.2	2.2	253.8	385.5
2029	65.5	2.9	17.6	34.4	0.9	260.3	381.6
2030	64.8	–	17.6	32.0	0.9	267.4	382.7
2031	52.4	–	17.6	29.8	0.4	274.9	375.1
2032	51.9	–	17.6	26.5	–	283.0	379.0
2033	51.4	–	17.6	20.3	–	291.5	380.8
2034	50.9	–	–	18.0	–	300.0	368.9
2035	27.1	–	–	13.0	–	308.7	348.8
2036	27.0	–	–	6.0	–	317.8	350.8
2037	6.6	–	–	0.9	–	327.7	335.2
2038	18.3	–	–	0.8	–	337.2	356.3
2039	6.1	–	–	0.8	–	347.5	354.4
2040	6.1	–	–	0.4	–	–	6.5
2041	6.1	–	–	0.2	–	–	6.3
2042-2051	–	–	–	–	–	16.8	16.8

(1) A prison and a parking garage have been financed with capital leases.

(2) Fiscal years 2023 – 2041 payments are based on actual bond repayment schedules on file with DEED as of June 30, 2023.

(3) In fiscal year 2023, School Debt and Capital Project Reimbursements were funded at 100%.

(4) Based on PERS and TRS Actuarial Valuation Reports as of June 30, 2022.

(*) State G.O. debt service is net of federal subsidies on interest expense through fiscal year 2038.

Source: 2023 – 2024 Alaska Public Debt Book, published in January 2024.

Payment History. The State has never defaulted on its general obligation bond obligations nor has it ever failed to appropriate funds for any State-supported outstanding securitized lease obligations.

State Debt Capacity. The State uses the ratio of debt service to revenue as a guideline for determining debt capacity of the State. This policy was established due to the State's relatively small population and high per capita revenue due to investment and oil resource-generated revenue. Historically, the State Bond Committee adopted a policy to target no more than 5 percent of annual unrestricted General Fund ("UGF") revenue for debt service on general obligation bonds and other public debt directly secured by a subject to appropriation pledge of the State. Additionally, a higher target of no more than 8 percent of annual UGF revenue for debt service on general obligation bonds and other public debt directly secured by a subject to appropriation pledge of the State, as well as certain reimbursement programs of the State of Alaska, was established. This policy was revised in fiscal year 2019 due to the inclusion of certain Permanent Fund earnings in UGF revenue through SB 26, which made an adjustment of these ratios from 5 percent to 4 percent, and from 8 percent to 7 percent.

Table 10

State of Alaska
Debt Service on Outstanding Obligations to Unrestricted Revenues
Fiscal Years Ended June 30, 1996 – 2023
Forecast for Fiscal Years Ending June 30, 2024 – 2033

Fiscal Year	Unrestricted Revenues ($ millions)	State G.O. Debt Service (%)	State Supported Debt Service (%)	Total State Debt Service (%)	School & Capital Debt Reimburse-ments (%)	Statutory Payment to PERS/TRS (%)	Total Payments to Revenues** (%)
1996	$2,133	1.0%	0.5%	1.4%	3.7%	–	5.2%
1997	2,495	0.7	0.4	1.0	2.5	–	3.5
1998	1,826	0.8	0.6	1.3	3.4	–	4.7
1999	1,348	0.7	1.1	1.8	4.6	–	6.4
2000	2,082	0.1	0.9	1.0	3.1	–	4.1
2001	2,282	0.0	0.7	0.7	2.3	–	3.0
2002	1,660	0.0	1.3	1.3	3.3	–	4.5
2003	1,948	0.0	1.1	1.1	2.7	–	3.7
2004	2,346	0.8	0.9	1.7	2.6	–	4.3
2005	3,189	1.5	0.7	2.2	2.2	–	4.4
2006	4,200	1.1	0.6	1.7	1.9	–	3.6
2007	5,159	0.9	0.5	1.4	1.7	–	3.1
2008	10,728	0.4	0.3	0.6	0.8	–	1.4
2009	5,838	0.8	0.6	1.3	1.6	–	2.9
2010	5,513	0.9	0.8	1.7	1.7	–	3.4
2011	7,673	0.7	0.6	1.3	1.3	–	2.6
2012	9,485	0.8	0.4	1.3	1.1	–	2.3
2013	6,929	1.1	0.6	1.7	1.6	–	3.3
2014	5,390	1.4	0.7	2.1	2.0	–	4.1
2015	2,256	3.3	1.6	4.9	5.2	–	10.1
2016	1,533	4.0	2.3	6.3	7.6	–	13.9
2017	1,355	6.1	2.3	8.3	6.7	–	15.0
2018	2,414	3.7	1.1	4.8	4.6	–	9.4
2019	5,350	1.7	0.4	2.1	2.0	–	4.1
2020	4,529	1.7	0.5	2.2	2.2	–	4.5
2021	4,783	1.7	0.5	2.1	2.0	–	4.1
2022	6,939	1.1	0.3	1.4	1.2	–	2.6
2023	7,044	1.0	0.3	1.4	1.2	–	2.6
Projected*							
2024	6,486	1.1	0.3	1.5	1.1	2.1	4.7
2025	6,308	1.1	0.4	1.4	1.0	3.5	5.9
2026	6,302	1.1	0.4	1.4	0.8	3.5	5.7
2027	6,478	1.0	0.4	1.4	0.7	3.8	5.9
2028	6,536	1.0	0.4	1.4	0.6	3.9	5.9
2029	6,546	1.0	0.3	1.3	0.5	4.0	5.8
2030	6,551	1.0	0.3	1.3	0.5	4.1	5.9
2031	6,653	0.8	0.3	1.1	0.5	4.1	5.7
2032	6,900	0.8	0.3	1.0	0.4	4.1	5.5
2033	7,133	0.7	0.2	1.0	0.3	4.1	5.4

* The forecast for fiscal years 2024 through 2033 use the projections included in the 2023 – 2024 Alaska Public Debt Book, which was based on available information as the Fall 2023 Revenue Sources Book and Forecast release.

** Certain 'Total Payment to Revenue' percentages may not foot in the table due to rounding.

Source: 2023 – 2024 Alaska Public Debt Book, published in January 2024.

STATE PENSION AND OTHER POST-EMPLOYMENT BENEFIT RESPONSIBILITIES

General

The State, through the Department of Administration, administers five retirement systems, a healthcare trust, a deferred compensation plan and a supplemental annuity plan. The two largest retirement systems are PERS and TRS. Smaller systems are the Alaska National Guard and Naval Militia Retirement System ("NGNMRS") and the Judicial Retirement System ("JRS"). The fifth system, the smallest, is the Elected Public Officers Retirement System ("EPORS"), which provides pension and Other Post-Employment Benefits ("OPEB") benefits to elected officials who served in 1976.

PERS and TRS each had funding ratios in excess of 100 percent (i.e., were "overfunded") as recently as 2001. Since that time, as a result of investment losses, recalibration of OPEB liabilities and changes in actuarial assumptions and valuation methodologies, PERS and TRS each has had a UAAL and increasing actuarially determined employer contribution rates. The NGNMRS and JRS, although much smaller systems, also had UAALs until May 2008, when the Legislature made additional contributions in amounts calculated to eliminate the entire UAAL of both the NGNMRS and JRS as of June 30, 2006. The NGNMRS has been fully funded or close to fully funded since June 30, 2010. Despite the additional funding in 2008, the JRS system continued to have a UAAL through June 30, 2021, primarily on the pension benefits; however, over the last two fiscal years, JRS improved to funded ratios over 100% for both pension and healthcare benefits due to changes in assumptions as well as recent investment gains that improved the funded status. The State maintains EPORS as a cash-funded, pay-as-you go arrangement and pays benefits each year as they arise. No assets are set aside to pay EPORS benefit costs.

In December 2023, the State's consulting actuary provided draft June 30, 2023, actuarial valuation information for PERS and TRS defined benefits pension and OPEB, and defined contribution OPEB. The actuarial valuation reports will be adopted by the ARM Board on June 12, 2024. The actuarial valuation reports produced a PERS defined benefit pension funded level of 67.9%, OPEB funded level of 129.6%, and a total funded level of 85.5%. The 2023 valuation report shows a TRS defined benefit pension funded level of 76.8%, OPEB funded level of 135.5%, and a total funded level of 91.2% as reflected in Table 11.

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Table 11

Actuarial Valuation Report[1]
As of June 30, 2023

Funded Status as of June 30 ($'s in 000's)	PERS 2023[2]	PERS 2022	TRS 2023[2]	TRS 2022
Defined Benefit ("DB") – Pension				
a. Actuarial Accrued Liability	$16,835,581	$16,093,679	$8,036,685	$7,804,046
b. Valuation Assets	11,272,339	10,961,498	6,171,460	6,100,204
c. Funded Ratio based on Valuation Assets, (b) ÷ (a)	67.0%	68.1%	76.8%	78.2%
DB – Healthcare				
a. Actuarial Accrued Liability	$7,085,823	$6,657,069	$2,617,821	$2,442,577
b. Valuation Assets	9,180,231	8,979,943	3,547,973	3,437,216
c. Funded Ratio based on Valuation Assets, (b) ÷ (a)	129.6%	134.9%	135.5%	140.7%
DB – Total				
a. Actuarial Accrued Liability	**$23,921,404**	**$22,750,748**	**$10,654,506**	**$10,246,623**
b. Valuation Assets	**20,452,570**	**19,941,441**	**9,719,433**	**9,537,420**
c. Funded Ratio based on Valuation Assets, (b) ÷ (a)	**85.5%**	**87.6%**	**91.2%**	**93.1%**
Defined Contribution Retirement ("DCR") – Pension				
a. Actuarial Accrued Liability	$18,064	$14,952	$190	$199
b. Valuation Assets	73,068	62,938	7,568	6,700
c. Funded Ratio based on Valuation Assets, (b) ÷ (a)	404.5%	420.9%	3,983.2%	3,366.8%
DCR – Healthcare				
a. Actuarial Accrued Liability	$204,540	$169,396	$57,093	$47,797
b. Valuation Assets	246,953	212,638	77,815	68,403
c. Funded Ratio based on Valuation Assets, (b) ÷ (a)	120.7%	125.5%	136.3%	143.1%
DCR – Total				
a. Actuarial Accrued Liability	**$222,604**	**$184,348**	**$57,283**	**$47,996**
b. Valuation Assets	**320,021**	**275,576**	**85,383**	**75,103**
c. Funded Ratio based on Valuation Assets, (b) ÷ (a)	**143.8%**	**149.5%**	**149.1%**	**156.5%**

(1) The fiscal year 2023 actuarial valuation report will be adopted by the ARM Board on June 12, 2024.
(2) The fiscal year 2023 actuarial valuation report is currently in draft form and is subject to change prior to ARM Board adoption.
Source: Actuarial Valuation Reports as of June 30, 2022. Draft Actuarial Valuation Reports as of June 30, 2023.

The ARM Board

The ARM Board is the fiduciary for funds of three of the retirement systems: PERS, TRS and the NGNMRS and has investment oversight of all of the systems. The ARM Board's mission is to serve as the trustee of the assets of the State's retirement systems, the supplemental annuity plan, the deferred compensation program for State employees and the Retiree Healthcare Trusts (for the PERS, TRS, JRS, and the Retiree Health Fund).

Administration of the Systems

The Commissioner of the Department of Administration or the Commissioner's designee is the administrator, and the Attorney General is the legal counsel, for each of the State's retirement systems. The Treasury Division provides investment and cash management services, together with external money managers and consultants, for the ARM Board and for each of the retirement systems and healthcare trusts.

Valuation Reports

PERS and TRS are funded by a combination of mandatory employee contributions at rates that are determined by statute, investment income, and employer contributions at rates adopted by the ARM Board based upon recommendations of the consulting actuary in its valuation reports. State law limits PERS and TRS contribution rates, and statutes provide that the State contribute additional amounts up to the actuarially determined contribution rate. State law requires that actuarial valuation reports be prepared annually for PERS and TRS and that the work of the actuary be reviewed by a second, independent actuary.

Additionally, every four years, an experience study of the actual experience of each system is performed by the consulting actuary, opined on by the review actuary, and adopted by the ARM Board for use in the next four years of actuarial valuation reports. State law also requires that every four years an independent actuary be retained to conduct a separate, complete valuation for comparison purposes.

Employer Contribution Rates. Employer contribution rates are adopted by the ARM Board and are based upon State law, administrative regulations and the actuarial determined employer contribution rates based upon results of the actuary's valuations. Employer rates represent a percentage of payroll based upon (i) the normal cost (a uniform rate for all employers within a specific pension program (e.g., PERS and TRS) calculated to reflect the cost of benefits accruing in the applicable fiscal year, less the value of the employees' contributions during that year, plus (ii) the past service cost (amortization of the UAAL over the remaining amortization period). The PERS employer contribution rate is set by law at 22.0 percent; the TRS contribution employer rate is set by law at 12.56 percent. Compensation used to determine required employer contribution rates is total compensation to all active members, including those who are not members of the defined benefit plans. If the actuarially determined employer contribution rate adopted by the ARM Board to fund the plans exceeds these statutorily established rates, the State is required to consider annually appropriating an amount that, when combined with the total employer contributions, will be sufficient to pay the plans' past service liability for that fiscal year.

Senate Bill 55, an Act relating to employer contributions to the system, made changes to AS 39.35.255 that provided the State, as a participating employer, shall contribute to the system every payroll period an amount sufficient to pay the full actuarially determined employer normal cost, all contributions required under AS 39.30.370 (HRA) and AS 39.35.750 (all DCR costs – employer match, occupational death and disability plan, retiree major medical plan), and past service costs for members at the contribution rate adopted by the ARM Board under AS 37.10.220 for the fiscal year for that payroll period. The State, as an employer, will pay the full actuarial determined employer contribution rate adopted by the ARM Board for each fiscal year effective July 1, 2021.

Employee Contributions. Employee contributions are established by statute and vary for each program and for tiers within a program. If statutorily permitted, employees may also make additional, voluntary contributions, which are accounted for separately.

The Public Employees' Retirement System

General. PERS, formed in 1961, is the largest of the State's retirement systems with 151 employers comprising three State entities, 73 municipalities, 52 school districts and 25 other public entities. The three State entities represent approximately 50 percent of active PERS members. PERS is a cost-sharing, multiple employer plan composed of both a defined benefit ("DB") plan and a defined contribution ("DC") plan. Membership in either plan is dependent upon the participant date of hire. The PERS DB plan was closed to all new members effective July 1, 2006.

As of June 30, 2023, the PERS DB membership consisted of 8,557 active members and 36,951retirees, and beneficiaries and the PERS DC membership consisted of 26,261 total active members. PERS provides pension and other post-employment benefits, death and disability benefits prior to retirement and death benefits and survivor benefits after retirement, in a combination of defined benefit (Tiers 1, 2 and 3) and defined contribution (Tier 4) plans. PERS also provides a voluntary savings plan for the DB tiers and beginning in fiscal year 2007 is funding costs of healthcare benefits through the separate Retiree Healthcare Trust within PERS. Membership in PERS is mandatory for all full- and part-time (15-30 hours per week) employees of the State and of the other participating governmental employers (other than employees exempted by statute or employer participation agreements or who belong to another of the State's retirement systems).

Participants first hired before July 1, 1986 are Tier 1 participants of PERS and are eligible for retirement and for health insurance premiums paid by PERS earlier than members hired after June 30, 1986

(Tier 2). Members first hired after June 30, 1996 (Tier 3) have a 10-year requirement for system-paid premiums, and members who are not peace officer/firefighter members have a different final average earnings calculation than members from Tiers 1 and 2.

Shift to Defined Contribution Plan. In 2005, the Legislature closed the PERS DB plan to members first hired on or after July 1, 2006, and created for Tier 4 employees a DC retirement plan, which is composed of a participant-directed investment account, retiree major medical benefits, a health reimbursement arrangement, and occupational disability and death benefits.

The PERS DC participant account is funded with employee contributions of 8 percent and an employer match of 5 percent. Each participant designates how both employee and employer contributions (regardless of vesting status) are to be allocated among various investment options. Participants are 100 percent vested in their employee contribution and related earnings. Employer contributions to the participant account, plus any earnings they generate are vested as shown in the following Table 12:

Table 12

PERS DC Vesting Schedule

Years of Service	Vested Percentage of Employer Contributions
1 year	0%
2 years	25%
3 years	50%
4 years	75%
5 years	100%

Source: State of Alaska, Division of Retirement & Benefits

Employee Contributions. The PERS DB member contribution rates are 7.5 percent for peace officers and firefighters, 9.6 percent for certain school district employees, and 6.75 percent for general members, as required by statute. The DB member contributions earn interest at the rate of 4.5 percent per annum, compounded semiannually.

The PERS DC Plan member contribution rate is 8.0 percent, as required by statute.

Employer Contributions. The employer contribution rate is determined by the consulting actuary and adopted by the ARM Board annually. AS 39.35.255(a) sets the employer contribution rate at 22.0 percent. The employer contribution rate is paid based on all eligible salaries of the employer without regard to the participant's tier status. The difference between the actuarially determined contribution rate and the statutory employer effective rate is paid by the State as a direct appropriation, also known as the "Additional State Contribution" set out in AS 39.35.280.

Employer contributions made on behalf of DC members also include funding of the DC Retiree Major Medical Plan, Occupational Death and Disability Plan, and the Health Reimbursement Arrangement. DC employer contribution rates are determined by the ARM Board and are based upon State law, administrative regulations, and the actuary's recommended employer contribution rates based upon results of the actuary's valuations.

Table 13 provides a history of the employer contribution rates from fiscal year 2013 through fiscal year 2025.

Table 13

PERS Employer Contribution Rates

FY	ARM Board Adopted Rate	DB Employer Effective Rate	DC Employer Match	DC Retiree Medical Plan	DC Occupational Death and Disability - Police/Fire	DC Occupational Death and Disability – All Others	DC Health Reimbursement Arrangement [1]
2013	35.84%	22.00%	5.00%	0.48%	0.99%	0.14%	$ 1,848.43
2014	35.68%	22.00%	5.00%	0.48%	1.14%	0.20%	$ 1,896.60
2015[2]	44.03%	22.00%	5.00%	1.66%	1.06%	0.22%	$ 1,960.53
2016	27.19%	22.00%	5.00%	1.68%	1.05%	0.22%	$ 2,004.52
2017	26.14%	22.00%	5.00%	1.18%	0.49%	0.17%	$ 2,049.36
2018	25.01%	22.00%	5.00%	1.03%	0.43%	0.16%	$ 2,084.16
2019	27.58%	22.00%	5.00%	0.94%	0.76%	0.26%	$ 2,102.88
2020	28.62%	22.00%	5.00%	1.32%	0.72%	0.26%	$ 2,121.60
2021	30.85%	22.00%	5.00%	1.27%	0.70%	0.31%	$ 2,159.04
2022	30.11%	22.00%	5.00%	1.07%	0.68%	0.31%	$ 2,168.40
2023[3]	24.79%	22.00%	5.00%	1.10%	0.68%	0.30%	$ 2,237.04
2024[3]	25.10%	22.00%	5.00%	1.01%	0.68%	0.30%	$ 2,302.56
2025[3]	26.76%	22.00%	5.00%	0.83%	0.69%	0.24%	$ 2,386.80

(1) The employer contribution to the Health Reimbursement Arrangement is expressed as a dollar amount that must be paid in full on an annual basis for each year of service.

(2) Table 13 shows the ARM Board adopted rate for fiscal year 2015 based on a level percentage of payroll. The actual contribution for fiscal year 2015 was the one-time transfer of $3 billion from the CBRF ($1 billion to PERS and $2 billion to TRS) described under "Pension Reforms."

(3) For both PERS and TRS, the fiscal year 2023. 2024 and 2025 ARM Board adopted rates show 0 percent contribution to OPEB due to the trusts' overfunded status.

Source: State of Alaska Division of Retirement and Benefits.

Contributions from the State of Alaska. AS 39.35.280 provides that the State is obligated to annually consider appropriating to contribute each July 1 or, as soon after July 1 as funds become available, an amount for the ensuing fiscal year that, when combined with the total employer contribution rate of 22.0 percent, is sufficient to pay the PERS DB past service liability at the consolidated actuarially determined contribution rate ("ADC") adopted by the ARM Board for the fiscal year. Table 14 provides a ten-year history of the additional PERS contributions from the State under AS 39.35.280, and estimated contributions for fiscal years 2024 and 2025. For fiscal year 2015, the State total contribution to PERS was a one-time payment of $1 billion. Due to the one-time contributions, additional legislative and actuarial adjustments in analyzing the pension systems, employer contributions have diminished from levels shown in Table 14. For fiscal year 2025, the ARM Board has recommended a PERS contribution rate attributable to participating employers at 26.67%. This results in estimated employer contributions of $434,502,000 and an additional estimated State contribution under AS 39.35.280 of approximately $59,149,000.

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Table 14

Additional PERS Contribution from the State (under AS 39.35.280)

FY	Legislative Bill	Amount Provided by State under AS 39.35.280 ($000s)	Total Employer Contributions to PERS DB ($000s)	% of Contributions made by State [1]
2014	House Bill 65	$ 312,473	$ 410,983	43.2%
2015	Senate Bill 119 [2]	1,000,000	397,164	71.6
2016	House Bill 2001	126,520	390,990	24.4
2017	House Bill 256	99,167	388,138	20.4
2018	House Bill 57	72,719	385,396	15.9
2019	House Bill 286	67,857	452,867	13.0
2020	House Bill 39	79,487	457,326	14.8
2021	House Bill 205	101,383	482,932	17.4
2022	House Bill 69	97,700	480,528	16.9
2023	House Bill 281	33,933	438,566	7.7
2024[3]	House Bill 39	37,942	412,287	8.4
2025[3]	House Bill 268	59,149	434,502	12.0

(1) Percent of Contributions made by the State under AS 39.35.280.
(2) One-time transfer of $3 billion from the CBRF ($1 billion to PERS) described under "Pension Reforms."
(3) Estimated contributions per the State's actuary.

Source: State of Alaska Division of Retirement and Benefits.

Pension Benefits. PERS DB members are eligible for normal retirement at age 55 or early retirement at age 50 (Tier 1) or normal retirement at age 60 and early retirement at age 55 (for Tiers 2 and 3), in each case with at least five years of paid-up PERS service or other qualifying service. Members may retire at any age when they have at least 30 years of paid-up service.

PERS DC members are immediately and fully vested in member contributions and related earnings (losses). A member is fully vested in the employer contributions made on that member's behalf, and related earnings (losses), after five years of service. See Table 13 for vesting percentages.

Other Post-Employment Benefits. PERS pays provider major medical healthcare benefits for all Tier 1 retirees, for Tier 2 retirees who are at least 60, and for Tier 3 retirees with ten years of credited service without premium cost to the member. Retirees in Tiers 1, 2, and 3 with 30 years of service (20 years for Tier 1 peace officers and firefighters and 25 years for other peace officers and firefighters) receive benefits with premiums paid by PERS regardless of their age or Tier. For Tier 4 retirees who are eligible for Medicare, PERS pays a portion (70-90 percent of the cost, depending upon length of service) of health insurance premiums.

PERS DC members are eligible for major medical benefits through the retiree medical plan after certain requirements have been met. In addition, PERS DC members have access to a health reimbursement arrangement plan and Occupational Death and Disability Benefits.

Actuarial Valuation – PERS DB. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and healthcare cost trends. Actuarially determined amounts are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future.

Effective June 30, 2018, the ARM Board adopted a layered UAAL amortization method: Layer #1 equals the sum of (i) the UAAL at June 30, 2018, based on the 2017 valuation, plus (ii) the fiscal year 2018 experience gain/loss. Layer #1 is amortized over the remainder of the 25-year closed period that was originally established in 2014. Layer #2 is amortized over a separate closed 25-year period starting in 2018. Future layers will be created each year based on the change in UAAL occurring that year, and will be amortized over separate closed 25-year periods. The UAAL amortization continues to be on a level percent of pay basis. State statutes allow the contribution rate to be determined on payroll for all members, defined benefit and defined contribution member payroll combined.

The fiscal year 2014 contribution requirements were determined as a percentage of total payroll, and reflect the cost of benefits accruing and a fixed 25-year amortization as a level percentage of payroll of the initial unfunded accrued liability and subsequent gains/losses and other changes. The payroll used to determine the contribution rates is the total payroll of all active members in the system, including those hired after July 1, 2006, who are in the DC plan. The amortization period is set by the ARM Board. Contribution rates are recommended by the consulting actuary and adopted by the ARM Board each year.

The Legislature has discretion to deviate from the rates recommended by the ARM Board; however, they have not historically done so.

The most recent funding objective of the plan, as adopted by the ARM Board for fiscal year 2015, is to set an employer contribution rate that will pay the normal cost and amortize the initial UAAL and each subsequent annual change in the UAAL over a closed 25-year period as a level percentage of payroll amortization. After the ARM Board's adoption of the contribution rate for fiscal year 2015, the Legislature provided for one-time deposits of $1 billion to PERS and $2 billion to TRS in the fiscal year 2015 capital budget, and amended statutes to require a level percentage of payroll method for determining contributions in the future.

Table 15 presents a summary of the funding status of PERS as a whole, including pension and post-employment healthcare benefits combined, as of June 30, 2003 through June 30, 2023. The information presented in Table 15 is derived from the draft 2023 PERS Valuation Report and differs from the information about PERS prepared for accounting purposes.

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Table 15

PERS Funding Status [1]
(as of June 30)

Actuarial Valuation Year	Aggregate Accrued Liability (000s)	Valuation of Assets (000s)	Unfunded Liability (000s)	Funded Ratio (%)
2003	$ 10,561,653	$ 7,687,281	$ 2,874,372	72.8%
2004 [2]	11,443,916	8,030,414	3,413,502	70.2
2005	12,844,841	8,442,919	4,401,922	65.7
2006	14,388,413	9,040,908	5,347,505	62.8
2007 [3]	14,570,933	9,900,960	4,669,973	68.0
2008	15,888,141	11,040,106	4,848,035	69.5
2009	16,579,371	10,242,978	6,336,393	61.8
2010	18,132,492	11,157,464	6,975,028	61.5
2011	18,740,550	11,813,774	6,926,776	63.0
2012	19,292,361	11,832,030	7,460,331	61.3
2013	19,992,759	12,162,626	7,830,133	60.8
2014	20,897,372	14,644,598	6,252,774	70.1
2015	20,648,663	16,173,459	4,475,204	78.3
2016	21,369,490	16,467,992	4,901,498	77.1
2017	21,881,395	16,786,771	5,094,624	76.7
2018	22,264,137	17,116,701	5,147,436	76.9
2019	22,190,874	17,387,184	4,803,690	78.4
2020	22,316,075	17,703,068	4,613,007	79.3
2021	22,276,145	19,047,864	3,228,281	85.5
2022	22,750,748	19,941,441	2,809,307	87.6
2023	23,921,404	20,452,570	3,468,834	85.5

See "Pension Reforms" section for actuarial projection as of June 30, 2023.

(1) For PERS Tiers I-III and pension and other post-employment benefits combined.
(2) Change in valuation assumptions (particularly the healthcare cost assumptions) and change in methods.
(3) Tier 4, the PERS defined contribution plan, became effective for employees first hired after June 30, 2006 when the defined benefit plans were closed. Change in healthcare cost assumptions.

Source: Draft 2023 PERS Actuarial Valuation Report, Section 1.7.

Tables 16 and 17 present the State of Alaska PERS, Schedule of Contributions from Employers and the State for the Defined Benefit Pension Plan and the Alaska Retiree Healthcare Trust Plan, respectively. These schedules show the dollar amount of the ADC, contributions in relation to the ADC, and the contributions as a percentage of covered payroll (under AS 39.35.280).

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Table 16

PERS - Schedule of Employer and Nonemployer Contributions – Defined Benefit Pension Plan

Last 10 Fiscal Years

(In thousands)

Year Ended June 30	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2014	$ 358,718	$ 382,998	$ (24,280)	$ 1,405,197	27.26%
2015	529,264	1,226,136	(696,872)	1,328,384	92.30
2016	566,615	323,946	242,669	1,251,066	25.89
2017	368,766	362,764	6,002	1,166,107	33.11
2018	395,663	372,383	23,280	1,096,605	33.96
2019	414,243	418,458	(4,215)	1,033,526	40.49
2020	429,322	429,515	(193)	956,120	44.92
2021	495,499	516,123	(20,624)	893,910	57.74
2022	502,772	513,238	(10,466)	831,409	61.73
2023	448,841	471,944	(23,103)	813,896	57.99

Source: Draft PERS Financial Statement as of June 30, 2023.

Table 17

PERS - Schedule of Employer and Nonemployer Contributions – Alaska Retiree Healthcare Trust Plan

Last 10 Fiscal Years

(In thousands)

Year Ended June 30	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2014	$ 783,827	$ 340,458	$ 443,369	$ 1,405,197	24.23%
2015	782,258	171,028	611,230	1,328,384	12.87
2016	790,824	193,564	597,260	1,251,066	15.47
2017	133,845	124,541	9,304	1,166,107	10.68
2018	71,251	85,731	(14,480)	1,096,605	7.82
2019	99,083	102,266	(3,183)	1,033,526	9.89
2020	114,783	107,298	7,485	956,120	11.22
2021	101,330	68,191	33,139	893,910	7.63
2022	75,091	64,990	10,101	831,409	7.82
2023	69,353	555	68,798	813,896	0.07

Source: Draft PERS Financial Statement as of June 30, 2023.

Projections of benefits for financial report purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial method and assumptions used include techniques that are designed to reduce the

effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Additional information as of the latest actuarial valuation follows.

Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal Level Percentage of Pay normal cost basis for pension and healthcare
Amortization Method	Level percentage of pay, layered
Equivalent Single Amortization Period	25 years
Asset Valuation Method	5-year smoothed fair value, reinitialized to fair value as of June 30, 2014
Actuarial Assumptions:	
Investment rate of return*	7.38% for pension and for healthcare.
Projected salary increases	Peace Officer/Firefighter: Merit – 2.75% per year for the first 4 years of employment, grading down to 0.5% at 7 years and thereafter. Productivity – 0.5% per year. Others: Merit – 6.00% per year grading down to 2.00% after 5 years; for more than 6 years of service, 1.50% grading down to 0%. Productivity – 0.5% per year.
*Includes price inflation at	2.50%
Cost-of-living adjustment	Post-retirement Pension Adjustment.

Changes in Actuarial Assumptions Since the Prior Valuation. The ARM Board completed an experience analysis of the actuarial assumptions underlying the PERS actuarial valuation reports covering the timeframe July 1, 2017, to June 30, 2021. There have been no changes in the actuarial methods or changes in benefit provisions since the June 30, 2021 valuation. Healthcare claims costs are updated annually. However, as a result of the experience analysis, updated demographic and economic assumptions were adopted by the ARM Board in June 2022, and were used in the June 30, 2022, actuarial valuation reports. One significant item that was changed is the actuarial assumption for investment rate of return. This rate was revised from 7.38 percent down to 7.25 percent for the June 30, 2022, actuarial valuation reports. The actuarial assumptions will be analyzed next for the period July 1, 2021 to June 30, 2025.

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Defined benefit pension and postemployment healthcare benefit plan:

	June 30, 2021	June 30, 2017
Salary Scale	Based on actual experience from 2013 to 2017. Inflation 2.50% per year and productivity 0.25% per year.	Rates adjusted on actual experience from 2010-2013.
Pre-termination Mortality	Based upon 2013-2017 actual mortality experience. 100% (male and female) of RP-2014 health annuitant table with MP-2017 generational improvement.	Based upon 2010-2013 actual mortality experience. 60% of male rates and 65% of female rates of the post termination mortality rates
Post-termination Mortality	Based upon 2013-2017 actual mortality experience. 91% of male and 96% of female rates of RP-2014 health annuitant table with MP-2017 generational improvement.	96% of all rates of the RP-2000 table, 2000 base year projected to 2018 with projection scale BB.
Disability Mortality	In accordance with the RP-2014 disability table, benefit-weighted, rolled back to 2006, with MP-2017 generational improvement.	RP-2000 Disabled retiree table, 2000 base year projected to 2018 with projection scale BB.
Turnover	Rates adjusted based on actual experience from 2013-2017.	Based upon the 2010-2013 actual withdrawal experience.
Disability	Incidence rates based on 2013-2017 actual experience. Peace Officer/Firefighter: assumed to be occupational 75% of the time. Others: assumed to be occupational 40% of the time.	Incidence rates based on 2010-2013 actual experience. Peace officer/firefighter: Decreased rates by 5%. Others: Decreased rates by 30%.
Retirement	Rates were adjusted based on actual experience from 2013-2017.	Retirement rates based upon the actual 2010-2013 experience.
Deferred vested commencement date	Deferred vested members are assumed to retire at their earliest unreduced retirement date. The modified cash refund annuity is valued as a three-year certain and life annuity.	Peace officer/firefighter: Tier 1 age 55 Tier 2 and 3 age 60 Others: Earliest unreduced age
COLA	Of those benefit recipients who are eligible for the COLA, 70% of others and 65% of peace officer/firefighters are assumed to remain in Alaska and receive the COLA.	Of those benefit recipients who are eligible for the COLA, 70% of others and 65% of peace officer/firefighters are assumed to remain in Alaska and receive the COLA.
Occupational Death and Disability	Others: 40% Peace officer/firefighters: 75%	Others: 50% Peace officer/firefighters: 70%

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Defined contribution occupational death and disability and retiree medical benefits plan:

	June 30, 2021	June 30, 2017
Salary Scale	Based on actual experience from 2013-2017. Inflation – 2.50% per year Productivity – 0.25% per year	Inflation – 3.12% per year Productivity – 0.50% per year
Pre-termination Mortality	Based upon 2013-2017 actual mortality experience. 100% of male and female of RP-2014 employee table, benefit-weighted, rolled back to 2006, with MP-2017 generational improvement.	Based upon 2010-2013 actual mortality experience. 60% of male rates and 65% of female rates of the post termination mortality rates. Deaths are assumed to be occupational 70% of the time for peace officers/firefighters, 50% of the time for others.
Post-termination Mortality	Based upon 2013-2017 actual mortality experience, 91% of male and 96% of female rates of the RP-2014 healthy annuitant table with MP-2017 generational improvement.	96% of all rates of the RP-2000 table, 2000 base year projected to 2018 with projection scale BB.
Disability	Incidence rates based on 2013-2017 actual experience. Post-termination disabled mortality in accordance with RP-2014 disabled retiree mortality table, benefit-weighted, rolled back to 2006, with MP-2017 generational improvement. Disabilities are assumed to be occupational 70% of the time for peace officer/ firefighters, 50% of the time for others.	Incidence rates based on 2010-2013 actual experience. Post termination disabled mortality in accordance with RP-2000 disabled retiree mortality table, 2000 base year projected to 2018 with projection scale BB. Disabilities are assumed to be occupational 70% of the time for peace officer/firefighters, 50% of the time for others.
Turnover	Select and ultimate rates based upon the 2013-2017 actual experience.	Based upon the 2010-2013 actual withdrawal experience.
Occupational Death and Disability	Others: 40% Peace officer/firefighters: 75%	Others: 50% Peace officer/firefighters: 70%

Teachers' Retirement System

General. TRS was established in 1955 to provide pension and other post-employment benefits to teachers and other eligible participants. TRS includes 57 employers (including the 53 school districts). TRS is a cost-sharing, multiple employer plan composed of both a DB plan and a DC plan. Membership in either plan is dependent upon the participant date of hire. The TRS DB plan is closed to all new members effective July 1, 2006.

On June 30, 2023, the TRS DB membership consisted of 2,897 active members and 13,484 retirees and beneficiaries and the TRS DC membership consisted of 6,416 active members. TRS provides pension and other post-employment benefits, death and disability benefits prior to retirement and death benefits and survivor benefits after retirement, in a combination of defined benefit (Tiers 1 and 2) and defined contribution (Tier 3) plans. TRS also funds costs of healthcare benefits through the separate Retiree Healthcare Trust within TRS. Membership in TRS is mandatory for all full- and part-time employees, including employees who are certificated elementary and secondary teachers, school nurses and certificated employees in positions requiring teaching certificates, employees in DEED and Department of Labor and Workforce Development positions that require teaching certificates, University of Alaska full- and part-time teachers and with the approval of the TRS administrator, full-time administrative employees in positions requiring academic standing and certain full-time or part-time teachers of Alaska Native language or culture who elect to be covered under TRS.

Participants first hired before July 1, 1990, are Tier 1 participants of TRS and are eligible for retirement and for health insurance premiums paid by TRS earlier than members hired after July 1, 1990 (Tier 2).

Shift to Defined Contribution Plan. In 2005, the Legislature closed the TRS DB plan to members first hired on or after July 1, 2006, and created for Tier 3 employees a DC retirement plan, which is composed of a participant-directed investment account, medical benefits, a health reimbursement arrangement, and occupational disability and death benefits.

The TRS DC participant account is funded with employee contributions of 8 percent and an employer match of 7 percent. Each participant designates how contributions are to be allocated among various investment options. Participants are 100 percent vested in their employee contribution and related earnings. Employer contributions to the participant account, plus any earnings they generate are vested as shown in the following Table 18:

Table 18

TRS DC Vesting Schedule

Years of Service	Vested Percentage of Employer Contributions
1 year	0%
2 years	25%
3 years	50%
4 years	75%
5 years	100%

Source: State of Alaska, Division of Retirement & Benefits

Employee Contributions. The TRS DB member contribution rates are 8.65 percent as required by statute. Eligible TRS DB members contribute an additional 1.00 percent of their salary under a supplemental contribution provision. The DB member contributions earn interest at the rate of 4.25 percent per annum, compounded annually on June 30.

The TRS DC member contribution rate is 8.0 percent, as required by statute.

Employer Contributions. The employer contribution rate is determined by the consulting actuary and adopted by the ARM Board annually. AS 14.25.070(a) sets the employer contribution rate at 12.56 percent. The employer contribution rate is paid based on all eligible salaries of the employer without regard to the participant's tier status. The difference between the actuarially determined contribution rate and the statutory employer effective rate is paid by the State as a direct appropriation, also known as the "Additional State Contribution" under AS 14.25.085.

Employer contributions made on behalf of DC members also include funding of the DC Retiree Major Medical Plan, Occupational Death and Disability Plan, and the Health Reimbursement Arrangement. DC employer contribution rates are determined by the ARM Board and are based upon State law, administrative regulations, and the actuary's recommended employer contribution rates based upon results of the actuary's valuations.

Table 19 provides a history of the employer contribution rates from fiscal year 2013 through fiscal year 2025.

Table 19 TRS Employer Contribution Rates

FY	ARM Board Adopted Rate	Employer Effective Rate	DC Employer Match	DC Retiree Medical Plan	DC Occupational Death and Disability	DC Health Reimbursement Arrangement [1]
2013	52.67%	12.56%	7.00%	0.49%	0.00%	$ 1,848.43
2014	53.62%	12.56%	7.00%	0.47%	0.00%	$ 1,896.60
2015 [2]	70.75%	12.56%	7.00%	2.04%	0.00%	$ 1,960.53
2016	29.27%	12.56%	7.00%	2.04%	0.00%	$ 2,004.52
2017	28.02%	12.56%	7.00%	1.05%	0.00%	$ 2,049.36
2018	26.78%	12.56%	7.00%	0.91%	0.00%	$ 2,084.16
2019	28.90%	12.56%	7.00%	0.79%	0.08%	$ 2,102.88
2020	30.47%	12.56%	7.00%	1.09%	0.08%	$ 2,121.60
2021	30.47%	12.56%	7.00%	0.93%	0.08%	$ 2,159.04
2022	31.85%	12.56%	7.00%	0.83%	0.08%	$ 2,168.40
2023[3]	24.62%	12.56%	7.00%	0.87%	0.08%	$ 2,237.04
2024[3]	25.52%	12.56%	7.00%	0.82%	0.08%	$ 2,302.56
2025[3]	28.59%	12.56%	7.00%	0.68%	0.08%	$ 2,386.80

(1) The employer contribution to the Health Reimbursement Arrangement is expressed as a dollar amount that must be paid in full on an annual basis for each year of service.

(2) Table 19 shows the ARM Board adopted rate for fiscal year 2015 based on a level percentage of payroll. The actual contribution for fiscal year 2015 was the one-time transfer of $3 billion from the CBRF ($1 Billion to PERS and $2 Billion to TRS) discussed in " Pension Reforms."

(3) For both PERS and TRS, the fiscal year 2023, 2024 and 2025 ARM Board adopted rates show 0% contribution to OPEB due to the trusts' overfunded status.

Source: State of Alaska Division of Retirement and Benefits.

Contributions from the State of Alaska. AS 14.25.085 provides that the State is obligated to annually consider appropriating to contribute each July 1 or, as soon after July 1 as funds become available, an amount for the ensuing fiscal year that, when combined with the total employer contribution rate of 12.56 percent, is sufficient to pay the DB past service liability at the consolidated ADC adopted by the ARM Board for the fiscal year.

Table 20 provides a history of the TRS contributions from the State under AS 14.25.085 from fiscal years 2014 through 2025. For fiscal year 2015, the State total contribution to TRS was a one-time payment of $2 billion. For fiscal year 2025, the ARM Board has adopted a TRS contribution rate attributable to participating employers at 28.59 percent. This results in employer contributions of $48,459,000 and an additional State contribution under AS 14.25.085 of $134,976,000.

Table 20

TRS Contribution from the State (under AS 14.25.085)

FY	Legislative Bill	Amount Provided by State under AS 14.25.085 ($000s)	Total Employer Contributions to TRS DB Plan ($000s)	% of Contributions made by State [1]
2014	House Bill 65	$ 316,846	$ 69,551	82.0%
2015	Senate Bill 119 [2]	2,000,000	63,296	96.9
2016	House Bill 2001	130,108	60,058	68.4
2017	House Bill 256	116,700	60,703	65.8
2018	House Bill 57	111,757	59,140	65.4
2019	House Bill 286	127,365	54,762	69.9
2020	House Bill 39	140,219	52,902	72.6
2021	House Bill 205	134,070	54,036	71.3
2022	House Bill 69	141,739	52,513	73.0
2023	House Bill 281	90,412	50,838	64.0
2024[3]	House Bill 39	98,766	42,143	70.1
2025[3]	House Bill 268	123,358	40,555	75.3

(1) Percent of Contributions made by State under AS 14.25.085.
(2) One-time transfer of $3 billion from the CBRF ($2 billion to TRS) described under "Pension Reforms."
(3) Estimated contribution per the State's actuary.

Source: State of Alaska Division of Retirement and Benefits.

Pension Benefits. Tier 1 members were hired before July 1, 1990 and are eligible for normal retirement at age 55 or for early retirement at age 50, and Tier 2 members were hired after June 30, 1990 and before July 1, 2006 and are eligible for normal retirement at age 60 and for early retirement at 55, and generally with at least eight years of paid-up membership service or other qualifying service. Members may retire at any age when they have at least 20 years of paid-up membership service or 20-25 years of a combination of paid-up membership service and other types of service. TRS members are also eligible for normal retirement if they have, for each of 20 school years, at least one-half year of membership service as a part-time teacher.

Tier 3 employees were hired after June 30, 2006 and are 100 percent vested in their own contributions from the beginning and vest in their employers' seven-percent contributions over five years: 25 percent after two years of service, 50 percent after three years of service, 75 percent after four years of service and 100 percent after five years of service. Tier 3 pension payments (the account balance plus investment income) are payable in a lump sum or over time at the employee's option.

Other Post-employment Benefits. TRS provides major medical healthcare benefits for all Tier 1 members who are at least 50 or who are any age with at least 20 years of paid-up service, and Tier 2 members who are 60 or older or who have 25 years of paid-up membership service or are disabled. Tier 2 members may receive coverage prior to age 60 if they pay the premiums. Medical benefits are supplemental to Medicare. For both Tier 1 and Tier 2, coverage includes coverage for eligible dependents.

For Tier 3, the TRS healthcare plan is a coinsurance major medical and prescription drug plan intended to maintain over time coinsurance levels at approximately 80 percent by the plan and 20 percent by the participant, with a maximum annual coinsurance payable by the participant of $2,500 per person and a maximum lifetime benefit payable by the plan, less any amounts paid by Medicare.

Actuarial Valuation – TRS DB. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and healthcare cost trends. Actuarially

determined amounts are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future.

Effective June 30, 2018, the ARM Board adopted a layered UAAL amortization method: Layer #1 equals the sum of (i) the UAAL at June 30, 2018 based on the 2017 valuation, plus (ii) the fiscal year 2018 experience gain/loss. Layer #1 is amortized over the remainder of the 25-year closed period that was originally established in 2014. Layer #2 equals the change in UAAL at June 30, 2018, due to the experience study and employer group waiver plan implementation. Layer #2 is amortized over a separate closed 25-year period starting in 2018. Future layers will be created each year based on the change in UAAL occurring that year and will be amortized over separate closed 25-year periods. The UAAL amortization continues to be on a level percent of pay basis. State statutes allow the contribution rate to be determined on payroll for all members, defined benefit and defined contribution member payroll combined.

The fiscal year 2014 contribution requirements are determined as a percentage of payroll and reflect the cost of benefits accruing and a fixed 25-year amortization as a level percentage of payroll of the initial unfunded accrued liability and subsequent assumption changes and gains/losses. The payroll used to determine the contribution rates is the total payroll of all active members in the System, including those hired after July 1, 2006 who are in the Defined Contribution Retirement Plan. The amortization period is set by the ARM Board. Contribution levels are recommended by the consulting actuary and adopted by the ARM Board each year.

The Legislature has discretion to deviate from the rates recommended by the ARM Board, however, have not historically done so.

The most recent funding objective of the plan, as adopted by the ARM Board for fiscal year 2015, was to set an employer contribution rate that will pay the normal cost and amortize the initial UAAL and each subsequent annual change in the UAAL over a closed 25-year period as a level percentage of payroll amortization.

The information about TRS funding status included in Table 21 reflects the status of TRS as of June 30, 2023. Information about TRS assets and liabilities allocable to State employers alone is not shown because most non-State TRS employers make these contributions primarily from funds provided by the State.

Table 21

TRS Funding Status [1]
(as of June 30)

Actuarial Valuation Year	Aggregate Accrued Liability (000s)	Valuation Assets (000s)	Unfunded Accrued Liability (000s)	Funded Ratio (%)
2003	$ 5,835,609	$ 3,752,285	$ 2,083,324	64.3%
2004 [2]	6,123,600	3,845,370	2,278,230	62.8
2005	6,498,556	3,958,939	2,539,617	60.9
2006	7,229,851	4,141,700	3,088,151	57.3
2007	7,189,403	4,424,399	2,765,004	61.5
2008	7,619,178	4,936,976	2,682,202	64.8
2009	7,847,514	4,472,958	3,374,556	57.0
2010	8,847,788	4,739,128	4,108,660	53.6
2011	9,128,795	4,937,937	4,190,858	54.1
2012	9,346,444	4,869,154	4,477,290	52.1
2013	9,592,107	4,974,076	4,618,031	51.9
2014	9,841,032	6,019,274	3,821,758	61.2
2015	9,729,117	8,108,923	1,620,194	83.3
2016	9,907,624	8,200,391	1,707,233	82.8
2017	10,144,618	8,313,637	1,830,981	82.0
2018	9,960,440	8,440,309	1,520,131	84.7
2019	9,906,664	8,511,493	1,395,171	85.9
2020	9,936,711	8,608,347	1,328,364	86.6
2021	9,911,490	9,178,106	733,384	92.6
2022	10,246,623	9,537,420	709,203	93.1
2023	10,654,506	9,719,433	935,073	91.2

See "Pension Reforms" herein for actuarial projection as of June 30, 2023

(1) Includes pension benefits and other post-employment benefits.
(2) Change in asset valuation method.

Source: 2023 Draft TRS Actuarial Valuation Report, Section 1.7.

Tables 22 and 23 present the State of Alaska TRS, Schedule of Contributions from Employers and the State for the Defined Benefit Pension Plan and the Alaska Retiree Healthcare Trust Plan, respectively. These schedules show the dollar amount of the ADC, contributions in relation to the ADC, and the contributions as a percentage of covered payroll (under AS 39.35.280).

Table 22

TRS - Schedule of Employer and Nonemployer Contributions – Defined Benefit Pension Plan

Last 10 Fiscal Years

(In thousands)

Year Ended June 30	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2014	$ 240,366	$ 246,461	$ (6,095)	$ 514,035	47.95%
2015	321,971	1,699,074	(1,377,103)	491,223	345.89
2016	359,790	124,067	235,723	463,604	26.76
2017	133,417	153,334	(19,917)	442,029	34.69
2018	144,391	151,593	(7,202)	416,051	36.44
2019	154,083	164,170	(10,087)	392,849	41.79
2020	150,284	174,333	(24,049)	370,449	47.06
2021	155,184	163,406	(8,222)	357,288	45.74
2022	168,900	172,446	(3,546)	333,781	51.66
2023	135,850	141,158	(5,308)	308,408	45.77

Source: Draft TRS Financial Statement as of June 30, 2023.

Table 23

TRS - Schedule of Employer and Nonemployer Contributions – Alaska Retiree Healthcare Trust Plan

Last 10 Fiscal Years

(In thousands)

Year Ended June 30	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2014	$ 320,797	$ 139,936	$ 180,861	$ 514,035	27.22%
2015	352,417	364,222	(11,805)	491,223	74.15
2016	336,595	66,099	270,496	463,604	14.26
2017	42,171	24,069	18,102	442,029	5.45
2018	19,518	19,305	213	416,051	4.64
2019	19,944	17,957	1,987	392,849	4.57
2020	28,373	18,788	9,585	370,449	5.07
2021	25,197	24,700	497	357,288	6.91
2022	22,360	21,806	554	333,781	6.53
2023	20,643	92	20,551	308,408	0.03

Source: Draft TRS Financial Statement as of June 30, 2023.

Projections of benefits for financial report purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial method and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Additional information as of the latest actuarial valuation follows.

Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal Level Percentage of Pay normal cost basis for pension and healthcare
Amortization Method	Level percentage of pay, layered
Equivalent Single Amortization Period	25 years (each layer is amortized on a closed 25-year period)
Asset Valuation Method	5-year smoothed fair value, reinitialized to fair value as of June 30, 2014
Actuarial Assumptions:	
Investment rate of return*	7.38% per year
Projected salary increases	Based upon the 2013-2017 actual experience; inflation - 2.50% per year; productivity – 0.25% per year
*Includes inflation at	2.50%
Cost-of-living adjustment	Post-retirement Pension Adjustment ("PRPA") is 50% and 75% of assumed inflation and is valued for the annual automatic PRPA as specified in statute.

Changes in Actuarial Assumptions Since the Prior Valuation. The ARM Board completed an experience analysis of the actuarial assumptions underlying the TRS actuarial valuation reports covering the timeframe July 1, 2017, to June 30, 2021. There have been no changes in the actuarial methods or changes in benefit provisions since the June 30, 2021, valuation. Healthcare claims costs are updated annually. However, as a result of the experience analysis, updated demographic and economic assumptions were adopted by the ARM Board in June 2022, and are being used in the June 30, 2022, actuarial valuation reports. One significant item that was changed is the actuarial assumption for investment rate of return. This rate was revised from 7.38 percent down to 7.25 percent for the June 30, 2022, actuarial valuation reports. The actuarial assumptions will be analyzed next for the period July 1, 2021 to June 30, 2025.

	June 30, 2021	**June 30, 2017**
Salary Scale	Based on actual experience from 2013-2017.	Rates adjusted on actual experience from 2010 to 2013.
Pre-termination Mortality	Mortality rates based on the 2013-2017 actual experience. 100% of RP-2014 white-collar employee table, benefit weighted, rolled back to 2006, with MP-2017 generational improvement.	68% of male rates and 60% of female rates of RP-2000, 2000 Base Year projected to 2018 with Projection Scale BB. Deaths are assumed to result from non-occupational causes 85% of the time.
Post-termination Mortality	Mortality rates based on the 2013-2017 actual experience. 93% of male and 90% of female rates of RP-2014 white-collar healthy annuitant table, benefit weighted, rolled back to 2006, with RP-2017 generational improvement. Deaths are assumed to result from occupational causes 15% of the time.	94% of male rates and 97% of female rates of RP-2000, 2000 Base Year projected to 2018 with Projection Scale BB, with a three-year setback for males and a four-year setback for females.
Disability Mortality	Incidence rates based on the 2013-2017 actual experience. Post-disability mortality in accordance with the RP-2014 disabled table with MP-2017 generational improvement. Deaths are assumed to be from non-occupational causes 85% of the time.	RP-2000 Disabled Retiree Mortality Table, 2000 Base Year projected to 2018 with Projection Scale BB.

	June 30, 2021	June 30, 2017
Turnover	Based on the 2013-2017 actual experience	Select and ultimate rates based upon the 2010-2013 actual withdrawal experience.
Disability	Based on the 2013-2017 actual experience.	Retirement rates based on 2010-2013 experience. Male/female rates increased and changed to Unisex rates. Disabilities are assumed to result from occupational causes 15% of the time.
Retirement	Based on the 2013-2017 actual experience.	Retirement rates based on 2010-2013 experience.
Part-time Service	0.75 years of credited service per year.	Part-time employees are assumed to earn 0.75 years of credited service per year.

Pension Reforms

In the past several years, to mitigate expected pension costs and rising employer contribution rates, the Legislature enacted a range of statutory changes to the retirement systems and to the State's approach to managing pension and OPEB costs. In 2005, the Legislature closed the PERS and TRS DB plans and established DC plans, each with a healthcare component, for new employees.

In 2007, the Legislature enacted Senate Bill 123, which created the Alaska Retiree Health Care Trusts (the "Retiree Healthcare Trusts"). Senate Bill 123 directed that all separately calculated employer contributions for other post-employment benefits under the DB plans and all appropriations, earnings and reserves for the payment of retiree medical obligations be credited to these separate trusts. The State received a ruling from the IRS confirming that the State could reallocate a portion of the assets of PERS and TRS to the Retiree Healthcare Trusts, which it did.

In 2008, the Legislature enacted two additional reform bills: Senate Bill 125 and the Retirement Cost Funding Act. The Retirement Cost Funding Act authorizes issuers, including the POBC, to issue bonds and/or to enter into contracts to finance the payment by governmental employers of their share of the UAALs of the retirement systems. The Governor's budget for fiscal year 2017 included an appropriation to the POBC in anticipation of a potential bond issuance. The proposed bonds were to be structured to realize a 90 percent funding level in TRS and to minimize the State's non-employer payments to the retirement system. Projected savings were to be concentrated in the final 8 years of the amortization of the unfunded liability. On February 16, 2016, the Governor's budget was amended and the appropriation to the POBC was eliminated. Based on the September 4, 2020, Forrer decision of the Supreme Court, the statutory construct related to the POBC was invalidated.

Senate Bill 125 converted PERS to a cost-sharing system, similar to TRS, and shifted to the State more of the cost of funding the UAALs of PERS and TRS. Senate Bill 125 set employer contribution rates at the higher of (i) 22 percent of total payroll for PERS and 12.56 percent of payroll for TRS and (ii) in each case, the rate required to cover the actuarially determined normal cost plus amounts required to be contributed to the DC plans' Retiree Health Care Trusts.

As proposed by the Governor, the 2014 Legislature funded a $3 billion transfer from the State's CBRF to the PERS and TRS retirement trust funds as part of a plan to manage the ongoing cost of funding the unfunded liabilities. The Legislature directed $2 billion being transferred to the TRS trust and $1 billion being transferred to the PERS trust in the fiscal year 2015 capital budget. As part of the agreement for the transfer, the Legislature also approved HB 385 that provides for any excess assets at the termination of the plan be deposited in the General Fund and that the contribution rate for liquidating past service liabilities be based on a level percent of pay method based on amortization of the past service liability for a closed term of 25 years. An additional adjustment in 2014 was provided for in SB 119, which eliminated effective in fiscal year 2015 the two-year lag in actuarial analysis for rate setting. In October 2014, the State's consulting actuary estimated the impact of the one-time contributions and programmatic adjustments to increase the PERS projected June 30, 2015 funding ratio to 71.8% and the projected 2015 TRS funding

ratio to 77.0%. This was updated most recently in the draft 2023 valuation reports to a PERS June 30, 2023, combined funded ratio of 85.5% and a 2023 TRS combined funded ratio of 91.2%.

The Other Retirement Systems

The Alaska National Guard and Alaska Naval Militia Retirement System. The NGNMRS was established in 1973 and includes members of the Alaska National Guard and members of the Alaska Naval Militia. Members receive voluntary retirement benefits, which do not include healthcare benefits. The total contribution for fiscal year 2021 was $0. As of June 30, 2023, the roll-forward actuarial valuation reported an actuarial accrued liability of $28.9 million, actuarial value of assets of $46.3 million, and excess assets of $17.4 million. The NGNMRS is funded at 160.1%. It is understood that there will be no contributions to the NGNMRS until such time that the funded level is below 100%.

The Judicial Retirement System. The JRS was established in 1963 and provides pension and other post-employment benefits to Supreme Court Justices and Superior, District and Appellate Court judges and the administrative director of the court system. As of the June 30, 2023, roll-forward actuarial valuation, the System's pension plan had a funded excess of $27.2 million and was funded at 112.6%. The System's healthcare plan had a funded excess of $24.2 million and was funded at 226.5%.

The Elected Public Officers Retirement System. The EPORS was enacted as a retirement system for elected State officials who held office between January 1, 1976 and October 14, 1976. As of June 30, 2021, the actuarial accrued liability was $12.5 million, with an expected annual benefit payment and claims cost of approximately $1.2 million. No assets are set aside to pay EPORS benefit costs.

State's Supplemental Benefits System

In 1979, State employees elected to withdraw from the Social Security system. The State established a benefit program, effective January 1, 1980, which supplements the existing public employee retirement plans. Participation in the supplemental benefits system is mandatory for each State employee and the 21 other employers participating in the supplemental benefits system. A combined employer/employee contribution of 12.26 percent of wages (one-half contributed by employees up to the wage limit in effect for Social Security in a current year) is deposited into each employee's annuity plan account. Separate contributions are allowed to a cafeteria style supplemental benefit plan to provide death, survivor, disability and health benefits.

As of June 30, 2023, the supplemental benefits system had approximately 51,400 participants. At June 30, 2023, net assets available for system benefits were $4.8 billion. These assets are held in trust by the State for the exclusive benefit of covered employees and their beneficiaries.

State's Deferred Compensation Plan

The State maintains an optional Deferred Compensation Plan (the "Plan") for the benefit of its employees and participating eligible employers. Participants under the Plan defer receipt of a portion of their salary until termination of State or political subdivision employment. As of June 30, 2023, the Plan had approximately 12,700 participants. As of June 30, 2023, the net assets available for Plan benefits were approximately $1.1 billion. These assets are held in trust by the State for the exclusive benefit of the covered employees and their beneficiaries.

State's Annual/Personal Leave and Sick Leave

The cost of annual/personal leave and sick leave for State employees is charged against agency appropriations when leave is used rather than when leave is earned, except when an employee's State service is terminated. In that instance, the accumulated annual/personal leave balance is charged to a terminal leave liability account that is funded by a charge to each agency's operating budget.

INVESTMENT POLICIES

General Fund, Constitutional Budget Reserve Fund and Other Subfunds

By statute, the Commissioner of the Department of Revenue is the fiduciary for many of the State's funds, including the CBRF, General Fund and subfunds within the General Fund, such as the SBRF and the Alaska Capital Income Fund. The Commissioner's responsibilities for these funds include establishing investment policy, providing accounting and custody for the assets and monitoring and reporting the performance and characteristics of the funds and investment options. The Commissioner reviews capital market assumptions and sets an appropriate asset allocation for the General Fund, the CBRF and the other subfunds, consistent with each fund's objectives and constraints.

As of July 1, 2023, the target asset allocation for the General Fund is 15 percent short duration government / credit and 85 percent cash equivalents.

As of July 1, 2023, the CBRF, with a short-term time horizon, has a target asset allocation of 100 percent cash equivalents.

Annually, the Commissioner of the Department of Revenue adopts specific investment policies for each asset class. These investment policies specify asset class characteristics, monitoring requirements and risk controls. The Commissioner may revise the investment policies as market conditions warrant. The State employs industry consultants and a professional staff to assist in monitoring and evaluating investments.

The Permanent Fund

A governor appointed APFC Board of Trustees (the "APFC Board") sets the APFC investment policy. The policy is required to be consistent with the prudent investor rule stated in AS 37.13.120, which provides: "The prudent-investor rule as applied to investment activity of the fund means that the corporation shall exercise the judgment and care under the circumstances then prevailing that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the designation and management of large investments entrusted to it, not in regard to speculation, but in regard to the permanent disposition of funds, considering preservation of the purchasing power of the fund over time while maximizing the expected total return from both income and the appreciation of capital."

At least once each calendar year, the APFC Board reviews its asset allocation policy for the investment of fund assets for the coming year and was last amended on May 18, 2023. On May 21, 2020, the APFC Board adopted changes to the Investment Policy which included a five-year asset allocation plan for each fiscal year from 2021 through 2025. This review is conducted under the guidance of APFC investment staff, with the assistance and advice of the APFC Board's investment consultant. The APFC Board's long-term investment goal is to achieve an average annual real rate of return of five percent at acceptable risk levels (measured by expected volatility).

The APFC Board has created a three-person investment advisory council to provide the APFC Board with independent advice from professionals with significant, direct experience in the management and operation of large investment funds. The role of the members of the investment advisory council is to make recommendations to the APFC Board concerning investment policies, investment strategy and investment procedures; and provide other advice as requested by the APFC Board.

The APFC Board's investment allocation includes multiple asset classes having varying risk and correlation assumptions. The APFC investment policy seeks to optimize expected return versus expected risk. The fund's current target asset allocation as of July 1, 2023 is: 34 percent public equity, 20 percent fixed income, 16 percent private equity, 10 percent real estate, 9 percent private income, , 7 percent absolute

return, 2 percent cash, and 2 percent tactical opportunities. The APFC Board also establishes polices and guidelines for each asset class in which fund assets are invested.

To allow for market fluctuations and to minimize transaction costs, the APFC Board has adopted ranges that permit percentage deviations from the strategic asset allocation targets in accordance with specified reporting requirements and other procedures. Generally, for each risk and asset class, the APFC's chief investment officer has discretionary authority to permit target deviations within one specified range (referred to as the "green zone" in the investment policy), the APFC's executive director can approve target deviations for up to 90 days within a broader range (the "yellow zone"), and the APFC Board can approve operating for longer than 30 days within a third range (the "red zone").

SPECIAL INVESTOR CONSIDERATIONS

The following is a discussion of certain risks that could affect payments to be made with respect to the Bonds. This discussion is not, and is not intended to be, exhaustive, should be read in conjunction with all other parts of this Official Statement, and should not be considered to be a complete description of all risks that could affect such payments. Prospective purchasers of the Bonds should analyze carefully the information contained in this Official Statement, including the appendices, and additional information in the form of the complete documents summarized herein, copies of which are available as described in this Official Statement.

Revenues of the State

Investment Earnings. Investment earnings are a principal source of unrestricted General Fund revenue for the State. In 2018, the Legislature enacted SB 26, which directs the State to appropriate amounts from the Earnings Reserve of the Alaska Permanent Fund to the General Fund as unrestricted General Fund revenue. The State has forecasted for fiscal year 2024 that of $6,543.9 million of unrestricted General Fund revenue, approximately $3,526.0 billion, or approximately 54 percent, will be derived from transfers from the Permanent Fund Earnings Reserve. See "INFORMATION CONCERNING THE STATE OF ALASKA – State Revenues" and "– Government Funds – *The Alaska Permanent Fund*." The past performance of such investments cannot be used as a basis to predict future results. The results in subsequent fiscal years will depend upon the state of general economic conditions and market results of investments that may be held by the State from time to time for its investment purposes.

Oil and Gas Revenues. The State's unrestricted General Fund revenue has historically been generated primarily from petroleum production activities. Approximately 80 percent of fiscal year 2018 unrestricted General Fund revenue was generated from petroleum. The State has forecasted for fiscal year 2024 that of $6,543.9 million of unrestricted General Fund revenue, $2,432.3 million, or approximately 37 percent, will be derived from unrestricted petroleum revenue.

Many factors affect the ability of the petroleum industry to sustain production in the State, including: future economic conditions; energy prices; technological changes; transportation costs; availability and cost of materials used in processing; availability and affordability of insurance; availability and capability of qualified management and personnel; technical difficulties or supplier interruptions; adverse global health events; and seasonality. Energy prices are affected by, among other factors outside the control of the State: the supply and demand for oil and gas and expectations regarding supply and demand; the development of energy production technology, such as hydraulic fracturing; political conditions in other oil-producing countries, including the possibility of insurgency or war in such areas; economic conditions in the United States and worldwide; governmental regulations and taxation, including regulations on carbon emissions and other greenhouse gases; the impact of energy conservation efforts; the price and availability of alternative fuel sources; weather conditions; the availability of transportation systems and storage; and market uncertainty.

It is anticipated the reduction in demand for and the price of petroleum products would have a negative effect on revenues of the State, and there can be no assurance that oil and gas revenue of the State will not decrease further. See "INFORMATION CONCERNING THE STATE OF ALASKA – *State Revenues – Oil and Gas Revenues*."

Federal Revenues. The State receives federal revenues for specific purposes that are generally subject to review or audit by grantor agencies. Entitlement to federal revenues is generally conditioned upon compliance with the terms of grant agreements and applicable federal regulations, including the expenditure of assistance for allowable purposes. Any disallowance resulting from a review or audit may become a liability of the State. Reductions in federal funding could result in reduced economic activity and increased State costs. There can be no assurance that federal revenues available to the State will not decrease. See "INFORMATION CONCERNING THE STATE OF ALASKA – *State Revenues – Federal Revenue*."

Other Factors Affecting the State

Future Economic Conditions. Increased unemployment, adverse economic conditions including the health of the oil and gas industry, volatility in the tourism industry including the summer cruise ship season, changes in demographics, the cost and availability of energy, the inability to control expenses in periods of inflation, and difficulty in increasing revenues while maintaining a competitive economic environment could all affect the finances and operations of the State.

Cybersecurity Risks. The State relies on electronic systems and technologies to conduct its operations. In the past several years, a number of entities have sought to gain unauthorized access to electronic systems of various organizations for the purpose of misappropriating assets or personal, operational, financial, or other sensitive information that can cause operational disruption. These attempts, which are increasing, include highly sophisticated efforts to electronically circumvent security measures as well as more traditional intelligence gathering aimed at obtaining information necessary to gain such access. No assurance can be given that security measures implemented by the State will be able to prevent cyber-attacks on their electronic systems, and no assurances can be given that any cyber-attacks, if successful, will not have a material adverse effect on their finances or operations.

Earthquakes. The State contains many regions of seismic activity, with frequent small earthquakes and occasionally moderate and larger earthquakes. A 1964 earthquake with its epicenter in southcentral Alaska measuring 9.2 on the Richter scale was the most powerful earthquake recorded in North American history, and the second most powerful in world history, causing over 130 deaths. Certain soil types and property located in certain areas of the State could become subject to liquefaction and could result in landslides following a major earthquake and any aftershocks. Areas of the State also could experience the effects of a tsunami following a major earthquake. A significant earthquake may disrupt transportation, communication, water and sewer systems, power and fuel delivery for weeks to months throughout certain regions of the State, and could result in significant permanent loss of population and business.

Volcanic Eruptions. The State contains many active volcanoes. A volcanic eruption could result in landslides and releases of gas and ash that can interfere with air travel, a principal mode of transportation in the State.

Wildfires. Areas of the State have experienced drought conditions and increased wildfire activity. Warmer and drier summer conditions increase the risk of wildfires that may threaten the health, economy, and environment of the State by creating unhealthy air quality levels, threatening infrastructure, businesses, and residences, destroying natural resources, and damaging wildlife habitat.

Climate Change. Climate change poses potential risks to the State and its finances and operations. Extreme weather events can result in droughts, wildfires, floods, and other natural disasters. Climate change

may also affect population migration and shifts in economic activities such as agriculture, fishing, and construction of facilities and roads on permafrost and ice. No assurance can be given that climate change will not have a material adverse effect on the finances and operations of the State.

Infectious Disease Outbreak

The financial condition of the State, including the State's ability to collect tax and other sources of revenue, may be materially affected by an international, national or localized outbreak of an infectious disease, such as COVID-19, or other highly contagious or epidemic disease (an "Outbreak").

Tax and other revenue receipts of the State are heavily dependent on financial markets, commodities markets and tourism, all of which may be adversely affected by a resurgence of COVID-19 or by a new Outbreak and any governmental policies related thereto, in each case on an international, domestic or local level. For example, while some governments have lifted travel restrictions, certain restrictions have been reimposed from time to time. In November 2021, Canada ended its ban on cruise ships. If Canada reinstates its ban, without U.S. Congressional action, future large sailings to the Alaska market may be effectively cancelled.

Despite any policies of the State and the existence of governmental aid programs, there can be no assurances that an Outbreak, including COVID-19, will not materially affect the regional economy of the State or the national or global economies and, accordingly, materially adversely affect the receipt of revenues by the State.

Ratings

The lowering, suspension, or withdrawal of either or both of the ratings initially assigned to the Bonds could adversely affect the market price and the market for the Bonds. See "RATINGS."

Early Redemption

Purchasers of Bonds, including those who purchase Bonds at a price in excess of their principal amount or who hold such a Bond trading at a price in excess of par, should consider the fact that the Bonds are subject to redemption at a price equal to their principal amount plus accrued interest in the event such Bonds are redeemed prior to maturity. See "THE BONDS – *Redemption of the Bonds*."

Federal Income Tax Considerations

The exemption of interest on the Bonds from federal income taxes is dependent upon continuing compliance by the State with the requirements of the Code. If there is a failure to continuously comply with the covenants of the Code, interest on the Bonds could become includible for federal income tax purposes in the gross income of the owners thereof, retroactive to the date of issuance of the Bonds. All or a portion of the interest on the Bonds also could become subject to federal and/or state income tax as a result of changes of law. Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent owners from realizing the full current benefit of the tax-exempt status of such interest.

If interest on the Bonds becomes so includible in the owners' gross incomes, the effect will be to reduce the yield on an owner's Bonds as a result of the federal and, in certain cases, state and local, income tax liability incurred in connection with the receipt of interest on the Bonds. There is no provision for any adjustment to the interest rate borne by the Bonds in the event of any such loss of tax-exempt status, nor is any provision made for the payment of any penalties or premium in such event. As a result, the owners of

the Bonds may be forced to bear the adverse economic consequences of any such loss of tax-exempt status and may not have adequate remedies against the State to recover any losses or damages so sustained.

Secondary Market and Prices

It has been the practice of Underwriters to maintain a secondary market in municipal securities they sell, and the Underwriters of the Bonds likely will engage in secondary market trading of the Bonds, subject to applicable securities laws. The Underwriters, however, are not obligated to engage in secondary trading or to repurchase any of the Bonds at the request of the owners thereof. No assurance can be given that a market will exist for the resale of the Bonds. Because of general market conditions or because of adverse history or economic prospects connected with a particular issue or issuer, secondary marketing activity in connection with a particular issue may be suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then-prevailing circumstances. Such prices could be substantially different from the original purchase price. **There can be no guarantee that there will be a secondary market for the Bonds, or if a secondary market exists, that the Bonds can be sold for any particular price.**

LITIGATION

There is no controversy or litigation of any nature now pending or, to the knowledge of the State, threatened to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the State taken with respect to the issuance or sale thereof, or the pledge or application of any monies or security provided for the payment of the Bonds, or the existence or powers of the State.

Upon the delivery of the Bonds, the State will furnish a certificate, to the effect that, among other things, there is no litigation pending in any State court to restrain or enjoin the issuance or delivery of the Bonds or in any way contesting the validity or enforceability of the Bonds.

At any given time, including the present, there are numerous civil actions filed by or pending against the State, which could positively or negatively impact revenue sources or cash flow. A short description of such material litigation is provided below.

Oil and Gas Tax Litigation

Administrative Litigation: There are a number of disputed tax assessments against oil and gas corporations that are at the administrative level and thus confidential under AS 43.05.230(a). The assessments involve the corporate income tax (AS 43.20) or the oil and gas production tax (AS 43.55). Because the taxpayers, the tax years, and the amounts involved are confidential, a more detailed description of the cases cannot be given. Due to the confidentiality statute and because the disputed tax assessments are ongoing, the State cannot give an estimate of how much is expected to be eventually recovered through settlement, the administrative proceedings, or adjudication. Moneys recovered are required to be transferred to the CBRF.

Environmental Litigation

Barbara Gaston v. State of Alaska, 3AN-19-08301CI. This class action suit alleges that the DOTPF's use of firefighting foams that contain per- and polyfluoroalkyls ("PFAS") at some public use airports caused soil and groundwater contamination on private property surrounding the airports. The suit seeks to certify a class that consists of the landowners whose property has been affected, and it seeks damages for the class including property damages (e.g., diminution in value, remediation, alternative water, etc.) and medical monitoring costs. In addition, *Saracco v. State of Alaska* (1JU-20-00758 CI) is a single property case arising out of the DOTPF's sale of a fire-fighting vehicle containing firefighting foams to the City of Gustavus, which discharged the foam when responding to a brush fire. At this time, both the Gaston

and Saracco cases, along with the *State of Alaska v. 3M Company* (4FA-21-01451 CI) (State's Plaintiff litigation) have been removed to the PFAS Multi-District Litigation proceeding in South Carolina. The first bellwether cases (Public Water Systems) were set for trial and settled. Final actions with respect to those settlements are ongoing. The next bellwether cases the judge set are personal injury claims. The states are beginning to press for a state bellwether in order to advance state issues.

Tort Claims

The Attorney General's Office is involved in defending numerous tort claims asserted against the State and agencies. No estimate can be given as to the likelihood or financial effect on the outcome of such claims.

Medicaid Payment Rate Appeals

The Attorney General's Office is involved in defending numerous Medicaid payment rate appeals filed by providers. No estimate can be given as to the likelihood or financial effect on the outcome of such appeals.

Employment Claims

The Attorney General's Office is involved in defending numerous employment-related claims filed by present or former employees. No estimate can be given as to the likelihood or financial effect on the outcome of such claims.

Tobacco Company Litigation

In 1998, Alaska was among 46 states that entered into a settlement of claims against the nation's major tobacco companies. The companies agreed to pay $4.5 billion in 2000 with annual increases until payments reach $9 billion in 2019 and each year thereafter. The State's share, based upon its proportionate tobacco consumption, is about .034 percent of the yearly payment. This income stream is indefinite as long as Americans continue to consume tobacco products.

The Legislature authorized the State to sell to the AHFC 80 percent of the State's annual settlement income. AHFC's purchase was financed through the issuance of revenue bonds by the Northern Tobacco Securitization Corporation (the "NTSC"), a subsidiary the AHFC established and to which the right to receive 80 percent of the settlement revenues was transferred. In 2006, NTSC issued additional revenue bonds to refinance its purchase of the State's annual settlement income. The NTSC is using the income stream to pay debt service on the bonds. When the bonds are paid, the settlement income reverts to the State. The State used the bond proceeds to pay for a variety of construction and maintenance projects including rural schools, ports and harbors.

The master settlement agreement provides for a payment adjustment mechanism that, when triggered, could result in the impairment of the State's right to receive the remaining 20 percent of revenue that is not pledged to the NTSC and the NTSC could suffer a revenue shortfall. This payment adjustment mechanism has been triggered for the years 2003-2010. States that have diligently enforced their qualifying statute are exempted from the application of this adjustment mechanism. In July 2010, an arbitration commenced regarding which states "diligently enforced" their qualifying statutes in 2003. During that arbitration, Alaska and 15 other states/territories received notice that the participating manufacturers (tobacco companies that joined the master settlement agreement) no longer contested their diligence, rendering those states exempt from the 2003 adjustment. In 2018, the participating manufacturers entered into a settlement agreement that exempted the State from adjustments for the years 2004 through 2017. An additional provision of the settlement agreement was triggered in March 2020 that exempted the State from adjustments for the years 2018 and 2019. Subsequently, the State and participating manufacturers extended

the settlement agreement exempting the State from adjustments to include sales years 2020 through 2022. In March of 2024, the State and the participating manufacturers again extended the settlement agreement to exempt the State from adjustments for sales years 2023 and 2024. In addition, the State and the participating manufacturers agreed that no determination that the State failed to diligently enforce its qualifying statute in 2025 or any subsequent year can be based on non-participating manufacturer cigarettes sold in or before sales year 2022. The State continues to monitor and participate in the enforcement of the master settlement agreement.

Opioid Litigation

The State filed three lawsuits against opioid manufacturers and distributors alleging deceptive advertising by the manufacturers and failure by the distributors to properly monitor drug orders to identify likely diversion. See *Alaska v Purdue Pharma et al.* (3AN-17-09966CI); *Alaska v. Mallinckrodt et al* (3AN-19-04861CI); *Alaska v. McKesson, Cardinal, and Amerisourcebergen* (3AN-18-10023CI). Three of the lawsuits have been consolidated. Purdue and Mallinckrodt filed for bankruptcy and the State's claims against them are stayed during the bankruptcy proceedings. The State expects to participate in the settlement of state claims that is part of the bankruptcy. A separate settlement with distributors has been negotiated and the State joined that settlement.

The State filed a fourth opioid lawsuit in 2021 against generic drug manufacturers Teva & Allergan. *Alaska v. Teva & Allergan*, (3AN-21-05217CI). The claims against Teva and Allergan are similar to those made against Purdue and Mallinckrodt. The defendants filed a motion to dismiss, but the Court denied the motion with respect to most defendants, and allowed discovery on the issue of personal jurisdiction over Teva, Ltd. A multistate group has negotiated a settlement with Teva and Allergan.

The State filed suit in June 2022, against a number of Chain Pharmacies, including Walgreens, Walmart, Albertsons, Kroger, Fred Meyer, and Carrs Safeway, alleging that the pharmacies failed to recognize and refuse to fill opioid prescriptions that showed all the signs of diversion of drugs. *State v. Walgreens, et al.* (3AN-22-06675CI). The defendants have accepted service and agreed to a briefing schedule for motions to dismiss or answers. A multistate group has negotiated settlement agreements with Walgreens and Walmart, which are defendants in this litigation, and with CVS, which Alaska has not sued. The State has agreed to all of these settlements.

The superior court recently dismissed the State's claims against the remaining pharmacy defendants; and the State has filed an appeal of that ruling. The State has begun to receive payments under all of the settlements.

Other Litigation

Jeremiah M., et al. v. Adam Crum, et al., 3:22-cv-00129-JMK. Twelve children who are purportedly in Office of Children's Services custody have sued the Department of Health and Social Services and the Office of Children's Services in federal court. The case asserts various constitutional and statutory claims and is a putative class action. Counsel for the plaintiffs, A Better Childhood, has filed similar cases all over the country seeking court- supervised overhaul of various states' child welfare systems (known as "institutional reform" cases). The litigation is in its early stages and the parties are targeting a May 2025 trial date. Although the case is primarily focused on reform of the child welfare system in the State and not damages, it is possible that a significant attorney's fees award could be entered against the State if the plaintiffs are ultimately successful.

CERTAIN LEGAL MATTERS

The validity of the Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Committee. The proposed form of the Bond

Counsel's opinion is attached as Appendix C hereto. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. The Office of the Attorney General will issue a certificate to the effect that no litigation is pending that challenges the issuance of the Bonds.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the State ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"). Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax.

Bond Counsel is also of the opinion, based on existing laws of the State of Alaska, that interest on the Bonds is not included in taxable income for purposes of the State of Alaska income tax imposed on corporations. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the Bonds. A complete copy of the proposed form of opinion of Bond Counsel is set forth as Appendix C hereto.

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Beneficial Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The State has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original

issuance of the Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the State or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The State has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the State or the Beneficial Owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, Beneficial Owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the State legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the State or the Beneficial Owners to incur significant expense.

Payments on the Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate Beneficial Owner of Bonds may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be

refunded or credited against a Beneficial Owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain Beneficial Owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

VERIFICATION OF SUFFICIENCY

The arithmetical accuracy of certain computations included in the schedules provided by the Underwriters on behalf of the State relating to (a) computation of the redemption price of the Refunded Bonds plus the accrued interest thereon until the date of redemption, and (b) sufficiency of the proceeds from the Bonds to be applied to the redemption of the Refunded Bonds was verified by Robert Thomas CPA, LLC. Such computations were based solely upon assumptions and information supplied by the Underwriters on behalf of the State. Robert Thomas CPA, LLC, has restricted its procedures to verifying the arithmetical accuracy of certain computations and has not made any study or evaluation of the assumptions and information upon which the computations are based and, accordingly, has not expressed an opinion on the data used, the reasonableness of the assumptions, or the achievability of future events.

FORWARD-LOOKING STATEMENTS

The statements contained in this Official Statement, and in any other information provided by the State, that are not purely historical, are forward-looking statements, including statements regarding the State's expectations, hopes, intentions, forecasts or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the State on the date hereof, and the State assumes no obligation to update any such forward-looking statements. The State's actual results could differ materially from those discussed in such forward-looking statements.

The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible changes in underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the State. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

RATINGS

Moody's Investors Service, Inc. ("Moody's"), S&P Global Ratings ("S&P") and Kroll Bond Rating Agency, LLC ("Kroll") have assigned the Bonds ratings of "Aa3" with a Positive Outlook, "AA" with a Stable Outlook and "AA" with a Stable Outlook respectively, based on their research and investigation of the State. Moody's, S&P and Kroll are collectively referred to as the "Rating Agencies." The State furnished each of the Rating Agencies with certain information and materials concerning the Bonds and the State. Any desired explanation of such ratings should be obtained from the rating agency furnishing the same.

Generally, each of the Rating Agencies bases its ratings on such information and materials and also on investigations, studies, and assumptions that it may undertake independently. The ratings assigned by Moody's, S&P and Kroll express only the views of the Rating Agencies. An explanation of the significance

of the ratings may be obtained from Moody's, S&P and Kroll, respectively. There is no assurance that any rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if, in the judgment of such rating agency, circumstances so warrant. Any such change in or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

FINANCIAL ADVISOR

Acacia Financial Group, Inc. of Anchorage, Alaska (the "Financial Advisor") serves as independent financial advisor to the State in connection with various matters relating to the planning, structuring, execution and delivery of the Bonds. The Financial Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing or trading municipal securities or any other negotiated instruments. The Financial Advisor has not audited, authenticated or otherwise verified the information set forth in this Official Statement, or any other related information available to the State. No guaranty, warranty or other representation is made by the Financial Advisor respecting the accuracy and completeness of this Official Statement or any other matter related to the Official Statement.

UNDERWRITING

The Bonds are to be purchased from the State at an aggregate purchase price of $123,489,047.28 (the principal amount of the Bonds, plus original issue premium of $13,669,077.50, less Underwriters' discount of $260,030.22); subject to the terms of a bond purchase agreement (the "Purchase Agreement") between the State and Goldman Sachs & Co., LLC, on behalf of itself and as representative of Jefferies LLC (together, the "Underwriters"). The Purchase Agreement provides that the Underwriters will purchase all of the Bonds if any are purchased and that the obligation of the Underwriters to accept and pay for the Bonds is subject to certain terms and conditions set forth therein, including the approval by counsel of certain legal matters.

The initial offering prices or prices corresponding to the yields set forth on the inside cover of this Official Statement may be changed from time to time by the Underwriters without prior notice to any person. The Underwriters may offer and sell the Bonds to certain dealers, unit investment trusts, or money market funds at prices lower than the initial offering prices or prices corresponding to the yields set forth on the inside cover of this Official Statement.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to the issuer and to persons and entities with relationships with the issuer, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the issuer. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

CONTINUING DISCLOSURE

Annual audited financial statements of the State will be available upon request from the Department of Revenue. The State has covenanted for the benefit of the holders and beneficial owners of the Bonds to provide certain financial information and operating data (the "Annual Disclosure Report") within nine months after the end of each fiscal year, commencing March 31, 2025 for the Annual Disclosure Report for the fiscal year ending June 30, 2024, and to provide notices of the occurrence of certain enumerated events. A form of document specifying the nature of the information to be contained in the Annual Disclosure Report or the notices of certain events is set forth in Appendix D hereto. These covenants have been made in order to assist the Underwriters in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the "Rule").

A failure by the State to comply with the undertaking pursuant to the Rule will not constitute a default under the Resolution. Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by a broker-dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds or their market price.

The State has developed procedures to help its compliance with its continuing disclosure obligations in all material respects. Although there have been instances of deficiencies with its previous undertakings, the State has established appropriate written policies and procedures, including trainings and identifying a designated point of contact to help facilitate future compliance with Rule 15c2-12.

MISCELLANEOUS

The Bonds qualify as collateral for State funds deposited by the Department of Revenue.

The purpose of this Official Statement is to supply information to prospective purchasers of the Bonds. Quotations from and summaries and explanations of the Bonds and of the statutes and documents contained herein do not purport to be complete, and reference is made to such documents and statutes for full and complete statements as to their provisions. This Official Statement is not intended to be a contract or agreement between the State and the purchasers and owners of the Bonds. This Official Statement may not be reproduced or used, in whole or in part, for any purpose other than in connection with the issuance and sale of the Bonds.

All data contained herein, including the appendices hereto, have been taken from State records unless attributed to a specific source. Insofar as any statements contained in this Official Statement involve matters of estimates, projections, forecasts or matters of opinion, whether or not expressly stated, they are set forth as such and are not to be construed as representations of fact.

The appendices are integral parts of this Official Statement and must be read together with all other parts of this Official Statement.

EXECUTION OF OFFICIAL STATEMENT

The execution and delivery of this Official Statement have been authorized by the State.

STATE OF ALASKA

By */s/ Ryan S. Williams*

Ryan S. Williams
Debt Manager,
State of Alaska
For the State Bond Committee

APPENDIX A

SUMMARY INFORMATION REGARDING THE ECONOMY OF THE STATE

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SUMMARY INFORMATION REGARDING THE ECONOMY OF THE STATE

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

State of Alaska

The key drivers of the Alaska economy include natural resource development, federal (including national defense) and State government, seafood, and tourism. Approximately 24.0 percent of the State's total nonfarm employment is derived from government (including federal, state, and local). Other major industries in Alaska include the educational (private) and health services industry, making up 15.7 percent, trade, transportation, and utilities, making up 20.0 percent and the leisure and hospitality industry, making up 10.9 percent of total nonfarm employment. The State's unemployment rate in March 2024 was 4.6 percent (seasonally adjusted, preliminary), according to the U.S. Department of Labor, Bureau of Labor Statistics. The State's major exports are oil, seafood (primarily salmon, halibut, cod, pollock, and crab), coal, gold, silver, zinc, and other minerals (Alaska Department of Labor and Workforce Development, Research & Analysis, Preliminary and adjusted estimates; 2023 Annual Average).

Population

Alaska's Statewide population of 736,812 (2023 estimate) has increased in each of the last four calendar years; however, the State's population remains below the recent peak of an estimated 739,649 residents in July 2016.

The following table summarizes the State's population since 2014, as well as the estimated population in each of the State's regions.

Population of Alaska by Region, 2014-2023

Area Name	Estimate July 2014	Estimate April 2015	Estimate July 2016	Estimate July 2017	Estimate July 2018	Estimate July 2019	Census Estimate July 2020	Estimate July 2021	Estimate July 2022	Estimate July 2023
Alaska	736,416	736,989	739,649	737,783	734,055	731,007	733,391	736,110	736,508	736,812
Anchorage / Mat-Su Region	398,151	398,597	401,582	402,110	399,902	398,283	398,328	399,539	401,767	403,573
Gulf Coast Region	80,785	80,937	81,062	80,763	80,806	80,866	81,619	81,643	82,474	83,154
Interior Region	113,019	112,888	113,235	112,020	110,904	109,847	109,425	111,561	110,665	109,801
Northern Region	27,486	27,783	27,780	27,716	27,627	27,432	28,870	28,346	27,787	27,723
Southeast Region	74,437	74,278	73,742	72,941	72,657	72,373	72,286	72,688	71,873	71,077
Southwest Region	42,538	42,506	42,248	42,233	42,159	42,206	42,863	42,333	41,942	41,484

Source: US Census Bureau for 2020 Census Estimate, and Alaska Department of Labor and Workforce Development, Research and Analysis Section for July 2014 through 2019 and 2021 through 2023 Estimate.

Income

In 2023, Alaska had a per capita personal income of $71,616, an increase from the 2010 per capita personal income of $49,549[1].

After Alaska recorded annual deflation in 2020 for the first time, prices rose sharply over the next two years. Inflation hit a 41-year high of 8.1 percent in 2022, compared to the national average of 8.0 percent. In 2022, consumer prices increased 3.2 percent, compared to the national average's increase of 3.3 percent over the same period. While costs in many spending categories rose faster than usual in 2022, transportation prices rose the most. Costs of food and beverages and housing also rose rapidly. Alaska's inflation had begun to cool by December 2022 and continued to slow in early 2023. In April of 2023, the rate was down to 3.1 percent, the lowest inflation since February 2021. The slowdown in inflation has come mainly from the same categories that saw increases in prior years, especially transportation and food and beverages. Housing continues to place upward pressure on inflation in the State, especially given that consumers spend more on housing than any other category, giving it more weight. Measuring housing costs is complicated because a portion of what owners spend is considered investment rather than consumption. The Bureau of Labor Statistics uses data from renters to calculate "rental equivalency" spending, categorized as shelter. Other housing costs include utilities and maintenance. Shelter, which makes up about 75 percent of housing costs in the Consumer Price Index (CPI) and about a third of all costs, is the biggest reason overall inflation was still high through April 2023. If shelter is excluded from the overall inflation calculation, as of April 2023, the inflation rate falls to 1.1 percent. [2]

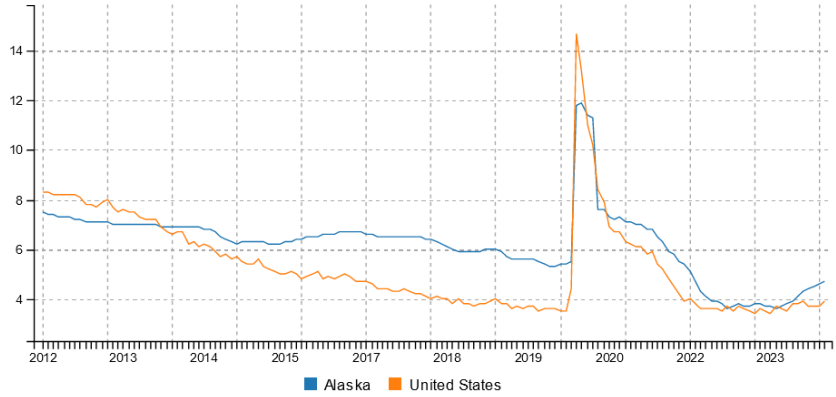
The cost of living in Alaska remains significantly higher than the national average. According to the survey average of 265 cities from the Council for Community and Economic Research, which compares cities' costs to the U.S. average, the cost of living in Anchorage, Fairbanks, and Juneau, in comparison to the total index is approximately 126.7, 123.0, and 127.9 percent, respectively, more expensive than the average index of the U.S.[3]

Employment

Data of the Alaska Department of Labor and Workforce Development shows the unemployment rate (seasonally adjusted, preliminary) for Alaska for March 2024 was 4.6 percent, as compared to a national unemployment rate for the same period of approximately 3.8 percent.[4]

[1] St. Louis Fed Economic Data ("FRED"), https://fred.stlouisfed.org/series/AKPCPI
[2] Alaska Department of Labor and Workforce Development, Alaska Economic Trends, July 2023.
[3] Alaska Department of Labor and Workforce Development, Alaska Economic Trends, July 2023.
[4] Alaska Department of Labor and Workforce Development and U.S. Department of Labor, Bureau of Labor Statistics, 2024.

Seasonally Adjusted Unemployment Rates Alaska and the U.S.
January 2012 to March 2024



The largest employment sector in Alaska is Government comprised of federal (except military), State (including the University of Alaska) and local and tribal government employees (including public schools). Government employment on average for calendar year 2023 was 78,400. The largest non-government sector of employment was Trade, Transportation and Utilities with 65,200. The table below provides a summary of the employment of the Alaska labor force by industry, comparing changes in the averages from 2022 to 2023, and a forecast (as of January 2024) for 2024 averages.

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Statewide Jobs, by industry – Annual Average, 2022 and 2023, and Forecast 2024:

	Monthly avg, 2022[1]	Monthly avg, 2023[1]	Change, 2022-23	Percent change	JOBS FORECAST Monthly avg, 2024	Change, 2023-24	Percent change
Total Nonfarm Employment[2]	**318,800**	**326,200**	**7,400**	**2.3%**	**331,600**	**5,400**	**1.7%**
Total Private	241,600	247,800	6,200	2.6%	252,700	4,900	2.0%
Mining and Logging	10,900	11,500	600	5.5%	12,500	1,000	8.7%
Oil and Gas	7,000	7,400	400	5.7%	8,000	600	8.1%
Construction	16,100	16,700	600	3.7%	17,800	1,100	6.6%
Manufacturing	12,100	12,600	500	4.1%	12,600	0	0%
Trade, Transportation, and Utilities	63,800	65,200	1,400	2.2%	66,000	800	1.2%
Wholesale Trade	6,200	6,400	200	3.2%	6,500	100	1.6%
Retail Trade	35,000	35,300	300	0.9%	35,500	200	0.6%
Transportation, Warehousing, and Utilities	22,600	23,500	900	4.0%	24,000	500	2.1%
Information	4,700	4,600	-100	-2.1%	4,600	0	0%
Financial Activities	11,000	10,900	-100	-0.9%	10,900	0	0%
Professional and Business Services	27,300	28,100	800	2.9%	28,600	500	1.8%
Educational (private) and Health Services	50,100	51,300	1,200	2.4%	52,000	700	1.4%
Health Care	38,900	40,000	1,100	2.8%	40,600	600	1.5%
Leisure and Hospitality	34,300	35,600	1,300	3.8%	36,100	500	1.4%
Other Services	11,100	11,400	300	2.7%	11,600	200	1.8%
Total Government	77,200	78,400	1,200	1.6%	78,900	500	0.6%
Federal, except military	15,000	15,400	400	2.7%	15,400	0	0%
State, incl. University of Alaska	22,400	22,800	400	1.8%	23,100	300	1.3%
Local and tribal, incl. public schools	39,800	40,200	400	1.0%	40,400	200	0.5%

[1]Preliminary and adjusted estimates. [2]Excludes the self-employed, uniformed military, most commercial fishermen, domestic workers, and unpaid family workers.
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Federal Spending

Federal spending has a significant impact on Alaska's economy. Federal funds contribute to military and federal government employment, as well as provide support for specific in-state programs and projects. Excluding military, nearly 5 percent of the State's workforce is employed by the federal government. In many cases, State funds are also used to leverage federal funds in matching programs helping to improve Alaskan communities.

According to the U.S. Census Bureau's 2021 Annual Survey of State Government Finances, in Alaska's fiscal year ended 2021, federal spending comprised 57.2 percent of total State general revenue, with 11.5 percent from taxes, 6.4 percent from service charges, approximately 0.1 percent from local sources, and 24.9 percent from miscellaneous sources.

Oil and Gas[1]

According to a study completed by McKinley Research Group, LLC, for the Alaska Oil and Gas Association (November 2023), the primary oil and gas companies employed 4,105 workers (including non-resident workers) earning $1.1 billion in total wages in 2022. Alaska residents represented approximately 83 percent of primary company total hire in Alaska, earning approximately $904 million in wages. Primary company spending with Alaska vendors was estimated at $4.6 billion. Additionally, in 2022, local governments generated $449 million from taxation of oil and gas properties, 21 percent of all local government tax revenue in Alaska.

Government[2]

Government was responsible for 78,000 jobs on average in calendar year 2023, nearly a quarter of all nonfarm employment in the State. This sector encompasses occupations in all industries, including teachers, builders, deckhands, and scientists.

[1] McKinley Research Group, LLC (November 2023). The Role of the Oil and Gas Industry in Alaska's Economy. Alaska Oil and Gas Association. Retrieved from https://www.aoga.org/wp-content/uploads/2024/04/MRG-Economic-Impacts-of-Oil-and-Gas-Report-Final-3.7.24.pdf

[2] Alaska Department of Labor and Workforce Development, Alaska Economic Trends, January 2024

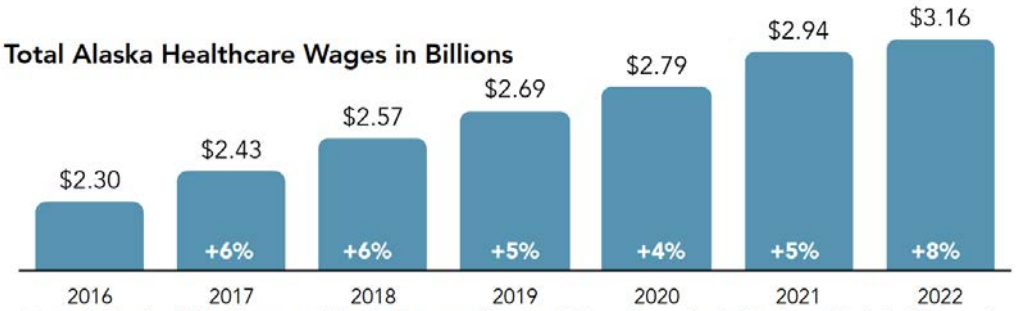
Within the local government sector, administrations and school districts represented the largest employers and accounted for approximately 12.3 percent of total nonfarm employment, which includes tribal government. State government employment accounted for approximately 7.0 percent of total nonfarm employment and includes the University of Alaska system.

Health Care[1]

The health care sector employed approximately 40,000 people on average in 2023 and accounted for approximately 12.3 percent of total nonfarm employment. Alaska providers have repeatedly adjusted wages up to remain competitive in attracting and retaining workers, resulting in significant overall wage increases. Healthcare wages in Alaska increased by $867 million, or 38%, from 2016 to 2022. Comparatively, wages in Alaska overall have grown by 17% during the same period. The overall average healthcare wage in Alaska was $73,729 in 2022.

Healthcare workers in Alaska earned nearly $3.2 billion in 2022. The healthcare sector pays out more wages than any other industry in Alaska. Healthcare wages comprised 13% of all wages paid in the State, including healthcare wages from government facilities, and self-employed providers. The table below provides a summary of the total healthcare wages paid in Alaska by year from 2016 to 2022.

Total Alaska Healthcare Wages by year – 2016 through 2022:



Source: Combination of Alaska Department of Labor Employment and Wage data; US Census Nonemployer (self-employment) Statistics; US Bureau of Economic Analysis (SAINC7N Compensation of employees by NAICS industry Govt. and govt. enterprises compensation: Military); and Defense Manpower Data Center.

Fisheries

Approximately 5.7 billion pounds of seafood worth $2.0 billion was harvested on average in 2019. Processors turned this harvest into 2.8 billion pounds of product worth $4.7 billion. Alaska produces approximately two-thirds of the nation's seafood harvest in a typical year and is home to nine of the top twenty U.S. fishing ports by value and eight of the top twenty by volume.[2]

In 2019, Alaska seafood was sold in 100 countries around the world. Export markets typically account for approximately two-thirds of sales value, while the U.S. market accounts for the remaining one-third. Just under one million metric tons, or 2.2 billion pounds, of Alaska seafood was exported in 2019, bringing an estimated $3 billion in new money from foreign buyers into the U.S. economy.[3]

Salmon is the most valuable commercial species, making up 37 percent of first wholesale value, with Alaskan Pollock second making up 35 percent of first wholesale value.[3]

[1] Alaska Hospital and Healthcare Association, 2023 Alaska Healthcare Workforce Analysis, Prepared by Rain Coast Data, retrieved from https://www.alaskahha.org/_files/ugd/ab2522_bde54b435a474ca48101c58d9239da21.pdf.

[2] Economic Value of the Alaska Seafood Industry, McKinley Research Group, LLC. January 2022, retrieved from https://www.alaskaseafood.org/wp-content/uploads/MRG_ASMI-Economic-Impacts-Report_final.pdf.

Alaska's seafood was harvested, and processed, by 160 shore-based processing facilities, 52 catcher-processors, approximately 30 floating processors, and various other participants in 2019. This subsector employed 20,244 workers at peak monthly employment, and 9,095 workers on average annually. Seafood processing is Alaska's largest manufacturing subsector, accounting for roughly 70 percent of all manufacturing employment in Alaska.[3]

In 2019, the top ports ranked by value in Alaska were Naknek ranked first ($289 million), Dutch Harbor ranked second ($190 million), Aleutian Islands ranked third ($142 million), Kodiak ranked fourth ($120 million), Alaska Peninsula ranked fifth ($75 million).

Since 2019, seafood harvesting employment has dropped significantly. In 2019, July peaked at more than 23,000 fish harvesters. By July 2023, the annual high only reached 20,241, which was almost 400 below the July 2022 annual high. Salmon harvesters, the largest category by far, has seen decreases in both the yearly average and the monthly peaks every year since 2020. The Yukon Delta salmon fishery has caused a majority of the downward trend, although other regions have also lost salmon fishing jobs. Only Bristol Bay and the Northern Region added salmon harvesters in 2023. The Yukon Delta's harvesting job count has fallen over 40 percent each year since 2019, and 2022's drop was the largest yet at 60.5 percent. Salmon once provided over 94 percent of the Yukon Delta's fishing employment, but that number is now zero after jobs peaked at 1,044 in August 2018. A small number of groundfish harvesting jobs are all that remain.

Additionally, crab harvesting employment declined slightly in 2021 and then dropped precipitously after closures hit in 2022, shrinking the crab harvesting workforce by nearly 21 percent. The annual average job count in 2022 was just 346. Snow crab closures will likely prompt big ongoing job losses in the fishing industry this year, and while prices and job levels do not typically move together, prices for salmon and sablefish have dropped significantly. Some of the 2022 stock has carried over into this year, driving prices down and compounding the oversupply caused by Russia flooding the market at low prices. Sablefish prices have also dropped this year because of a glut compounded by the Russian oversupply. At the same time, economic trouble and wars around the world have depressed the demand for seafood products, and inflation has increased processors' costs. While the United States has now banned the import of Russian seafood, the ban covers only unaltered seafood originating in Russia. Russian harvests sent to another country for processing can still enter the U.S. market, and this is especially prevalent in pollock and salmon fisheries, enabling Russia's low prices to continue depressing Alaska's fisheries[1].

A wave of seafood processing facilities across Alaska were either put up for sale or scheduled to close during 2024, beginning with a press release from Trident Seafoods in early December 2023 and ending with an announcement from OBI Seafoods at the end of January 2024. Trident announced it was seeking buyers for its processing and related assets in Kodiak, Ketchikan, Petersburg, False Pass, South Naknek, and Chignik. The company will also significantly scale back its winter operations in Kodiak in 2024.

Seafood processing has employed nearly 20,000 people at the yearly salmon processing peak in recent years, paying more than $600 million in annual wages. Its importance to the State's economy is amplified by the market it provides to the tens of thousands of Alaska fishermen working mainly from coastal communities whose economies depend on the seafood industry. The processing facilities that will be sold or closed, temporarily or permanently, represent about 15 percent of the State's seafood processing jobs in the State at the yearly peak, typically July. Sales are already in progress for many of the plants. Trident announced in March 2024, for example, that sales are nearly final for its False Pass, Petersburg,

[1] Alaska Department of Labor and Workforce Development, Alaska Economic Trends, November 2023.

and Ketchikan plants, which may mitigate the loss of processing capacity and buyers for the fishing fleet, but market forces have created a difficult environment for processors and harvesters[1].

Mining

Alaska's mining industry includes exploration, mine development, and production. The industry produces zinc, lead, copper, gold, silver, coal, germanium, as well as construction minerals such as sand, gravel, and rock. Alaska's eight largest operating mines are Fort Knox, Greens Creek, Red Dog, Usibelli, Manh Choh, Gil, Pogo, and Kensington, and provided nearly 5,400 full-time jobs of the nearly 10,900 direct and indirect jobs attributed to the mining industry in Alaska in calendar year 2022. The export value of Alaska's primary produced metals was $2.1 billion, or 35% of Alaska's total exports in 2021[2].

Tourism[3]

The Alaska Summer 2019 visitor volume of 2,213,000 was the fifth consecutive summer of growth, at that time, and the largest single year growth going back a decade prior. By transportation market for Summer 2019, 60.2 percent traveled by cruise ship, 35.7 percent were air visitors, and 4.1 percent were highway / ferry visitors.

The effects of the COVID-19 pandemic impacted tourism activity within the State where certain modes of travel (for example, large cruise vessels) were largely diminished, and in some cases prohibited to and from the State during calendar year 2020.

Alaska's tourism industry is experiencing a steady rebound from the COVID-19 pandemic and continues to be a major economic driver in the State. The Alaska Travel Industry Association's Tourism Impact Report depicted travel in summer 2022 and winter 2022/23 and serves as baseline research to demonstrate where Alaska has positioned itself immediately following the COVID-19 pandemic. Data was collected between May 2022 – April 2023 (summer 2022 and winter 2022/23), for their Alaska 2022-2023 Tourism Impact Model. During that time period, Alaska saw 2.7 million visitors who spent an average of 8.5 nights in the State. Alaska's visitors directly spent approximately $3.9 billion annually in the State, with a total economic impact of $5.6 billion. Alaska's travel industry supported 43,661 jobs, and the Inside Passage remains the most visited region in the State, seeing 67 percent of travelers, while Southcentral was the second most visited region with 50 percent of travelers[4].

Retail[5]

A number of new chain and homegrown retailers opened in Alaska during the past two decades. Since 2000, the following retailers opened stores in the State: Kohl's, Walmart, Best Buy, Target, Sportsman's Warehouse, Petco, Bed Bath and Beyond, and Walgreens. The retail sector provided 35,300 jobs on average in Alaska in 2023.

Transportation

Given the geography of the State, Alaskans rely on aviation and marine transportation to move people and goods. Although the State is the largest state in terms of area, it has the fifth-lowest road mileage in the U.S. The primary reasons for the low road miles in the State are (i) the majority of people live in the

[1] Alaska Department of Labor and Workforce Development, Alaska Economic Trends, April 2024.
[2] The Economic Benefits of Alaska's Mining Industry, McKinley Research Group report for the Alaska Miners Association. 2021.
[3] McDowell Group, Inc. report for ATIA on Alaska's Visitors Volume, Winter 2018-19 and Summer 2019.
[4] Destination Analysts on behalf of the Alaska Travel Industry Association (https://www.alaskatia.org/sites/default/files/2024-03/ATIA%20Alaska%20Tourism%20Impact%20Modeling%202022-2023%20-%20FINAL%20Updated.pdf)
[5] Alaska Economic Trends, September 2011 and January 2014, Decade in Review, 2000-2010.

urbanized areas and (ii) extreme weather, rugged terrain, vast distances, low population density and scattered islands make road construction difficult and costly compared to the number of users. Many remote communities are connected to the rest of the State and the rest of the world, through waterways or airports, rather than roads.

Most goods shipped to and from the State move by way of intermodal transportation systems. Most food, household items and consumer goods shipped from the lower 48 states of the U.S. to the State generally arrive by container ship, barge or roll-on, roll-off vessel. Upon arriving in the State, freight bound for destinations connected by the highway system are transported by truck or by rail on the Alaska Railroad. Freight bound for remote destinations is flown from Anchorage or Fairbanks to the remote communities. Heavy or bulk commodities are most often moved by barge to remote communities where seasonal barge service is available.

Given the size, geography and population distribution in the State, air transportation is critical for the State's economy and the health, safety and welfare of all Alaskans. The State owns about 252 rural airports, in addition to Ted Stevens Anchorage International Airport ("ANC") and Fairbanks International Airport ("FAI"). ANC serves as the primary passenger airport in the State and is an important cargo airport globally. In terms of cargo levels, ANC was ranked as the number two cargo airport in North America and as the number four cargo airport in the world by Airports Council International in calendar year 2021. In fiscal year 2023, all-cargo certificated maximum gross takeoff weight (measured in 1,000 lb. units) was approximately 30,860,000, a decrease from the historic high of approximately 33,827,000 in fiscal year 2022. In fiscal year 2023, passenger activity at ANC (including passenger enplanements, passenger deplanements and in-transit passengers) was approximately 5.45 million, as compared to 5.16 million in 2022, 3.00 million in 2021, 4.4 million in 2020, and 5.7 million in 2019[1].

The State's ports and harbors are an important element of the State's economy, providing for the import and export of goods. Port and harbor facilities provide an economic base for those communities dependent on marine resource utilization such as fishing and recreational use. They are an essential link to the State's resources, including fisheries, oil, natural gas, mineral resources and recreational activities.

The Alaska Marine Highway System ("AMHS") is a critical part of the State's transportation system and the service it provides is part of the National Highway System. AMHS serves the State ports by transporting passengers and vehicles, and other goods between coastal communities. This service helps meet the social, educational, health and economic needs of Alaskans.

The Alaska Railroad operates a total of 656 miles of railway miles in the State, consisting of 467 miles of main line, 54 miles of branch line and 135 miles of yards and sidings. The Alaska Railroad assets include 682 freight revenue railcars, 45 passenger railcars, 51 locomotives and 2 power cars, and yards in Seward, Anchorage, Whittier and Fairbanks. The Alaska Railroad plays an important economic role. In 2022, the Alaska Railroad carried 3.7 million tons of freight and 461,949 passengers. As of 2022, the railroad employed 594 year-round employees, and approximately 123 additional employees are hired for additional summer activity.[2]

[1] Alaska International Airport Systems, EMMA disclosure, https://emma.msrb.org/P11729201-P11329249-P11763239.pdf

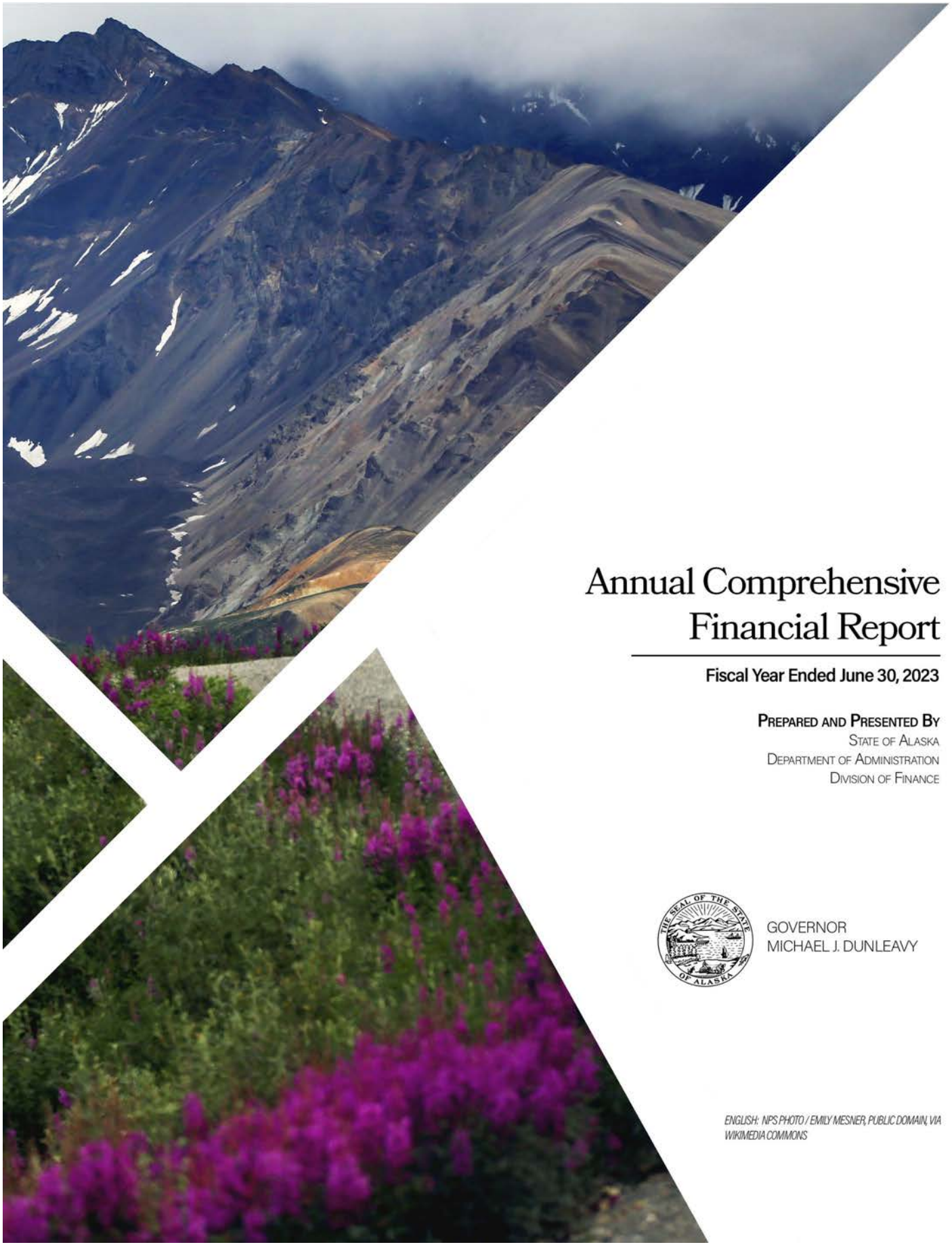
[2] Alaska Railroad Corporation, https://www.alaskarailroad.com/sites/default/files/Communications/FACT-SHEET_2023_ARRC_Quick-Facts_or.pdf

APPENDIX B

STATE OF ALASKA "GENERAL PURPOSE FINANCIAL STATEMENTS" FROM THE ANNUAL COMPREHENSIVE FINANCIAL REPORT,
Fiscal Year Ended June 30, 2023

The annual financial report for the State contained in Appendix B hereto is historical information that presents the State's financial position as of June 30, 2023. This report reflects historical performance. The financial performance of the State reflected in such report cannot be relied upon as a reliable indicator of subsequent performance. Historical trends cannot be used to anticipate results or trends in future periods.

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Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2023

Prepared and Presented By
State of Alaska
Department of Administration
Division of Finance

GOVERNOR
MICHAEL J. DUNLEAVY

ENGLISH: NPS PHOTO / EMILY MESNER, PUBLIC DOMAIN, VIA WIKIMEDIA COMMONS

State of Alaska

Annual Comprehensive Financial Report

For the Fiscal Year
July 1, 2022 - June 30, 2023

Prepared by:
Department of Administration
Division of Finance

The FY 2023 ACFR is expected to be available on or after March 22, 2024 on our Internet web site at http://doa.alaska.gov/dof/reports/annualreport.html.

This publication was released by the Department of Administration, Division of Finance to report on the State's financial status. This publication is required by AS 37.05.210



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STATE OF ALASKA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2023

TABLE OF CONTENTS

	Page	Statement
INTRODUCTORY SECTION		
Letter of Transmittal	i	
Exhibits	vii	
Organizational Chart	xi	
Functions of State Departments	xii	
Alaska State Legislature	xv	
FINANCIAL SECTION	**1**	
INDEPENDENT AUDITOR'S REPORT	**3**	
MANAGEMENT'S DISCUSSION AND ANALYSIS	**9**	
BASIC FINANCIAL STATEMENTS:	**19**	
Government-wide Financial Statements	**21**	
Statement of Net Position	22	1.01
Statement of Activities	24	1.02
Fund Financial Statements		
Governmental Funds	**27**	
Balance Sheet	28	1.11
Reconciliation of the Balance Sheet to the Statement of Net Position	29	1.12
Statement of Revenues, Expenditures, and Changes in Fund Balances	30	1.13
Reconciliation of the Change in Fund Balances to the Statement of Activities	31	1.14
Proprietary Funds	**33**	
Statement of Net Position	34	1.21
Statement of Revenues, Expenses, and Changes in Fund Net Position	37	1.22
Statement of Cash Flows	38	1.23
Fiduciary Funds	**41**	
Statement of Fiduciary Net Position	42	1.31
Statement of Changes in Fiduciary Net Position	43	1.32
Component Units	**45**	
Statement of Net Position	46	1.41
Statement of Activities	48	1.42
Notes to the Basic Financial Statements	**51**	
REQUIRED SUPPLEMENTARY INFORMATION:	**159**	
Budgetary Comparison Schedule - General Fund	160	2.01
Note to Required Supplementary Information - Budgetary Reporting	161	
Information about the State's Pension and Other Postemployment Benefit Plans	162	2.10 - 2.53

STATE OF ALASKA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2023

TABLE OF CONTENTS

SUPPLEMENTARY INFORMATION

COMBINING FUND STATEMENTS:	**215**	
Governmental Funds		
General Fund	**217**	
Combining Balance Sheet	223	3.01
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	224	3.02
Nonmajor Governmental Funds	**225**	
Combining Balance Sheet	226	3.11
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	227	3.12
Permanent Funds	**229**	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	230	3.23
Nonmajor Special Revenue Funds	**231**	
Combining Balance Sheet	234	3.31
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	236	3.32
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	238	3.33
Nonmajor Debt Service Funds	**245**	
Combining Balance Sheet	246	3.41
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	247	3.42
Nonmajor Capital Projects Funds	**249**	
Combining Balance Sheet	250	3.51
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	251	3.52
Proprietary Funds		
Nonmajor Enterprise Funds	**253**	
Combining Statement of Net Position	256	4.01
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	257	4.02
Combining Statement of Cash Flows	258	4.03
Commercial and Energy Assistance Enterprise Funds		
Combining Statement of Net Position	260	4.11
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	262	4.12
Combining Statement of Cash Flows	264	4.13
Other Agencies Enterprise Funds		
Combining Statement of Net Position	266	4.21
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	267	4.22
Combining Statement of Cash Flows	268	4.23
Internal Service Funds	**271**	
Combining Statement of Net Position	272	4.31
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	273	4.32
Combining Statement of Cash Flows	274	4.33

STATE OF ALASKA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2023

TABLE OF CONTENTS

Fiduciary Funds	276	
Pension and Other Employee Benefit Trust Funds		
Combining Statement of Fiduciary Net Position	278	5.01
Combining Statement of Changes in Fiduciary Net Position	280	5.02
Custodial and Investment Trust Funds		
Combining Statement of Fiduciary Net Position	282	5.11
Combining Statement of Changes in Fiduciary Net Position	283	5.12
Component Units		
Nonmajor Component Units	**285**	
Combining Statement of Net Position	286	6.01
Combining Statement of Activities	288	6.02
		Schedule
STATISTICAL SECTION	**291**	
Financial Trends		
Net Position by Component	295	A-1
Government-wide Expenses, Program Revenues, and Net (Expense) Revenue	296	A-2
Government-wide General Revenues and Other Changes in Net Position	298	A-3
Fund Balances, Governmental Funds	299	A-4
Changes in Fund Balances, Governmental Funds	300	A-5
Revenue Capacity		
Alaska Permanent Fund Investment Income	303	B-1
Oil Severance Taxes	304	B-2
Oil Royalties	306	B-3
Debt Capacity		
Ratios of Outstanding Debt by Type	308	C-1
Pledged-Revenue Coverage	309	C-2
Demographic and Economic Information		
Statistics	310	D-1
Employment by Industry	311	D-2
Operating Information		
Full-time Equivalent Government Employees by Function	313	E-1
Operating Indicators by Function	314	E-2
Capital Asset Statistics by Function	316	E-3
INDEX OF FUNDS	**319**	
LEGEND OF ACRONYMS	**325**	



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THE STATE of ALASKA
GOVERNOR MIKE DUNLEAVY

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March 22, 2024

The Honorable Michael J. Dunleavy, Governor
Members of the Legislature
Citizens of the State of Alaska

In accordance with Alaska Statute (AS) 37.05.210, it is our pleasure to present the Annual Comprehensive Financial Report (ACFR) of the State of Alaska for the fiscal year ending June 30, 2023. This report has been prepared by the Department of Administration, Division of Finance. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the State. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of the State. Statistical and demographic information are included to enable the reader to gain an understanding of the State's financial activities.

INTRODUCTION

Internal Controls

The Department of Administration, Division of Finance, is primarily responsible for the overall operation of the State's central accounting system. The State's system of internal controls over the accounting system has been designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management.

Some component units operate outside the State's central accounting system. Those component units are responsible for establishing and maintaining their own separate internal control structures.

Audits

The Division of Legislative Audit is the principal auditor of the State's reporting entity. The audit of the ACFR was conducted in accordance with generally accepted auditing standards (GAAS). The independent auditor's report is the first item in the financial section of the ACFR and precedes the Management Discussion and Analysis (MD&A) and basic financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the State for the fiscal year ended June 30, 2023, are free of material misstatement. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the ACFR, assessing the accounting principles used, and evaluating the overall financial statement presentation.

In addition to the annual audit of the State's ACFR, the State is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget's Uniform Grant Guidance 2 CFR Part 200. Information related to this single audit, including a schedule of expenditures of federal awards, the auditor's reports on internal controls and compliance with applicable laws and regulations, and a schedule of findings and questioned costs will be published at a later date under separate cover by the Division of Legislative Audit.

Management's Discussion and Analysis

Governmental Accounting Standards Board Statement No. 34 requires that management provide a narrative introduction, overview, and analysis of the State's financial activities. This transmittal letter is intended to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the independent auditor's report.

PROFILE OF THE STATE OF ALASKA

The State of Alaska was the 49th state admitted into the Union in 1959. The Alaska Constitution was adopted by the Constitutional Convention February 5, 1956, ratified by the people of Alaska April 24, 1956, and became operative with the formal proclamation of statehood January 3, 1959.

There are three branches of government: legislative, executive, and judicial. The legislative power of the State is vested in a legislature consisting of a Senate with a membership of 20 and a House of Representatives with a membership of 40. The executive power of the State is vested in the governor. The judicial power of the State is vested in a supreme court, a superior court, and the courts established by the legislature. The jurisdiction of courts and judicial districts are prescribed by law. The courts constitute a unified judicial system for operation and administration.

The State of Alaska reporting entity reflected in this ACFR, which is described more fully in Note 1 to the basic financial statements, conforms with the requirements of Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*. These criteria include financial accountability, fiscal dependency, and legal standing. The concept underlying the definition of the financial reporting entity is that elected officials are accountable to their constituents. The financial statements should allow users to distinguish between the primary government (the State) and its component units, with the emphasis being on the primary government. Consequently, this transmittal letter, the MD&A, and the financial statements focus on the State and its activities. Although information pertaining to the discretely presented component units is provided, their separately issued financial statements should be read to obtain a complete overview of their financial position.

The State provides a range of services including education, health and human services, transportation, law enforcement, judicial, public safety, community and economic development, public improvements, and general administrative services.

Budgetary Control

The State maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the budget appropriated annually by the legislature. Annual operating budgets are adopted for governmental funds (General, Permanent, and Special Revenue) through passage of appropriation bills (session laws) by the legislature with approval by the governor. These laws also identify the source of funding for the budgeted amounts. Control is maintained at the departmental level by recording budgeted amounts, funding sources, expenditures, and encumbrances within the appropriation structure in the State's central accounting system. Open encumbrances are reported as committed fund balance at the end of the fiscal year.

ECONOMIC CONDITION AND OUTLOOK

Economy

The well-being of the State of Alaska is best reflected in the operations of the General Fund. The General Fund is the State's primary operating fund and accounts for all financial resources except those required to be accounted for in another fund. The State maintains many accounts and subfunds (created by law) that are accounted for and reported within the General Fund. Four of the most notable are the Constitutional Budget Reserve Fund (CBRF), the Statutory Budget Reserve Fund (SBRF), the Permanent Fund Dividend Fund, and the Public Education Fund. Because of materiality and public interest in these funds, individual fund data for each is provided in the combining statements for the General Fund included in this report.

The following table shows General Fund revenues by category for the current and previous fiscal year. The largest source of revenues is federal at $5.1 billion, which makes up 52.0 percent of revenues. Revenue related to taxes decreased from 29.1 percent to 28.1 percent and rents and royalties decreased from 13.5 percent to 12.4 percent of all General Fund Revenues. Interest and investment income (loss) was $279.4 million or 2.8 percent of all General Fund revenues. Overall General Fund revenues increased $33.1 million or 0.3 percent from FY 2022 to FY 2023.

Not all revenues that flow into the General Fund are available to pay for unrestricted government activities. The most notable are federal revenues, which are provided for specific purposes.

Revenue Source	FY 2023	Percent	FY 2022	Percent
Taxes	$ 2,764.8	28.1 %	$ 2,851.9	29.1 %
Rent and Royalties	1,221.7	12.4	1,325.6	13.5
Interest and Investment Income/(Loss)	279.4	2.8	(133.6)	(1.4)
Federal	5,109.4	52.0	5,359.1	54.7
Miscellaneous	463.6	4.7	402.9	4.1
Total Revenue	$ 9,838.9	100.0 %	$ 9,805.9	100.0 %

The total expenditures charged against General Fund appropriations during FY 2023 amounted to $12.38 billion, an increase of $1.28 billion from FY 2022. The large increase of General Fund expenditures is due to the increase of the permanent fund dividend. Expenditures by department are compared with the prior year in the following table:

Department Expenditures (stated in millions)	FY 2023	Percent	FY 2022	Percent
Office of the Governor	$ 80.6	0.7 %	$ 71.4	0.6 %
Administration	428.9	3.5	370.3	3.3
Law	78.3	0.6	75.0	0.7
Revenue	2,187.0	17.7	822.7	7.4
Education and Early Development	1,946.6	15.7	2,008.8	18.1
Health and Social Services	—	—	4,061.5	36.6
Labor and Workforce Development	122.2	1.0	121.6	1.1
Commerce, Community, and Economic Development	398.8	3.2	385.9	3.5
Military and Veterans' Affairs	225.6	1.8	134.1	1.2
Natural Resources	(11.1)	(0.1)	402.1	3.6
Fish and Game	162.3	1.3	155	1.4
Public Safety	258.4	2.1	233.3	2.1
Health	3,662.7	29.6	—	—
Environmental Conservation	111.4	0.9	97.3	0.9
Corrections	412.2	3.3	395.8	3.6
Transportation and Public Facilities	1,390.1	11.2	1,239	11.2
Family and Community Services	336.8	2.7	—	—
Legislature	70.2	0.6	69.9	0.6
Debt Service	76.5	0.6	62.2	0.6
Alaska Court System	131.4	1.1	114.8	1.0
University	313.4	2.5	281.7	2.5
Total Expenditures	$ 12,382.3	100.0 %	$ 11,102.4	100.0 %

Major Industry

Alaska North Slope oil prices averaged approximately $85 per barrel during FY 2023. The Alaska Department of Revenue's most recent forecast (Spring 2023 forecast) was $73 per barrel for FY 2024 and $70 per barrel for FY 2025. Forecasting oil prices is inherently difficult and very uncertain. Oil prices saw some fluctuations during the first half of FY 2023 but were generally between $79 and $107 per barrel for Alaska North Slope crude.

FY 2023 saw prices slowly fall from their highs from the market's response to the Russian invasion of Ukraine. The beginning of the FY saw monthly average prices over $100 per barrel. However, by the end of the FY prices had declined to just under $76 per barrel. Uncertainty remains about future prices as geopolitical factors continue to influence prices.

In terms of oil production, output has stabilized over the past several years, averaging slightly below 500,000 barrels per day. Although the State uses conservative estimates of future production for planning purposes, potential future developments hold promise that production may continue at current levels or even increase in coming years. One example is Santos' Pikka unit whose first phase of development is expected to produce 80,000 barrels of oil per day and would be a significant event for the future of North Slope oil production. This first phase of the Pikka project has received final investment decision and is currently under construction. Other new developments include ConocoPhillips' Willow project, which is moving forward with federal approval, continued development in the National Petroleum Reserve – Alaska (NPR-A), and opportunities for new drilling within existing fields. These new developments still have uncertainty and face legal and financing hurdles prior to receiving final investment decision approvals.

The Alaska Liquid Natural Gas (LNG) Project continues to be a top priority for the State of Alaska in an effort to monetize the world-class natural gas resources on Alaska's North Slope. The Alaska Gasline Development Corporation (AGDC) is an independent, public corporation of the State of Alaska, with a legal existence separate and distinct from the State of Alaska. AGDC's role is to facilitate the development of infrastructure necessary to move gas into local and international markets while maximizing the benefit of Alaska's vast North Slope natural gas. AGDC is leading the development of the Alaska LNG Project and has received all 36 major federal and state permits required to construct the project and export 20 million tons per annum of LNG from Alaska. The project consists of three subprojects designed to export North Slope gas from the Prudhoe Bay and Point Thomson Units through a Gas Treatment Plant, a Mainline Pipeline, and a Liquefaction Facility in Nikiski, Alaska. AGDC is working towards a model to transitioning the project to private ownership under qualified developers. AGDC has created the project company 8 Star Alaska, LLC (8 Star) to function as the parent company of the project. AGDC is transitioning Alaska LNG assets under 8 Star and is selling 75% equity ownership of the company to investors in exchange for taking the project to final investment decision (FID) and AGDC will retain a 25% carried interest in 8 Star. The Russian invasion of Ukraine and the resulting sanctions on Russia have greatly impacted the global LNG markets. Interest in the Alaska LNG project from LNG buyers, developers and financiers has increased as energy buyers look to supply from stable sources in the United States, specifically Alaska considering the proximity to Asian markets. The Alaska LNG project is the only U.S. West Coast LNG project and is backed by the full faith and credit of the United States Government through $30 billion in loan guarantees. Record of Decision on the AK LNG Project was issued on May 1, 2023.

Long-term Financial Planning

As of June 30, 2023, the State's General Obligation debt ratings were AA-/A+/Aa3 from S&P Global Ratings (S&P), Fitch Ratings (Fitch), and Moody's Investors Service, Inc. (Moody's), respectively. The outlook on S&P rating is positive, and the outlook on the Fitch and Moody's ratings are stable. Effective July 20, 2023, Kroll Bond Rating Agency (KBRA) initiated a rating on the State's outstanding General Obligation Bonds, assigning a long-term rating of AA, and the outlook is stable.

Net position at June 30, 2023 of the two largest pension funds, the Public Employees' (PERS) and Teachers' (TRS) Retirement Systems' funds, were $23.5 billion and $10.8 billion, respectively. The funded status for PERS and TRS pensions and postemployment healthcare as of the June 30, 2022 actuarial valuations indicated the actuarial accrued liabilities were 68.1 percent pensions and 134.9 percent postemployment funded for PERS, and 78.2 percent pension and 140.7 percent postemployment funded for TRS. Further information on these and other pension funds, including the Supplemental Benefits System and Deferred Compensation plans, can be found in Notes 7, 8, and 9 to the basic financial statements.

The volatility of oil revenues, which makes up to 80 percent of the State's traditional revenues, has been a significant fiscal challenge for most of the state's history. To accommodate this volatility, the State has established a number of budget stabilization funds. In years of high revenue surpluses, deposits have been made into these funds to ensure there are resources available to mitigate the impact low oil prices could otherwise have on government services.

With the current structure of the State budget, it is expected that some combination of new revenue measures and reductions in spending to balance expenditures to revenue will be necessary.

Relevant Financial Policies

Spending Limitation

Since July 1, 1981, the Alaska Constitution Article IX, Section 16, establishes the annual appropriation spending limit of $2.5 billion plus a formula which factors in changes in population and inflation. This is further discussed in Note 2.

Investments

As discussed more fully in Note 4 to the basic financial statements, the State's cash is managed by the Treasury Division in the Department of Revenue or by other administrative bodies as determined by law. All cash deposited in the State Treasury is managed to achieve a particular target rate of return as determined by the investment objectives set for a given fund. Cash in excess of the amount needed to meet current expenditures is invested pursuant to AS 37.10.070-071, which requires that investments shall be made with the judgment and care under circumstances then prevailing that an institutional investor of ordinary professional prudence, discretion, and intelligence exercises in managing large investment portfolios.

Treasury has established an array of investment pools with varying investment horizons and risk profiles. Investments are managed in a pooled environment unless required by statute or bond resolution to be held separately. Commingled investment pools maximize earnings potential, provide economies-of-scale, and allow smaller funds to participate in investment opportunities that would otherwise be unavailable to them. Rather than each participant (fund) buying identical individual securities, larger quantities of securities can be purchased at one time, reducing the operating costs and number of transactions. A fund's equity ownership in a pool is based on the number of shares held by the fund.

Cash Flow and Revenue Shortfalls

After oil began flowing through the Trans-Alaska Pipeline in the late 1970s, the State enjoyed the enviable position of having sizeable sums of cash flowing into the State Treasury. This cash funded a steadily growing state operating budget, large and small annual capital budgets, and the State's permanent fund.

In more recent years, the reality of declining oil production and the corresponding decrease in available cash became more apparent. The volatility of oil prices has a profound effect on the annual budgeting process. Also associated with this volatility, though less widely understood, is a cash flow situation that could lead to a cash deficiency for the State.

Prior to 1985, most unrestricted revenues flowed directly into the State's General Fund where they were available to pay day-to-day costs of operating State government. This is no longer the case. Over time, the legislature has established many subfunds of the General Fund to segregate cash for budgeting purposes. In 1990 the legislature appropriated the entire General Fund balance available for appropriation at the end of FY 1991 to the SBRF. By a vote of the people in 1990, the Alaska Constitution was amended to establish the CBRF, into which oil tax settlement revenues are deposited. The effect of these actions diverted cash historically destined for the General Fund to other cash pools that were not available to pay day-to-day operating costs.

Also contributing to the potential for a cash deficiency is the fact that the inflow of unrestricted revenues does not mirror the outflow of cash expenditures. Revenues and expenditures are cyclic with high and low periods, which do not necessarily coincide. The first quarter expenditures of each fiscal year are generally higher than revenues for the same period. Clearly, if the General Fund (excluding the subfunds) does not have a large cash balance at the beginning of the fiscal year or if other sources of funds are not available, the State faces the possibility of a cash deficiency before the end of the first quarter. A memorandum of understanding outlines the steps to be taken in various scenarios involving a cash deficiency.

Borrowing from the budget reserve funds has been the solution for both cash flow shortages and revenue shortfalls. Between FY 1993 and FY 2005, the legislature addressed the possibility of a revenue shortfall by including language in the appropriation act permitting the executive branch to borrow cash from the SBRF and the CBRF in the event expenditures exceeded revenues; which did occur in several years. All borrowings from the CBRF were repaid by FY 2010. In SLA 2022, the Legislature did not pass the appropriation needed for the General Fund to borrow from the CBRF. Without this legislation, the General Fund was unable to borrow for cash flow shortages. In SLA 2023, the Legislature passed a supplemental bill to fund the insufficiency of the unrestricted fund balance to cover General Fund appropriations. The Alaska Constitution requires all prior year borrowings be repaid to the CBRF. For FY 2023 the amount owed to the CBRF was increased by $103.6 million from the General Fund and decreased by $20.5 million from the subfunds.

Initiatives

Continuing his commitment to Alaskans, Governor Mike Dunleavy's focus remains clear – prioritize Alaskan families ahead of the bureaucracy of government and achieve efficiencies by reducing red tape and improving processes. This administration has focused on providing stability in government operations, maintaining services and programs that Alaskans rely upon, providing opportunities to grow our economy, and investing in our public protection agencies to keep Alaskans safe.

The volatility of oil revenues, which makes up 80 percent of the State's traditional revenues, has been a significant fiscal challenge for most of Alaska's history. With the current structure of the State budget, it is expected that actions to balance expenditures with revenues will be necessary. However, continued prioritization and investment in Alaska's people, families, and natural resources is critical to provide opportunities for Alaskans and grow the state's economy.

We wish to express our sincere appreciation to the many individuals whose dedicated efforts have made this report possible. The preparation of this report could not have been accomplished without the professionalism and dedication demonstrated by the financial and management personnel of each State agency, each component unit, and the dedicated staff within the Division of Finance.

Sincerely,

Paula Vrana
Commissioner
Department of Administration

Stephanie Allison
Director
Division of Finance

Mallorie Fagerstrom, CPA
State Accountant
Division of Finance

EXHIBIT 1

STATE OF ALASKA
GENERAL FUND
REVENUE SOURCES

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

$9,839
(Millions)

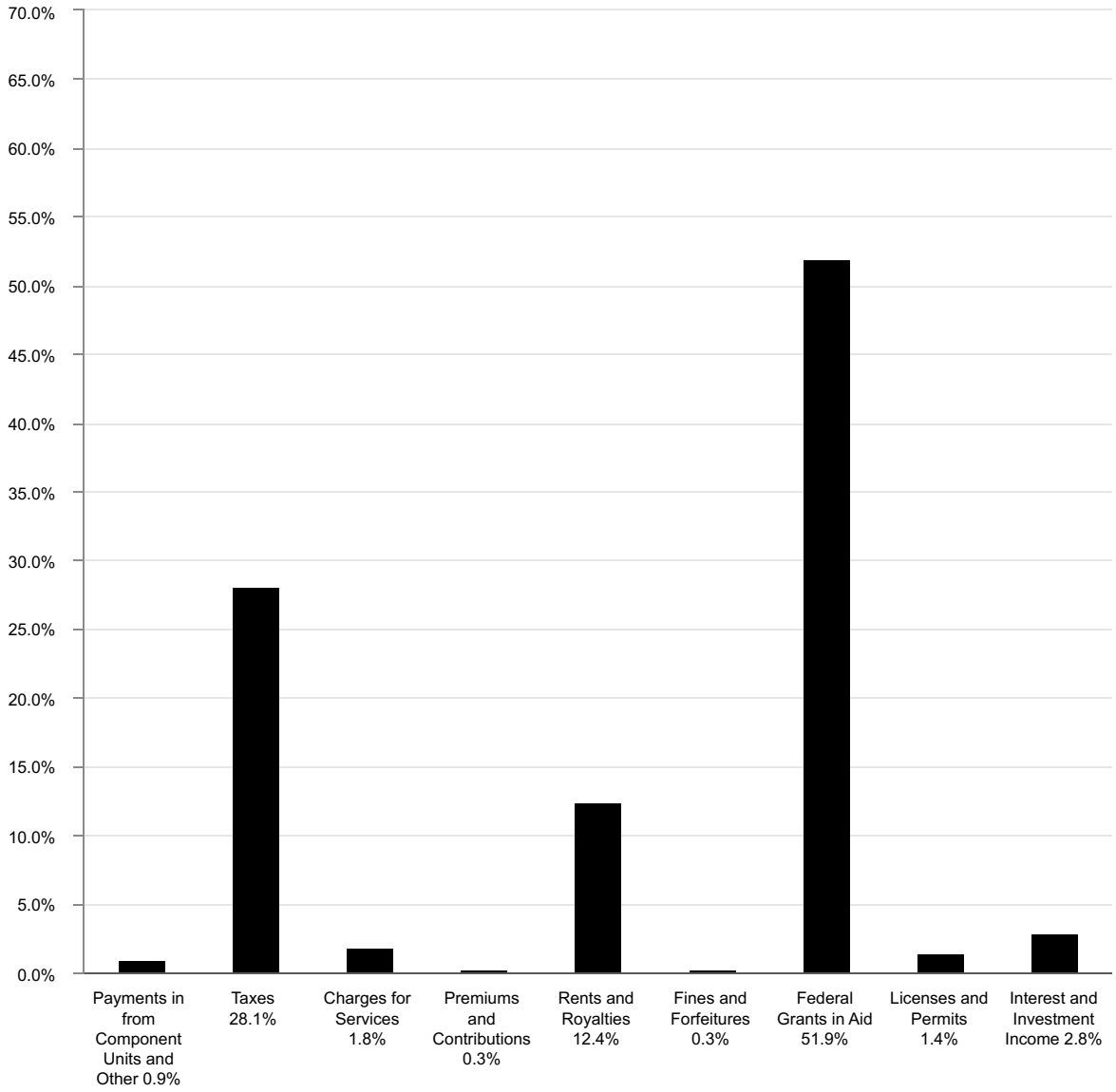


EXHIBIT 2

STATE OF ALASKA
GENERAL FUND
EXPENDITURES BY FUNCTION

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

$12,390
(Millions)

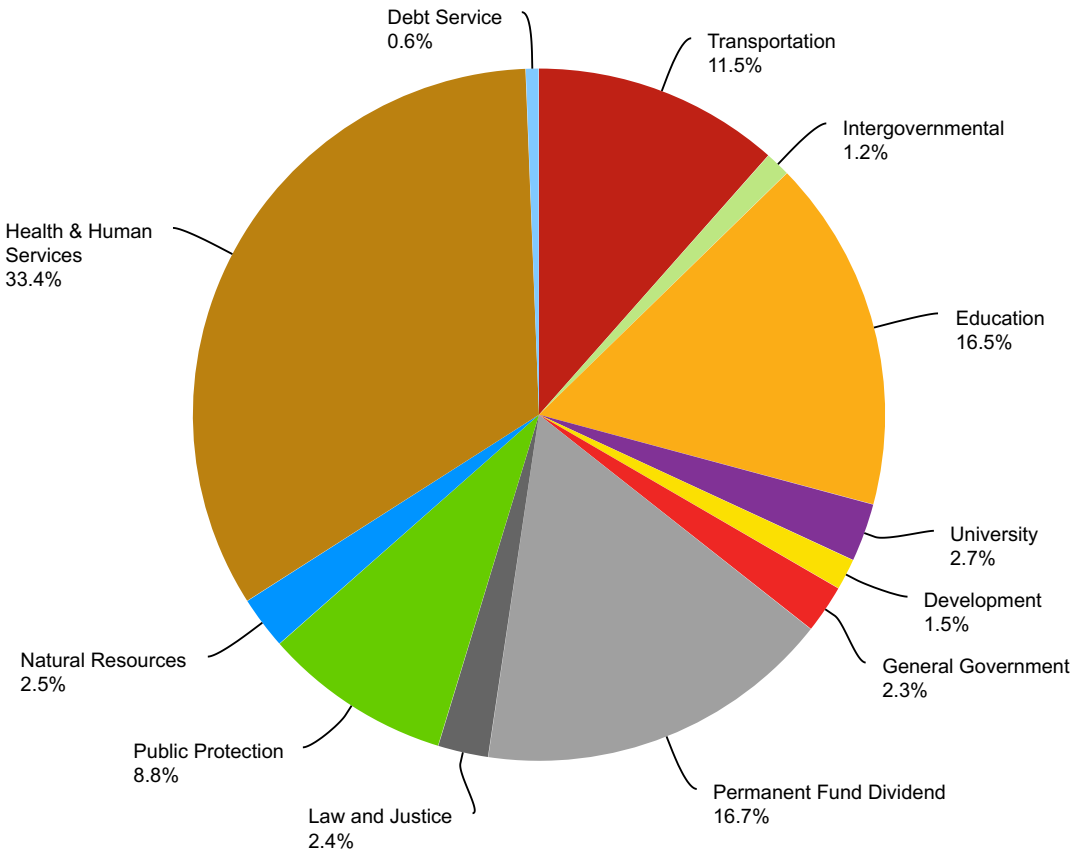


EXHIBIT 3

STATE OF ALASKA
GENERAL FUND
EXPENDITURES AND REVENUES

TEN YEAR COMPARISON
FOR THE FISCAL YEARS 2014 THROUGH 2023

(Stated in Billions)

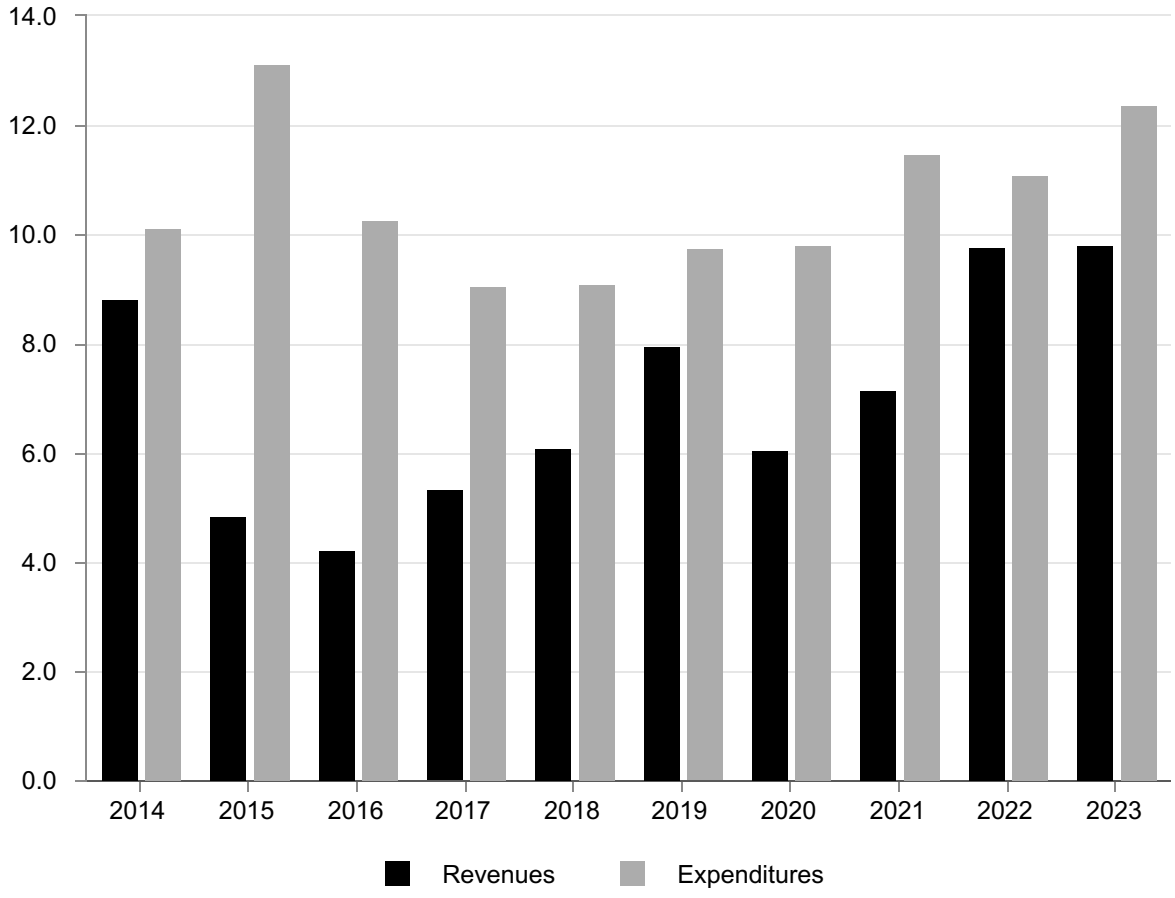
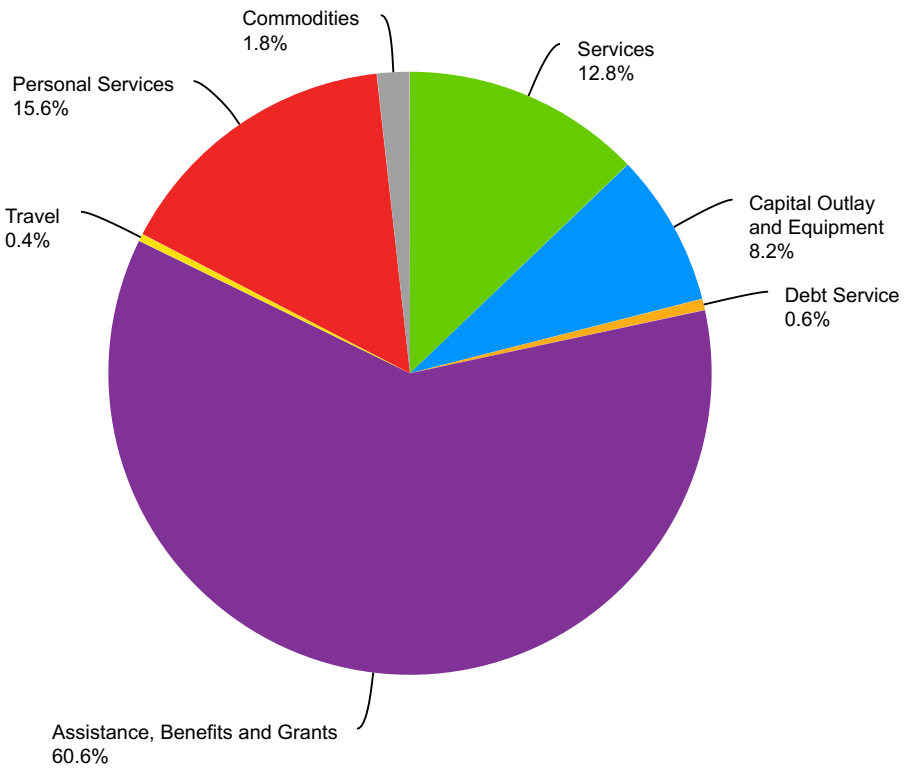


EXHIBIT 4

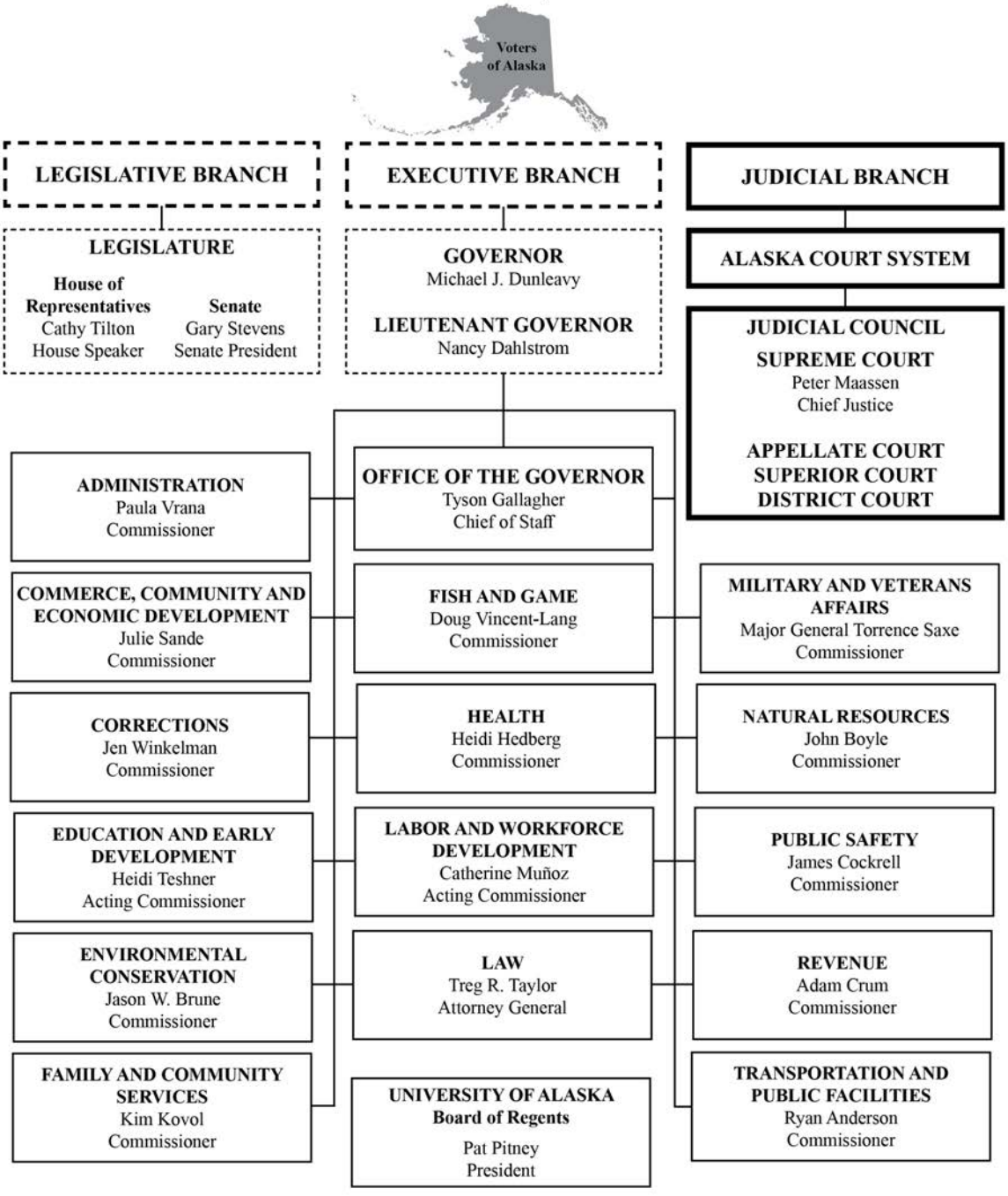
STATE OF ALASKA
GENERAL FUND
EXPENDITURES BY ACCOUNT

FOR THE FISCAL YEAR ENDED JUNE 30, 2023



STATE OF ALASKA ORGANIZATION CHART

As of June 30, 2023



Elected by popular vote (includes Lieutenant Governor, elected on same ticket as Governor).

Justices and Judges of the Courts nominated by Judicial Council, selected by Governor and thereafter subject to voter approval.

Department heads appointed by Governor and confirmed by the Legislature.

FUNCTIONS OF STATE DEPARTMENTS

OFFICE OF THE GOVERNOR

The Governor is the Chief Executive of the State. The Office of the Governor has the overall responsibility for coordinating the activities of state agencies to ensure that all programs are consistent with the Governor's policy and objectives.

ADMINISTRATION

The Department of Administration centralizes services to provide more efficient, cost-effective support to state agencies and Alaskans. Services to state agencies include: Labor Relations and Personnel; Finance (payroll, accounting, and disbursements); Risk Management; Office of Information Technology (telecommunications and computer services); Retirement and Benefits (public employers, public employees, and retirees); and Shared Services (purchasing, surplus property, mail, accounts payable, debt collections, travel reimbursements, and credit card reconciliations).

The department also provides services to the public through the: Division of Motor Vehicles; Division of Retirement and Benefits; Office of Public Advocacy; Public Defender Agency; Alaska Public Offices Commission; Alaska Public Broadcasting Commission; and the Office of Administrative Hearings.

COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT

The Department of Commerce, Community, and Economic Development promotes a healthy economy, strong communities, and protects consumers in Alaska.

The department consists of core agencies including: Alaska Broadband Office, Division of Administrative Services; Division of Banking and Securities; Division of Corporations, Business, and Professional Licensing; Division of Community and Regional Affairs; Division of Insurance; and the Division of Economic Development. Various corporate agencies are also part of the department, including: Alaska Industrial Development and Export Authority; Alaska Energy Authority; Alaska Railroad Corporation; Alaska Gasline Development Corporation; Alaska Seafood Marketing Institute; Regulatory Commission of Alaska; Alcohol and Marijuana Control Office; and the Alaska Oil and Gas Conservation Commission.

The department accomplishes its mission through programs that support business and industry growth, enforcing consumer protection, regulation and licensing laws, and by providing technical and financial assistance to Alaskans and Alaskan communities.

CORRECTIONS

The Department of Corrections is responsible for public safety through the incarceration and supervision of offenders. The department operates 13 correctional facilities and jails that provide secure confinement and appropriate rehabilitation programs for felons and misdemeanants; community residential centers; assessment and supervision of pretrial offenders in the community; supervision and case management of probationers and parolees in the community; and oversight of 15 small community jails. Also included in the department is the Alaska Board of Parole, a quasi-judicial board that makes all parole related decisions.

EDUCATION AND EARLY DEVELOPMENT

The Department of Education and Early Development is responsible for Alaska's system of public education. The State Board of Education and Early Development is the executive board of the department. The board develops educational policy, promulgates regulations governing education, appoints the commissioner of Education and Early Development with the Governor's approval, and is the channel of communication between state government and the public for educational matters. Education policies are determined by the board and administered by the commissioner through department divisions. Programs administered include: public school funding, teacher certification, and student assessment. The department operates Mt. Edgecumbe High School, the state's boarding school program. The department also administers the state libraries, archives, and museum services, and provides administrative support to the Alaska State Council on the Arts and the Professional Teaching Practices Commission. Other state entities associated with the department for administrative purposes are the Alaska Commission on Postsecondary Education and the Alaska Student Loan Corporation.

ENVIRONMENTAL CONSERVATION

The Department of Environmental Conservation is the state's regulatory agency responsible for protection of the environment and protection of citizens from unsafe sanitary practices.

To accomplish these results, the department develops and enforces standards for protection of the environment and the abatement of pollution to air, land, and water; and controls sanitary practices related to food, drinking water, and solid waste. Services to communities include financial and technical assistance for upgrading water, sewage, and solid waste; assistance meeting health-based standards for air quality; and positioning oil spill response equipment for preparedness and cleanup of oil and hazardous substance releases.

Through partnerships with Alaska citizens, businesses, and communities, the department works to safely manage and reduce pollution and hazards to the environment and human health.

FAMILY AND COMMUNITY SERVICES

The Department of Family and Community Services' mission is to provide support, safety, and personal well-being for vulnerable Alaskans. The department and its five divisions focus on three priority areas: safe and responsible individuals, families, and communities; compassionate health care for Alaskans; and safe, caring homes for our Alaskan elders.

Within these priority areas, the department's core services to Alaskans are to protect and promote health; provide quality of life in a safe living environment; strengthen families; protect vulnerable populations; and promote personal responsibility and accountable decisions.

The department's primary services include: acute, inpatient mental health services for anyone in Alaska requiring hospitalization for a psychiatric crisis through the operation of the Alaska Psychiatric Institute; safe living environments for seniors through the operation of the Alaska Veterans and Pioneers Homes; providing child protection and family preservation

programs through the Office of Children's Services; and operating youth detention facilities, including helping offenders' transition back into their communities, through the Division of Juvenile Justice.

FISH AND GAME

The Department of Fish and Game's mission is to protect, maintain, and improve the fish, game, and aquatic plant resources of the state, and manage their use and development in the best interest of the economy and well-being of the people of the state, consistent with the sustained yield principle in the Alaska Constitution. The commissioner and the department conduct management and research functions necessary to support this mission.

The Boards of Fisheries and Game are responsible for adopting regulations to conserve and develop the state's fish and wildlife resources. The Commercial Fisheries Entry Commission is a quasi-judicial agency that promotes resource conservation and sustained yield management by regulating entry into Alaska's commercial fisheries. The department also includes the Exxon Valdez Oil Spill Trustee Council, which oversees restoration of the injured ecosystem through the use of the $900 million civil settlement.

HEALTH

The Department of Health's mission is to promote the health, well-being, and self-sufficiency of Alaskans. The department has oversight of health care services, payment, and eligibility determinations; payments of public assistance program benefits; and public health. The Divisions of Behavioral Health, Health Care Services, and Senior and Disabilities Services provide regulatory oversight, claims processing, facility licensing, and enforcement of Medicaid and state regulations. The department will also actively engage with stakeholders to find opportunities for innovation within Medicaid and to improve health outcomes for all Alaskans. The department is committed to prevention of illness, health promotion and protection, and emergency preparedness through the Division of Public Health; and the Division of Behavioral Health oversees community-based mental health and substance abuse services across the continuum of care (prevention, early intervention, treatment, and recovery programs).

LABOR AND WORKFORCE DEVELOPMENT

The Department of Labor and Workforce Development is responsible for advancing opportunities for employment and ensuring that employers provide safe and legal working conditions. The department offers employment services, unemployment insurance, adult basic education, job training, workers' compensation adjudication and rehabilitation services, the Fishermen's and Second Injury Funds, and vocational rehabilitation for people with disabilities. In addition, the department enforces laws and regulations assuring occupational safety and health, performs mechanical inspections, and administers state wage and hour laws; serves as the labor relations agency for public employment in the state; and collects, analyzes, and releases labor market and population statistics. Also, included in the department are the Alaska Workforce Investment Board, the Workers' Compensation Appeals Commission, and the Alaska Vocational Technical Center.

LAW

The Department of Law is responsible for ensuring safe communities in part through the prosecution and conviction of criminal offenders. The department files both misdemeanor and felony charges; serves as legal advisor to grand juries; and represents the state in all phases of criminal trial and appellate proceedings. It provides legal assistance to state and local law enforcement, the Department of Corrections, and the Division of Juvenile Justice. It also works in partnership with executive, legislative, and judicial agencies by providing legal advice and representing the state in all actions in which it is a party. Such actions include protecting Alaska's children and youth by handling child abuse, neglect, and delinquency cases expeditiously; resolving questions of state versus federal control of natural resources; ensuring that the state receives its correct share of oil and gas taxes and royalties, and defending the state against claims for personal injury and other damages.

MILITARY AND VETERANS AFFAIRS

The Department of Military and Veterans Affairs provides forces to accomplish military missions in the state and around the world; provides homeland security and defense; emergency preparedness, response and recovery; veterans' services; and youth military style training and education. The commissioner serves as the Adjutant General of the State of Alaska with command authority of approximately 4,000 Army and Air guardsmen of the Alaska National Guard, and oversees or supports additional entities to or aligned with the Department:

- Alaska Air Guard – Provides mission-ready forces to protect the public safety of the citizens of Alaska by supporting civil authorities and local communities in which we work and live. Additionally, provides combat capability in support of federal missions.
- Alaska Army Guard – Maintains ready units and soldiers that are available to support the Governor and fellow Alaskans for domestic operations while also ready to deploy worldwide in support of the National Military Strategy.
- Joint Force Headquarters - Coordinates domestic operations and provides specific capabilities to local, tribal, state and federal government agencies in response to incidents that exceed their capacity.
- Alaska State Defense Force – A volunteer organization who augments and supports the Alaska National Guard in various missions including communications, emergency management, medical, logistical support, chaplaincy, and shelter management.
- Alaska Naval Militia – Maintains relationships with the United States Navy Reserve to secure Naval Militia response capability in Alaska.
- Division of Homeland Security & Emergency Management – Leads the way in emergency management to foster a prepared, resilient Alaska capable of meeting the needs of its communities and citizens in response to all-hazards events.
- Office of Veterans' Affairs – Serves as the primary advocate for Alaska's veterans and strives to help veterans and their families improve their lives.
- Alaska Military Youth Academy – Helps intervene in and reclaim the lives of Alaska's at-risk youth and produce graduates with the values, skills, education, and self-discipline to succeed as adults.

- Administrative Services - Provides effective and efficient administrative, budget, financial management, human resources, and procurement products and services.
- Alaska Aerospace Corporation – Administratively aligned within department with separate and independent legal existence; provides integration, checkout, and launch facilities to Government and commercial customers from the Nation's only high latitude, full service spaceport. Other key services include Mobile Range Instrumentation and Meteorological Forecasting.

NATURAL RESOURCES

The Department of Natural Resources manages the majority of state-owned land, water and natural resources, except fish and game. These resources include approximately 100 million acres of uplands; 60 million acres of tidelands, shore lands, and submerged lands; and 40,000 miles of coastline. Strategic missions include: responsibly develop Alaska's resources by making them available for maximum use and benefit consistent with the public interest; foster responsible commercial development and use of state land and natural resources consistent with the public interest for long-term wealth and employment; mitigate threat to the public from natural hazards by providing comprehensive wildland fire protection services on state, private, and municipal lands, and through identifying significant geological hazards; provide access to state lands for public and private use, settlement, agricultural development, and recreation; ensure sufficient data acquisition and assessment of land and resources to foster responsible resource development; and promoting and developing an agriculture industry.

The department serves the state from offices located in 28 Alaskan communities and encompasses the divisions of Agriculture; Forestry; Geological and Geophysical Surveys; Mining, Land and Water; Oil & Gas; Parks and Outdoor Recreation, and Support Services; the Office of Project Management and Permitting; the Mental Health Trust Land Office; the Seismic Hazards Safety Commission, and the Board of Agriculture & Conservation.

The department is responsible for managing the resources and revenues associated with the two largest oil and gas fields in North America and 1,623 oil and gas leases encompassing over 3.2 million acres; a park system that contains one-third of the nation's state park lands; 40% of the nation's fresh water; fire suppression management for over 134 million acres; forest resource management in three state forests totaling over 2 million acres; mineral management involving over 40,105 mining claims; leases encompassing approximately 1,238,055 acres (all lease types); agricultural programs that promote, develop, inspect, and provide technical assistance and lending services to over 990 farms; a comprehensive archive of indigenous plant materials; and a geologic sample archive representing more than 48 million feet of oil and gas exploration and production drilling and 300,000 feet of mineral exploration core drilling throughout the state. The department also serves as the USDA representative for phytosanitary inspection and provides harmonized good agriculture audits and retail surveillance.

PUBLIC SAFETY

The Department of Public Safety is responsible for the enforcement of state laws including criminal, fish and wildlife, fire and life safety, search and rescue, illicit drugs, and highway safety laws. The department also maintains statewide functions through its Alaska Scientific Crime Detection Laboratory; domestic violence, sexual assault, and victim services programs; Alaska Public Safety Information Network; a statewide police training academy; and by ensuring reliability of public safety emergency communication services and telecommunications infrastructure.

The department consists of core agencies including: Fire and Life Safety, Alaska State Troopers, Alaska Wildlife Troopers, Village Public Safety Officer Program, Alaska Police Standards Council, Council on Domestic Violence and Sexual Assault, Statewide Services, Administrative Services, and the Violent Crimes Compensation Board.

REVENUE

The Department of Revenue's responsibilities include: administration and enforcement of Alaska's tax laws; management of the treasury; administration of the Permanent Fund Dividend Program; collection and distribution of child support; and administrative support to the following independent boards and corporations: Alaska Permanent Fund Corporation; Alaska Housing Finance Corporation; Alaska Municipal Bond Bank Authority; Alaska Retirement Management Board; and the Alaska Mental Health Trust Authority.

TRANSPORTATION AND PUBLIC FACILITIES

The Department of Transportation and Public Facilities is responsible for the planning, research, design, construction, maintenance, operation, and protection of all state transportation systems and many public facilities. This includes state-owned airports and seaplane bases, center line miles of state roads, buildings ranging from maintenance shops to state office complexes, and harbor facilities. In addition, the department owns and operates the Alaska Marine Highway System, serving 33 Alaskan communities, Bellingham, WA, and Prince Rupert, BC with a fleet of ships. The department also owns and operates the State Equipment Fleet, which provides full maintenance support and replacement activities of light- and heavy-duty vehicles, and attachments for state departments, agencies, and offices.

ALASKA STATE LEGISLATURE
Thirty-Third Legislature, First Session (2023)

Senate District	Senator (Party)	City	House District	Representative (Party)	City
A	Bert Stedman (R)	Sitka	1	Dan Ortiz (NA)	Ketchikan
			2	Rebecca Himschoot (NA)	Sitka
B	Jesse Kiehl (D)	Juneau	3	Andi Story (D)	Juneau
			4	Sara Hannan (D)	Juneau
C	Gary Stevens (R)	Kodiak	5	Louise Stutes (R)	Kodiak
			6	Sarah Vance (R)	Homer
D	Jesse Bjorkman (D)	Nikiski	7	Justin Ruffridge (R)	Soldotna
			8	Ben Carpenter (R)	Nikiski
E	Cathy Giessel (R)	Anchorage	9	Laddie Shaw (R)	Anchorage
			10	Craig Johnson (R)	Anchorage
F	James Kaufman (R)	Anchorage	11	Julie Coulombe (R)	Anchorage
			12	Calvin Schrage (NA)	Anchorage
G	Elvi Gray-Jackson (D)	Anchorage	13	Andy Josephson (D)	Anchorage
			14	Alyse Galvin (NA)	Anchorage
H	Matt Claman (D)	Anchorage	15	Tom McKay (R)	Anchorage
			16	Jennie Armstrong (D)	Anchorage
I	Löki Tobin (D)	Anchorage	17	Zack Fields (D)	Anchorage
			18	Cliff Groh (D)	Anchorage
J	Forrest Dunbar (D)	Anchorage	19	Genevieve Mina (D)	Anchorage
			20	Andrew Gray (D)	Anchorage
K	Bill Wielechowski (D)	Anchorage	21	Donna Mears (D)	Anchorage
			22	Stanley Wright (R)	Anchorage
L	Kelly Merrick (R)	Eagle River	23	Jamie Allard (R)	Eagle River
			24	Dan Saddler (R)	Eagle River
M	Shelley Hughes (R)	Palmer	25	DeLena Johnson (R)	Palmer
			26	Cathy Tilton (R)	Wasilla
N	David Wilson (R)	Wasilla	27	David Eastman (R)	Wasilla
			28	Jesse Sumner (R)	Wasilla
O	Mike Shower (R)	Wasilla	29	George Rauscher (R)	Sutton
			30	Kevin McCabe (R)	Big Lake
P	Scott Kawasaki (D)	Fairbanks	31	Maxine Dibert (D)	Fairbanks
			32	Will Stapp (R)	Fairbanks
Q	Robert Myers (R)	North Pole	33	Mike Prax (R)	North Pole
			34	Frank Tomaszewski (R)	Fairbanks
R	Click Bishop (R)	Fairbanks	35	Ashley Carrick (D)	Fairbanks
			36	Mike Cronk (R)	Tok/Northway
S	Lyman Hoffman (D)	Bethel	37	Bryce Edgmon (I)	Dillingham
			38	CJ McCormick (D)	Bethel
T	Donny Olson (D)	Golovin	39	Neal Foster (D)	Nome
			40	Josiah Patkotak (NA)	Barrow

LEADERSHIP

STATE SENATE
Gary Stevens, Senate President

HOUSE OF REPRESENTATIVES
Cathy Tilton, Speaker of the House

FINANCE COMMITTEES

STATE SENATE
Bert Stedman, Co-Chair
Donny Olson, Co-Chair
Lyman Hoffman, Co-Chair

Members:
Click Bishop, Kelly Merrick, Jesse Kiehl, David Wilson

HOUSE OF REPRESENTATIVES
Neal Foster, Co-Chair
Bryce Edgmon, Co-Chair
DeLena Johnson, Co-Chair

Members:
Julie Coulombe, Mike Cronk, Will Stapp, Frank Tomaszewski, Alyse Galvin, Sara Hannan, Andy Josephson, Dan Ortiz



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Financial Section





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ALASKA STATE LEGISLATURE
LEGISLATIVE BUDGET AND AUDIT COMMITTEE
Division of Legislative Audit

P.O. Box 113300
Juneau, AK 99811-3300
(907) 465-3830
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legaudit@akleg.gov

Independent Auditor's Report

Citizens of the State of Alaska

Report on the Audit of the Financial Statements

Unmodified and Disclaimer of Opinions

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund except for the Alaska International Airports Fund, and the aggregate remaining fund information; and we were engaged to audit the Alaska International Airports Fund and Business-Type Activities 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 State's basic financial statements as listed in the table of contents.

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Unmodified
Business-Type Activities	Disclaimed
Aggregate Discretely Presented Component Units	Unmodified
Governmental Fund – General Fund	Unmodified
Governmental Fund – Alaska Permanent Fund	Unmodified
Enterprise Fund – Alaska International Airports	Disclaimed
Aggregate Remaining Fund Information	Unmodified

Disclaimer of Opinions on the Enterprise Fund – Alaska International Airports and Business-Type Activities

We do not express an opinion on the accompanying financial statements of the enterprise fund, Alaska International Airports and Business-Type Activities of the State of Alaska. Because of the significance of the matter described in the Basis of Disclaimer of Opinions section of our report, we have not been able to obtain sufficient appropriate audit evidence to

provide a basis for an audit opinion on the financial statements of the enterprise fund Alaska International Airports and Business-Type Activities.

Unmodified Opinions on the Governmental Activities, Aggregate Discretely Presented Component Units, Governmental Fund – Alaska Permanent Fund, Governmental Fund – General Fund, and Aggregate Remaining Fund Information

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, the governmental fund Alaska Permanent Fund, the governmental fund General Fund, and the aggregate remaining fund information of the State of Alaska, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Alaska Permanent Fund, University of Alaska, Alaska Housing Finance Corporation, Alaska Industrial Development and Export Authority, Alaska Railroad Corporation, Alaska Energy Authority, Alaska Municipal Bond Bank Authority, Alaska Clean Water Fund, Alaska Drinking Water Fund, Retiree Health Fund, Pension and Other Employee Benefit Trust Funds, and Invested Assets Under the Investment Authority of the Commissioner of Revenue. As shown below, those financial statements reflect assets and revenues of the indicated opinion units as of June 30, 2023.

Opinion Unit	Percentage of Assets	Percentage of Revenues
Governmental Activities	88%	36%
Business-Type Activities	37%	30%
Aggregate Discretely Presented Component Units	92%	95%
Governmental Fund – General Fund	81%	2%
Governmental Fund – Alaska Permanent Fund	100%	100%
Aggregate Remaining Fund Information	94%	82%

Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for those accounts, funds, retirement plans, and component units are based solely on the report of the other auditors.

Basis for Disclaimer of Opinions on the Enterprise Fund – Alaska International Airports, and Business-Type Activities

Alaska International Airports turnover of key staff during FY 22 continued to adversely impact FY 23, which, as of the date of our audit report, resulted in management being unable to provide audited Alaska International Airports Fund financial statements for inclusion in the State of Alaska's annual financial statements. As a result, we were unable to determine if the Fund's amounts are properly reported as included in the statements of financial position, changes in financial position, and cash flows. Alaska International Airports Fund's financial

activity is included in the State of Alaska's basic financial statements as a major enterprise fund and as Business-Type Activities, and represents 100% of the assets, net position, and revenues of the State of Alaska's major enterprise fund Alaska International Airports, and 38%, 32%, and 36% of the assets, net position, and revenues, respectively, of the State of Alaska's Business-Type Activities.

Basis for Unmodified Opinions

We conducted our audit of the financial statements of the Governmental Activities, each major fund except for the Alaska International Airports Fund, the Aggregate Discretely Presented Component Units, and the Aggregate Remaining Fund Information 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 State 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 unmodified audit opinions.

Emphasis of Matter

As discussed in Note 15 to the financial statements, the State of Alaska was unable to obtain the FY 23 financial statement information for Alaska Aerospace Corporation (AAC), a discretely presented component unit of the State of Alaska. Consequently, the financial information for AAC is omitted from the Aggregate Discretely Presented Component Unit financial statements of the State of Alaska. Our opinion is not modified with respect to this matter.

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 State of Alaska's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Auditor's Responsibility for the Audit of the Enterprise Fund – Alaska International Airports, and Business-Type Activities

Our responsibility is to conduct an audit of the State of Alaska's financial statements in accordance with GAAS and to issue an auditor's report. However, because of the matter described in the Basis of Disclaimer of Opinions on the Enterprise Fund – Alaska International Airports and Business-Type Activities section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the enterprise fund Alaska International Airports and Business-Type Activities.

We are required to be independent of the State and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit.

Auditor's Responsibility for the Audit of the Governmental Activities, Each Major Fund (Except the Alaska International Airports Fund), Aggregate Discretely Presented Component Units, and the Aggregate Remaining Fund Information

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 State'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 State of Alaska'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, the Budgetary Comparison and the Corresponding Notes, and Pension and Other Postemployment Benefit Plans Information, as listed in the table of contents, 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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 State of Alaska's basic financial statements. The combining and individual nonmajor fund financial statements 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 GAAS. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections, index of funds, legend of acronyms, and section divider pages, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Kris Curtis, CPA, CISA
Legislative Auditor

Juneau, Alaska
March 14, 2024

STATE OF ALASKA
Management's Discussion and Analysis

As management of the State of Alaska, we offer readers of the State's financial statements this narrative overview and analysis of the financial activities of the State for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the preceding pages of this report, and the financial statements that follow.

Financial Highlights

Government-wide

- The assets and deferred outflows of resources of the State exceeded its liabilities and deferred inflows of resources at the close of FY 2023 by $93.3 billion (net position). Of this amount, $9.0 billion represents net investment in capital assets, $69.7 billion is restricted for various purposes, and unrestricted net position is $14.6 billion. Unrestricted net position may be used to meet the State's ongoing obligations to citizens and creditors.

Fund level

- As of the close of the current fiscal year, the State's governmental funds reported combined ending fund balances of $84.3 billion, with $15.7 billion unrestricted (includes committed, assigned, and unassigned), $68.3 billion nonspendable, and $220.3 million restricted to specific purposes such as development, debt, and education. The nonspendable fund balance includes $67.5 billion of the Alaska Permanent Fund principal with the remaining related to nonspendable assets such as inventory, advances and prepaid items, and the principal of other nonmajor permanent funds.
- At the end of the current fiscal year, unrestricted fund balance for the General Fund was a surplus of $5.1 billion. This is an increase of $787.8 million from FY 2022. The increase is mainly due to a committed fund balance increase of $806.6 million.

Long-term debt

- As a result of this year's activity, the State's total long-term debt increased by $1.4 billion (27.42 percent). Long-term debt increased primarily due to a increase in the net pension liability. Additional information regarding long-term debt can be found in Note 6.

Overview of the Financial Statements

This Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to the State's basic financial statements. The State's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements (reporting on the State as a whole)

The government-wide financial statements are designed to provide readers with a broad overview of the State's finances, in a manner similar to a private-sector business. It includes all of the State's funds and component units except for fiduciary funds. However, the primary focus of the statements is clearly on the State and the presentation allows the user to address the relative relationship with the discretely presented component units.

The statement of net position presents information on all of the State's assets, liabilities and deferred outflows and inflows of resources. Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Over time, increases or decreases in net position should serve as a useful indicator of whether the financial position of the State is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless

of the timing of related cash flows. Therefore, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements report three activities:

- Governmental Activities - Most of the State's basic services are reported in this category. Governmental activities are principally supported by interest and investment income, taxes, rents and royalties, and intergovernmental revenues. The Legislature, the Judiciary, and the general operations of the Executive departments fall within the governmental activities.
- Business-Type Activities - The State charges fees to customers to help it cover all or most of the cost of certain services it provides. The State's International Airports Fund, the various loan funds, and the Unemployment Compensation fund are examples of business-type activities.
- Discretely Presented Component Units - Component units are legally separate organizations for which the State is financially accountable. The State has one university and ten corporations and authorities that are reported as discretely presented component units of the State.

The government-wide financial statements are statement numbers 1.01 and 1.02.

This report includes two statements (statement numbers 1.12 and 1.14) that reconcile the amounts reported on the governmental fund financial statements (modified accrual accounting) with governmental activities (accrual accounting) on the appropriate government-wide statements. The following summarizes the impact of transitioning from modified accrual to accrual accounting.

- Capital assets (land, buildings, equipment, infrastructure, intangibles, and construction in progress) used in governmental activities are not reported in governmental fund statements.
- Pension and OPEB assets, and claims and judgments are not current available resources and are not reported in the governmental fund statements.
- Deferred outflows and deferred inflows are not reported in the governmental fund statements.
- Internal service funds are reported as governmental activities in the government-wide financial statements, but are reported as proprietary funds in the fund financial statements.
- Certain revenues, unavailable to pay for current period expenditures, are not reported in the governmental fund statements.
- Unless due and payable in the current period, certain long-term liabilities such as net pension liability, lease obligations, compensated absences, litigation, notes and bonds payable, and others only appear as liabilities in the government-wide statements.
- Capital outlay spending results in capital assets in the government-wide statements, but are reported as expenditures on the governmental fund statements.
- Bond and other debt proceeds provide current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.
- After the implementation of GASB 87 and GASB 96, certain lease and SBITA arrangements are considered a source of financing in the governmental funds but are reported as a liability in the Statement of Net Position.
- Certain expenditures are reported in the funds but either increase or decrease long-term liabilities or deferred outflows on the Statement of Net Position and have been eliminated from the Statement of Activities.

Fund Financial Statements (reporting on the State's major funds)

The fund financial statements are statement numbers 1.11 through 1.42 and provide detailed information about the major individual funds. The State has three major funds: the General Fund, the Alaska Permanent Fund, which are included in the governmental fund statements, and the International Airports Fund which is included in the proprietary fund statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The State of Alaska, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the State can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. We have also included the discretely presented component units in the fund financial statements and include detailed information on the four major component units, the University of Alaska, Alaska Housing Finance Corporation, Alaska Energy Authority and Alaska Industrial Development and Export Authority.

Governmental funds - Most of the State's basic services are reported in the governmental funds. Governmental funds include the General Fund, special revenue funds, capital projects funds, debt service funds, and permanent funds. Governmental fund

financial statement focus is on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating whether there are more or fewer financial resources that can be spent in the near future to finance the State's programs. These funds are reported using modified accrual accounting, which measures cash and other financial assets that can be readily converted to cash. The governmental fund financial statements are statement numbers 1.11 through 1.14.

As mentioned earlier, the State has only two major governmental funds: the Alaska Permanent Fund and the General Fund. Together these two funds represent 96.4 percent of total government-wide cash and investments and 89.2 percent of total government-wide net position (excluding component units). The governmental funds financial statements present detail on each of these funds, with summarized information on all other governmental funds. In addition, detail for each of the nonmajor governmental funds is available in combining statements elsewhere in this report.

The State's main operating fund is the General Fund. However, the State maintains many accounts and subfunds within the General Fund, including the Constitutional Budget Reserve Fund, the Statutory Budget Reserve Fund, the Permanent Fund Dividend Fund, and the Public Education Fund. Because of materiality and public interest in these funds, individual fund data for each of these subfunds is provided in the combining statement for the General Fund elsewhere in this report.

Proprietary funds - When the State charges customers for the services it provides, whether to outside customers or to other State agencies, these services are generally reported in proprietary funds. Proprietary funds (enterprise and internal service) utilize accrual accounting, the same method used by private-sector businesses. Enterprise funds are used to report activities that provide supplies and services to the general public. The State uses enterprise funds to account for activities such as international airports operations, various loan funds, and the unemployment compensation fund. These activities are reported within business-type activities on the government-wide financial statements.

Internal service funds account for activities that provide supplies and services for other State programs. These include, among others, the State's equipment fleet and data processing/telecommunications. Because these services primarily benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

The proprietary fund financial statements are statement numbers 1.21 through 1.23. The International Airports Fund is the only major enterprise funds of the State of Alaska. The International Airports Fund is 3.6 percent of total government-wide liabilities (excluding component units). The proprietary funds financial statements present detail for these two funds with summarized information on all other proprietary funds. In addition, detail for each of the nonmajor proprietary funds is provided in the combining statements elsewhere in this report.

Fiduciary funds - The State acts as a trustee or fiduciary for its employee pension plans. In addition, it is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. The State's fiduciary activities are reported in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. These funds, which include pension (and other employee benefits), investment trust funds, and custodial funds, are reported using accrual accounting. Since fiduciary assets are restricted in purpose and are not available to support the State's own programs, these fiduciary assets are not presented as part of the government-wide financial statements.

The fiduciary fund financial statements are statement numbers 1.31 and 1.32.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found immediately following the component unit statement of activities (statement number 1.42).

Additional Required Supplementary Information (RSI)

In addition to the basic financial statements and accompanying notes, this report includes additional required supplementary information. Included in the RSI is a budgetary comparison schedule for the General Fund reconciling the statutory and generally accepted accounting principles (GAAP) fund balances at fiscal year-end (statement number 2.01). Also included are schedules displaying the proportionate share of the net pension and OPEB liability/asset, employer contribution amounts, the

sources of changes in the net pension and OPEB liability/asset, components of the net pension and OPEB liability/asset and related ratios, and the net pension and OPEB liability/asset as a percentage of covered-employee payroll.

Other Supplementary Information

Other supplementary information includes combining financial statements for nonmajor governmental, proprietary, and fiduciary funds, as well as nonmajor discretely presented component units. These nonmajor funds are added together by fund type and presented in single columns in the basic financial statements, but are not reported individually on the fund financial statements. Only the major funds: the General Fund, the Alaska Permanent Fund, and the International Airports Fund are presented individually on the primary government fund financial statements. Schedules of revenues, expenditures, and changes in fund balances - budget and actual are also presented for all governmental funds with annually adopted budgets.

Government-wide Financial Analysis

As noted earlier, net position should serve over time as a useful indicator of a government's financial position. State assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $93.3 billion at the close of FY 2023 (see table below). By far the largest portion of the State's net position (83.7 percent) reflects its investments held in the Alaska Permanent Fund. However, the majority of these assets are not available for future spending since the principal of the fund ($67.5 billion) may not be spent.

The remainder of the State's net position (16.3 percent) represents net investment in capital assets ($9.0 billion), resources that are subject to external restrictions of how they may be used ($2.18 billion), and the remaining is unrestricted net position.

Net Position
(Stated in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
				Restated		
	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
Current and Other Noncurrent Assets	$ 91,122	$ 92,416	$ 2,686	$ 2,483	$ 93,808	$ 94,899
Capital Assets	8,871	8,657	1,088	1,121	9,959	9,778
Total Assets	99,993	101,073	3,774	3,604	103,767	104,677
Deferred Outflows of Resources	641	572	12	14	653	586
Long-term Liabilities	6,019	4,657	439	412	6,458	5,069
Other Liabilities	4,384	7,868	56	57	4,440	7,925
Total Liabilities	10,403	12,525	495	469	10,898	12,994
Deferred Inflows of Resources	184	2,339	29	124	213	2,463
Net Position:						
Net Investment in Capital Assets	8,156	7,944	846	870	9,002	8,814
Restricted	68,471	61,067	1,235	1,101	69,706	62,168
Unrestricted	13,420	17,770	1,181	1,054	14,601	18,824
Total Net Position	$ 90,047	$ 86,781	$ 3,262	$ 3,025	$ 93,309	$ 89,806

The net position of governmental activities increased $3,266 million and business-type activities increased $237 million. Governmental activities net position increased due to a large increase in interest and investment income associated with the Permanent Fund. The increase in business type activities is a result of this year's operations.

The following condensed financial information was derived from the government-wide Statement of Activities and reflects how the State's net position changed during FY 2023.

Changes in Net Position
(Stated in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
Revenues						
Program Revenues						
Charges for Services	$ 2,428	$ 2,256	$ 399	$ 375	$ 2,827	$ 2,631
Operating Grants	4,442	4,448	36	53	4,478	4,501
Capital Grants	888	842	46	77	934	919
General Revenues						
Taxes	2,779	2,866	—	—	2,779	2,866
Interest and Investment Income/(Loss)	4,748	(2,997)	84	(101)	4,832	(3,098)
Payments In from Component Units	43	32	—	—	43	32
Other Revenues	66	66	—	1	66	67
Total Revenues	15,394	7,513	565	405	15,959	7,918
Expenses						
General Government	332	(109)	—	—	332	(109)
Alaska Permanent Fund Dividend	2,071	709	—	—	2,071	709
Education and University	2,396	1,854	—	—	2,396	1,854
Health and Human Services	4,150	4,153	—	—	4,150	4,153
Law and Justice	259	233	—	—	259	233
Public Protection	1,010	912	—	—	1,010	912
Natural Resources	336	306	—	—	336	306
Development	181	158	—	—	181	158
Transportation	1,199	1,034	—	—	1,199	1,034
Intergovernmental	145	182	—	—	145	182
Debt Service	44	37	—	—	44	37
Loans	—	—	8	2	8	2
Insurance	—	—	138	196	138	196
Airports	—	—	181	184	181	184
Total Expenses	12,123	9,469	327	382	12,450	9,851
Excess (Deficiency) of Revenues Over Expenditures	3,271	(1,956)	238	23	3,509	(1,933)
Transfers	(5)	—	—	—	(5)	—
Change in Net Position	3,266	(1,956)	238	23	3,504	(1,933)
Net Position - Beginning of Year (restated)	86,781	88,737	3,024	2,977	89,805	91,714
Prior Period Adjustment	—	—	—	25	—	25
Net Position - End of Year	$ 90,047	$ 86,781	$ 3,262	$ 3,025	$ 93,309	$ 89,806

Financial Analysis of the State's Funds

As noted earlier, the State uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the State's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the State's financing requirements. In particular, unassigned, assigned, and committed fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the State's governmental funds reported combined ending fund balances of $84.3 billion, an increase of $2.6 billion in comparison with the prior year.

The General Fund unassigned and committed fund balances, which are available for spending at the government's discretion, had balances of $2.1 billion, and $3.0 billion, respectively. The Alaska Permanent Fund (earnings reserve account) had an unrestricted fund balance of $10.5 billion of which $7.0 billion is assigned and $3.5 billion is committed. The remaining nonmajor governmental funds had committed fund balances of $106.4 million. The remainder of fund balance is restricted or nonspendable to indicate that it is not available for new spending such as the principal of the Alaska Permanent Fund ($67.5 billion), and other items that are nonspendable, such as inventory, advances and prepaid items, and principal ($849.7 million), and amounts restricted for a variety of other purposes ($220.3 million).

The General Fund is the chief operating fund of the State. At the end of the current fiscal year, unrestricted fund balance (includes committed, assigned, and unassigned) of the General Fund was $5.1 billion, while total fund balance reached $5.2 billion. As a measure of the General Fund's liquidity, it may be useful to compare both unrestricted fund balance and total fund balance to total fund expenditures. Unrestricted fund balance represents 41.1 percent of total General Fund expenditures, while total fund balance represents 42.1 percent of that same amount.

The fund balance of the State's General Fund increased by $808.4 million during the current fiscal year. For FY 2023, the most significant source of revenue was federal revenues (52.0 percent) followed by taxes (28.1 percent). For FY 2023, the increase in revenues is attributable to a large increase in interest and investment income when compared to FY 2022.

General Fund revenues for FY 2023 were $9.84 billion, an increase of $33.1 million compared to revenues of $9.81 billion for FY 2022. Revenues by source for FY 2023 are compared to FY 2022 in the following schedule (in millions):

Revenue Source	FY 2023	Percent	FY 2022	Percent
Taxes	$ 2,764.8	28.1 %	$ 2,851.9	29.1 %
Rents and Royalties	1,221.7	12.4	1,325.6	13.5
Interest and Investment Income/(Loss)	279.4	2.8	(133.6)	(1.4)
Federal	5,109.4	52.0	5,359.1	54.7
Miscellaneous	463.6	4.7	402.9	4.1
Total Revenue	$ 9,839.0	100.0 %	$ 9,805.9	100.0 %

The primary component of the $33.1 million increase in General Fund revenue was a $413.0 million increase in interest and investment income. This increase was partially offset by decreases of $103.9 million in rents and royalties, and $249.7 million in federal revenue during FY 2023.

Alaska Permanent Fund

The Alaska Permanent Fund (fund) is an asset of the State of Alaska that is managed by the Alaska Permanent Fund Corporation, an instrumentality of the State of Alaska.

In 1976 the Alaska Constitution was amended to provide that: *At least twenty-five percent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments, and bonuses received by the State shall be placed in a permanent fund, the principal of which shall be used only for those income-producing investments specifically designated by*

law as eligible for permanent fund investments. All income from the permanent fund shall be deposited in the General Fund unless otherwise provided by law.

The fund is made up of three parts.

- Nonspendable Fund Balances: The nonspendable fund balances, or principal, include all historical contributions and appropriations, which are the main body of the fund. On June 30, 2023, this amounted to $56.4 billion. The sources of contributions and appropriations of the fund, since inception, were as follows: $19.2 billion in dedicated mineral revenues; $22.2 billion of fund realized earnings transferred to principal for inflation proofing; $14.9 billion in additional deposits approved by special legislative appropriation, and $153 million in settlement earnings (State v. Amerada Hess, et al.).

  A portion of accumulated unrealized appreciation on invested assets is also part of the nonspendable fund balances. The unrealized amounts allocated to contributions and appropriations are nonspendable, unless and until they become realized, at which point they will be transferred to the assigned fund balance. The portion of the unrealized appreciation at the end of the fiscal year allocated to principal amounted to $11.1 billion.

- **Committed Fund Balances:** The committed fund balances are realized earnings of the Fund which have been designated by appropriation for a specific purpose and meet other criteria as defined by Generally Accepted Accounting Principles. During FY 2019, legislation was passed which provides for a transfer from the Earning Reserve Account to the General Fund for the payment of unrestricted General Fund expenditures, including the dividend. The amount of the transfer is based upon a percentage of the average market value of the Fund at the end of the first five of the preceding six fiscal years. The legislation took effect on July 1, 2019. The FY 2023 balance sheet reflects a commitment of fund balance of $3.5 billion for transfer during FY 2024.

- **Assigned Fund Balances:** The assigned fund balances, which are available for legislative appropriation per AS 37.13.145, consist of $5.2 billion in realized earnings of the fund and $1.7 billion in accumulated unrealized appreciation.

General Fund Budgetary Highlights

The difference between the original expenditure budget and the final amended budget was a net decrease of $872 million in appropriations (or 3.7 percent). The net effect of increases and decrease in appropriations can be briefly summarized as follows:

- $1,491 million decrease allocated to transportation
- $642 million increase allocated to public protection
- $40 million increase allocated to development
- $286 million decrease allocated to health and human services
- $82 million increase allocated to natural resources
- The balance is allocated across several expenditure functions

The difference between the final amended budget and actual expenditures was $9.6 billion (or 42.5 percent). The difference was primarily due to multiyear appropriations exceeding expenditures within FY 2023 by $5.3 billion in transportation and a $1.8 billion in health and human services.

The difference between the final amended budget and actual revenues was $10.2 billion (or 50.4% percent). The difference was primarily due to multiyear appropriations exceeding revenues within FY 2023 by $8.0 billion in Federal Grants in Aid. The biggest variances are due to capital projects that span several fiscal years.

Capital Assets and Debt Administration

Capital Assets

The State's net investment in capital assets for its governmental and business-type activities as of June 30, 2023, amounts to $9.0 billion. The table below displays total capital assets, net of accumulated depreciation. Depreciation charges for FY 2023 totaled $600 million for governmental activities and $76 million for business-type activities.

Capital Assets

(Stated in Millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
Land	$ 1,104	$ 1,095	$ 31	$ 31	$ 1,135	$ 1,126
Buildings	1,326	1,367	524	554	1,850	1,921
Equipment	590	598	32	32	622	630
Infrastructure	3,856	3,679	482	498	4,338	4,177
Intangibles	297	264	—	—	297	264
Construction in Progress	1,699	1,652	18	7	1,717	1,659
Total Capital Assets	$ 8,872	$ 8,655	$ 1,087	$ 1,122	$ 9,959	$ 9,777

In FY 2023, increases were mainly in infrastructure and construction in progress with an increase of $161 million and $58 million respectively. These increases were partially offset by decreases in buildings in the amount of $71 million. Additional information on the State's capital assets can be found in Note 5 in the notes to the basic financial statements.

Long-term Debt

At the end of the current fiscal year, the State had total bonded debt outstanding of $1,185 million. Of this amount, $620 million was general obligation bonds, and $565 million of revenue bonds payable comprised of $297 million issued by the Northern Tobacco Securitization Corporation (NTSC), and $268 million issued by the International Airport Fund. The general obligation bonds are secured by the full faith, credit, and resources of the State, whereas the NTSC bonds are secured by and payable solely from Tobacco Settlement Revenues (TSRs). Neither the State of Alaska, nor the Alaska Housing Finance Corporation (of which NTSC is a subsidiary) is liable for any debt issued by NTSC. The remaining $268 million are International Airports revenue bonds secured solely by specified revenue sources. The general obligation and NTSC bonds are reported as governmental activities debt, and the International Airports bonds are reported as business-type activities debt.

Long-term Debt
(Stated in millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
Revenue Bonds Payable	$ 297	$ 309	$ 268	$ 278	$ 565	$ 587
General Obligation Debt	620	674	—	—	620	674
Notes Payable	—	1	—	—	—	1
Leases and SBITA Payable	439	421	—	—	439	421
Unearned Revenue	141	363	28	21	169	384
Certificates of Participation	17	20	—	—	17	20
Compensated Absences	201	192	6	5	207	197
Claims and Judgments	201	186	—	—	201	186
Pollution Remediation	126	125	14	9	140	134
Other Noncurrent Liabilities	34	38	39	41	73	79
Net OPEB Liability	—	—	—	—	—	—
Net Pension Liability	3,943	2,328	84	58	4,027	2,386
Total	$ 6,019	$ 4,657	$ 439	$ 412	$ 6,458	$ 5,069

The State's total long-term debt increased by $1,390 million (27.42 percent) during FY 2023. The increase in debt is primarily due to an increase in the net pension liability.

With the implementation of GASB Statement 68 and 75, the State of Alaska reported net pension liabilities and net OPEB liabilities/assets in relation to a special funding situation in the amount of $1.5 million net pension liability, and 709.5 million net OPEB asset. The State of Alaska, Department of Law issued a legal opinion that the State of Alaska is not legally responsible for this portion of the net pension liability. Regardless, the financial statements must be reported under generally accepted accounting principles.

As of June 30, 2023, the State's General Obligation debt ratings were AA-/A+/Aa3 from S&P Global Ratings (S&P), Fitch Ratings (Fitch), and Moody's Investors Service, Inc. (Moody's), respectively. The outlook on S&P rating is positive, and the outlook on the Fitch and Moody's ratings are stable. Effective July 20, 2023, Kroll Bond Rating Agency (KBRA) initiated a rating on the State's outstanding General Obligation Bonds, assigning a long-term rating of AA, and the outlook is stable.

Additional information regarding the State's long-term debt can be found in Note 6, in the notes to the basic financial statements.

Significant Facts

The Public Employee's Retirement System's (PERS) net investment income increased from a loss of $(1.6) billion during FY 2022 to $1.8 billion during FY 2023. The Teacher's Retirement System's (TRS) net investment income increased from a loss of $(0.7) billion during FY 2022 to $814.6 million during FY 2023.

Effective July 1, 2022, the State implemented the Governmental Accounting Standards Board's (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. GASB 96 requires all the recognition of certain right-to-use subscription assets and the corresponding subscription liabilities for software subscriptions that previously were classified as operating expense. As a result of the implementation, subscription asset and liability have been recognized.

The Permanent Fund ended the fiscal year at 5.18 percent total return. The components of this increase were $1.6 billion in stock dividends, bond interest, and cash flow income from other investments, $754 million in dedicated mineral deposits, increase in the fair value of investments of $2.8 billion, offset by operating expenses and other appropriations of $171 million, and the General Fund transfer of $3.4 billion. This represents a significant recovery from the (1.32) percent total return in FY 2022 though it lags behind median projections. Please see Note 1 for further information regarding this blended component unit and how to obtain the separately issued financial statements.

Economic Factors and Next Year's Budgets and Rates

- The State's average unemployment rate for FY 2023 was 3.7 percent, down from the seasonally adjusted average unemployment rate for FY 2022. Alaska's five year average (2019 to 2023) was 5.8 percent. The United States unemployment rate for FY 2023 was 3.6 percent.

- Total General Fund revenue for FY 2023 was $9.8 billion. Three sources of revenue accounted for 92.5 percent of total state revenue; federal, taxes, and rents and royalties. Federal accounted for 52.0 percent, taxes accounted for 28.1 percent, and rents and royalties accounted for 12.4 percent of general fund revenue. The State's budget is primarily structured around petroleum and federal revenue. Federal funds are generally restricted for use for federal programs and therefore cannot be used to balance the State budget. Petroleum revenues continue to be of concern with fluctuating oil prices and lawmakers continuing to use State reserves to close budget gaps.

- FY 2023 crude oil and natural gas liquids production in the State of Alaska for the North Slope averaged 479.4 thousand barrels per day. This is three thousand barrels per day more than in the prior year. In Cook Inlet, production averaged approximately nine thousand barrels per day; a decrease of less than 400 barrels per day compared to the prior year.

- The State of Alaska FY 2023 budgeted expenditures include certain items that are unique to Alaska, such as the Alaska Permanent Fund Dividend and the Energy Relief Payment. The Alaska Permanent Fund Dividend ($2,622/resident) and the Alaska Energy Relief Payment ($662/resident) was paid to each qualifying Alaskan for a total of $2.1 billion.

Requests for Information

This financial report is designed to provide a general overview of the State's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the State of Alaska, Division of Finance, P.O. Box 110204, Juneau, AK 99811-0204.

Basic Financial Statements





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Government-wide Financial Statements

STATE OF ALASKA **STATEMENT 1.01**

Statement of Net Position

Government-wide

June 30, 2023

(Stated in Thousands)

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
ASSETS				
Cash and Investments	$ 85,528,251	$ 1,918,848	$ 87,447,099	$ 2,467,018
Accounts Receivable - Net	765,354	35,531	800,885	53,181
Interest and Dividends Receivable	217,897	13,942	231,839	40,347
Internal Balances	(1,138)	1,138	—	—
Due from Primary Government	—	—	—	22,163
Due from Component Units	3,044	—	3,044	4,692
Due from Other Governments	936,822	53,635	990,457	92,648
Loans, Notes, Bonds, and Leases Receivable	54,511	546,215	600,726	5,445,522
Inventories	36,242	—	36,242	17,124
Repossessed Property	—	170	170	4,870
Restricted Assets	10	80,225	80,235	2,308,680
Securities Lending Collateral	1,791,238	—	1,791,238	16,153
Net Pension Asset	16,327	—	16,327	—
Net OPEB Asset	1,713,158	33,777	1,746,935	157,740
Other Assets	60,280	2,563	62,843	62,961
Capital Assets:				
Equipment, Net of Depreciation	588,526	32,183	620,709	335,408
Buildings, Net of Depreciation	1,326,097	524,306	1,850,403	1,240,010
Library Books, Net of Depreciation	—	—	—	5,759
Infrastructure, Net of Depreciation	3,855,749	482,021	4,337,770	945,759
Intangibles, Net of Amortization	296,915	—	296,915	16,586
Museum Collections	—	—	—	7,399
Land / Right-of-Way	1,103,965	31,203	1,135,168	137,566
Construction in Progress	1,699,984	18,193	1,718,177	374,970
Total Assets	99,993,232	3,773,950	103,767,182	13,756,556
DEFERRED OUTFLOWS OF RESOURCES				
Total Deferred Outflows of Resources	640,765	12,671	653,436	145,585
LIABILITIES				
Accounts Payable and Accrued Liabilities	2,573,713	50,317	2,624,030	127,917
Obligations Under Securities Lending	1,791,238	—	1,791,238	16,153
Due to Primary Government	—	—	—	32,884
Due to Component Units	4,987	—	4,987	16,384
Due to Other Governments	—	2,966	2,966	2,178
Interest Payable	14,046	2,824	16,870	18,818
Derivative Instruments	—	—	—	39,013
Other Current Liabilities	4	292	296	161,326

This statement continues on the next page.

STATE OF ALASKA **STATEMENT 1.01**
Statement of Net Position
Government-wide
June 30, 2023
(Stated in Thousands)

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
LIABILITIES (Continued)				
Long-Term Liabilities:				
Portion Due or Payable Within One Year:				
Claims, Judgments, Compensated Absences, and Pollution Remediation	210,617	5,497	216,114	17,543
Unearned Revenue	77,242	27,787	105,029	162,013
Notes, Bonds, Leases, and SBITAs Payable	114,869	9,835	124,704	211,132
Other Noncurrent Liabilities	612	—	612	405
Portion Due or Payable After One Year:				
Claims, Judgments, Compensated Absences, and Pollution Remediation	317,346	14,759	332,105	3,814
Unearned Revenue	63,528	—	63,528	759
Notes, Bonds, Leases, and SBITAs Payable	1,258,174	258,596	1,516,770	3,672,886
Net Pension Liabilities	3,943,100	84,192	4,027,292	321,444
Other Noncurrent Liabilities	33,833	38,688	72,521	18,325
Total Liabilities	10,403,309	495,753	10,899,062	4,822,994
DEFERRED INFLOWS OF RESOURCES				
Total Deferred Inflows of Resources	184,107	28,767	212,874	1,090,486
NET POSITION				
Net Investment in Capital Assets	8,156,691	845,973	9,002,664	2,153,566
Restricted for:				
Permanent Funds				
Nonexpendable	68,283,290	—	68,283,290	679,470
Expendable	—	—	—	173,352
Education	11,132	—	11,132	710,049
Development	128,440	—	128,440	150,972
Unemployment Compensation	—	588,632	588,632	—
Health and Human Services	19,901	594,052	613,953	—
Debt Service	20,742	7,394	28,136	635,373
Other Purposes	6,458	45,286	51,744	1,496,430
Unrestricted	13,419,927	1,180,764	14,600,691	1,989,449
Total Net Position	$ 90,046,581	$ 3,262,101	$ 93,308,682	$ 7,988,661

The notes to the financial statements are an integral part of this statement.

STATE OF ALASKA **STATEMENT 1.02**
Statement of Activities
Government-wide
For the Fiscal Year Ended June 30, 2023
(Stated in Thousands)

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services, Royalties and Other Fees	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	$ 331,763	$ 30,220	$ 29,069	$ (65)
Alaska Permanent Fund Dividend	2,070,825	—	—	—
Education	2,050,871	3,916	524,584	1,075
University	345,816	4	—	—
Health and Human Services	4,150,734	58,925	2,912,341	38,043
Law and Justice	259,072	4,645	121,707	—
Public Protection	1,010,214	193,693	354,472	6,498
Natural Resources	335,781	2,082,090	117,825	12,229
Development	180,869	(2,050)	126,447	3,109
Transportation	1,199,042	56,455	200,854	827,332
Intergovernmental Revenue Sharing	145,039	—	52,400	—
Debt Service	43,942	—	2,473	—
Total Governmental Activities	12,123,968	2,427,898	4,442,172	888,221
Business-Type Activities:				
Loans	7,781	12,098	364	1,666
Insurance	138,208	267,856	(3,892)	—
Airports	180,795	119,005	39,456	43,723
Total Business-Type Activities	326,784	398,959	35,928	45,389
Total Primary Government	$ 12,450,752	$ 2,826,857	$ 4,478,100	$ 933,610
Component Units:				
University of Alaska	$ 821,422	$ 154,810	$ 315,225	$ 9,169
Alaska Housing Finance Corporation	309,838	139,655	137,608	20,092
Alaska Industrial Development and Export Authority	37,954	62,573	7,274	1,631
Alaska Energy Authority	149,750	27,886	35,641	—
Nonmajor Component Units	321,115	251,231	109,886	—
Total Component Units	$ 1,640,079	$ 636,155	$ 605,634	$ 30,892

This statement continues on the next page.

STATE OF ALASKA **STATEMENT 1.02**
Statement of Activities
Government-wide
For the Fiscal Year Ended June 30, 2023
(Stated in Thousands)

	Net (Expense) Revenue and Changes in Net Position			
	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
FUNCTIONS/PROGRAMS				
Primary Government:				
Governmental Activities:				
General Government	$ (272,539)		$ (272,539)	
Alaska Permanent Fund Dividend	(2,070,825)		(2,070,825)	
Education	(1,521,296)		(1,521,296)	
University	(345,812)		(345,812)	
Health and Human Services	(1,141,425)		(1,141,425)	
Law and Justice	(132,720)		(132,720)	
Public Protection	(455,551)		(455,551)	
Natural Resources	1,876,363		1,876,363	
Development	(53,363)		(53,363)	
Transportation	(114,401)		(114,401)	
Intergovernmental Revenue Sharing	(92,639)		(92,639)	
Debt Service	(41,469)		(41,469)	
Total Governmental Activities	(4,365,677)		(4,365,677)	
Business-Type Activities:				
Loans		$ 6,347	6,347	
Insurance		125,756	125,756	
Airports		21,389	21,389	
Total Business-Type Activities		153,492	153,492	
Total Primary Government	(4,365,677)	153,492	(4,212,185)	
Component Units:				
University of Alaska				$ (342,218)
Alaska Housing Finance Corporation				(12,483)
Alaska Industrial Development and Export Authority				33,524
Alaska Energy Authority				(86,223)
Nonmajor Component Units				40,002
Total Component Units				(367,398)
General Revenues				
Taxes:				
Severance Taxes	1,903,439	—	1,903,439	—
Selective Sales/Use	304,577	—	304,577	—
Income Taxes	438,897	—	438,897	—
Property Taxes	128,939	—	128,939	—
Other Taxes	2,995	—	2,995	—
Interest and Investment Income (Loss)	4,748,432	84,212	4,832,644	178,896
Tobacco Settlement	23,180	—	23,180	—
Payments in from Component Units	42,778	—	42,778	—
Payments In from Primary Government	—	—	—	320,993
Other Revenues	42,923	353	43,276	2,427
Transfers - Internal Activity	(5,170)	(30)	(5,200)	—
Extraordinary Items:				
Extraordinary Item Detail	—	—	—	(10,630)
Total General Revenues	7,630,990	84,535	7,715,525	491,686
Change in Net Position	3,265,313	238,027	3,503,340	124,288
Net Position - Beginning of Year (Restated)	86,781,268	3,024,074	89,805,342	7,855,077
Prior Period Adjustment	—	—	—	9,296
Net Position - End of Year	$ 90,046,581	$ 3,262,101	$ 93,308,682	$ 7,988,661

The notes to the financial statements are an integral part of this statement.



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Governmental Funds Financial Statements

MAJOR FUNDS

- **General Fund** - This fund is the State's operating fund. It accounts for the financial resources and transactions not accounted for in other funds. A description of the General Fund accounts and sub-funds are presented in the Combining Fund Statements.

- **Alaska Permanent Fund** - Alaska Constitution, Article IX, Section 15 - Administered by the Alaska Permanent Fund Corporation. The Alaska Constitution provides that at least 25 percent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments, and bonuses received by the State shall be placed in the Alaska Permanent Fund.

NONMAJOR FUNDS

Other nonmajor governmental funds are presented by fund type in the Combining Fund Statements.

STATE OF ALASKA **STATEMENT 1.11**

Balance Sheet

Governmental Funds

June 30, 2023

(Stated in Thousands)

	General Fund	Alaska Permanent Fund	Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and Investments	$ 5,798,027	$ 78,523,685	$ 1,053,069	$ 85,374,781
Accounts Receivable - Net	185,961	539,506	1,797	727,264
Interest and Dividends Receivable	26,133	191,368	396	217,897
Due from Other Funds	59,678	35,779	4,438	99,895
Due from Component Units	3,044	—	—	3,044
Due from Other Governments	934,352	—	508	934,860
Loans, Notes, Bonds and Leases Receivable	54,359	—	152	54,511
Inventories	30,723	—	—	30,723
Securities Lending Collateral	—	1,791,238	—	1,791,238
Other Assets	54,648	—	1,723	56,371
Total Assets	7,146,925	81,081,576	1,062,083	89,290,584
LIABILITIES				
Accounts Payable and Accrued Liabilities	1,217,061	1,264,176	8,468	2,489,705
Obligations Under Securities Lending	—	1,791,238	—	1,791,238
Due to Other Funds	138,404	14,265	4,506	157,175
Due to Component Units	4,987	—	—	4,987
Unearned Revenue	139,470	—	1,303	140,773
Other Liabilities	33,859	—	587	34,446
Total Liabilities	1,533,781	3,069,679	14,864	4,618,324
DEFERRED INFLOWS OF RESOURCES				
Total Deferred Inflows of Resources	393,055	—	77	393,132
FUND BALANCES				
Nonspendable:				
Inventory	30,723	—	—	30,723
Principal	—	67,520,699	762,591	68,283,290
Advances and Prepaid Items	54,648	—	1,691	56,339
Restricted for:				
Debt Service	4,678	—	16,235	20,913
Education	16,527	—	3,087	19,614
Health and Human Services	830	—	19,071	19,901
Development	15,606	—	137,846	153,452
Other Purposes	6,249	—	209	6,458
Committed to:				
Education	692,074	—	190	692,264
Health and Human Services	267,819	—	—	267,819
Public Protection	279,577	—	398	279,975
Permanent Fund	21,260	—	—	21,260
Development	1,465,456	—	105,859	1,571,315
Other Purposes	238,170	3,526,088	—	3,764,258
Assigned to:				
Public Protection	905	—	—	905
Permanent Fund	—	6,965,110	—	6,965,110
Unassigned	2,125,567	—	(35)	2,125,532
Total Fund Balances	5,220,089	78,011,897	1,047,142	84,279,128
Total Liabilities, Deferred Inflows, and Fund Balances	$ 7,146,925	$ 81,081,576	$ 1,062,083	$ 89,290,584

The notes to the financial statements are an integral part of this statement.

STATE OF ALASKA **STATEMENT 1.12**

Reconciliation of the Balance Sheet to the Statement of Net Position
Governmental Funds
June 30, 2023
(Stated in Thousands)

Total Fund Balances - Governmental Funds		$ 84,279,128
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds (Note 5). These assets consist of:		
Equipment, net of depreciation	410,895	
Buildings, net of depreciation	1,244,355	
Infrastructure, net of depreciation	3,855,749	
Intangibles, net of amortization	273,954	
Land / right-of-way	1,103,965	
Construction in progress	1,672,922	
		8,561,840
Certain prepaid expenditures are related to the purchase of capital assets.		(449)
Some of the state's assets are not current available resources and are not reported in the funds.		
Claims and judgments, net of federal reimbursement	1,962	
Net pension asset (Note 7)	16,327	
Other post employment benefits asset (Note 7)	1,682,332	
		1,700,621
Deferred outflows of resources that are not reported in the funds.		
Losses on bond refunding	1,464	
Related to pensions	516,691	
Related to OPEB	111,046	
		629,201
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position (See Statement 1.21).		435,952
Certain revenues are not available to pay for the current period's expenditures and therefore are not reported in the funds.		337,169
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds (Note 6).		
Claims and judgments, net of federal reimbursement	(200,916)	
Compensated absences	(195,757)	
Pollution remediation	(125,678)	
Lease and SBITA obligations	(434,151)	
Net pension liability	(3,866,258)	
		(4,822,760)
Long-term bonded debt is not due and payable in the current period and therefore is not reported in the funds (Note 6).		
Notes and bonds payable	(934,352)	
Accrued interest payable	(14,046)	
		(948,398)
Deferred inflows of resources related to pensions that are not reported in the funds.		(143,775)
Deferred inflows of resources related to the sale of future tobacco settlement revenues that are eliminated from the Government-wide Statement of Net Position.		18,052
Net Position of Governmental Activities		$ 90,046,581

The notes to the financial statements are an integral part of this statement.

STATE OF ALASKA **STATEMENT 1.13**
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2023
(Stated in Thousands)

	General Fund	Alaska Permanent Fund	Nonmajor Funds	Total Governmental Funds
REVENUES				
Taxes	$ 2,764,821	$ —	$ 14,026	$ 2,778,847
Licenses and Permits	139,925	—	41,025	180,950
Charges for Services	178,347	—	690	179,037
Fines and Forfeitures	30,060	—	110	30,170
Rents and Royalties	1,221,703	753,610	50,344	2,025,657
Premiums and Contributions	25,469	—	20,458	45,927
Interest and Investment Income (Loss)	279,449	4,467,320	78,448	4,825,217
Federal Grants in Aid	5,109,390	—	983	5,110,373
Payments In from Component Units	44,516	—	—	44,516
Other Revenues	45,386	—	18,552	63,938
Total Revenues	9,839,066	5,220,930	224,636	15,284,632
EXPENDITURES				
Current:				
General Government	281,592	161,838	3,077	446,507
Alaska Permanent Fund Dividend	2,070,825	—	—	2,070,825
Education	2,041,940	—	17,929	2,059,869
University	337,311	—	425	337,736
Health and Human Services	4,139,337	—	3,285	4,142,622
Law and Justice	291,846	2,923	—	294,769
Public Protection	1,090,340	—	475	1,090,815
Natural Resources	305,639	6,611	52,154	364,404
Development	179,763	—	1,091	180,854
Transportation	1,429,865	—	12,498	1,442,363
Intergovernmental Revenue Sharing	145,039	—	—	145,039
Debt Service:				
Principal	61,868	—	54,510	116,378
Interest and Other Charges	14,631	—	38,500	53,131
Total Expenditures	12,389,996	171,372	183,944	12,745,312
Excess (Deficiency) of Revenues Over Expenditures	(2,550,930)	5,049,558	40,692	2,539,320
OTHER FINANCING SOURCES (USES)				
Refunding Bonds Issued	—	—	55,900	55,900
Bonds Issued Premium	—	—	2,022	2,022
Payment to Refunded Bonds Escrow Agent	—	—	(57,625)	(57,625)
Leases and SBITA	39,515	—	—	39,515
Transfers In from Other Funds	3,415,151	—	76,160	3,491,311
Transfers (Out to) Other Funds	(95,345)	(3,374,832)	(31,876)	(3,502,053)
Total Other Financing Sources and Uses	3,359,321	(3,374,832)	44,581	29,070
Net Change in Fund Balances	808,391	1,674,726	85,273	2,568,390
Fund Balances - Beginning of Year	4,411,698	76,337,171	961,869	81,710,738
Fund Balances - End of Year	$ 5,220,089	$ 78,011,897	$ 1,047,142	$ 84,279,128

The notes to the financial statements are an integral part of this statement.

STATE OF ALASKA **STATEMENT 1.14**

Reconciliation of the Change in Fund Balances to the Statement of Activities
Governmental Funds
For the Fiscal Year Ended June 30, 2023
(Stated in Thousands)

Net Change in Fund Balances - Total Governmental Funds		$ 2,568,390
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation and amortization expense. Primarily, this is the amount by which capital outlays exceeded depreciation and amortization in the current period (Note 5).		
Capital outlay	740,814	
Depreciation and amortization expense	(564,186)	
		176,628
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of the internal service funds is reported in governmental activities in the Statement of Revenues, Expenses, and Changes in Fund Net Position (Statement 1.22).		
Net current year revenue		12,805
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the fund.		97,345
Revenues related to the sale of future tobacco settlement revenues that are eliminated from the Statement of Activities.		(479)
Bond and other debt proceeds provide current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position (See Statement 1.02).		
Refunding bond proceeds	(57,922)	
Accrued interest	(656)	
Repayment of bond principal	67,049	
Payment to refunded bond escrow agent	57,625	
Amortization of bond cost	(14)	
		66,082
Some capital additions were financed through leases and SBITAs. In the governmental funds, certain lease arrangements and SBITAs are considered a source of financing, but in the Statement of Net Position (See Statement 1.01), the lease obligation and SBITAs are reported as a liability.		(39,515)
Certain expenditures are reported in the funds. However, they either increase or decrease long-term liabilities or deferred outflows reported on the Statement of Net Position (See Statement 1.01) and have been eliminated from the Statement of Activities (See Statement 1.02).		
Claims and judgments	(15,083)	
Compensated absences	(9,711)	
Pollution remediation	(571)	
Leases, transfer of ownership, and SBITAs	59,659	
Pension	(265,712)	
Other post employment benefits	615,475	
		384,057
Change in Net Position of Governmental Activities		$ 3,265,313

The notes to the financial statements are an integral part of this statement.



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Proprietary Funds Financial Statements

Proprietary funds are used to account for the State's business-type activities. The two fund types classified as proprietary funds are enterprise funds and internal service funds.

MAJOR ENTERPRISE FUNDS

Enterprise funds account for business-like state activities that provide goods and/or services to the public and are financed primarily through user charges. The following are the State's major enterprise funds.

- **International Airports Fund (Fund 3123)** - AS 37.15.420, AS 37.15.430 - Administered by the Department of Transportation and Public Facilities. This fund consists of all revenues, fees, charges, and rentals derived by the State from the ownership, lease, use, and operation of the international airports**.**

NONMAJOR FUNDS

Nonmajor proprietary funds are presented by fund type in the Combining Fund Statements.

STATE OF ALASKA **STATEMENT 1.21**

Statement of Net Position

Proprietary Funds

June 30, 2023

(Stated in Thousands)

	Business-Type Activities Enterprise Funds			Governmental Activities
	International Airports	Nonmajor Enterprise Funds	Enterprise Funds Total	Internal Service Funds
ASSETS				
Current Assets:				
Cash and Investments	$ 157,581	$ 1,761,267	$ 1,918,848	$ 153,480
Accounts Receivable - Net	5,117	30,414	35,531	2,662
Interest and Dividends Receivable	—	6,929	6,929	—
Due from Other Funds	174	5,858	6,032	39,575
Due from Other Governments	53,412	223	53,635	—
Loans, Notes, Bonds and Leases Receivable	4,230	36,453	40,683	—
Inventories	—	—	—	5,519
Restricted Assets	17,806	—	17,806	—
Other Current Assets	—	215	215	4,358
Total Current Assets	238,320	1,841,359	2,079,679	205,594
Noncurrent Assets:				
Interest and Dividends Receivable	—	7,013	7,013	—
Loans, Notes, Bonds and Leases Receivable	21,253	484,279	505,532	—
Repossessed Property	—	170	170	—
Restricted Assets	62,419	—	62,419	—
Net OPEB Asset	31,497	2,280	33,777	30,826
Other Noncurrent Assets	—	2,348	2,348	—
Capital Assets:				
Equipment, Net of Depreciation	32,183	—	32,183	177,631
Buildings, Net of Depreciation	524,306	—	524,306	81,742
Infrastructure, Net of Depreciation	482,021	—	482,021	—
Intangibles, Net of Amortization	—	—	—	22,961
Land / Right-of-Way	31,203	—	31,203	—
Construction in Progress	18,193	—	18,193	27,062
Total Noncurrent Assets	1,203,075	496,090	1,699,165	340,222
Total Assets	1,441,395	2,337,449	3,778,844	545,816
DEFERRED OUTFLOWS OF RESOURCES				
Total Deferred Outflows of Resources	11,815	856	12,671	11,564

This statement continues on the next page.

STATE OF ALASKA **STATEMENT 1.21**

Statement of Net Position

Proprietary Funds

June 30, 2023

(Stated in Thousands)

	Business-Type Activities Enterprise Funds			Governmental Activities
	International Airports	Nonmajor Enterprise Funds	Enterprise Funds Total	Internal Service Funds
LIABILITIES				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	15,977	34,340	50,317	31,428
Due to Other Funds	475	4,419	4,894	585
Due to Other Governments	—	2,966	2,966	—
Interest Payable	2,824	—	2,824	—
Claims, Judgments, Compensated Absences, and Pollution Remediation	5,256	241	5,497	3,504
Unearned Revenue	1,662	26,125	27,787	—
Notes, Bonds, Leases, and SBITAs Payable	9,835	—	9,835	3,743
Other Current Liabilities	—	292	292	—
Total Current Liabilities	36,029	68,383	104,412	39,260
Noncurrent Liabilities:				
Claims, Judgments, Compensated Absences, and Pollution Remediation	14,630	129	14,759	2,108
Notes, Bonds, Leases, and SBITAs Payable	258,596	—	258,596	797
Net Pension Liabilities	78,513	5,679	84,192	76,842
Other Noncurrent Liabilities	—	38,688	38,688	—
Total Noncurrent Liabilities	351,739	44,496	396,235	79,747
Total Liabilities	387,768	112,879	500,647	119,007
DEFERRED INFLOWS OF RESOURCES				
Total Deferred Inflows of Resources	28,587	180	28,767	2,421
NET POSITION				
Net Investment in Capital Assets	845,973	—	845,973	303,322
Restricted for:				
Unemployment Compensation	—	588,632	588,632	—
Health and Human Services	—	594,052	594,052	—
Debt Service	7,394	—	7,394	—
Other Purposes	45,042	244	45,286	—
Unrestricted	138,446	1,042,318	1,180,764	132,630
Total Net Position	$ 1,036,855	$ 2,225,246	$ 3,262,101	$ 435,952

The notes to the financial statements are an integral part of this statement.



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STATE OF ALASKA **STATEMENT 1.22**

Statement of Revenues, Expenses, and Changes in Fund Net Position

Proprietary Funds

For the Fiscal Year Ended June 30, 2023

(Stated in Thousands)

	Business-Type Activities Enterprise Funds			Governmental Activities
	International Airports	Nonmajor Enterprise Funds	Enterprise Funds Total	Internal Service Funds
OPERATING REVENUES				
Premiums and Contributions	$ —	$ 267,736	$ 267,736	$ 142,801
Charges for Goods and Services	114,233	1,788	116,021	135,193
Allowances for Uncollectible Revenues	2,429	—	2,429	—
Interest and Investment Income (Loss)	—	10,447	10,447	—
Allowance for Uncollectible Interest	—	181	181	—
Fines and Forfeitures	—	728	728	—
Allowance for Uncollectible Fines	—	(562)	(562)	—
Federal Reimbursements	—	(3,892)	(3,892)	—
Other Operating Revenues	2,343	350	2,693	10,238
Total Operating Revenues	119,005	276,776	395,781	288,232
OPERATING EXPENSES				
Benefits	—	134,633	134,633	148,866
Operating	105,131	9,308	114,439	114,071
Depreciation and Amortization	75,664	—	75,664	35,619
Provision for Loan Losses and Forgiveness	—	(873)	(873)	—
Total Operating Expenses	180,795	143,068	323,863	298,556
Operating Income (Loss)	(61,790)	133,708	71,918	(10,324)
NONOPERATING REVENUES (EXPENSES)				
Interest and Investment Income (Loss)	8,174	83,585	91,759	834
Interest and Investment Expense	(7,538)	(18)	(7,556)	(3)
Gain (Loss) on Disposal of Capital Assets	3	—	3	19
Other Nonoperating Revenues (Expenses)	39,456	(2,912)	36,544	6
Total Nonoperating Revenues (Expenses)	40,095	80,655	120,750	856
Income Before Capital Contributions and Transfers	(21,695)	214,363	192,668	(9,468)
Capital Contributions	43,723	1,666	45,389	7,701
Transfers In from Other Funds	—	—	—	14,572
Transfers (Out to) Other Funds	—	(30)	(30)	—
Change in Net Position	22,028	215,999	238,027	12,805
Total Net Position - Beginning of Year	1,014,827	2,009,247	3,024,074	423,147
Prior Period Adjustment	—	—	—	—
Total Net Position - End of Year	$ 1,036,855	$ 2,225,246	$ 3,262,101	$ 435,952

The notes to the financial statements are an integral part of this statement.

STATE OF ALASKA **STATEMENT 1.23**
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2023
(Stated in Thousands)

	Business-Type Activities Enterprise Funds			Governmental Activities
	International Airports	Nonmajor Enterprise Funds	Enterprise Funds Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Other Governments	$ —	$ 3,819	$ 3,819	$ —
Receipts from Customers	115,928	168	116,096	305
Receipts for Interfund Services Provided	—	93	93	126,138
Receipt of Principal from Loan Recipients	—	61,897	61,897	—
Receipt of Interest and Fees from Loan Recipients	—	12,053	12,053	—
Receipts from Insured	—	286,735	286,735	140,494
Payments to Employees	(52,464)	(4,629)	(57,093)	(49,744)
Payments to Suppliers	(56,184)	(4,180)	(60,364)	(62,319)
Payments to Other Governments	—	(2,380)	(2,380)	—
Payments to Loan Recipients	—	(53,742)	(53,742)	—
Claims Paid	—	(127,407)	(127,407)	(147,907)
Payments for Interfund Services Used	—	(603)	(603)	(6,336)
Other Receipts	—	782	782	9,923
Other Payments	—	(37)	(37)	—
Net Cash Provided (Used) by Operating Activities	7,280	172,569	179,849	10,554
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating Subsidies and Transfers (Out to) Other Funds	—	(3,057)	(3,057)	—
Operating Subsidies and Transfers In from Other Funds	—	—	—	23,985
Federal Grants	32,987	—	32,987	—
Proceeds from Issuance of Short-term Debt	—	2,787	2,787	—
Payments on Short-term Debt	—	(2,787)	(2,787)	—
Interest and Fees Paid on Borrowing	—	(10)	(10)	—
Net Cash Provided (Used) by Noncapital Financing Activities	32,987	(3,067)	29,920	23,985
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from Sale of Capital Assets	62	—	62	1,079
Acquisition and Construction of Capital Assets	(43,613)	—	(43,613)	(23,721)
Proceeds from Capital Debt	—	—	—	—
Principal Paid on Capital Debt	(6,080)	—	(6,080)	(5,728)
Interest and Fees Paid on Capital Debt	(11,521)	—	(11,521)	(4)
Passenger Facility Charges	6,632	—	6,632	—
Federal Grants	53,129	7,779	60,908	—
Other Receipts (Payments)	(5,171)	—	(5,171)	—
Net Cash Provided (Used) by Capital and Related Financing Activities	(6,562)	7,779	1,217	(28,374)

This statement continues on the next page.

STATE OF ALASKA **STATEMENT 1.23**

Statement of Cash Flows

Proprietary Funds

For the Fiscal Year Ended June 30, 2023

(Stated in Thousands)

	Business-Type Activities Enterprise Funds			Governmental Activities
	International Airports	Nonmajor Enterprise Funds	Enterprise Funds Total	Internal Service Funds
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from Sales/Maturities of Investments	162,502	299,921	462,423	—
Purchase of Investments	(183,153)	(370,101)	(553,254)	—
Investment Income (Loss)	6,780	78,620	85,400	834
Change in Restricted Cash and Investments	1,810	—	1,810	—
Net Cash Provided (Used) by Investing Activities	(12,061)	8,440	(3,621)	834
Net Increase (Decrease) in Cash	21,644	185,721	207,365	6,999
Cash and Cash Equivalents - Beginning of Year	108,638	835,459	944,097	146,481
Cash and Cash Equivalents - End of Year	$ 130,282	$ 1,021,180	$ 1,151,462	$ 153,480
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	$ (61,790)	$ 133,708	$ 71,918	$ (10,324)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation and Amortization	75,664	—	75,664	35,619
Bad Debt Expense	—	—	—	—
Net Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:				
Accounts Receivable - Net	(2,833)	25,239	22,406	(417)
Due from Other Funds	—	756	756	(10,737)
Due from Other Governments	—	1,328	1,328	—
Loans, Notes, Bonds and Leases Receivable - Net	—	7,778	7,778	—
Repossessed Property	—	(3)	(3)	—
Interest and Dividends Receivable - Net	—	(19)	(19)	—
Inventories	—	—	—	(485)
Net OPEB Asset	7,231	375	7,606	(146)
Other Assets	—	—	—	1,346
Deferred Outflows of Resources	9,238	39	9,277	969
Due to Other Funds	—	3,608	3,608	(231)
Due to Other Governments	—	626	626	—
Unearned Revenue	(244)	1,849	1,605	—
Accounts Payable and Accrued Liabilities	(459)	(1,981)	(2,440)	1,417
Net Pension Liability	24,591	1,983	26,574	18,716
Net OPEB Liability	—	—	—	12,913
Other Liabilities	6,135	—	6,135	(107)
Deferred Inflows of Resources	(50,253)	(2,717)	(52,970)	(37,979)
Net Cash Provided (Used) by Operating Activities	$ 7,280	$ 172,569	$ 179,849	$ 10,554
Reconciliation of Cash to the Statement of Net Position				
Total Cash and Investments per the Statement of Net Position	$ 157,581	$ 1,761,267	$ 1,918,848	$ 153,480
Less: Investments not Meeting the Definition of Cash or Cash Equivalents	(27,299)	(740,087)	(767,386)	—
Cash, End of Year	$ 130,282	$ 1,021,180	$ 1,151,462	$ 153,480
Noncash Investing, Capital, and Financing Activities				
Contributed Capital Assets	—	—	—	7,701
Transfers In from Other Funds (Accrual)	—	—	—	56

The notes to the financial statements are an integral part of this statement.



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Fiduciary Funds Financial Statements

Trust and custodial funds are fiduciary in nature and are maintained to account for assets held by the State acting in the capacity as a trustee or custodian. The three fund types classified as fiduciary funds are pension and other employee benefit trust funds, custodial funds and investment trust funds.

NONMAJOR FUNDS

Nonmajor fiduciary funds are presented by fund type in the Combining Fund Statements.

STATE OF ALASKA **STATEMENT 1.31**

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2023

(Stated in Thousands)

	Pension and Other Employee Benefit Trust Funds	Custodial Funds	Investment Trust Funds
ASSETS			
Cash and Cash Equivalents	$ 330,652	$ 161,355	$ 41,641
Investments:			
Fixed Income	5,771,535	—	75,057
Broad Domestic Equity	7,831,659	—	—
Global Equity ex-US	5,431,497	—	—
Multi-Asset	2,575,487	—	—
Private Equity Pool	5,137,343	—	—
Real Assets	4,530,754	—	—
Pooled Investment Funds	5,106,993	—	—
Collective Investment Funds	2,931,335	—	—
Synthetic Investment Contracts	861,215	—	—
Investment Loss Trust Fund Assets	2,123	—	—
Accounts Receivable - Net	20,050	178	—
Contributions Receivable	23,456	—	—
Securities Lending Collateral	35,291	—	—
Due from Other Funds	43,254	9,326	—
Other Assets	1,302	—	—
Total Assets	40,633,946	170,859	116,698
LIABILITIES			
Accounts Payable and Accrued Liabilities	15,666	5,074	—
Obligations Under Securities Lending	35,291	—	—
Forfeiture Payable to Employer	418	—	—
Claims Payable	62,153	—	—
Trust Deposits Payable	—	4,171	—
Due to Other Funds	4,320	29,674	29
Total Liabilities	117,848	38,919	29
NET POSITION			
Restricted for:			
Pension Benefits	17,521,253	—	—
Other Postemployment Benefits	14,053,348	—	—
Individuals, Organizations, and Other Governments	8,941,497	131,940	116,669
Total Net Position	$ 40,516,098	$ 131,940	$ 116,669

The notes to the financial statements are an integral part of this statement.

STATE OF ALASKA **STATEMENT 1.32**

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Fiscal Year Ended June 30, 2023

(Stated in Thousands)

	Pension and Other Employee Benefit Trust Funds	Custodial Funds	Investment Trust Funds
ADDITIONS			
Contributions:			
Employer	$ 797,485	$ —	$ —
Member	434,860	—	—
Other	127,570	—	—
Total Contributions	1,359,915	—	—
Investment Income (Loss):			
Net Appreciation (Depreciation) in Fair Value of Investments	2,745,686	2,594	9,859
Interest	157,715	22	—
Dividends	333,506	—	19
Total Investment Income (Loss)	3,236,907	2,616	9,878
Less Investment Expense	94,688	—	—
Net Investment Income (Loss)	3,142,219	2,616	9,878
Securities Lending Income	1,365	—	—
Less Securities Lending Expense	275	—	—
Net Securities Lending Income	1,090	—	—
Other Additions			
Deposits	—	343,666	—
Other	160,012	—	—
Total Additions	4,663,236	346,282	9,878
DEDUCTIONS			
Distributions	—	320,544	31,558
Benefits Paid	2,639,816	—	—
Refunds of Contributions	147,477	—	—
Administrative Expenses	55,946	2,196	—
Transfers Out to Other Funds	—	9,000	—
Total Deductions	2,843,239	331,740	31,558
Net Increase (Decrease) in Net Position Restricted for:			
Pension Benefits	407,192	—	—
Other Postemployment Benefits	517,697	—	—
Individuals, Organizations, and Other Governments	895,108	14,542	(21,680)
Net Position - Beginning of the Year	38,696,101	117,398	138,349
Net Position - End of the Year	$ 40,516,098	$ 131,940	$ 116,669

The notes to the financial statements are an integral part of this statement.



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Component Units Financial Statements

Component units are legally separate entities for which the primary government is financially accountable, or such that their exclusion would cause the State's financial statements to be misleading or incomplete.

MAJOR COMPONENT UNITS

- **University of Alaska** - AS 14.40.040 - is established as a corporation and is an instrumentality of the State. The university is created and acts for the benefit of the State and the public in providing education in accordance with an express mandate of the constitution.

- **Alaska Housing Finance Corporation (AHFC)** - AS 18.56.020 - is a public corporation and government instrumentality within the Department of Revenue, but having a legal existence independent of and separate from the State. The purpose of AHFC is to assist in providing decent, safe, and sanitary housing by financing mortgage loans.

- **Alaska Industrial Development and Export Authority (AIDEA)** - AS 44.88.020 - is a public corporation of the State and a political subdivision within the Department of Commerce, Community, and Economic Development (DCCED). The purpose of AIDEA is to promote, develop, and advance the general prosperity and economic welfare of the people of Alaska; to relieve problems of unemployment; to create additional employment by providing various means of financing; and to facilitate the financing of industrial, manufacturing, export, and business enterprises within the State.

- **Alaska Energy Authority (AEA)** - AS 44.83.020 - is a public corporation of the State within the DCCED, but with a separate and independent legal existence. The purpose of AEA is to promote, develop, and advance the general prosperity and economic welfare of the people of the State by providing a means of constructing, acquiring, financing, and operating power projects and facilities that recover and use waste energy.

NONMAJOR COMPONENT UNITS

Nonmajor component units are presented in the Combining Fund Statements.

STATE OF ALASKA **STATEMENT 1.41**

Statement of Net Position

Component Units

June 30, 2023

(Stated in Thousands)

	University of Alaska	Alaska Housing Finance Corporation	Alaska Industrial Development and Export Authority	Alaska Energy Authority	Nonmajor Component Units	Total
ASSETS						
Cash and Investments	$ 176,863	$ 516,881	$ 631,275	$ —	$ 1,141,999	$ 2,467,018
Accounts Receivable - Net	31,389	—	—	828	20,964	53,181
Interest and Dividends Receivable	1,112	16,664	4,142	21	18,408	40,347
Due from Primary Government	14,425	1,592	—	2,085	4,061	22,163
Due from Component Units	—	582	4,057	53	—	4,692
Due from Other Governments	62,104	9,966	—	4,887	15,691	92,648
Loans, Notes, Bonds and Leases Receivable	23,156	3,248,055	760,683	26,459	1,387,169	5,445,522
Inventories	5,160	—	—	—	11,964	17,124
Repossessed Property	—	—	4,870	—	—	4,870
Restricted Assets	641,220	348,120	64,256	1,226,790	28,294	2,308,680
Securities Lending Collateral	—	—	—	—	16,153	16,153
Net OPEB Asset	96,759	14,102	3,674	—	43,205	157,740
Other Assets	14,871	23,895	16,751	194	7,250	62,961
Capital Assets:						
Equipment, Net of Depreciation	173,618	1,303	363	1,704	158,420	335,408
Buildings, Net of Depreciation	1,134,047	49,497	49,121	—	7,345	1,240,010
Library Books, Net of Depreciation	5,759	—	—	—	—	5,759
Infrastructure, Net of Depreciation	91,541	—	113,473	177,980	562,765	945,759
Intangibles, Net of Amortization	10,622	1,395	—	—	4,569	16,586
Museum Collections	7,399	—	—	—	—	7,399
Land / Right-of-Way	38,936	20,742	3,165	11,212	63,511	137,566
Construction in Progress	33,107	—	46,283	184,898	110,682	374,970
Total Assets	2,562,088	4,252,794	1,702,113	1,637,111	3,602,450	13,756,556
DEFERRED OUTFLOWS OF RESOURCES						
Total Deferred Outflows of Resources	36,184	71,553	1,379	—	36,469	145,585
LIABILITIES						
Accounts Payable and Accrued Liabilities	44,833	14,765	4,362	18,581	45,376	127,917
Obligations Under Securities Lending	—	—	—	—	16,153	16,153
Due to Primary Government	—	167	5,803	24,168	2,746	32,884
Due to Component Units	12,273	—	—	4,111	—	16,384
Due to Other Governments	—	395	—	1,783	—	2,178
Interest Payable	2,854	7,339	—	917	7,708	18,818
Derivative Instruments	—	39,013	—	—	—	39,013
Other Current Liabilities	19,137	128,476	544	—	13,169	161,326

This statement continued on next page.

STATE OF ALASKA **STATEMENT 1.41**

Statement of Net Position

Component Units

June 30, 2023

(Stated in Thousands)

	University of Alaska	Alaska Housing Finance Corporation	Alaska Industrial Development and Export Authority	Alaska Energy Authority	Nonmajor Component Units	Total
Long-term Liabilities:						
Portion Due or Payable Within One Year:						
Claims, Judgments, Compensated Absences, and Pollution Remediation	14,499	1,870	—	—	1,174	17,543
Unearned Revenue	61,802	95,398	—	1,180	3,633	162,013
Notes, Bonds, Leases, and SBITAs Payable	14,826	100,555	—	3,981	91,770	211,132
Other Noncurrent Liabilities	—	—	—	405	—	405
Portion Due or Payable After One Year:						
Claims, Judgments, Compensated Absences, and Pollution Remediation	—	1,201	—	—	2,613	3,814
Unearned Revenue	—	—	—	—	759	759
Notes, Bonds, Leases, and SBITAs Payable	264,001	2,246,728	—	200,051	962,106	3,672,886
Net Pension Liabilities	231,545	35,286	9,160	—	45,453	321,444
Other Noncurrent Liabilities	3,311	1,535	13,479	—	—	18,325
Total Liabilities	669,081	2,672,728	33,348	255,177	1,192,660	4,822,994
DEFERRED INFLOWS OF RESOURCES						
Total Deferred Inflows of Resources	30,165	23,369	195,224	—	841,728	1,090,486
NET POSITION						
Net Investment in Capital Assets	1,206,895	71,542	212,405	347,199	315,525	2,153,566
Restricted for:						
Permanent Funds:						
Nonexpendable	—	—	—	—	679,470	679,470
Expendable	—	—	—	—	173,352	173,352
Education	710,049	—	—	—	—	710,049
Development	—	—	—	—	150,972	150,972
Debt Service	6	576,299	—	18,697	40,371	635,373
Other Purposes	—	239,987	48,501	1,192,554	15,388	1,496,430
Unrestricted	(17,924)	740,422	1,214,014	(176,516)	229,453	1,989,449
Total Net Position	$ 1,899,026	$ 1,628,250	$ 1,474,920	$ 1,381,934	$ 1,604,531	$ 7,988,661

The notes to the financial statements are an integral part of this statement.

STATE OF ALASKA **STATEMENT 1.42**
Statement of Activities
Component Units
For the Fiscal Year Ended June 30, 2023
(Stated in Thousands)

		Program Revenues		
	Expenses	Charges for Services, Royalties and Other Fees	Operating Grants and Contributions	Capital Grants and Contributions
FUNCTIONS/PROGRAMS				
Component Units				
University of Alaska	$ 821,422	$ 154,810	$ 315,225	$ 9,169
Alaska Housing Finance Corporation	309,838	139,655	137,608	20,092
Alaska Industrial Development and Export Authority	37,954	62,573	7,274	1,631
Alaska Energy Authority	149,750	27,886	35,641	—
Nonmajor Component Units	321,115	251,231	109,886	—
Total Component Units	$ 1,640,079	$ 636,155	$ 605,634	$ 30,892

This statement continued on the next page.

STATE OF ALASKA **STATEMENT 1.42**

Statement of Activities

Component Units

For the Fiscal Year Ended June 30, 2023

(Stated in Thousands)

	Net (Expense) Revenue and Changes in Net Position					
	University of Alaska	Alaska Housing Finance Corporation	Alaska Industrial Development and Export Authority	Alaska Energy Authority	Nonmajor Component Units	Total Component Units
FUNCTIONS/PROGRAMS						
Component Units						
University of Alaska	$ (342,218)	$ —	$ —	$ —	$ —	$ (342,218)
Alaska Housing Finance Corporation	—	(12,483)	—	—	—	(12,483)
Alaska Industrial Development and Export Authority	—	—	33,524	—	—	33,524
Alaska Energy Authority	—	—	—	(86,223)	—	(86,223)
Nonmajor Component Units	—	—	—	—	40,002	40,002
Total Component Units	(342,218)	(12,483)	33,524	(86,223)	40,002	(367,398)
General Revenues:						
Interest and Investment Income (Loss)	28,533	39,401	8,043	94,280	8,639	178,896
Payments In from Primary Government	310,495	—	—	—	10,498	320,993
Other Revenues	—	1,871	—	—	556	2,427
Extraordinary Items:						—
Extraordinary Item Detail	—	—	(10,630)	—	—	(10,630)
Total General Revenues and Contributions	339,028	41,272	(2,587)	94,280	19,693	491,686
Change in Net Position	(3,190)	28,789	30,937	8,057	59,695	124,288
Net Position - Beginning of Year	1,902,216	1,599,461	1,434,687	1,373,877	1,544,836	7,855,077
Prior Period Adjustment	—	—	9,296	—	—	9,296
Net Position - End of Year	$ 1,899,026	$ 1,628,250	$ 1,474,920	$ 1,381,934	$ 1,604,531	$ 7,988,661

The notes to the financial statements are an integral part of this statement.



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Notes to the Basic Financial Statements



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STATE OF ALASKA
INDEX - NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

		Page
NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES		**54**
A.	THE FINANCIAL REPORTING ENTITY	54
B.	BASIC FINANCIAL STATEMENTS	58
C.	MEASUREMENT FOCUS AND BASIS OF ACCOUNTING	58
D.	FINANCIAL STATEMENT PRESENTATION	59
E.	FISCAL YEAR ENDS	60
F.	ASSETS, DEF. OUTFLOWS OF RES., LIABILITIES, DEF. INFLOWS OF RES., AND NET POSITION / FUND BALANCE	60
G.	GUARANTY DEPOSITS	65
NOTE 2 – BUDGETING, BUDGETARY CONTROL, AND LEGAL COMPLIANCE		**65**
NOTE 3 – DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES		**70**
NOTE 4 – DEPOSIT AND INVESTMENT RISK		**72**
A.	DEPOSITS AND INVESTMENTS UNDER THE FIDUCIARY RESPONSIBILITY OF THE COMMISSIONER OF REVENUE	72
B.	DEPOSITS AND INVESTMENTS UNDER CONTROL OF THE ALASKA RETIREMENT MANAGEMENT BOARD	77
C.	DEPOSITS AND INVESTMENTS MAINTAINED BY COMPONENT UNITS WHOSE ACCOUNTS ARE OUTSIDE OF THE STATE TREASURY	89
NOTE 5 – CAPITAL ASSETS		**99**
NOTE 6 – SHORT–TERM DEBT, BONDS PAYABLE AND OTHER LONG–TERM OBLIGATIONS		**105**
A.	SUMMARY OF CHANGES	105
B.	NET PENSION LIABILITY	106
C.	NET OTHER POST-EMPLOYMENT BENEFITS LIABILITY/ASSET	117
D.	GENERAL OBLIGATION BONDS AND REVENUE BONDS AND OTHER LONG-TERM DEBT	129
E.	LEASES AND CONTRACTS THAT TRANSFER OWNERSHIP	132
F.	CERTIFICATES OF PARTICIPATION	133
G.	DISCRETELY PRESENTED COMPONENT UNITS	133
H.	ALASKA HOUSING FINANCE CORPORATION DERIVATIVES	134
NOTE 7 – DEFINED BENEFIT PENSION PLANS		**138**
NOTE 8 – DEFINED CONTRIBUTION PENSION PLANS		**143**
A.	PUBLIC EMPLOYEES RETIREMENT SYSTEM	143
B.	TEACHERS RETIREMENT SYSTEM	144
C.	SUPPLEMENTAL BENEFITS SYSTEM	145
D.	UNIVERSITY OF ALASKA	146
NOTE 9 – DEFERRED COMPENSATION PLAN		**147**
NOTE 10 – INTERFUND TRANSACTIONS		**148**
NOTE 11 – RELATED PARTY ACTIVITY		**148**
NOTE 12 – COMMITMENTS, CONTINGENCIES, AND CONCENTRATIONS		**149**
A.	SICK LEAVE	149
B.	SCHOOL DEBT	149
C.	RISK MANAGEMENT AND SELF–INSURANCE	149
D.	LITIGATION AND ADMINISTRATIVE APPEALS	151
E.	FEDERAL GRANTS	153
F.	DISASTER RELIEF FUND	153
G.	FUTURE LOAN COMMITMENTS	153
H.	POTENTIAL DEVELOPMENT PROJECTS	153
I.	INVESTMENT COMMITMENTS	153
J.	POLLUTION REMEDIATION	154
K.	ENCUMBRANCES	155
L.	MEDICAID	156
M.	FINANCIAL GUARANTEES	156
N.	CONCENTRATIONS	156
NOTE 13 – SUBSEQUENT EVENTS		**156**
A.	ALASKA MUNICIPAL BOND BANK AUTHORITY	156
B.	ALASKA CLEAN WATER FUND	156
C.	ALASKA DRINKING WATER FUND	156
D.	ALASKA HOUSING FINANCE CORPORATION	156
E.	ALASKA ENERGY AUTHORITY	157
F.	ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY	157
NOTE 14 – PRIOR PERIOD ADJUSTMENTS		**158**
NOTE 15 – ALASKA AEROSPACE CORPORATION - DEPARTURE FROM GAAP		**158**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the State of Alaska have been prepared in conformity with Generally Accepted Accounting Principles (GAAP), except as discussed in footnote 15, as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the accepted standard-setting body for governmental accounting and financial reporting principles, which are primarily set forth in GASB's Codification of Governmental Accounting and Financial Reporting Standards. Preparation of financial statements in conformity with GAAP requires the use of estimates, as disclosed in the applicable notes.

A. THE FINANCIAL REPORTING ENTITY

The State of Alaska (State) was admitted to the Union in 1959 and is governed by an elected governor and a 60 member elected legislature. As required by GAAP, these financial statements present all the fund types of the State which includes all agencies, boards, commissions, authorities, courts, and colleges and universities that are legally part of the State (primary government) and its component units discussed below. Component units are legally separate entities for which the primary government is financially accountable or such that their exclusion would cause the State's financial statements to be misleading or incomplete.

The following component units are included in the accompanying financial statements. Blended component units, although legally separate entities, are, in substance, part of the State's operations and provide services entirely or almost entirely to the State. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the State. The determination that a discretely presented component unit is "major" is based on the nature and significance of its relationship to the primary government. Fiduciary component units are reported in the fiduciary section of the fund financial statements and are not included in the government-wide financial statements. Individual component unit financial reports may also be obtained from these organizations as indicated.

BLENDED COMPONENT UNITS

The **Alaska Housing Capital Corporation** (AHCC) is a public corporation and government instrumentality of, but having a legal existence independent and separate from, the State. AHCC is a subsidiary of, but separate and apart from, the Alaska Housing Finance Corporation (AHFC). The commissioners of the departments of Revenue; Commerce, Community and Economic Development; Health and Social Services; and four independent public members appointed by the Governor comprise the AHCC board of directors. The Legislature appropriates the budget for AHCC for the purpose of funding future capital projects for the State. The corporation has the power to borrow money and issue bonds on its own behalf. AHCC is reported within the governmental funds as a special revenue fund. AHCC financial statements may be obtained from the Alaska Housing Finance Corporation, P.O. Box 101020, Anchorage, AK 99510-1020.

The **Alaska Permanent Fund Corporation** (APFC) is a public corporation and government instrumentality in the Department of Revenue, Alaska Statute (AS) 37.13.040. A governor-appointed six-member board manages APFC. The Legislature approves APFC's budget. The purpose of APFC is to manage and invest the assets of the Alaska Permanent Fund (Fund) and other funds designated by law. The Fund is a savings device, restricted as to usage, which belongs to all the people of Alaska. It was created in 1976 when the voters approved an amendment to the State Constitution. The beneficiaries of the Fund are all present and future generations of Alaskans. The Fund represents 90 percent of the total cash and investments and 84 percent of total government-wide net position excluding discretely presented component units. The Fund is reported as a permanent fund (a governmental fund type), and APFC operations are included in the fund statements. Separately issued financial statements may be obtained from the Alaska Permanent Fund Corporation, P.O. Box 115500, Juneau, AK 99811-5500, or from their web site at www.apfc.org.

The **Northern Tobacco Securitization Corporation** (NTSC) is a public corporation and government instrumentality of, but having a legal existence independent and separate from, the State. NTSC is a subsidiary of, but separate and apart from, the Alaska Housing Finance Corporation (AHFC). The commissioners of the departments of Revenue; Health and Social Services; and Commerce, Community and Economic Development; and two independent public members appointed by the Governor comprise the NTSC board of directors.

The purpose of NTSC is to purchase future rights, title, and interest in Tobacco Settlement Revenues (TSRs) from the State under the Master Settlement Agreement and Final Judgment (MSA). The MSA resolved cigarette smoking-related litigation between the settling states and the participating manufacturers, released the manufacturers from past and present smoking-related claims, and provides for a continuing release of future smoking-related claims, in exchange for certain payments to be made to the settling states, as well as certain tobacco advertising and marketing restrictions among other things.

NTSC is authorized to issue bonds necessary to provide sufficient funds for carrying out its purpose. When NTSC's obligations with the bonds have been fulfilled, the TSRs revert back to the State under the residual certificate. Consideration paid by NTSC through AHFC to the State for TSRs consisted of a cash amount sent to the State's custodial trust accounts and a residual certificate assigned to the State.

The bonds of NTSC are asset-backed instruments secured solely by the TSRs and NTSC's right to receive TSRs is expected to produce funding for its obligations. The TSR payments are dependent on a variety of factors, some of which are: the financial capability of the participating manufacturers to pay TSRs; future cigarette consumption that impacts the TSR payment; and future legal and legislative challenges against the tobacco manufacturers and the MSA providing for the TSRs. Pursuant to bond indentures, these adjustments could affect the amount of funds available to pay scheduled debt service payments.

NTSC is reported in the governmental fund types as special revenue and debt service funds. The revenue bond debt is reported in the government-wide statement of net position in the governmental fund activities column. NTSC financial statements may be obtained from the Alaska Housing Finance Corporation, P.O. Box 101020, Anchorage, AK 99510-1020.

The **Alaska State Council on the Arts** (ASCA) is a public corporation and an instrumentality of the State within the Department of Education and Early Development, but with a legal existence independent of and separate from the State (AS 44.27.040). The Governor appoints members of the ASCA board of directors. The Legislature approves ASCA's budget. ASCA was created for the purpose of stimulating and encouraging throughout the State the study and presentation of the performing, visual, literary, and fine arts and public interest, participation, and investment in the arts. ASCA financial statements are included in the Combining Fund section of this ACFR with the Nonmajor Special Revenue Funds as supplementary information. There are no separately issued financial statements for ASCA.

DISCRETELY PRESENTED COMPONENT UNITS

The **Alaska Aerospace Corporation** (AAC) is a public corporation of the State located for administrative purposes within the Department of Military and Veterans Affairs (AS 26.27.010). The Governor appoints the voting members of the AAC board of directors, and the Legislature approves AAC's budget. AAC is also affiliated with the University of Alaska but with a separate and independent legal existence. The purpose of AAC is to allow the State to take a lead role in the exploration and development of space, to enhance human and economic development, to provide a unified direction for space-related economic growth, education and research development, and tourism related activities. AAC is also to promote the continued utilization of the Poker Flat Research Range as a launch site for launch vehicles and for scientific research. Additionally, AAC is to promote and encourage the continued utilization of Poker Flat Research Range for the University of Alaska's polar research efforts. When available, the AAC financial statements may be obtained from the Alaska Aerospace Corporation, 4300 B Street, Suite 101, Anchorage, AK 99503.

The **Alaska Energy Authority** (AEA) is a public corporation of the State in the Department of Commerce, Community and Economic Development but with a separate and independent legal existence (AS 44.83.020) and is a major component unit. The purpose of AEA was to promote, develop, and advance the general prosperity and economic welfare of the people of the State by providing a means of constructing, acquiring, financing, and operating power projects and facilities that recover and use waste energy.

However, Chapters 18 and 19, Session Laws of Alaska (SLA) 1993, which became effective August 11, 1993, eliminated the ability of AEA to construct, own, and acquire energy projects, and the programs operated by AEA were transferred to the Department of Community and Regional Affairs. The corporate structure of AEA was retained but the board of directors of the Alaska Industrial Development and Export Authority (AIDEA) is now the board of directors of AEA. It is the intent of the legislation that ongoing operation of the operating assets be assumed by the electric utility companies that use or purchase power from AEA with oversight responsibility retained by AEA. The Governor appoints all members of the AEA board of directors, and the Legislature approves AEA's budget.

Pursuant to legislation effective July 1, 1999, rural energy programs previously administered by the former Department of Community and Regional Affairs were transferred to AEA for administration as part of a larger reorganization of State agencies. Rural energy programs were originally part of AEA prior to the reorganization that occurred in 1993. AEA financial statements may be obtained from the Alaska Industrial Development and Export Authority, 813 W. Northern Lights Blvd., Anchorage, AK 99503.

The **Alaska Gasline Development Corporation** (AGDC) is a public corporation and governmental instrumentality within the Department of Commerce, Community, and Economic Development, but having a legal existence independent and separate from the State (AS 31.25.010). Currently, the commissioners of the departments of Commerce, Community and Economic Development; and Labor and Workforce Development, and five independent public members appointed by the Governor and confirmed by the Legislature comprise the AGDC board of directors. The Legislature appropriates the budget for AGDC for the purpose of planning, constructing, and financing in-state natural gas pipeline projects. The corporation has the power to borrow money and issue bonds on its own behalf. AGDC financial statements may be obtained from the Alaska Gasline Development Corporation, 3201 C Street, Suite 201, Anchorage, AK 99503.

The **Alaska Housing Finance Corporation** (AHFC) is a public corporation, a government instrumentality within the Department of Revenue, but having a legal existence independent of and separate from the State (AS 18.56.020), and is a major component unit. The Governor appoints the board of directors of AHFC. The Legislature approves AHFC's budget. AHFC assists in providing decent, safe, and sanitary housing by financing mortgage loans. AHFC acts as the principal source of residential financing in the State and functions as a secondary mortgage market. AHFC financial statements may be obtained from the Alaska Housing Finance Corporation, P.O. Box 101020, Anchorage, AK 99510-1020.

The **Alaska Industrial Development and Export Authority** (AIDEA) is a public corporation of the State, a political subdivision within the Department of Commerce, Community and Economic Development (AS 44.88.020), and is a major component unit. The Governor appoints all members of the AIDEA board of directors and the Legislature approves AIDEA's budget. The purpose of AIDEA is to promote, develop, and advance the general prosperity and economic welfare of the people of Alaska; to relieve problems of unemployment; to create additional employment by providing various means of financing; and to facilitate the financing of industrial, manufacturing, export, and business enterprises within the State. AIDEA financial statements may be obtained from the Alaska Industrial Development and Export Authority, 813 W. Northern Lights Blvd., Anchorage, AK 99503.

The **Alaska Mental Health Trust Authority** (AMHTA) is established as a public corporation of the State within the Department of Revenue (AS 47.30.011). The Governor appoints the AMHTA board of trustees. The Legislature approves AMHTA's budget. The purpose of AMHTA is to ensure an integrated comprehensive mental health program. As provided in AS 37.14.009, AMHTA is to administer the trust established under the Alaska Mental Health Enabling Act of 1956. AMHTA financial statements may be obtained from the Alaska Mental Health Trust Authority, 3745 Community Park Loop, Suite 200, Anchorage, AK 99508.

The **Alaska Municipal Bond Bank Authority** (AMBBA) is a public corporation and an instrumentality of the State within the Department of Revenue, but with a legal existence independent of and separate from the State (AS 44.85.020). The Governor appoints members of the AMBBA board of directors. The Legislature approves AMBBA's budget. AMBBA was created for the purpose of making available to municipalities within the state, monies to finance their capital projects or for other authorized purposes by means of issuance of bonds by AMBBA and use of proceeds from such bonds to purchase from the municipalities their general obligation and revenue bonds. AMBBA commenced operations in August 1975. AMBBA financial statements may be obtained from the Alaska Municipal Bond Bank Authority, P.O. Box 110405, Juneau, AK 99801.

The **Alaska Railroad Corporation** (ARRC) is a public corporation and instrumentality of the State within the Department of Commerce, Community and Economic Development (AS 42.40.010). ARRC has a legal existence independent of and separate from the State. The powers of ARRC are vested in the board of directors. All members of the board of directors of ARRC are appointed by and serve at the pleasure of the Governor. ARRC was created by the State Legislature to own and operate the railroad and manage its rail, industrial, port, and other properties. The ARRC commenced operations on January 6, 1985. ARRC financial statements may be obtained from the Alaska Railroad Corporation, P.O. Box 107500, Anchorage, AK 99510-7500.

The **Alaska Student Loan Corporation** (ASLC) is a public corporation and government instrumentality within the Department of Education and Early Development but having a legal existence independent of and separate from the State (AS 14.42.100). ASLC is governed by a board of directors appointed by the Governor. The Legislature approves ASLC's budget. The purpose of ASLC is to improve higher educational opportunities for residents of the State. ASLC financial statements may be obtained from the Alaska Commission on Postsecondary Education, P.O. Box 110505, Juneau, AK 99811-0505.

The **University of Alaska** is established as a corporation and is an instrumentality of the State (AS 14.40.040) and is a major component unit. A board of regents appointed by the Governor and confirmed by the Legislature governs the university. The Legislature approves the university's budget. The university is created and acts for the benefit of the State and the public in

providing education in accordance with an express mandate of the constitution. The financial statements of the university include the assets, liabilities, and related activity of the University of Alaska Foundation, a legally separate nonprofit component unit. The university is not accountable for, nor has ownership of, the foundation's resources. The university's financial statements may be obtained from the University of Alaska, Statewide Fund Accounting, 2025 Yukon Drive, suite 209B P.O. Box 756540, Fairbanks, AK 99775-6540.

The **Alaska Seafood Marketing Institute** (ASMI) is a public corporation of the State (AS 16.51.010). It is an instrumentality of the State with a legal existence independent of and separate from the State. ASMI is governed by a board of directors appointed by the Governor, and its budget is approved by the Legislature. The purpose of ASMI is to promote all species of seafood and their by-products harvested in Alaska for sale, and to develop market-oriented quality specifications. Exercise of the powers conferred by statute to ASMI is an essential governmental function. ASMI financial statements are included in the Combining Fund section of this ACFR with the Nonmajor Component Units. The Alaska Seafood Marketing Institute financial statements may be obtained from Alaska Seafood Marketing Institute, 311 N. Franklin Street, Suite 200, Juneau, AK 99801.

FIDUCIARY COMPONENT UNITS

The **Public Employees' Retirement System** (PERS) was established by AS 39.35.095 (defined benefit) and AS 39.35.700 (defined contribution). The Commissioner of the Department of Administration or the commissioner's designee is the administrator of PERS. The administrator is responsible for the administration of PERS in accordance with state statutes. The Commissioner of the Department of Administration adopts regulations to govern the operation of the PERS. Hearings and rulings on the appeal of the decision of the administrator are in the jurisdiction of the Office of Administrative Hearings (OAH). The Alaska Retirement Management Board (ARMB) approves employers' rates. PERS costs, based upon actuarial valuations, are funded by the State, participating governmental employers, and participants. PERS is reported in the fiduciary fund types as a pension (and other employee benefit) trust fund. ARMB is the fiduciary of PERS and consists of nine trustees: the Commissioners of the Department of Administration and Revenue; two members of the general public; one member who is employed as a finance officer for a political subdivision participating in either the PERS or Teachers' Retirement System (TRS); two members of PERS; and two members of TRS. All members of ARMB are appointed by and serve at the pleasure of the Governor.

The **Teachers' Retirement System** (TRS) was established by AS 14.25.009 (defined benefit) and AS 14.25.310 (defined contribution). The Commissioner of the Department of Administration or the commissioner's designee is the administrator of the system. The administrator is responsible for the administration of TRS in accordance with State statutes. The Commissioner of the Department of Administration adopts regulations to govern the operation of the TRS. Hearings and rulings on the appeal of the decision of the administrator are in the jurisdiction of the OAH. ARMB approves employers' rates. TRS costs, based upon actuarial valuations, are funded by the State, participating governmental employers, and participants. TRS is reported in the fiduciary fund types as a pension (and other employee benefit) trust fund. ARMB is the fiduciary of TRS.

The **Judicial Retirement System** (JRS) was established by AS 22.25.048. The Commissioner of the Department of Administration is responsible for the administration of JRS. JRS costs, based upon actuarial valuations, are funded by the State and participants. JRS is reported in the fiduciary fund types as a pension (and other employee benefit) trust fund. ARMB is the fiduciary of JRS.

The **Alaska National Guard and Alaska Naval Militia Retirement System** (NGNMRS) was established by AS 26.05.222. The Commissioner of the Department of Administration is responsible for the administration of NGNMRS. NGNMRS costs, based upon actuarial valuations, are funded by the State. NGNMRS is reported in the fiduciary fund types as a pension (and other employee benefit) trust fund. The ARMB is the fiduciary of NGNMRS.

The **Supplemental Benefits System** (SBS) was established by AS 39.30.150. The Commissioner of the Department of Administration is responsible for the administration of SBS. SBS is reported in the fiduciary fund types as a pension (and other employee benefit) trust fund. ARMB is the fiduciary of SBS.

The **Deferred Compensation Plan** (DCP) was established by AS 39.45.010. The Commissioner of the Department of Administration is responsible for the administration of DCP. DCP is reported in the fiduciary fund types as a pension (and other employee benefit) trust fund. ARMB is the fiduciary of DCP. Copies of the audited financial statements for the retirement systems, and for SBS and DCP, may be obtained from the Department of Administration, Division of Retirement and Benefits, P.O. Box 110203, Juneau, AK 99811-0203 or from their website at http://doa.alaska.gov/drb/.

B. BASIC FINANCIAL STATEMENTS

The basic financial statements include government-wide financial statements and fund financial statements (as well as these notes to the financial statements). The previous financial reporting model emphasized fund types (the total of all funds of a particular type), while the current financial reporting model focus is on either the State as a whole (government-wide statements), or on major individual funds (fund financial statements). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type.

The government-wide financial statements (Statement of Net Position and Statement of Activities) report information of all nonfiduciary activities of the State and its component units. For the most part, the effect of interfund activity has been removed from these government-wide statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services. Likewise, the primary government is reported separately from the component units for which the primary government is financially accountable.

The Statement of Net Position presents the reporting entity's nonfiduciary assets and deferred outflows of resources, less liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in three categories:

- **Net Investment in Capital Assets** consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other borrowing that are attributed to the acquisition, construction, or improvement of those assets.
- **Restricted Net Position** results when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** consists of net position that does not meet the definition of the two preceding categories. The unrestricted net position often is designated to indicate management does not consider them available for general operations (see note 1.F.). The unrestricted net position often has constraints on resources that are imposed by management but can be modified or removed.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, segment, or component unit. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not meeting the definition of program revenues are reported as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide statements. The fund financial statements focus on major funds, of which the State has three: the General Fund and the Alaska Permanent Fund, both of which are governmental funds; and the International Airports Fund, which is an enterprise fund. All nonmajor funds are summarized into a single column on the respective fund statements: governmental; proprietary, which includes enterprise and internal service fund types; and fiduciary, which includes pension (and other employee benefit) trust funds, investment trust funds, and custodial funds.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide financial statements are reported using the economic resource measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available to finance operations during the current year or to liquidate liabilities existing at the end of the year (collectible within 60 days of fiscal year end). When an asset is recorded in governmental fund financial statements, but the revenue is not available, the government reports a deferred inflow of resources until such time as the revenue becomes available. Major revenues that are determined to be susceptible to accrual include federal, charges for services, investment income, and petroleum related taxes and royalties.

Expenditures are recognized when a liability is incurred. However, expenditures related to debt service, compensated absences, and claims and judgments are recorded only when payment is due and payable.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All other revenues and expenses are reported as nonoperating.

When both restricted and unrestricted resources are available for use, it is the State's policy to use restricted resources first, then unrestricted resources as they are needed.

D. FINANCIAL STATEMENT PRESENTATION

The State reports three major funds: the General Fund, and the Alaska Permanent Fund, both of which are governmental funds, and the International Airports Fund which is a proprietary enterprise fund. The General Fund is the State's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund. The Alaska Permanent Fund was created in 1976 to save a portion of the State's one-time oil wealth to produce income to benefit current and future generations. The International Airports Fund was created in 1961 to equip, finance, maintain, and operate two international airports located in Anchorage and Fairbanks. In addition, the State reports the following fund types:

GOVERNMENTAL FUND TYPES

Special revenue funds are used to account for the proceeds of specific revenue sources that are generally legally restricted to expenditure for specified purposes.

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Capital project funds account for the acquisition or construction of major capital facilities financed by bond proceeds.

Permanent funds are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that benefit the government or its citizenry. In addition to the Alaska Permanent Fund (major fund), the State has two other permanent funds, the Public School Trust Fund and the Alaska Mental Health Trust Authority (a discretely presented component unit).

PROPRIETARY FUND TYPES

Enterprise funds are used to report any activity for which a fee is charged to external users for goods and services.

Internal service funds are used to report any activity that provides goods or services primarily to other funds or agencies of the State, rather than to the general public. Internal service fund activities of the State include facilities management of State-owned buildings, self-insurance health care for State employees, vehicle and equipment maintenance and supplies, and computing and telecommunication services.

FIDUCIARY FUND TYPES

Pension (and other employee benefits) trust funds are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, and other postemployment benefit plans. These funds account for the Alaska National Guard and Alaska Naval Militia Retirement System, Deferred Compensation, Judicial Retirement System, Public Employees' Retirement System, Supplemental Benefits System, and Teachers' Retirement System.

Investment trust funds are used to report resources invested on a commingled basis by the State on behalf of other governmental entities. These funds include damage recoveries arising out of the Exxon Valdez oil spill.

Custodial funds are used to report resources for which the State acts solely in a custodial capacity. These funds include resources from unclaimed property, wage and hour, offender trust accounts, and advocacy/guardianship trusts.

E. FISCAL YEAR ENDS

All funds and discretely presented component units of the State are reported using fiscal years which end on June 30, except the Alaska Railroad Corporation whose fiscal year ends on December 31.

F. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION / FUND BALANCE

CASH AND INVESTMENTS, CASH AND CASH EQUIVALENTS

The amounts shown on the statements of net position and the balance sheets as Cash and Investments represent cash on deposit in banks, petty cash, cash invested in various short-term instruments, and other investments of the State and its component units. Investments are stated at fair value, which approximates market value. Fair value is the amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Investment purchases and sales are recorded on a trade-date basis.

Marketable debt securities are valued each business day using prices obtained from a pricing service when such prices are available; otherwise, such securities are valued at the most current sale price or based on a valuation provided by investment managers. The noninterest bearing deposits are reported at cost, which approximates fair value.

Equity securities are valued each business day using prices obtained from a pricing service or prices quoted by one or more independent brokers.

Private equity investments are valued quarterly by the general partners and investment sponsors. Underlying assets comprise venture capital, buyout, restructuring and special situation investments through limited partnership agreements. Each manager independently determines the limited partnerships to invest in.

The energy related investments consist primarily of loans and preferred stock that are valued at fair value.

Real estate, farmland, private infrastructure, and timber investments are valued quarterly by investment managers and are appraised annually by independent appraisers or valued by valuation specialists.

Other alternative investments within the fixed income and opportunistic asset classes are valued monthly by the general partners. Underlying assets comprise hedge fund investments through limited partnership agreements. Each manager independently determines the limited partnerships to invest in.

Securities expressed in terms of foreign currencies are translated into U.S. dollars at the prevailing exchange rates. Forward currency contracts are valued at the mid-point of representative quoted bid and asked prices.

The Statement of Cash Flows for the enterprise funds shows changes in cash and cash equivalents. For the purpose of the Statement of Cash Flows, all highly liquid debt instruments with original maturities of three months or less are considered cash and cash equivalents. This includes all participants in the Short-Term Fixed Income Pool and the Short-term Treasury Fixed Income Pool.

RECEIVABLES

Receivables have been established and offset with proper provisions for estimated uncollectible accounts where applicable. The amount of noncurrent receivables does not constitute expendable available financial resources and therefore are not available for appropriation.

Practically all accounts receivable of Governmental Funds are due from oil companies and governmental entities, primarily the federal government, and are considered collectible. Accounts receivable in other funds have arisen in the ordinary course of business.

INTER/INTRAFUND TRANSACTIONS

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as due to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

INVENTORIES AND PREPAID ITEMS

Inventories reported for the internal service funds and the General Fund consist mainly of consumable materials and supplies. Inventories are carried at cost (average cost for Highway Equipment Working Capital; first in first out (FIFO) for the General Fund) and are accounted for on the consumption method. However, the majority of materials and supplies for State agencies are accounted for as expenditures at the time of purchase. Inventory of the University of Alaska is carried at the lower of cost or market. The Alaska Railroad Corporation carries their inventories at the lower of weighted average cost or market.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as other assets in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

CAPITAL ASSETS

Capital assets are reported in the Statement of Net Position at cost or estimated historical cost. Donated capital assets are recorded at acquisition value at the time of donation including Statehood entitlement land that is carried at an estimated value of $1 per acre.

Capital assets are depreciated on the straight-line method over the estimated useful lives of the related assets.

All public domain infrastructure acquired by the State, such as highways, bridges, harbors, and rural airports is capitalized.

The State possesses certain capital assets that have not been capitalized and depreciated because the assets cannot be reasonably valued and/or the assets have inexhaustible useful lives. These assets include the State's art, library reserve, museum, and historical collections. These assets are held for public exhibition, education, or research rather than financial gain; protected, kept unencumbered, cared for, and preserved; and proceeds from the sale of collection items are used to acquire other items for collections.

Additional disclosures related to capital assets are provided in Note 5.

LEASES AND SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The State routinely engages in lease agreements and subscription based information technology arrangements (SBITA) to meet operational needs or serve the general public. The State's lease contracts generally relate to land, buildings and associated facilities, such as parking, and various machinery and equipment. For short-term leases and SBITAs with a maximum possible term of 12 months or less at commencement, the State recognizes periodic revenue or expense based on the provisions of the lease or SBITA contract. For all other contracts where the State is the lessee or subscriber, the State recognizes a lease or SBITA liability and an intangible right-to-use lease or SBITA asset based on the present value of future payments over the contracted term of the lease. Lease and SBITA right-to-use assets are reported with capital assets, and lease and SBITA liabilities are reported as long-term debt in the statement of net position. The right-to-use assets are amortized over the term of the lease or SBITA contract, as the State is not expected to lease assets or SBITAs beyond the underlying asset's useful life. For all other contracts where the State is the lessor, the State recognizes a lease receivable and a deferred inflow of resources, based on the present value of the future lease payments expected to be received during the contracted lease term, and the deferred inflow of resources is amortized evenly over the life of the lease. For the fiscal year ended June 30, 2023, the statement of activities includes lease revenue and interest of $1.75 million and $1.02 million, respectively, for governmental activities, and $4.97 million and $0.24 million for business-type activities. There was no additional revenue for variable and other payments not included in the measurement of the lease receivable.

The State uses its estimated incremental borrowing rate (IBR) as the discount rate for leases and SBITAs unless the rate the lessor charges is known. The State's IBR is based on the MMD AAA scale from Thomson Reuters with an assumed escalator of 75 basis points. If amendments or other certain circumstances occur that are expected to significantly affect the amount of the

lease or SBITA, the present value is remeasured and corresponding adjustments made. Many lease and SBITA contracts include increases to payments related to the consumer price index (CPI) or similar indices, and the available index increase is included in the present value at the commencement of the lease or SBITA or upon remeasurement. Payments based on future performance are not included in the remeasurement of the lease or SBITA liability or lease or SBITA receivable but recognized as revenue or expense in the period performed. Residual value guarantees and exercise options will be included in the measurement if they are reasonably certain to be paid or exercised.

A minimum dollar threshold was established for lease and SBITA reporting:

Lease and SBITA contracts - all categories	$	250,000

COMPENSATED ABSENCES

Regulations governing annual/personal leave (vacation pay) provide that State employees will receive time off, or pay, for hours accumulated. Consequently, a liability exists with respect to accumulated annual/personal leave at any given time. This liability is recognized and reported in the government-wide and proprietary fund financial statements. As of June 30, 2023, the State's estimated liability for compensated absences, as reported in the government-wide Statement of Net Position, is $201.4 million. There is no liability in the accompanying financial statements for unpaid accumulated sick leave. Accumulated sick leave may be used only for actual illness. When an employee separates from service, any sick leave balance to their credit is reduced to zero without additional compensation to the employee. See Note 12 for disclosure of the amount of the sick leave contingency.

The cost of compensated absences (annual/personal leave and sick leave) for State employees is charged against agency appropriations when leave is used rather than when leave is earned, except for the payment of the accumulated annual/personal leave balance for an employee terminating from state service. That amount is charged to a terminal leave liability account rather than the individual agency appropriation. This liability account is funded by a charge to each agency's operating budget.

DEFERRED OUTFLOW/INFLOW OF RESOURCES

A deferred outflow of resources represents a consumption of net position applicable to a future reporting period and therefore is not recognized as a current year expense. A deferred inflow of resources is an acquisition of net position applicable to a future reporting period and therefore is not recognized as current year revenue.

NET POSITION / FUND BALANCE

Fund assets and deferred outflows less liabilities and deferred inflows is "net position" on the government-wide, proprietary, and fiduciary fund statements, and is "fund balance" on the governmental fund statements.

FUND BALANCE COMPONENTS

The fund balance amounts for governmental funds are reported as nonspendable, restricted, committed, assigned, or unassigned.

- Nonspendable fund balance includes items that cannot be spent. This includes activity that is not in a spendable form (inventories, prepaid amounts, long-term portion of loans/notes receivable, or property held for resale unless the proceeds are restricted, committed or assigned) and activity that is legally or contractually required to remain intact, such as a principal balance in a permanent fund.
- Restricted fund balance has constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.
- Committed fund balance can be used only for specific purposes pursuant to constraints imposed by a formal action of the Alaska Legislature, the State's highest level of decision-making authority. This formal action is the passage of law by the legislature, creating, modifying, or rescinding an appropriation.
- Assigned fund balance includes amounts that are constrained by the State's intent to be used for a specific purpose but are neither restricted nor committed. The Alaska Legislature is the body authorized by the Alaska State Constitution to assign amounts to a specific purpose. Alaska Statute 37.13.020 authorizes the Legislature to assign the funds in the Earnings Reserve Account, a component of the Alaska Permanent Fund.
- Unassigned fund balance is the residual amount of the General Fund not included in the four categories described above. Also, any deficit fund balances within the other governmental fund types are reported as unassigned.

Each fund has been analyzed to classify the fund balance in accordance with GASB Statement No. 54. Funds are created by the Legislature and money is authorized to be transferred to the fund for a particular purpose. At this point, balances in these funds are at least committed, and may be further restricted depending on whether there is an external party, constitutional provision, or enabling legislation constraint involved.

The appropriated balance in the General Fund and subfunds is restricted or committed, the amount that was appropriated for the upcoming fiscal year that is not fully funded is assigned, and the remaining balance is unassigned. The spendable portion of the Alaska Permanent Fund is classified as assigned. The Nonmajor Governmental Funds are predominantly presented as restricted or committed.

The State of Alaska Constitution, Article 9, Section 13, states that "No money shall be withdrawn from the treasury except in accordance with appropriations made by law. No obligation for the payment of money shall be incurred except as authorized by law. Unobligated appropriations outstanding at the end of the period of time specified by law shall be void."

Appropriations formally approved by the Legislature are then forwarded to the Governor for action which either become law or are vetoed.

Appropriations specify the funding source, and therefore the order in which restricted, committed, assigned, or unassigned fund balance gets spent.

Article 9, Section 17(d) of the Alaska Constitution, requires annual repayment from the General Fund and the subfunds of the General Fund for amounts borrowed from the Constitutional Budget Reserve Fund. To implement this provision, unassigned balances are used first, then committed balances.

The following shows the composition of the fund balance of the governmental funds for the fiscal year ended June 30, 2023 (in thousands):

	General	Permanent	Special Revenue	Debt Service	Capital Projects
Nonspendable:					
Inventory	$ 30,723	$ —	$ —	$ —	$ —
Principal	—	68,283,290	—	—	—
Advances and Prepaid Items	54,648	—	1,691	—	—
Total Nonspendable	85,371	68,283,290	1,691	—	—
Restricted:					
Debt Service	4,678	—	—	16,235	—
Education	16,527	—	2,903	—	184
Health & Human Services	830	—	19,071	—	—
Development	15,606	—	81,068	—	56,778
Other Purposes	6,249	—	209	—	—
Total Restricted	43,890	—	103,251	16,235	56,962
Committed:					
Education					
School Foundation Support	4,968	—	—	—	—
Pupil Transportation	304	—	—	—	—
Education Services	469,778	—	190	—	—
Construction & Maintenance	217,024	—	—	—	—
Health & Human Services	267,819	—	—	—	—
Public Protection	279,577	—	398	—	—
Permanent Fund					
Dividend Payments	21,260	—	—	—	—
Development					
Natural Resources	182,472	—	—	—	—
Transportation	1,017,132	—	—	—	—
Other	265,852	—	105,859	—	—
Other Purposes	238,170	—	—	—	—
Earnings Reserve Transferable to the General Fund	—	3,526,088	—	—	—
Total Committed	2,964,356	3,526,088	106,447	—	—
Assigned:					
Education	—	—	—	—	—
Health & Human Services	—	—	—	—	—
Public Protection	905	—	—	—	—
Assigned for Future Appropriations					
Realized Earnings	—	5,240,347	—	—	—
Unrealized Appreciation on Invested Assets	—	1,724,763	—	—	—
Total Assigned	905	6,965,110	—	—	—
Unassigned	2,125,567	—	(35)	—	—
Total Fund Balance	$ 5,220,089	$ 78,774,488	$ 211,354	$ 16,235	$ 56,962

NET POSITION RESTRICTED BY ENABLING LEGISLATION

The government-wide statement of net position reports $69.7 billion of restricted net position for the primary government, of which $22.4 million is restricted by enabling legislation.

G. GUARANTY DEPOSITS

The state is the custodian of guaranty deposits held to protect consumers, to secure the State's deposits in financial institutions, and to ensure payment of taxes and fulfillment of obligations to the State. Guaranty deposits of securities and other properties are not shown on the financial statements.

NOTE 2 – BUDGETING, BUDGETARY CONTROL, AND LEGAL COMPLIANCE

Once money received is deposited in the state treasury, it may not be withdrawn from the treasury except in accordance with an appropriation made by law. Those amounts received by component units are disbursed in accordance with their particular statutory authority.

The budgetary process is used to establish a balancing of estimated revenues coming into a fund with requested appropriations for that fund. Except for capital project funds, which prepare only project-length budgets, annual operating (and project-length) budgets are prepared for practically every fund and are submitted to the legislature for the enactment of appropriations. An appropriation is an authorization to spend money and to incur obligations. Each appropriation is limited as to purpose, time, and amount, and each of these limitations is legally binding. The legal level of budgetary control is maintained at the appropriation level as specified in the enabling legislation, which is generally at the program level within a department.

Appropriations, as enacted by the legislature and signed by the governor, are entered into the accounting records. The balance of an appropriation is reduced when funds are expended or encumbered. Appropriations are encumbered for anticipated expenditures in the form of purchase orders, contracts, and other obligations. Encumbrances outstanding at year-end are reported within restricted, committed or assigned fund balance based upon the resources that eventually will fund those grants or contracts, and do not constitute expenditures or liabilities. See Note 12 for additional information on encumbrances within the governmental funds. Unencumbered balances of annual appropriations lapse at the end of the fiscal year.

Expenditures of funds are made only upon properly approved requests for payment. The total of expenditures and encumbrances (obligations) may not exceed the appropriations to which they pertain. Generally, transfers between appropriations are not authorized. Agencies faced with potential over expenditure of appropriations must (1) reduce the rate of expenditures, (2) seek relief through supplemental appropriations, or (3) request necessary approvals to receive and expend additional funds. In order to provide sufficient funding for several programs during FY 2023, supplemental appropriations within the operating and capital budgets were enacted. The total supplemental appropriations for the FY 2023 operating budget was $133.9 million, of which $119.9 million was from the General Fund, $22.1 million was from other funds, and $8.1 million was from a reduction in federal receipt authority. In addition, total supplemental appropriations for the FY 2023 capital budget was $33.6 million, of which $17.4 million was appropriated from the General Fund, $35.6 million was from other funds, and $19.4 million was from a reduction in federal receipt authority.

Governmental funds with annually approved budgets include the General Fund, Special Revenue Funds (with the exception of the Alaska Housing Capital Corporation, Northern Tobacco Securitization Corporation, and Reclamation Bonding Pool), and all Permanent Funds.

SPENDING LIMITS

In 1982, the voters of Alaska approved an amendment to the Alaska Constitution to control State spending. Article IX, section 16, establishes an annual appropriation limit of $2.5 billion plus adjustments for changes in population and inflation since July 1, 1981. Appropriations for permanent fund dividends, revenue bond proceeds, general obligation bond debt, and money received from non-state entities held in trust for a specific purpose are excluded from this limit. For FY 2023, the Office of Management and Budget estimated the appropriation limit to be approximately $11.8 billion. The FY 2023 budget, not counting the excluded appropriations, was $6.4 billion, or $5.3 billion less than the constitutional limit.

CONSTITUTIONAL BUDGET RESERVE FUND

In 1990, the voters of Alaska approved an amendment to the Alaska Constitution to establish a budget reserve fund (CBRF). Article IX, section 17, states, in part, "Except for money deposited into the permanent fund under Section 15 of this article, all money received by the State after July 1, 1990, as a result of the termination, through settlement or otherwise, of an administrative proceeding or of litigation in a state or federal court involving mineral lease bonuses, rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments or bonuses, or involving taxes imposed on mineral income, production, or property, shall be deposited in the budget reserve fund."

The fund was established to enhance budget stability by depositing certain monies into the CBRF (where they could not be easily spent) rather than into the General Fund (where they would be readily available for appropriation for expenditure). Money may be appropriated from the fund in accordance with the provisions of section 17(b) and (c).

The constitution further provides that all money appropriated from the fund must be repaid to the fund. Section 17(d) states "If an appropriation is made from the budget reserve fund, until the amount appropriated is repaid, the amount of money in the General Fund available for appropriation at the end of each succeeding fiscal year shall be deposited in the budget reserve fund. The legislature shall implement this subsection by law." All borrowing from the CBRF was completely repaid in FY 2010 and no borrowing activity from the CBRF occurred during FY 2011 through FY 2014.

The following is a schedule of amounts appropriated from the CBRF, the amounts transferred back to the CBRF from the General Fund as provided in section 17(d) (in thousands). The paragraphs following the schedule provide an explanation of the entries.

Chapter 18, SLA 2014, Section 48	$ 3,000,000
Subtotal FY 15	3,000,000
Chapter 1, SSLA 2015, Section 12(b)	3,617,867
Article IX, Section 17(d) Alaska Constitution (FY 2016)	(522,510)
Subtotal FY 2016	3,095,357
Chapter 3, 4SSLA 2016, Section 35(a)	522,510
Chapter 3, 4SSLA 2016, Section 35(b)	3,033,935
Article IX, Section 17(d) Alaska Constitution (FY 2017)	(479,729)
Subtotal FY 2017	3,076,716
Chapter 1, SSSLA 2017, Section 45(a)	479,729
Chapter 1, SSSLA 2017, Section 45(b) and (c)	1,866,095
Correction of Prior Year Error	(1,170,209)
Article IX, Section 17(d) Alaska Constitution (FY 2018)	(431,688)
Subtotal FY 2018	743,927
Chapter 17, SLA 2018, Section 29(a)	431,688
Chapter 17, SLA 2018, Section 29(b) and (c)	504,530
Article IX, Section 17(d) Alaska Constitution (FY 2019)	(1,728,029)
Subtotal FY 2019	(791,811)
Chapter 1, SSSLA 2019, Section 17(a)	1,728,029
Chapter 1, SSSLA 2019, Section 1	37,499
Chapter 1, SSSLA 2019, Section 4	12
Chapter 1, SSSLA 2019, Section 7	256
Chapter 8, SLA 2020, Section 38(y)	5,000
Chapter 1, SSSLA 2019, Section 17(b) and (c)	1,178,728
Article IX, Section 17(d) Alaska Constitution (FY 2020)	(1,509,566)
Subtotal FY 2020	1,439,958
Chapter 8, SLA 2020, Section 45(a)	1,509,566
Chapter 1, SSSLA 2019, Section 1	2,406
Chapter 1, SSSLA 2019, Section 4	2,534
Chapter 1, SSSLA 2019, Section 7	2,901
Chapter 8, SLA 2020, Section 8	19,142
Chapter 8, SLA 2020, Section 23(d)	320,000
Chapter 8, SLA 2020, Section 41(a) and (b)	84,640
Chapter 8, SLA 2020, Section 45(b) and (c)	711,319
Article IX, Section 17(d) Alaska Constitution (FY 2021)	(437,916)
Subtotal FY 2021	2,214,592
Chapter 1, SSSLA 2019, Section 1	16,399
Chapter 1, SSSLA 2019, Section 4	275
Chapter 1, SSSLA 2019, Section 7	1,786
Article IX, Section 17(d) Alaska Constitution (FY 2022)	(1,568,791)
Subtotal FY 2022	$ (1,550,331)
Chapter 1, SSSLA 2019, Section 1	$ 8,277
Chapter 1, SSSLA 2019, Section 7	$ 759
Chapter 11, SLA 2022, Section 39	$ 198
Chapter 1, SLA 2023, Section 5	$ 103,633
Article IX, Section 17(d) Alaska Constitution (FY 2023)	$ (20,507)
Subtotal FY 2023	$ 92,360
Total appropriated from the CBRF	$ 11,320,768

The schedule above shows the effect of Article IX, Section 17(d), of the Alaska Constitution, which provides that the amount of money in the general fund available for appropriation at the end of each succeeding fiscal year shall be deposited in the budget reserve fund until the amount appropriated is repaid. The amount was fully repaid at the end of FY 2010, so this schedule shows the repayment activity that has occurred since then.

SLA 2014, Chapter 18, Section 48(a) appropriated the sum of $1 billion to the defined benefit plan account in the Public Employees Retirement and (b) appropriated $2 billion to the defined benefit plan account in the Teachers' Retirement System from the CBRF as additional state contributions for FY 2015, which results in a liability of the General Fund.

SSLA 2015, Chapter 1, Section 12(b) appropriated additional amounts from the CBRF to the general fund to fund any shortfalls between state revenue and general fund appropriations for FY 2016.

SSLA 2016, Chapter 3, Section 35(b) appropriated additional amounts from the CBRF to the general fund to fund any shortfalls between state revenue and general fund appropriations for FY 2017.

SSSLA 2017, Chapter 1, Section 45(b) and (c) appropriated additional amounts from the CBRF to the general fund to fund any shortfalls between state revenue and general fund appropriations for FY 2018.

SLA 2018, Chapter 17, Section 29(b) and (c) appropriated additional amounts from the CBRF to the general fund to fund any shortfalls between state revenue and general fund appropriations for FY 2019.

SSSLA 2019, Chapter 1, Section 17(b) and (c) appropriated additional amounts from the CBRF to the general fund to fund any shortfalls between state revenue and general fund appropriations for FY 2020.

SSSLA 2019, Chapter 1, Section 1, Section 4 and Section 7 appropriated amounts from CBRF to fund miscellaneous capital projects and grants.

SLA 2020, Chapter 8, Section 28(b), appropriated amounts from CBRF for responding to the COVID-19 public health disaster emergency. Chapter 8, SLA 2020, Section 38(y), appropriated funds to the disaster relief fund. SLA 2020, Chapter 8, Section 18(a) and (b) changed CBRF as a funding source for some appropriations made in SSSLA 2019, Chapter 1, Section 1. SLA 2020, Chapter 8, Section 23(d) appropriated a transfer to the permanent dividend division fund. SLA 2020, Chapter 8, Section 8, appropriated amounts from CBRF to fund miscellaneous capital projects and grants. SLA 2020, Chapter 8, Section 41(a) and (b) appropriated a transfer to the PERS and TRS.

SLA 2023, Chapter 1, Section 5(a) and (b), appropriated amounts from CBRF to the general fund to fund any shortfalls between state revenue and general fund appropriations for FY 2023.

During prior tax years 1997 through 2017, amounts paid to the State of Alaska as a result of Federal Regulatory Commission (FERC) disputes were erroneously deposited into the CBRF. As determined by the Alaska Attorney General, a FERC case is not an administrative proceeding or litigation involving production tax or royalty for the purposes of the CBRF fund amendment. The amount due to be repaid to the CBRF from the General Fund has been reduced by these amounts.

The CBRF fund balance as of June 30, 2023, was $13,911 million.

STATUTORY BUDGET RESERVE FUND

The Statutory Budget Reserve Fund (SBRF) was created through Alaska Statute 37.05.540. Once the full debt of CBRF was repaid in FY 2010, the legislature began to make appropriated transfers from the General Fund into the SBRF in addition to directing any year-end available fund balance of the General Fund to be transferred to the SBRF. As the balance of this fund continued to increase so did the political and public interest; therefore, the presentation of SBRF was added to the Combining Balance Sheet for the General Fund for Statements 3.01 and 3.02.

A legislative transfer from the General Fund to SBRF totaling $250 million was made at the beginning of FY 2013 in accordance with SLA 2012, Chapter 15, Section 32(b). Section 32(c) states that if the unrestricted amount available for appropriation in the fiscal year ending June 30, 2013, is insufficient to cover General Fund appropriations, the amount necessary to balance revenue and General Fund appropriations or to prevent a cash deficiency in the General Fund is

appropriated from the SBRF to the General Fund. For FY 2013, this resulted in a year-end transfer from the SBRF to the General Fund for $776 million, for a net impact to the SBRF of $526 million.

SLA 2013, Chapter 14, Section 34, outlines the appropriation to the General Fund giving authority to take from the SBRF if the unrestricted state revenue available for appropriation in the fiscal year ending June 30, 2014, is insufficient to cover General Fund appropriations made for the fiscal year ending June 30, 2014, the amount necessary to balance revenue and General Fund appropriations or to prevent a cash deficiency in the General Fund. For FY 2014, this resulted in a year-end transfer from the SBRF to the General Fund for $1,920 million.

SLA 2014, Chapter 16, Section 34, states that if the unrestricted state revenue available for appropriation in the fiscal year ending June 30, 2015, is insufficient to cover General Fund appropriations made for the fiscal year ending June 30, 2015, the amount necessary to balance revenue and general fund appropriations or to prevent a cash deficiency in the General Fund is appropriated from the budget reserve fund (AS 37.05.540(a)) to the General Fund. For FY 2015, this resulted in a year-end transfer from the SBRF to the General Fund for $2,503 million.

SSSLA 2021, Chapter 1, Section 77(a), states that the unencumbered balance of any unrestricted general fund appropriation that is determined to be available for lapse at the end of the fiscal year ending June 30, 2021, after the appropriations made in sec. 24, ch. 8, SLA 2020, and sec. 15(a) of this Act, is appropriated to the budget reserve fund. For FY2021, this resulted in a year-end transfer from the General Fund to the SBRF for $156 million. SSSLA 2021, Chapter 1, Section 77(b) states that for FY 2021, funds were appropriated from the General Fund to the SBRF. This resulted in a year-end transfer from the General Fund to the SBRF for $325 million.

SSSLA 2021, Chapter 1, Section 10 and 68(l), appropriated amounts from SBRF to fund miscellaneous capital projects and grants. TSSLA 2021, Chapter 1, Section 10 appropriated a $330 million transfer to the permanent dividend division fund. SLA 2022, Chapter 11, Section 30, states that for FY2022, funds were appropriated from the General Fund to the SBRF. This resulted in a year-end transfer from the General Fund to the SBRF for $300 million.

SLA 2022, Chapter 11, Section 11, appropriated $150 million in funds from SBRF to fund grants to municipalities. SLA 2022, Chapter 11, Section 35(b), appropriated $100 million from SBRF to fund Port of Alaska modernization project.

SLA 2022, Chapter 11, Section 85(b), states that if the unrestricted state revenue available for appropriation in fiscal year 2023 is insufficient to cover the general fund appropriations that take effect in fiscal year 2023, not including the appropriation made in sec. 78(u) of this Act, the amount necessary to balance revenue and general fund appropriations that take effect in fiscal year 2023, not including the appropriation made in sec. 78(u) of this Act, is appropriated to the general fund from the budget reserve fund (AS 37.05.540(a)). For FY 2023, this resulted in a year end transfer of over $20.8 million.

Article IX, Section 17(d), of the Alaska Constitution, which provides that the amount of money in the general fund available for appropriation at the end of each succeeding fiscal year shall be deposited in the budget reserve fund until the amount appropriated is repaid.

Superior court litigation—*Alaska Federation of Natives v. Dunleavy*—has prompted new interpretation and created uncertainty concerning the statutory budget reserve fund status as subject to the sweep. New interpretation of the statutory budget reserve funds sweep status is based primarily on two facts. First, the description of the statutory budget reserve fund in AS 37.05.540 is described as a separate fund in the state treasury. Second, the superior court decision in *Alaska Federal of Natives v. Dunleavy* distinguished between the general fund and the power cost equalization fund. Given these facts, beginning in FY21, the Division of Finance did not sweep the fund as historically was the case.

The SBRF fund balance as of June 30, 2023, was $427.66 million.

NOTE 3 – DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

In the fund financial statements, governmental funds reported deferred inflows of resources of $393,055 thousand comprised of $337,169 thousand in revenues that are earned and measurable but not available within two months of the end of the reporting period, deferred inflows from leases of $37,834 thousand, and future tobacco settlement revenues of $18,052 thousand.

Deferred Outflows and Inflows of Resources reported in the government-wide Statement of Net Position as of June 30, 2023 consisted of the following (in thousands):

Deferred Outflows and Inflows of Resources

	Primary Government		
	Governmental Activities	Business-Type Activities	Discrete Component Units
Deferred Outflows:			
Change in Fair Value-Interest Rate Swaps	$ —	$ —	$ 39,013
Deferred Charge on Bond Refundings	1,464	—	29,580
Deferred Lease Obligation	—	—	—
Deferred Outflows Related to OPEB	113,334	2,507	24,559
Deferred Outflows Related to Pensions	525,967	10,164	52,433
Total Deferred Outflows	$ 640,765	$ 12,671	$ 145,585
Deferred Inflows:			
Unearned Grant Revenue	$ —	$ —	$ 552,065
Deferred Inflows Related to Bond Refundings	—	983	—
Deferred Inflows Related to Derivatives	—	—	4,914
Deferred Inflows Related to OPEB	142,160	2,654	18,508
Deferred Inflows Related to Pensions	4,036	—	12,160
Deferred Inflows Related to Leases	37,911	25,130	502,839
Total Deferred Inflows	$ 184,107	$ 28,767	$ 1,090,486

Internal service funds predominantly serve the governmental funds. Accordingly, deferred outflows and deferred inflows for internal service funds are included as part of the above totals for governmental activities. Note 6 provides additional information on these deferred outflows/inflows.

The deferred outflows for the internal service funds is made up of the following (in thousands):

	Related to OPEB	Related to Pensions
Highways Equipment Working Capital Fund	560	2,272
Information Services Fund	1,518	6,153
Alaska Public Building Fund	210	851

The deferred inflows for the internal service funds is made up of the following (in thousands):

	Related to OPEB	Related to Pensions
Highways Equipment Working Capital Fund	593	—
Information Services Fund	1,606	—
Alaska Public Building Fund	222	—

The deferred outflows for the business-type activities is made up of the following (in thousands):

	Related to OPEB	Related to Pensions
International Airports Fund	2,337	9,478
Commercial Fishing Revolving Loan Fund	145	589
Fisheries Enhancement Revolving Loan Fund	21	83
Commercial Charter Fisheries Revolving Loan Fund	1	3
Mariculture Revolving Loan Fund	1	2
Alaska Microloan Revolving Loan Fund	—	1
Bulk Fuel Loan Fund	2	8

The deferred inflows for the business-type activities is made up of the following (in thousands):

	Related to OPEB	Related to Pensions	Related to Leases	Related to Bond Refundings
International Airports Fund	2,474	—	25,130	983
Commercial Fishing Revolving Loan Fund	154	—	—	—
Fisheries Enhancement Revolving Loan Fund	22	—	—	—
Commercial Charter Fisheries Revolving Loan Fund	1	—	—	—
Mariculture Revolving Loan Fund	1	—	—	—
Alaska Microloan Revolving Loan Fund	—	—	—	—
Bulk Fuel Loan Fund	2	—	—	—

Note 6 provides additional information on the business-type activities deferred outflows/inflows.

The deferred outflows for the component units is made up of the following (in thousands):

	Change in Fair Value-Interest Rate Swaps	Deferred Charge on Bond Refundings	Deferred Lease Obligation	Deferred Outflows Related to OPEB	Deferred Outflows Related to Pensions
Alaska Railroad Corporation	—	—	—	9,624	24,767
Alaska Housing Finance Corporation	39,013	25,103	—	3,926	3,511
Alaska Gasline Development Corporation	—	—	—	138	216
Alaska Industrial Development Export Authority	—	—	—	273	1,106
Alaska Seafood and Marketing Institute	—	—	—	80	325
University of Alaska	—	4,477	—	10,257	21,450
Alaska Mental Health Trust Authority	—	—	—	261	1,058

The deferred inflows for the component units is made up of the following (in thousands):

	Deferred Inflows Related to Derivatives	Unearned Grant Revenue	Deferred Inflows Related to OPEB	Deferred Inflows Related to Pensions	Deferred Inflows Related to Leases
Alaska Railroad Corporation	—	552,065	8,848	11,371	259,844
Alaska Housing Finance Corporation	4,914	—	1,180	—	17,275
Alaska Gasline Development Corporation	—	—	65	—	—
Alaska Industrial Development Export Authority	—	—	289	—	194,935
Alaska Seafood and Marketing Institute	—	—	85	—	—
University of Alaska	—	—	7,765	789	21,611
Alaska Mental Health Trust Authority	—	—	276	—	9,174

Note 6 provides additional information on the component units activity for deferred outflows/inflows related to postretirement benefits and pensions.

NOTE 4 – DEPOSIT AND INVESTMENT RISK

Deposits and investments may be exposed to various types of risks. These risks are interest rate risk, credit risk, custodial credit risk, concentration of credit risk, and foreign currency risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Custodial credit risk is the risk that deposits may not be returned in the event of a bank failure. Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment.

A. DEPOSITS AND INVESTMENTS UNDER THE FIDUCIARY RESPONSIBILITY OF THE COMMISSIONER OF REVENUE

By law, all deposits and investments are under the fiduciary responsibility of the Commissioner of the Department of Revenue (Commissioner) except where the legislature has delegated that responsibility to other entities or boards responsible for separate subdivisions of component units of the State. Those agencies and component units that manage their own cash and investments are: Alaska Permanent Fund Corporation, Alaska Energy Authority, Alaska Housing Finance Corporation, Alaska Industrial Development and Export Authority, Alaska Municipal Bond Bank Authority, Alaska Railroad Corporation, Alaska Retirement Management Board, Alaska Student Loan Corporation, University of Alaska, Alaska Mental Health Trust Authority, and the Exxon Valdez Oil Spill Trustee Council.

Invested assets under the fiduciary responsibility of the Commissioner are comprised of the General Fund and Other Non-Segregated Investments (GeFONSI), Constitutional Budget Reserve Fund, International Airports Fund, Retiree Health Insurance Fund, Power Cost Equalization Endowment Fund, General Obligation Bond Fund, Mine Reclamation Trust Fund, as well as the Public School and Investment Loss trust funds (all collectively, Funds).

As the fiduciary, the Commissioner has the statutory authority (AS 37.10.070-37.10.071) to invest the assets under the prudent investor rule which requires that investments shall be made with the judgment and care under circumstances then prevailing that an institutional investor of ordinary professional prudence, discretion, and intelligence exercises in managing large investment portfolios.

The Department of Revenue, Treasury Division (Treasury) has created a pooled environment by which it manages the investments for which the Commissioner has fiduciary responsibility. Actual investing is performed by investment officers in Treasury or by contracted external investment managers. Specifically, the Tactical Bond, Domestic Equity and the International Equity Pools are managed externally. Treasury manages the Short-term Fixed Income Pool, Short-term Treasury Pool, Real Estate Investment Trust (REIT) Pool, and Broad Market Fixed Income Pool in addition to acting as oversight manager for all externally managed investments.

Additional information related to the various pools and investments is disclosed in the financial schedules issued by the Department of Revenue, Treasury Division. These financial schedules are available through the Department of Revenue, Treasury Division, P.O. Box 110405, Juneau, AK 99811-0405 or at http://treasury.dor.alaska.gov/.

Combined schedule of invested assets as of June 30, 2023 is as follows:

	Fair Value (in thousands)							
Investment Type	Short-term Fixed Income Pool	Non-interest Bearing Deposits	Intermediate-term Fixed Income Pool	Broad Market Fixed Income Pool	Domestic Equity Pool	International Equity Pools	Real Assets	Income Receivable (Payable)
General Fund and GeFONSI	$ 2,862,408	$ 20,735	$ 791,701	$ 108,507	$ 219,680	$ 128,141	$ 19,446	$ 12,024
Constitutional Budget Reserve Fund	2,607,153	—	—	—	—	—	—	12,778
Public School Trust Fund	12,006	—	—	216,610	303,866	190,090	38,820	28
Investment Loss Trust Fund	3,433	—	—	—	—	—	—	17
General Obligation Bond Fund	58,788	—	—	—	—	—	—	293
International Airports Construction Fund	156,768	—	27,299	—	—	—	—	750
International Airports Fund	27,346	—	—	—	—	—	—	134
Power Cost Equalization Endowment Fund	946,597	—	—	—	—	—	—	265
Retiree Health Insurance Fund								
Major Medical	19,506	—	—	—	—	—	—	96
Long-Term Care	22,203	—	—	376,436	195,293	137,221	31,137	33
Mine Reclamation Fund	22	—	—	391	549	343	70	—
Total Invested Assets	$ 6,716,230	$ 20,735	$ 819,000	$ 701,944	$ 719,388	$ 455,795	$ 89,473	$ 26,418

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. At June 30, 2023 all fixed income securities met the Treasury's compliance metrics related to effective duration.

Short-term Fixed Income Pool

As a means of limiting its exposure to fair value losses arising from increasing interest rates, Treasury's investment policy limits individual fixed-rate securities to 14 months to maturity or 14 months expected average life upon purchase. Floating rate securities are limited to 3 years to maturity or 3 years expected average life upon purchase. These constraints apply to trade date, except for securities bought at new issue, for which settlement date applies.

Intermediate and Broad Market Fixed Income Pools

Duration is a measure of interest rate risk. It measures a security's sensitivity to a 100-basis point change in interest rates. The duration of a pool is the average fair value weighted duration of each security in the pool taking into account all related cash flows. Treasury uses industry-standard analytical software developed by The Yield Book, Inc. to calculate effective duration. The software considers various possible future interest rates, historical and estimated prepayment rates, call options and other variable cash flows for purposes of the effective duration calculation.

Through its investment policy, Treasury manages its exposure to fair value losses arising from increasing interest rates by limiting the effective duration of its other fixed income pool portfolios to the following:

Intermediate-term Fixed Income Pool - ± 20% of the Barclays 1-3 Year Government Bond Index.

Broad Market Fixed Income Pool - ± 20% of the Barclays Capital U.S. Aggregate Bond Index.

At June 30, 2023, the effective duration by investment type was as follows:

	Effective Duration (in years)
Corporate Bonds	3.23
Mortgage Backed	4.70
Municipal Bonds	11.45
Other Asset Backed	0.29
U.S. Government Agency	0.73
U.S. Treasury Bills, Notes, and Bonds	0.71
Yankee Corporate Bonds	1.40
Yankee Government Bonds	4.51
Portfolio Effective Duration	0.88

Credit Risk

Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations.

Short-Term Fixed Income Pool investments are limited to instruments with a long-term credit rating of at least A3 or equivalent and instruments with a short-term credit rating of at least P-1 or equivalent. Commercial paper must be rated at least P-1 by Moody's and A-1 by Standard and Poor's. Asset-backed and non-agency mortgage securities must be rated A3 or equivalent. The A3 rating is defined as the median rating of the following five rating agencies: Standard & Poor's Ratings Services, Moody's Investors Service, Dominion Bond Rating Service, Kroll Bond Rating Agency, and Fitch. Asset-backed and non-agency mortgage securities may be purchased if only rated by one of these agencies if they are rated AAA.

Short-Term Treasury Pool investments are limited to repurchase agreements collateralized only by U.S. Treasury obligations, U.S. Treasury obligations including bills, notes, bonds, and other debt obligations issued by the U.S. Treasury and backed by the full faith and credit of the U.S. Government, securities issued or guaranteed by agencies and instrumentalities of the U.S. Government but not explicitly backed by the full faith and credit of the U.S. Government, obligations of foreign governments, sovereign states, supranational entities, and their instrumentalities denominated in U.S. dollars, and the State's internally-managed Short-Term Fixed Income Fund.

Intermediate-term and Broad Market Fixed Income Pool investments are limited to securities with a long-term credit rating of at least Baa3 or equivalent and securities with a short-term credit rating of at least P-1 or equivalent. The Broad Market Fixed Income Pool investments are limited to; commercial paper rated at least Prime-1 by Moody's Investors Service, Inc and A-1 by Standard and Poor's Rating Services, negotiable certificates of deposit and bankers' acceptances provided the issuing bank's total assets are in excess of $5 billion, U.S. Treasury obligations including bills, notes, bonds, and other debt obligation issued bu the U.S. Treasury and backed by the full faith and credit of the U.S. Government, securities issued or guaranteed by agencies and instrumentalities of the U.S. Government but not explicitly backed by the full faith and credit of the U.S. Government, obligations of foreign governments, sovereign states, supranational entities, and their instrumentalities denominated in U.S. dollars or local currency if hedged back to U.S. dollars, investment grade corporate debt securities comprising of corporate debt issued in the U.S. capital market by U.S. companies, Euro-dollar and Yankee debt; asset-backed, non-agency mortgage-backed securities, and commercial mortgage-backed securities must be rated investment grade. The investment grade rating is defined as the median rating of the following five rating agencies: Standard & Poor's Ratings Services, Moody's Investors Service, Dominion Bond Rating Service, Kroll Bond Rating Agency, and Fitch. Asset-backed and non-agency mortgage securities and commercial mortgage-backed securities may be purchased if only rated by one of these agencies if they are rated AAA.

At June 30, 2023 the State's internally managed Pools consisted of investments with credit quality ratings issued by nationally recognized statistical rating organizations as follows (using Standard and Poor's Corporation rating scale, in thousands):

	Short-term Fixed Income	Intermediate-term Fixed Income Pool	Broad Market Fixed Income
AAA	$ 2,287,489	$ 32,019	$ 10,302
AA	33,997	23,483	38,963
A	223,841	114,691	91,581
A-1	123,860	—	—
BBB	—	49,135	97,159
BB	—	—	1,665
U.S. Government Agency	891,068	135,353	70,504
U.S. Treasury Bills, Notes, and Bonds	2,829,737	506,490	104,239
Not Rated	867,865	12,232	394,764
No Credit Risk	(74,536)	20,654	(29,623)
Other Fiduciary	(467,091)	(75,057)	(77,610)
	$ 6,716,230	$ 819,000	$ 701,944

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that deposits may not be returned in the event of a bank failure. Treasury's investment policy requires the State's depository banks to collateralize State deposits to the extent they exceed insurance coverage provided by the Federal Deposit Insurance Corporation (the FDIC provides $250 thousand of coverage). In accordance with Treasury policy, they are required to retain collateral equal to 100 percent of uninsured deposits.

At June 30, 2023 the State had no uncollateralized and uninsured deposits.

Concentration of Credit Risk

Treasury's policy with regard to the concentration of credit risk is to prohibit the purchase of more than five percent of a pool's holdings in corporate bonds backed by any one company or affiliated group. At June 30, 2023, no pool had exposure to any one issuer greater than 5 percent of total invested assets.

Foreign Currency Risk

The Commissioner of Revenue formally adopts asset allocation policies for each fund at the beginning of each fiscal year, which places policy limitations on the amount of international securities each fund is allowed to hold. The following policies were in place during FY 2023 and invested assets included the following holdings at June 30, 2023, for the funds invested in the International Equity Pool:

	Policy	Actual
Education Endowment Fund	25% +/- 5%	24.96 %
GeFONSI II	2% - 2% /+ 5%	2.09 %
Higher Education Fund	25% +/- 5%	24.97 %
Illinois Creek Mine Reclamation Fund	25% +/- 5%	24.96 %
Power Cost Equalization Endowment Fund	25% +/- 5%	— %
Public School Trust Fund	25% +/- 5%	24.97 %
Retiree Health Insurance Fund, Long Term Care	22% +/- 5%	18.00 %

At June 30, 2023, the funds invested in the International Equity Pool had no exposure to foreign currency risk. In preparation for the transfer of the Power Cost Equalization Endowment Fund in accordance with SB98, the balance of the fund as of June 30, 2023, resided in the Short-term Fixed Income Pool.

Fair Value Measurements

Various inputs are used in valuing the investments held by the Commissioner. Generally Accepted Accounting Principles establishes a hierarchy of inputs used to value investments emphasizing observable inputs and minimizing unobservable inputs. These inputs are summarized as follows:

Level 1 - Quoted prices for identical assets in an active market.

Level 2 - Inputs, other than quoted prices, that are observable for the asset, either directly or indirectly or quoted in less active markets.

Level 3 - Unobservable inputs. Unobservable inputs should only be used to the extent that observable inputs are not available for a particular asset.

The Commissioner categorizes fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Commissioner has the following recurring fair value measurements as of June 30, 2023 (in thousands):

Investment by Fair Value Level	Total	Level 1	Level 2	Level 3
Cash Equivalents				
Deposits	$ 28,370	$ 28,370	$ —	$ —
Money Market	3	—	3	—
Repurchase Agreement	1,098,700	—	1,098,700	—
Total Cash Equivalents	1,127,073	28,370	1,098,703	—
Debt Securities				
Commingled Debt Funds	1,021	1,021	—	—
Corporate Bonds	451,414	—	451,414	—
Mortgage Backed	182,052	—	182,051	1
Municipal Bonds	12,951	—	12,951	—
Other Asset Backed	2,248,533	—	2,248,533	—
U.S. Government Agency	1,096,925	—	1,096,925	—
U.S. Treasury Bills, Notes, and Bonds	3,440,466	—	3,440,466	—
Yankee Corporate Bonds	200,608	—	200,608	—
Yankee Government Bonds	18,645	—	18,645	—
Total Debt Securities	7,652,615	1,021	7,651,593	1
Equity				
Commingled Equity Funds	1,440,821	1,440,821	—	—
Real Estate Inv Trust	91,185	91,185	—	—
Total Equity	1,532,006	1,532,006	—	—
Total Investments by Fair Value Level	10,311,694	$ 1,561,397	$ 8,750,296	$ 1
Total Investments Measured at Fair Value	$ 10,311,694			
Other Fiduciary Responsibility	(698,598)			
Net Receivables/(Payables)	(90,531)			
Total Invested Assets	$ 9,522,565			

Securities classified as level 1 are valued using prices quoted in active markets for those securities. Securities classified as level 2 are valued using matrix pricing. Pricing is obtained from various sources.

Foreign Exchange, Foreign Exchange Contracts, Off-Balance Sheet Risk, and Derivative Exposure

The Commissioner is exposed to credit risk on investment derivative instruments that are in asset positions. The Commissioner has no policy of requiring collateral or other security to support derivative instruments subject to credit risk. Additionally, the Commissioner has no policy regarding entering into netting arrangements when it enters into derivative instrument transactions with a counterparty, nor does the Commissioner have a policy on contingencies. There was no income from derivative investments as of June 30, 2023.

The International Equity Pool includes foreign currency forward contracts to buy and sell specified amounts of foreign currencies at specified rates on specified future. The counterparties to the foreign currency forward contracts consist of a diversified group of financial institutions. Credit risk exposure exists to the extent of nonperformance by these counterparties; however, the risk of default is considered to be remote. The market risk is limited to the difference between contractual rates and forward rates at the balance sheet date. At June 30, 2023, the International Equity Pools had no outstanding contracts.

B. DEPOSITS AND INVESTMENTS UNDER CONTROL OF THE ALASKA RETIREMENT MANAGEMENT BOARD

The Alaska Retirement Management Board (ARMB) is the investment oversight authority for the State of Alaska's Retirement and Benefits Plans (Plans). These Plans are made up of six systems: the Public Employees' Retirement System (PERS), Teachers Retirement System (TRS), Judicial Retirement System (JRS), National Guard and Naval Militia Retirement Systems (NGNMRS), Supplemental Benefits System (SBS), and Deferred Compensation Plan (DCP). The systems comprise a mix of individual Defined Benefit and Defined Contribution Retirement Plans. Fiduciary responsibility for the ARMB's invested assets is pursuant to Alaska Statutes 37.10.210-390.

Alaska Statute 37.10.071 provides that investments shall be made with the judgment and care under circumstances then prevailing that an institutional investor of ordinary professional prudence, discretion and intelligence exercises in managing large investment portfolios.

Additional information related to the various pools and investments is disclosed in the financial schedules issued by the ARMB. These schedules of invested assets and of investment income and changes in invested assets are those of the six systems' invested assets and not the systems as a whole and are available through the Department of Revenue, Treasury Division, P.O. Box 110405, Juneau, AK 99811-0405 or at http://treasury.dor.alaska.gov/armb/.

Investments and Related Policies

Securities are valued each business day using prices obtained from a pricing service when such prices are available; otherwise, such securities are valued at the most current sale price or based on a valuation provided by investment managers. Fair values of investments that have no readily determinable fair value are generally reported by using the net asset value per share (or its equivalent) of the investment. Pooled participant directed accounts and the collective investment funds are valued based on a unit value determined by the managers or trustees multiplied by the total units held by the Plan. The unit value is determined by the respective managers or trustees based on the fair value of the underlying assets. The Plan's Investments in fully benefit-responsive Synthetic Investment Contracts (SICs) are stated at contract value. Investment purchases and sales are recorded on a trade-date basis. Investment income includes realized and unrealized gains and losses and interest income on investments and income from securities lending.

Fair Value Measurements

Various inputs are used in valuing the investments held by the ARMB. U.S. generally accepted accounting principles (GAAP) establishes a hierarchy of inputs used to value investments emphasizing observable inputs and minimizing unobservable inputs. These inputs are summarized as follows:

Level 1 - Quoted prices for identical assets in an active market
Level 2 - Inputs, other than quoted prices, that are observable for the asset, either directly or indirectly
Level 3 - Unobservable inputs. Unobservable inputs should only be used to the extent that observable inputs are not available for a particular asset.

The ARMB categorizes fair value measurements within the fair value hierarchy established by GAAP. The ARMB has the following fair value measurements at June 30, 2023 (in thousands):

	Totals	Level 1	Level 2	Level 3
Investment by Fair Value Level				
Cash Equivalents				
Deposits	$ 29,674	$ 29,674	$ —	$ —
Money Market	273,200	—	273,200	—
Repurchase Agreement	63,993	—	63,993	—
Total Cash Equivalents	366,867	29,674	337,193	—
Debt Securities				
Commingled Debt Funds	2,180,606	1,691,982	488,624	—
Corporate Bonds	1,231,170	—	1,231,170	—
Mortgage Backed	1,431,570	—	1,431,570	—
Other Asset Backed	325,177	—	325,177	—
U.S. Government Agency	544,667	—	544,667	—
U.S. Treasury Bills, Notes, and Bonds	1,148,289	—	1,148,289	—
Yankee Corporate Bonds	365,146	—	365,146	—
Yankee Government Bonds	80,973	—	80,973	—
Total Debt Securities	7,307,598	1,691,982	5,615,616	—
Equity				
Commingled Equity Funds	4,504,269	4,504,269	—	—
Common and Preferred Equity	11,051,544	11,050,294	5	1,245
Depository Receipts	146,554	146,554	—	—
Futures	409	409	—	—
Real Estate Investment Trust	775,366	775,366	—	—
Warrants	23	23	—	—
Total Equities	16,478,165	16,476,915	5	1,245
Other				
Balanced Funds	2,092,983	—	2,092,983	—
Target Date Funds	3,014,011	—	3,014,011	—
Securities Lending Collateral Invested	61,606	—	61,606	—
Total Other	5,168,600	—	5,168,600	—
Total Investments by Fair Value Level	$ 29,321,230	$ 18,198,571	$ 11,121,414	$ 1,245
Investments Measured at the NAV				
Alternative Beta	$ 297,213			
Alternative Fixed Income	866,368			
Energy	54,017			
Farmland	1,064,200			
Infrastructure	864,361			
Private Equity	5,116,400			
Real Estate	1,663,756			
Timber	399,500			
Total Investments Measured at NAV	10,325,815			
Total Investments Measured at Fair Value	$ 39,647,045			
Synthetic Investment Contract at Cost	$ 861,214			
Net Receivables / (Payables)	(20,792)			
Total Invested Assets	$ 40,487,467			

Securities classified as level 1 are valued using prices quoted in active markets for those securities. Securities classified as level 2 are valued using matrix pricing using various sources. Each balanced and target date options classified as level 2 are priced daily by the investment managers based on the prevailing market values of the underlying security portfolios. Securities classified as level 3 are valued using the last traded price or a price determined by the investment manager's valuation committee.

Investments in alternative beta, alternative fixed income, energy, farmland, infrastructure, private equity, real estate, and timber are measured at net asset value (NAV) per share of the investments (or its equivalent) of the capital account balance nearest to the balance sheet date, adjusted for subsequent contributions and distributions. These investments undergo annual independent financial statement audits. Additional information about these investments is listed in the following table (in thousands):

	Fair Value	Redemption Frequency (if currently available)	Redemption Notice Period
Alternative Beta	$ 297,213	N/A	N/A
Alternative Fixed Income	866,368	Quarterly	2-90 days
Energy	54,017	No redemptions	No redemptions
Farmland	1,064,200	N/A	N/A
Infrastructure	864,361	Quarterly	30-90 days
Private Equity	5,116,402	No redemptions	No redemptions
Real Estate	1,663,756	Varied	Varied
Timber	399,500	N/A	N/A
Total Investments Measured at NAV	$ 10,325,817		

Alternative Beta and Alternative Fixed Income: Investment strategies include pooled investment vehicles and securities in a variety of markets.

Energy: This type includes investments in three energy funds, which invest in the debt and equity of energy-related companies. These investments can never be redeemed. The nature of these investments is such that distributions are received through the liquidation of underlying assets of the funds. These investments are expected to be funded for 10 years after the commitment date of the most recent commitment.

Farmland: This type includes investments of a wholly owned agriculture fund. This fund is for the purpose of owning and managing real estate property devoted to agricultural use. Investment properties include row crops, permanent crops and vegetable crops. This investment is a fund of one, therefore can be liquidated at any time.

Infrastructure: This type includes investments in two open-ended infrastructure funds. Investments include electricity generation, transmission, toll roads, pipelines, bridges, and other infrastructure-related assets. Funds can be redeemed on a quarterly basis with proper notice.

Private Equity: This type includes investments in 42 private equity funds including two gatekeeper managers who invest on behalf of the ARMB. These funds are diversified in various sectors including, but not limited to, venture capital, acquisitions, debt, and special situations. These investments can never be redeemed. The nature of these investments is such that distributions are received through the liquidation of underlying assets of the funds. These investments are expected to be funded for 10 years after the commitment date of the most recent commitment.

Real Estate: This type includes investments in 15 real estate funds that invest primarily in U.S. commercial real estate including value-added, opportunistic and core investments. Four of these funds are open-ended. Two of these open-ended funds are funds of one, and therefore can be liquidated at any time. For the remaining 11 funds, investments can never be redeemed. The nature of these investments is such that distributions are received through the liquidation of underlying assets of the funds. These 11 remaining investments are expected to be funded for 10 years after the commitment date of the most recent commitment.

Timber: This type includes investments in one wholly owned fund that invest in timberland property and related opportunities.

Synthetic Investment Contracts (SICs): The ARMB's investment manager entered into investment contracts, on behalf of the ARMB, with five financial institutions. These institutions provide wrap contracts that cover separately managed SIC portfolios. The accounts are credited with earnings and investment deposits, less administrative expenses charged by the financial institutions and investment withdrawals. The contracts are included in the ARMB's statements at contract value. They are fully benefit-responsive. There are no reserves against contract value for the credit risk of the contract issuer or otherwise. The crediting interest rate is based on the approximate rate of interest that will amortize differences between contract and market value over the portfolio's average duration. Accounts and terms of SICs in effect at June 30, 2023 are as follows (in thousands):

	Contract Provider	Alaska Retirement Management Board
Contract Value of Investment Contract	Prudential Insurance Company of America	$ 169,537
Market Value of Portfolio	Prudential Insurance Company of America	153,464
Average Crediting Rate	Prudential Insurance Company of America	2.30 %
Contract Value of Investment Contract	New York Life Insurance Co.	169,028
Market Value of Portfolio	New York Life Insurance Co.	152,817
Average Crediting Rate	New York Life Insurance Co.	2.11 %
Contract Value of Investment Contract	Pacific Life Insurance Co.	169,777
Market Value of Portfolio	Pacific Life Insurance Co.	153,740
Average Crediting Rate	Pacific Life Insurance Co.	2.32 %
Contract Value of Investment Contract	State Street Bank & Trust Co.	169,577
Market Value of Portfolio	State Street Bank & Trust Co.	153,356
Average Crediting Rate	State Street Bank & Trust Co.	2.26 %
Contract Value of Investment Contract	Massachusetts Mutual Life Insurance Co.	169,122
Market Value of Portfolio	Massachusetts Mutual Life Insurance Co.	152,823
Average Crediting Rate	Massachusetts Mutual Life Insurance Co.	2.12 %

Interest Rate Risk

The ARMB invests its cash in the State of Alaska, Treasury Division's (Treasury) Short-Term Fixed Income Pool. As a means of limiting its exposure to fair value losses arising from increasing interest rates, Treasury's investment policy limits individual fixed rate securities to 14 months to maturity or 14 months expected average life upon purchase. Floating rate securities are limited to three years to maturity or three years expected average life upon purchase. At June 30, 2023, all securities within the Short-term Fixed Income Pool met these compliance metrics.

Duration is a measure of interest rate risk. It measures a security's sensitivity to a 100-basis point change in interest rates. The duration is the average fair value weighted duration of each security considering all related cash flows. At June 30, 2023, the effective duration of the ARMB's fixed income investments by type, was as follows:

	Effective Duration (in years)
Corporate Bonds	6.77
Mortgage-backed	5.31
Other Asset Backed	0.97
U.S. Government Agency	4.04
U.S. Treasury Bills, Notes, and Bonds	6.66
Yankee Corporate Bonds	4.25
Yankee Government Bonds	5.42
Total Portfolio	5.55

Synthetic Investment Contracts

The ARMB contracts with an external investment manager who is given the authority to invest in SICs and a reserve. This external manager also manages the securities underlying the SICs. In the case of the ARMB's constant duration SICs, duration is the fair value weighted average term to maturity of all fixed income securities underlying the contracts and their related cash flows. Duration of the Plan's structured payout SICs is the weighted average maturity of the contract payments. Through the ARMB's investment policy, exposure to fair value losses arising from increasing interest rates is managed by limiting the duration on SICs as follows:

Constant duration SICs duration cannot exceed the longer of six years or the duration of the Bloomberg Barclays Aggregate Bond Index plus one-half year. The weighted average duration of the constant duration SICs was 4.60 years at June 30, 2023. The duration of the Bloomberg Barclays Aggregate Bond Index was 6.28 years at June 30, 2023. The account's weighted average effective duration will generally not exceed the effective duration of the Bloomberg Barclays U.S. Intermediate Aggregate Bond Index plus 10%. The weighted average duration of the account was 4.51 years at June 30, 2023. The duration of the Bloomberg Barclays U.S. Intermediate Aggregate Bond Index was 4.53 years at June 30, 2023. The balance of the reserve is invested in the custodian's Institutional Treasury Money Market Fund and the external manager's Cash Reserves Trust Fund. The account did not hold any buy-and-hold SICs or structured payout SICs investments at June 30, 2023.

Credit Risk

At June 30, 2023, ARMB's invested assets consisted of fixed income securities with credit quality ratings issued by nationally recognized statistical rating organizations. Securities lending collateral was invested in a registered 2(a)-7 money market fund that was not rated. Using Standard & Poor's Corporation rating scale, the values for each rating are as follows (in thousands):

Rating	U.S. Dollar	Foreign
A	$ 773,356	$ —
A-1	7,214	—
AA	141,238	—
AAA	255,839	—
B	2,906	—
BB	17,432	—
BBB	683,843	—
Not Rated	3,732,814	—
U.S. Government Agency	544,667	—
U.S. Treasury Bills, Notes, and Bonds	1,148,289	—
	$ 7,307,598	$ —

Synthetic Investment Contracts

The ARMB's investment policy has the following credit risk limitations for SICs, investments underlying the synthetic investment contracts and the reserve:

Synthetic investment contract issuers must have an investment grade rating. Supranational Agency and Foreign Government entity investments must have a minimum rate of A- or equivalent. Corporate debt securities must have a minimum rating of BBB- or equivalent. Asset-backed securities must have a minimum rating of AAA or equivalent. The ratings assigned to issuers of money market instruments must have the highest rating of any nationally recognized statistical rating organization. This limitation does not apply to the investment funds maintained by the custodian.

Custodial Credit Risk - Deposits

The ARMB does not have a policy in relation to custodial credit risk for deposits. At June 30, 2023, the ARMB's invested assets had uncollateralized and uninsured foreign currency deposits of $40,433 thousand.

Foreign Currency Risk

The ARMB's Stable Value Fund policy requires that all investments underlying a synthetic investment contract be denominated in U.S. dollars. For all other funds, through its asset allocation, the ARMB limits risk by limiting total investments in foreign currencies to the following:

Pension System	Multi-Asset	Global Equity Ex-U.S.	Private Equity Pool	Real Assets Pool
Public Employees' Retirement System	12 %	21 %	21 %	21 %
Teachers' Retirement System	12	21	21	21
Judicial Retirement System	12	21	21	21
Alaska National Guard and Naval Militia Retirement System	12	13	12	11

At June 30, 2023, the ARMB had exposure to foreign currency risk with the following deposits and investments (in thousands):

Currency	Deposits	Equity	Futures	Private Equity	Rights & Warrants
Australian Dollar	$ 136	$ 64,242	$ —	$ 542	$ —
Brazilian Real	287	57,035	—	—	—
Canadian Dollar	676	115,626	25	—	—
Chilean Peso	95	5,230	—	—	—
Colombian Peso	—	846	—	—	—
Czech Koruna	35	1,206	—	—	—
Danish Krone	39	67,788	—	—	—
Euro Currency	2,135	852,991	—	372,416	—
Hong Kong Dollar	1,753	216,866	46	—	—
Hungarian Forint	55	1,761	—	—	—
Iceland Krona	—	—	—	—	—
Indian Rupee	271	106,516	—	—	—
Indonesian Rupiah	29	10,469	—	—	—
Japanese Yen	2,778	518,572	—	—	—
Kuwaiti Dinar	72	964	—	—	—
Malaysian Ringgit	6	8,745	—	—	—
Mexican Peso	—	29,067	—	—	—
New Israeli Sheqel	80	9,702	—	—	—
New Taiwan Dollar	326	101,733	—	—	—
New Zealand Dollar	53	4,877	—	—	—
Norwegian Krone	44	21,756	—	—	—
Philippine Peso	20	5,690	—	—	—
Polish Zloty	50	3,587	—	—	—
Pound Sterling	717	313,891	—	85,439	—
Qatari Rial	87	5,473	—	—	—
Russian Ruble	1,293	—	—	—	—
Saudi Riyal	7	7,613	—	—	—
Singapore Dollar	10	32,847	—	—	—
South African Rand	107	13,110	—	—	—
South Korean Won	17	89,714	—	—	—
Swedish Krona	41	70,363	—	9,661	—
Swiss Franc	912	178,449	—	—	23
Thailand Baht	6	11,834	—	—	—
Turkish Lira	55	38,072	—	—	—
Uae Dirham	90	7,844	—	—	—
Yuan Renminbi	—	75,643	—	—	—
Yuan Renminbi Offshore	28,151	—	—	—	—
	$ 40,433	$ 3,050,122	$ 71	$ 468,058	$ 23

Concentration of Credit Risk

At June 30, 2023, the ARMB's Invested Assets did not have exposure to any one issuer greater than 5% of total invested assets.

Synthetic Investment Contracts

The ARMB's policy regarding concentration of credit risk for, underlying investments, and reserve is as follows:

No investment will be made if, at the time of purchase, total investment in any single issuer of investment contracts would exceed thirty-five percent of the account's total value.

No investment will be made if, at the time of the purchase, the investment could cause any single issuer, or all issuers of the securities held as supporting investments under the synthetic investment contracts to exceed the respective percentage of the account's total value in the table below.

Investment Type	Maximum Per Issuer	Maximum for all Issuers
U.S. Treasuries, U.S. Agency, and U.S. Government Entity Securities-Full Faith and Credit	100 %	100 %
U.S. Agency Securities and U.S. Government Entity Securities-Non Full Faith and Credit	100	100
Agency Mortgage-Backed Securities	50	50
Non-Agency Mortgage-Backed Securities	5	50
Asset-Backed Securities	5	50
Domestic and Foreign Corporate Debt Securities	5	50
Supranational Agency, Foreign Government, and Foreign Government Entity Securities	5	50
Money Market Instruments - Nongovernment/Agency	5	100
Custodian Short-term	100	100

The maximum exposure to corporate debt securities rated between BBB- and BBB+ or equivalent is limited to twenty percent of the account's total value.

For the reserve, no investment will be made if, at the time of purchase, the total investment of any single issuer of money market instruments exceeds 5 percent of the total account's value. This limitation does not apply to the investment funds maintained by the custodian.

No investment will be made if, at the time of purchase, the total investment in all domestic and foreign corporate debt securities of any one industry exceed 25 percent of the account's total value.

Derivatives, Foreign Exchange, and Counterparty Credit Risk

The ARMB is exposed to credit risk on investment derivative instruments that are in asset positions. The ARMB has no policy of requiring collateral or other security to support derivative instruments subject to credit risk. Additionally, the ARMB has no policy regarding entering into netting arrangements when it enters into derivative instrument transactions with a counterparty, nor does the ARMB have a policy for contingencies. On June 30, 2023, the ARMB had the following derivative instruments (in thousands):

	Change in Fair Value		Fair Value		
	Classification	Amount	Classification	Amount	Notional
Commodity Futures Long	Investment Revenue	$ (4,233)	Futures	$ —	$ 3
Commodity Futures Short	Investment Revenue	770	Futures	—	(2)
Fixed Income Futures Long	Investment Revenue	(671)	Futures	—	71,900
FX Forwards	Investment Revenue	(6,615)	Long Term Instruments	(1,796)	108,006
Index Futures Long	Investment Revenue	(8,994)	Futures	—	91
Index Futures Short	Investment Revenue	(6,440)	Futures	—	(16)
Rights	Investment Revenue	(9)	Common Stock	—	—
Total Return Swaps Equity	Investment Revenue	1,724	Swaps	—	—
Warrants	Investment Revenue	32	Common Stock	23	31

The International Equity Pool includes foreign currency forward contracts to buy and sell specified amounts of foreign currencies at specified rates on specified future dates for the purpose of hedging existing security positions. The counterparties to the foreign currency forward contracts consist of a diversified group of financial institutions. Credit risk exposure exists to the extent of nonperformance by these counterparties; however, the risk of default is considered to be remote. The market risk is limited to the difference between contractual rates and forward rates at the balance sheet date. At June 30, 2023, the ARMB had the following foreign currency risk related to derivatives (in thousands):

Currency Name	Right & Warrants	Receivables	Payables	Total Exposure
Australian Dollar	$ —	$ (163)	$ —	$ (163)
Canadian Dollar	—	37	—	37
Euro Currency	—	41	—	41
Indian Rupee	—	58	—	58
Japanese Yen	—	(1,807)	—	(1,807)
Pound Sterling	—	7	—	7
South Korean Won	—	—	27	27
Swiss Franc	23	5	—	28
	$ 23	$ (1,822)	$ 27	$ (1,772)

At June 30, 2023 the ARMB had no counterparty credit and counterparty concentration risk associated with its investment derivative positions.

Securities Lending

Alaska Statute 37.10.071 authorizes the ARMB to lend assets, under an agreement and for a fee, against deposited collateral of equivalent fair value. The ARMB lends marketable debt and equity securities through a contract with State Street Bank and Trust (the Bank). International equity security loans were collateralized at not less than 105 percent of their fair value. All other security loans were collateralized at not less than 102 percent of their fair value. Loaned securities and collateral were marked to market daily and collateral was received or delivered the following day, as necessary, to maintain collateral levels. The ARMB cannot pledge or sell collateral received until and unless a borrower defaults. At June 30, 2023, the ARMB had no credit risk exposure to the borrowers because the amounts the ARMB owes to the borrowers exceeded the amounts the borrowers owe the ARMB.

The fair value of securities on loan at June 30, 2023, was approximately $32.7 million. At June 30, 2023, cash collateral received totaling $33.6 million is reported as a securities lending payable and the fair value of the re-invested cash collateral totaling $33.6 million is reported as security lending collateral invested in the Schedule of Invested Assets.

Cash collateral was invested in a registered 2(a)-7 money market fund. Maturities of investments in the money market fund generally did not match the maturities of the loaned securities because the lending agreements were terminable at will. Securities under loan, cash collateral and cash collateral payable are recorded on the financial schedules at fair value. The Bank and the ARMB received a fee from earnings on invested collateral. The Bank and the ARMB shared the fee paid by the borrower.

There was limited credit risk associated with the lending transactions since the ARMB was indemnified by the Bank against any loss resulting from counterparty failure or default on a loaned security or its related income distributions. The Bank further indemnified the ARMB against loss due to borrower rebates in excess of earnings on cash collateral. Indemnifications were subject to limitation relating to a force majeure event as outlined in the contract.

For the year ended June 30, 2023 there were no losses incurred as a result of securities lending transactions and there were no significant violations of legal or contractual provisions nor failures by any borrowers to return loaned securities.

DEFERRED COMPENSATION PLAN

The State's Internal Revenue Code Section 457 Deferred Compensation Plan (DCP) holds investments in several collective investment funds, Pooled Investments Funds, and Stable Value Fund. At June 30, 2023, Deferred Compensation Plan investments totaled $1.130 billion.

Each participant designates how their contribution is to be allocated among the investment options. Each participant's account is credited with the participant's contributions and the appreciation or depreciation in unit value for the investment funds, and reduced for administrative fees.

The carrying values of participant-directed investments at June 30, 2023 are as follows (in thousands):

	FY 2023
S&P 500 Stock Index Fund	$ 269,775
Stable Value Fund	193,773
U.S. Small-Cap Trust	111,936
Alaska Long-Term Balanced Trust	93,847
Passive U.S. Bond Index Fund	68,794
Russell 3000 Index Fund	52,363
Alaska Balanced Trust	43,897
International Equity Fund	39,942
Environmental, Social, and Governance Fund	38,508
Alaska Target Date Retirement 2025 Trust	28,642
World Equity Ex-U.S. Index Fund	26,973
Blackrock Strategic Completion Fund	22,124
State Street Institutional Treasury Money Market	21,740
Alaska Target Date Retirement 2020 Trust	20,575
Alaska Target Date Retirement 2030 Trust	19,772
Alaska Target Date Retirement 2035 Trust	16,723
Alaska Target Date Retirement 2040 Trust	14,613
Alaska Target Date Retirement 2045 Trust	11,616
Alaska Target Date Retirement 2050 Trust	10,464
Alaska Target Date Retirement 2015 Trust	8,321
Alaska Target Date Retirement 2055 Trust	7,857
Alaska Target Date Retirement 2010 Trust	2,432
MassMutual Equity Fund	2,401
Alaska Target Date Retirement 2060 Trust	2,012
Alaska Target Date Retirement 2065 Trust	892
JPMorgan SmartRetirement Blend 2020 R6	110
JPMorgan SmartRetirement Blend 2015 R6	105
MassMutual Bond Fund	13
	$ 1,130,220

Additional investment information is disclosed in the financial statements issued by the Department of Administration, Division of Retirement and Benefits. These financial statements are available through the Department of Administration, Division of Retirement and Benefits, P.O. Box 110203, Juneau, AK 99811-0203 or at http://doa.alaska.gov/drb/.

Risk and Uncertainty

DCP invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of fiduciary net position.

DCP may invest in pooled separate accounts that include securities with contractual cash flows, which may include asset-backed securities, collateralized mortgage obligations, and commercial mortgage-backed securities. The value, liquidity, and related income of these securities are sensitive to changes in economic conditions, including real estate value, delinquencies or defaults, or both, and may be adversely affected by shifts in the market's perception of the issuers and changes in interest rates.

SUPPLEMENTAL BENEFITS SYSTEM

The State's Supplemental Benefits System (SBS) holds investments in several collective investment funds, a Stable Value Fund and the Pooled Investment Funds. At June 30, 2023, SBS investments totaled $4.752 billion.

Each participant designates how their contributions are to be allocated among the investment options. Each participant's account is credited with the participant's contributions, adjusted for the appreciation or depreciation in unit value for the investment funds, and reduced for administrative fees.

The carrying values of participant-directed investments at June 30, 2023 are as follows (in thousands):

	FY 2023
Alaska Balanced Trust	$ 1,041,489
Alaska Long-term Balanced Trust	748,135
S&P 500 Stock Index Fund	546,822
Stable Value Fund	488,587
U.S. Small Cap Trust	200,856
Passive U.S. Bond Index Fund	162,372
Alaska Target Date Retirement 2055 Trust	148,661
Alaska Target Date Retirement 2050 Trust	138,305
Russell 3000 Index Fund	138,028
Alaska Target Date Retirement 2045 Trust	123,160
Alaska Target Date Retirement 2025 Trust	106,890
Alaska Target Date Retirement 2035 Trust	106,095
Alaska Target Date Retirement 2030 Trust	102,810
Environmental, Social, and Governance Fund	101,072
Alaska Target Date Retirement 2040 Trust	99,468
International Equity Fund	96,403
World Equity Ex-U.S. Index Fund	86,693
Alaska Target Date Retirement 2020 Trust	76,484
State Street Institutional Treasury Money Market Fund	70,760
Blackrock Strategic Completion Fund	66,412
Alaska Target Date Retirement 2015 Trust	66,074
Alaska Target Date Retirement 2060 Trust	17,095
Alaska Target Date Retirement 2065 Trust	9,165
Alaska Target Date Retirement 2010 Trust	8,764
JP Morgan Smart Retirement Blend 2015 R6	1,003
JP Morgan Smart Retirement Blend 2020 R6	321
	$ 4,751,924

Additional investment information is disclosed in the financial statements issued by the Department of Administration, Division of Retirement and Benefits. These financial statements are available through the Department of Administration, Division of Retirement and Benefits, P.O. Box 110203, Juneau, AK 99811-0203 or at http://doa.alaska.gov/drb/.

Risk and Uncertainty

SBS invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of fiduciary net position. SBS may invest in pooled separate accounts that include securities with contractual cash flows, which may include asset-backed securities, collateralized mortgage obligations, and commercial mortgage-backed securities. The value, liquidity, and related income of these securities are sensitive to changes in economic conditions, including real estate value, delinquencies or defaults, or both, and may be adversely affected by shifts in the market’s perception of the issuers and changes in interest rates.

C. DEPOSITS AND INVESTMENTS MAINTAINED BY COMPONENT UNITS WHOSE ACCOUNTS ARE OUTSIDE OF THE STATE TREASURY

There are many component units of the State that maintain their accounts outside of the State treasury. However, the overwhelming majority of the activity is within the Alaska Permanent Fund Corporation (APFC). Information on deposits and investments maintained by the other component units are available within their separately issued audit reports.

ALASKA PERMANENT FUND CORPORATION

APFC is managed by a six member board of trustees (the "Trustees" or "Board") consisting of the Department of Revenue Commissioner, one other head of a principal State department, and four public members with recognized competence and experience in finance, investments, or other business management-related fields. The board employs an executive director who in turn employs additional staff as necessary. The Alaska Permanent Fund (the "Fund") assets are diversified across a wide variety of investments, in accordance with statutes, regulations, and APFC investment policies.

Investments and Related Policies

Carrying value of investments

The Fund considers all of its ownership interests in securities and other assets to be investments because they are held for the purpose of income or profit and have a present service capacity based solely on their ability to generate cash or be sold to generate cash. Investments are reported at fair value in the financial statements. Investments without a readily determinable fair value are generally reported by using the NAV per share (or its equivalent) of the investment. Securities transactions are recorded on the trade date that securities are purchased or sold. Unrealized gains and losses are reported as components of net change in fund balance.

State investment regulations

In accordance with Alaska Statute 37.13.120(a), the Trustees have adopted regulations designating the types of eligible investments for Fund assets. The regulations follow the prudent investor rule, requiring the exercise of judgment and care under the circumstances then prevailing that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the designation and management of large investments entrusted to it, not in regard to speculation, but in regard to the permanent disposition of funds, considering preservation of the purchasing power of the Fund over time while maximizing the expected total return from both income and the appreciation of capital.

Investment policy - Asset allocation

The Trustees have established a long-term goal of achieving a five percent real rate of return over time on the Fund's investment portfolio. To help achieve this goal, the Trustees allocate the Fund's investments among various asset classes.

At June 30, 2023, the APFC's strategic asset allocation targets were as follows:

Asset Class	Asset Class Target
Public Equity	36%
Fixed Income	20%
Private Equity and Special Opportunities	17%
Real Estate	9%
Infrastructure and Private Income	9%
Absolute Return	6%
Risk Parity	1%
Cash	2%

To allow for market fluctuations and to minimize transaction costs, the Trustees have adopted ranges that permit percentage deviations from the strategic asset allocation targets in accordance with specified reporting requirements and other procedures. Generally, for each asset class, the APFC's Chief Investment Officer has discretionary authority to permit target deviations

within one specified range (referred to as the "green zone" in the investment policy); the APFC's Executive Director can approve target deviations for up to 90 days within a broader range (the "yellow zone"); and the Board can approve operating for longer than 30 days within a third range (the "red zone"). For example, the target dollar allocation for the public equities class is 36 percent, with the green zone range set at plus or minus five percent, the yellow zone range set at zero to five percent beyond the green zone, and red zone range set at greater than five percent beyond the green zone. In a similar manner, the APFC investment policy also requires the APFC to monitor relative risk (the expected investment portfolio's risk and return relative to the risk benchmark using standard industry risk measures), active budget risk (risk due to active management decisions made by managers), and limits on private investments and future commitments.

Interest Rate Risk

The APFC manages the Fund's exposure to interest rate risk in part through tracking error guidelines set forth in the APFC investment policy. Duration is an indicator of a portfolio's market sensitivity to changes in interest rates. In general, the major factors affecting duration are, in order of importance: maturity, prepayment frequency, level of market interest rates, size of coupon, and frequency of coupon payments. Rising interest rates generally translate into the value of fixed income investments declining, while falling interest rates are generally associated with increasing value. Effective duration attempts to account for the price sensitivity of a bond to changes in prevailing interest rates, including the effect of embedded options. As an example, for a bond portfolio with a duration of 5 years, a one percentage point parallel decline in interest rates would result in an approximate price increase on that bond portfolio of five percent.

At June 30, 2023, the Fund held fixed income investments with floating, variable, and step interest rates, valued at $817 million. The current annual interest rates ranging from zero to 9.7 percent.

Credit Risk

The APFC requires that its investment grade fixed income managers invest in domestic and non-domestic bonds that have an explicit or implied investment grade rating. Should the required ratings on an existing fixed income security fall below the minimum standards, the security must be sold within seven months. Certain high yield investment managers are allowed to invest a specified amount of funds in bonds rated below investment grade.

Custodial Credit Risk

The APFC generally requires that all investment securities at custodian banks be held in the name of the Fund or the APFC (on behalf of the Fund). For the Fund's non-domestic securities held by most sub-custodians, the APFC's primary custodian provides contractual indemnities against sub-custodial credit risk. Excess cash in custodial accounts is swept daily to a money market fund. Late deposits of cash which miss the money market sweep deadline are deposited to an interest bearing account at the custodian. These deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250 thousand. At times, balances in individual accounts exceed this limit.

Concentration of Credit Risk

The APFC manages the Fund's concentration of credit risk by following its strategic asset allocation policy, diversifying investments among managers with varying investment styles and mandates, and monitoring tracking error. Tracking error is a measure of how closely a portfolio follows the index to which it is benchmarked. The APFC's policy for mitigating this risk of loss for fixed income and equity investments is to ensure compliance with APFC investment policy and investment manager contracts. There is no single-issuer exposure within the APFC portfolio that comprises five percent or more of the overall portfolio. Therefore, no concentration of credit risk is reported in the notes to the financial statements.

Foreign Currency Risk

Foreign currency risk is managed through foreign currency forward contracts and by diversifying assets into various countries and currencies.

Forward Exchange Contracts

Fund managers enter into a variety of forward currency contracts in their trading activities and management of foreign currency exchange rate risk exposure. These contracts are typically intended to neutralize the effect of foreign currency fluctuations, and

the contract amounts do not appear on the balance sheet. Realized gains and losses are included in the net increase/decrease in the fair value of investments at the time the contract is settled and determined based on the difference between the contract rate and the market rate at the time of maturity or closing. Unrealized gains and losses are also included in the net increase/decrease in the fair value of investments, and are calculated based on the difference between the contract rate and a forward market rate determined as of the balance sheet date.

A portion of the investment in forward exchange contracts is intended to manage, rather than neutralize, foreign currency fluctuations. Certain managers seek to control the effect of fluctuations in foreign exchange rates within their overall portfolio strategy rather than on a security by security basis. They attempt to optimize their foreign currency exposure in a market rather than accept the natural geographical exposure to the market's currency.

Futures

Certain equity and fixed income managers for the Fund are permitted to buy and sell equity and interest rate index futures. The gross contract and fair value of futures do not appear in the balance sheets. The net unrealized gain or loss on open futures trades is included in investments on the balance sheets, based on the difference between the future's purchase price and the current value of such futures. Realized gains and losses on futures are included in the net increase/decrease in the fair value of investments at the time the futures contract expires. The net change in unrealized gains and losses is also included in the net increase/decrease in the fair value of investments.

Cash and Temporary Investments

The amounts shown on the balance sheets as cash and temporary investments include cash on deposit at the custodian bank, cash swept to overnight investment funds, cash collateral held at derivatives brokers, U.S. Treasury bills, commercial paper, and the net fair value of foreign exchange forward contracts. The APFC's asset allocation includes approximately two percent in cash. APFC's investment policy specifies that funds dedicated to this portion of the asset allocation will be invested in money market funds or fixed income securities with weighted-average maturities of no greater than 24 months.

Cash and temporary investments, which include the market values of foreign currency (FX) and FX forward exchange contracts, are summarized as follows at June 30, 2023 (in thousands):

Cash	$	187,170
Pooled Funds		1,077,259
Commercial Paper		19,593
U.S. Treasury Bills		1,960,759
FX Forward Exchange Contracts		2,931
Total Cash and Temporary Investments	$	3,247,712

Uninvested cash was held at the custodian, sub-custodian, or derivatives broker banks, primarily in interest-bearing accounts. All pooled funds were invested in a money market fund. U.S. Treasury bills are explicitly guaranteed by the U.S. government. Late deposits of cash which miss the money market sweep deadline and foreign currency are deposited in an interest-bearing account at the custodian. Deposit amounts that exceeded the FDIC insurance limit were $117.04 million on June 30, 2023.

Marketable Debt Securities

Marketable debt securities categorized by debt instrument type at June 30, 2023 are summarized as follows (in thousands):

	Cost	Fair Value	Unrealized Gains/(Losses)
U.S. Treasury and Government Notes/Bonds	$ 1,876,966	$ 1,831,296	$ (45,670)
Mortgage-backed Securities	2,389,469	2,280,689	(108,780)
U.S. Corporate Bonds	6,005,204	5,494,218	(510,986)
Commercial Mortgage/Asset-backed Securities	570,923	530,881	(40,042)
Non-U.S. Government Bonds	2,130,200	2,018,929	(111,271)
Non-U.S. Corporate Bonds	941,371	894,551	(46,820)
Exchange Traded Funds	151,955	153,437	1,482
Total Marketable Debt Securities	$ 14,066,088	$ 13,204,001	$ (862,087)

Marketable Debt Credit Ratings

To manage credit risk for marketable debt securities, the APFC monitors fair values of all securities daily and routinely reviews its investment holdings' credit ratings. For accounts with an investment grade mandate, issues falling below the minimum standards are required to be sold within seven months of the downgrade date. Minimum standards are a Standard & Poor's Corporation rating of BBB or better, or Moody's Investors Service, Inc. rating of Baa or better, or a comparable rating by another Nationally Recognized Statistical Rating Organizations (NRSRO) or by a recognized rating service in the jurisdiction of the issuer. Accounts with high yield mandates are allowed to hold positions in assets with below investment grade ratings (high yield bonds). For purposes of this note, if credit ratings differ among the NRSROs used, the rating with the highest degree of risk (the lowest rating) is reported.

At June 30, 2023, the Fund's credit ratings for its marketable debt securities are as follows (in thousands):

NRSRO Quality Rating	Domestic	Non-Domestic	Total Fair Value	Percent of Holdings
AAA	$ 320,127	$ 279,036	$ 599,163	4.54 %
AA	354,904	439,120	794,024	6.01
A	1,588,698	399,639	1,988,337	15.06
BBB	2,730,798	504,589	3,235,387	24.50
BB	736,175	204,080	940,255	7.12
B	232,016	63,543	295,559	2.24
CCC	—	4,078	4,078	0.03
CC	—	—	—	—
C	—	—	—	—
D	—	93,481	93,481	0.71
Total Fair Value of Rated Debt Securities	5,962,718	1,987,566	7,950,284	60.21
Exchange Traded Funds	129,026	24,411	153,437	1.16
Not Rated	55,913	956,280	1,012,193	7.67
U.S. Government Explicitly Backed by the U.S. Government	2,332,110	—	2,332,110	17.66
U.S. Government Implicitly Backed by the U.S. Government	1,755,977	—	1,755,977	13.30
Total Fair Value Debt Securities	$ 10,235,744	$ 2,968,257	$ 13,204,001	100.00 %

Marketable Debt Duration

To manage its interest rate risk on marketable debt securities, the APFC monitors fair values daily and routinely reviews portfolio duration in comparison to established benchmarks. At June 30, 2023, the effective duration by investment type, based on fair value, is as follows:

	Percentage of Holdings	Duration (Years)
Domestic Bonds		
Treasury and Government Notes/Bonds	17.89 %	6.04
Mortgage-backed Securities	22.28	6.5
Corporate Bonds	53.68	7.59
Commercial Mortgage and Asset-backed Securities	4.89	1.74
Exchange Traded Funds	1.26	—
Total Domestic Bonds	100.00 %	6.69
Non-domestic Bonds		
Treasury and Government Notes/Bonds	68.02 %	7.72
Corporate Bonds	30.14	7.13
Commercial Mortgage and Asset-backed Securities	1.02	1.15
Exchange Traded Funds	0.82	—
Total Non-domestic Bonds	100.00 %	7.41

Preferred and Common Stock

Direct investments in preferred and common stock are held by the APFC's custodian bank on behalf of the Fund. The Fund also invests in commingled stock funds, which are held by the custodian bank of the fund manager on behalf of fund investors, and equity index futures, which are held at the prime broker.

Preferred and common stocks and commingled stock funds at June 30, 2023 are summarized as follows (in thousands) which include the net fair value of equity index futures of $6.8 million:

	Cost	Fair Value	Unrealized Gains/ (Losses)
Direct Investments			
Domestic Stock	$ 11,481,670	$ 13,998,864	$ 2,517,194
Non-domestic Stock	11,969,717	12,566,345	596,628
Commingled Funds	212,824	204,309	(8,515)
Total Preferred and Common Stock	$ 23,664,211	$ 26,769,518	$ 3,105,307

Foreign Currency Exposure

Foreign currency risk is managed by the international investment managers in part through their decisions to enter into foreign currency forward contracts. Foreign currency risk is also managed through the diversification of assets in various countries and currencies.

At June 30, 2023, the Fund's cash holdings, foreign currency forward exchange contracts, non-domestic public and private equity, and debt securities had exposure to foreign currency risk as follows (shown in U.S. dollar equivalent at fair value and based on the currency in which the securities are held and traded) (in thousands):

Foreign Currency	Cash and Cash Equivalents	Foreign Exchange Forward Contracts	Equity,Private Debt, Real Estate, Infrastructure	Marketable Debt	Total Foreign Currency Exposure
Australian Dollar	$ 2,559	$ (61,133)	$ 348,078	$ 44,041	$ 333,545
Brazil Real	891	—	161,207	—	162,098
Canadian Dollar	3,954	(53,994)	646,962	46,892	643,814
Chilean Peso	325	—	7,975	—	8,300
Chinese Yuan Renminbi	(1,711)	(226,622)	340,239	224,868	336,774
Columbian Peso	93	(6,116)	1,361	5,655	993
Czech Koruna	64	(8,157)	1,433	7,765	1,105
Danish Krone	1,402	(15,550)	167,326	15,134	168,312
Euro Currency	54,590	(743,036)	3,896,081	629,185	3,836,820
Hong Kong Dollar	5,619	(13,120)	821,933	—	814,432
Hungarian Forint	168	(1,145)	7,179	1,130	7,332
Indian Rupee	1,122	—	410,146	—	411,268
Indonesian Rupiah	674	(24,604)	87,457	23,961	87,488
Israeli Shekel	593	(11,111)	35,657	11,009	36,148
Japanese Yen	(5,029)	(525,287)	1,383,014	527,576	1,380,274
Kuwaiti Dinar	22	—	1,515	—	1,537
Malaysian Ringgit	577	(18,316)	23,033	18,015	23,309
Mexican Peso	840	(15,873)	73,370	15,339	73,676
New Taiwan Dollar	1,626	(366)	434,927	—	436,187
New Zealand Dollar	292	(5,044)	9,236	4,924	9,408
Norwegian Krone	477	(7,929)	59,933	8,027	60,508
Pakistan Rupee	3	—	235	—	238
Peruvian Sol	59	(13,975)	—	12,540	(1,376)
Phillipines Peso	102	—	8,511	—	8,613
Polish Zloty	874	—	59,219	—	60,093
Pound Sterling	15,292	(240,257)	1,235,876	148,736	1,159,647
Qatari Riyal	711	—	18,481	—	19,192
Russian Ruble	—	—	3,327	—	3,327
Saudi Arabian Riyal	(1,199)	—	102,992	—	101,793
Singapore Dollar	(942)	1,502	83,610	—	84,170
South African Rand	308	(24)	61,508	—	61,792
South Korean Won	1,284	(59,662)	404,052	59,550	405,224
Swedish Krona	54	(129)	214,143	—	214,068
Swiss Franc	988	(34,529)	364,304	18,388	349,151
Thailand Baht	190	(16,191)	43,768	16,073	43,840
Turkish Lira	912	(506)	34,808	—	35,214
UAE Dirham	145	—	18,785	—	18,930
Total foreign currency exposure	$ 88,007	$ (2,101,174)	$ 11,572,795	$ 1,838,808	$ 11,398,436

Cash amounts in the schedule include receivables, payables, and cash balances in each related currency. If payables exceed receivables and cash balances in a currency, then the total cash balance for that currency will appear as a negative value. The remaining Fund investments are denominated in U.S. dollars and are not included in the schedule above.

Real Estate

The Fund holds a variety of real estate interests, including directly owned real estate, real estate investment trusts, multi-family and industrial real estate operating companies, private real estate funds, and other entities in which the assets consist primarily of real property. The Fund's directly owned real estate is through ownership of interests in corporations, limited liability

companies, and partnerships that hold title to the real estate. External institutional real estate management firms administer the majority of the Fund's directly owned real estate investments. An internal real estate management program was initiated during FY 2021 and two existing direct holdings were moved into this program. The Fund also holds a portfolio of real estate loans collateralized by income-producing, institutional real estate in the United States; these are administered by an external institutional real estate management firm.

The APFC periodically reviews real estate investments for other than temporary impairment. During FY 2023, no real estate holdings were determined to be impaired.

Real estate investments at June 30, 2023 are summarized as follows (in thousands):

	Cost	Fair Value	Unrealized Gains (Losses)
Real Estate Investment Trusts	$ 826,820	$ 890,984	$ 64,164
Real Estate Funds and Notes	2,015,032	2,291,346	276,314
American Homes 4 Rent II	88,660	123,910	35,250
Directly Owned Real Estate			
Retail	778,026	1,533,849	755,823
Office	1,597,195	1,744,301	147,106
Hotel	59,409	66,121	6,712
Industrial	186,723	844,681	657,958
Multifamily	131,102	293,749	162,647
Development	410,020	474,343	64,323
Total Real Estate	$ 6,092,987	$ 8,263,284	$ 2,170,297

Alternative Investments

Alternative investments include the Fund's investments in absolute return strategies, private credit, private equity, and infrastructure. The APFC periodically reviews alternative investments for other than temporary impairment.

Absolute return strategies are investments in specialized funds that seek to deliver returns that are largely uncorrelated with traditional market driven asset classes. The Fund invested in two absolute return limited partnerships in which the Fund was the only limited partner ("fund-of-one"); both are currently in liquidation. The Fund also holds direct hedge fund investments in which the Fund is one of many limited partners. External investment management services for this strategy are provided by institutional investment managers who have acknowledged their status as fiduciaries to the Fund. Because of the off-exchange and private nature of many absolute return strategies, investments may have no readily determinable fair value, and the estimated fair values could differ significantly from values that would be obtained in a market transaction for the assets. Each manager provides the Fund with fair value estimates of partnership interests and undergoes an annual independent audit.

The Fund invests in private credit through limited partnerships that invest either directly in distressed or mezzanine debt, or in commingled limited liability funds with a distressed debt or credit opportunity focus. These investments are funded over time as opportunities arise. The limited partnerships and funds undergo annual independent audits. Private credit investments by their nature generally have no readily determinable fair value, and the estimated fair values may differ significantly from values that would be obtained in a market transaction for the assets.

During FY 2023, no private credit funds were determined to be impaired.

The Fund holds private equity through investments in limited liability companies and limited partnerships that typically invest in unlisted, illiquid common and preferred stock and, to a lesser degree, subordinated and senior debt of companies that are in most instances privately held. The APFC has hired external advisors to assist in the selection of private equity holdings diversified by geography and strategy. Private equity is funded slowly over time as opportunities are identified by APFC staff, the external advisors, and the underlying fund managers. The underlying private equity funds provide the Fund with fair value estimates of the investments utilizing the most current information available. In addition, the external advisors review the fair value estimates and the underlying private equity funds undergo annual independent audits. Private equity investments by their nature generally have no readily determinable fair value, and the estimated fair values may differ significantly from values that

would be obtained in a market transaction for the assets. During FY 2023, it was determined that nineteen private equity funds were impaired because it was more likely than not that the Fund would not recover their carrying cost over the remaining estimated holding period of the assets. In order to reflect the impairment in statutory net income and fund balance classifications, $99.4 million of unrealized losses were realized through a write-down of cost to fair value. These impairments have no impact on the carrying value of investments or on the net increase in the fair value of private equity investments.

Infrastructure investments involve ownership or operating agreements in essential long-term service assets with high barriers to entry. Examples of infrastructure assets include: toll roads; airports; deep water ports; communication towers; and energy generation, storage and transmission facilities. Investments in this asset class are expected to have inflation protection attributes and exhibit low correlations with other major asset classes in the Fund's investment strategy. The Fund holds infrastructure investments through commingled funds organized as limited partnerships whose investment managers provide periodic fair value estimates and undergo annual independent audits. Infrastructure investments by their nature generally have no readily determinable fair value, and the estimated fair values may differ significantly from values that would be obtained in a market transaction for the assets. During FY 2023 it was determined that no infrastructure funds were impaired.

Alternative investments at June 30, 2023 are summarized as follows (in thousands):

	Cost	Fair Value	Unrealized Gains
Absolute Return	$ 3,996,041	$ 5,334,364	$ 1,338,323
Private Credit	2,356,648	2,690,337	333,689
Private Equity	9,633,323	15,321,168	5,687,845
Infrastructure	2,645,590	3,693,301	1,047,711
Total Alternative Investments	$ 18,631,602	$ 27,039,170	$ 8,407,568

Securities Lending

State regulations at 15 AAC 137.510 and APFC investment policy authorize the APFC to enter into securities lending transactions on behalf of the Fund. Through a contract with the Bank of New York Mellon (the Bank), the Fund lends marketable debt and equity securities to borrowers who are banks and broker-dealers. The loans are collateralized with cash or certain marketable securities. Under APFC's contract with the Bank, the Bank must mark the loaned securities and collateral to the market daily, and the loan agreements require the borrowers to maintain the collateral at not less than 102 percent of the fair value of domestic loaned securities (and non-domestic loaned securities denominated in U.S. dollars) and not less than 105 percent of the fair value for other non-domestic loaned securities. The APFC can sell securities that are on loan. If a borrower fails to return the loaned securities (borrower default), the Bank can use cash collateral (and the proceeds on the sale of any non-cash collateral) to purchase replacement securities. Generally, the APFC is protected from credit risk associated with the lending transactions through indemnification by the Bank against losses resulting from counterparty failure, the reinvestment of cash collateral, default on collateral investments, or a borrower's failure to return loaned securities.

Cash collateral received for loaned securities is reported on the Fund's balance sheets and invested by the Bank on behalf of the Fund. As of June 30, 2023, such investments were in overnight repurchase agreements that had a weighted-average-maturity of one day. The average term of the loans was also one day. At June 30, 2023 the value of securities on loan is as follows (in thousands):

Fair Value of Securities on Loan, Secured by Cash Collateral	$ 1,755,665
Cash Collateral	1,791,238
Fair Value of Securities on Loan, Secured by Non-cash Collateral	6,227,202
Non-cash Collateral	6,847,010

The Fund receives 80 percent of earnings derived from securities lending transactions, and the Bank retains 20 percent. During the year ended June 30, 2023, the Fund incurred no losses from securities lending transactions. The Fund received income of $23.8 million from securities lending for the year ended June 30, 2023, which is included in the real estate and other income line on the statements of revenues, expenditures and changes in fund balances.

Fair Value Measurement

Various inputs are used in valuing the investments held by the Fund. U.S. GAAP establishes a hierarchy of inputs used to value investments emphasizing observable inputs and minimizing unobservable inputs. These input levels are summarized as follows:

Level 1 - Quoted prices for identical assets in an active market.

Level 2 - Inputs, other than quoted prices, that are observable for the asset, either directly or indirectly.

Level 3 - Unobservable inputs. Unobservable inputs should only be used to the extent that observable inputs are not available for a particular asset.

Investments measured using NAV per share as a practical expedient to fair value are not categorized into input levels. The input levels used to measure the Fund's investments at June 30, 2023 are summarized as follows (in thousands):

	Measured Using Input Levels			Measured Using	
	Level 1	Level 2	Level 3	NAV	Total
Marketable Debt Securities	$ 1,971,243	$ 11,232,339	$ 419	$ —	$ 13,204,001
Preferred and Common Stock	26,651,404	16,921	9	101,184	26,769,518
Real Estate	890,984	—	—	7,372,300	8,263,284
Absolute Return	—	—	—	5,334,364	5,334,364
Private credit	—	—	—	2,690,337	2,690,337
Private equity	—	—	—	15,321,168	15,321,168
Infrastructure	—	—	—	3,693,301	3,693,301
Total Investments	$ 29,513,631	$ 11,249,260	$ 428	$ 34,512,654	$ 75,275,973

Marketable debt securities and preferred and common stock classified as level 1 are valued using prices quoted in active markets for those securities. Marketable debt securities classified as level 2 are valued using matrix pricing and those classified at level 3 are term loans. Commingled funds reported at NAV use the capital account balance nearest to the balance sheet date, adjusted for subsequent contributions and distributions made prior to the balance sheet date.

Publicly traded real estate investment trusts are valued using prices quoted in active markets and are reported as level 1. Directly held real estate, private real estate funds, and real estate debt investments are reported at the NAV of the capital account balance nearest to the balance sheet date, adjusted for subsequent contributions and distributions made prior to the balance sheet date. The underlying directly owned real estate investments are subject to annual appraisals and audits.

Absolute return investments are reported at the NAV of the capital account balance nearest to the balance sheet date, adjusted for subsequent contributions and distributions made prior to the balance sheet date. Absolute return investments undergo annual independent financial statement audits. The redemption notice period is from 1-91 days and the frequency of redemption is daily to quarterly.

Private credit investments are reported at NAV of the capital account balance nearest to the balance sheet date, adjusted for subsequent contributions and distributions made prior to the balance sheet date. Private credit investments undergo annual independent financial statement audits. Redemptions are not allowed and the usual life of these investments is 5-7 years.

Private equity investments are reported at the NAV of the capital account balance nearest to the balance sheet date, adjusted for subsequent contributions and distributions made prior to the balance sheet date. Private equity investments undergo annual independent financial statement audits. Redemptions are not allowed and the usual life of these investments is 10-12 years.

Infrastructure investments are reported at the NAV of the capital account balance nearest to the balance sheet date, adjusted for subsequent contributions and distributions made prior to the balance sheet date. Infrastructure investments undergo annual independent financial statement audits. Redemptions are not allowed and the usual life of these investments is 5-7 years.

Investment Income by Source

Investment income during the year ended June 30, 2023, is summarized as follows (in thousands):

Interest		
Marketable Debt Securities	$	428,286
Short-term		74,445
Total Interest	$	502,731
Total Dividends	$	671,564
Real Estate and Other Income		
Directly Owned Real Estate	$	97,390
Real Estate Investment Trusts		37,777
Real Estate Fund and Notes		43,519
Absolute Return		93
Private Credit		99,977
Infrastructure		4,008
Private Equity		154,074
Class Action Litigation		1,557
Security Lending, Commission Recapture, and Other		24,522
Total Real Estate and Other Income	$	462,917

Foreign Exchange Contracts, Futures and Off-Balance Sheet Risk

Certain APFC external investment managers enter into foreign currency forward exchange contracts (FX forward contracts) to buy and sell specified amounts of foreign currencies for the Fund at specified rates and future dates for the purpose of managing or optimizing foreign currency exposure. The maturity periods for outstanding contracts at June 30, 2023 ranged between one and 100 days.

The counterparties to the FX forward contracts consisted of a diversified group of financial institutions. The Fund is exposed to credit risk to the extent of non-performance by these counterparties. The Fund's market risk as of June 30, 2023 is limited to the difference between contractual rates and forward market rates determined at the end of the fiscal year.

FX forward contracts for FY 2023 are summarized as follows (in thousands):

Fair Value of FX Forward Contracts, Beginning of Year	$	42,662
Net Change in Fair Value of FX Forward Contracts		(39,731)
Fair Value of FX Forward Contracts, End of Year	$	2,931
Notional Amount of FX Forward Contracts, End of Year	$	5,909,068

Certain APFC equity and fixed income investment managers are permitted to trade equity and U.S. Treasury index futures for the Fund's account. Equity index futures are traded in both domestic and non-domestic markets based on an underlying stock exchange value. Index futures are settled with cash for the net difference between the trade price and the settle price.

Futures in equity accounts for FY 2023 are summarized as follows (in thousands):

Fair Value of Equity Index Futures, Beginning of Year	$	(1,366)
Net Change in Fair Value of Equity Index Future		8,120
Fair Value of Equity Index Future, End of Year	$	6,754
Notional Amount of Equity Index Future, End of Year	$	87,593

Futures in fixed income accounts for FY 2023 is summarized as follows (in thousands):

Fair Value of US Treasury Index Futures, Beginning of Year	$	3,556
Net Change in Fair Value of US Treasury Index Futures		(11,219)
Fair Value of US Treasury Index Futures, End of Year	$	(7,663)
Notional Amount of US Treasury Index Futures, End of Year	$	29,843

NOTE 5 – CAPITAL ASSETS

PRIMARY GOVERNMENT

Capital assets, which include property, plant, equipment, intangibles, and infrastructure items (highways, bridges, and similar items) are reported in the applicable governmental and business-type activity columns of the government-wide financial statements. Intangibles are grouped with the asset class they most resemble except for leases, which are grouped under intangible assets. Easements and right of way are grouped with land, and software is grouped with equipment.

Capitalization policy and useful lives for capital assets are as follows:

	Governmental Activities		Business-Type Activities	
Capital Asset	Capitalize at Value	Useful Life	Capitalize at Value	Useful Life
Land	All	Indefinite	All	Indefinite
Infrastructure	$ 1,000,000	15-75	$ 100,000	5-40
Buildings	1,000,000	50	100,000	10-40
Intangible Assets and Computer Software	500,000	3-7		
Building Improvements	100,000	15	All	5-40
Machinery/Equipment	100,000	3-60	5,000	5-10
Construction in Progress				

When a proprietary or fiduciary fund has its own capitalization policy, capital assets will be capitalized under that policy rather than in accordance with the above table.

State of Alaska art, library reserve, and museum collections that are considered inexhaustible, in that their value does not diminish over time, are not capitalized. These assets are held for public exhibition, education, or research rather than financial gain, and are protected, kept unencumbered, cared for, and preserved. Proceeds from the sale of collection items are used to acquire other items for collections.

Capital asset activities for the fiscal year ended June 30, 2023, are as follows (in millions):

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated:				
Intangible - Easements and Right-of-Way	$ 711	$ 9	$ —	$ 720
Land	383	—	—	383
Construction in progress	1,652	707	(660)	1,699
Total capital assets not being depreciated	2,746	716	(660)	2,802
Capital assets being depreciated:				
Buildings	2,050	27	(10)	2,067
Intangible - Software	345	—	—	345
Equipment	1,259	69	(8)	1,320
Infrastructure	11,185	584	—	11,769
Total capital assets being depreciated	14,839	680	(18)	15,501
Less accumulated depreciation for:				
Buildings	(683)	(65)	7	(741)
Intangible - Software	(288)	(27)	—	(315)
Equipment	(717)	(50)	7	(760)
Infrastructure	(7,505)	(408)	—	(7,913)
Total accumulated depreciation	(9,193)	(550)	14	(9,729)
Total capital assets being depreciated, net	5,646	130	(4)	5,772
Capital assets, net	$ 8,392	$ 846	$ (664)	$ 8,574

Governmental Activities	Beginning Balance (Restated)	Additions	Deletions	Ending Balance
Lease and SBITA assets being amortized:				
Buildings	306	34	(7)	333
IT Subscriptions	41	9	—	50
Total lease and SBITA assets being amortized	347	43	(7)	383
Less accumulated amortization for:				
Buildings	(42)	(36)	6	(72)
IT Subscriptions	—	(14)	—	(14)
Total accumulated amortization	(42)	(50)	6	(86)
Total lease and SBITA assets being depreciated, net	305	(7)	(1)	297
Lease and SBITA assets, net	$ 305	$ (7)	$ (1)	$ 297

Internal service funds predominantly serve the governmental funds. Accordingly, capital assets and lease assets for internal service funds are included as part of the above schedules for governmental activities.

Business-Type Activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated:				
Land	$ 31	$ —	$ —	$ 31
Construction in Progress	6	44	(32)	18
Total capital assets not being depreciated	37	44	(32)	49
Capital assets being depreciated:				
Buildings	1,155	2	—	1,157
Equipment	150	8	(1)	157
Infrastructure	1,169	21	—	1,190
Total capital assets being depreciated	2,474	31	(1)	2,504
Less accumulated depreciation for:				
Buildings	(601)	(32)	—	(633)
Equipment	(119)	(7)	1	(125)
Infrastructure	(671)	(37)	—	(708)
Total accumulated depreciation	(1,391)	(76)	1	(1,466)
Total capital assets being depreciated, net	1,083	(45)	—	1,038
Capital assets, net	$ 1,120	$ (1)	$ (32)	$ 1,087

The following relates to the land owned by the State:

The total state entitlement amounts to approximately 105.8 million acres, 102.6 million of which was received through the Statehood Act. In accordance with the Alaska Statehood Act section 6(g), Alaska Native Claims Settlement Act, and the Alaska National Interest Lands Conservation Act, section 906(c), 100.6 million acres have been patented or “tentatively approved.”

The State disposes of various land parcels through several programs. However, the State generally retains the subsurface rights of the land upon disposal.

Depreciation and amortization expense was charged to the functions of the primary government as follows (in millions):

Governmental Activities:	Capital Assets	Leases / SBITAs
General Government	$ 21	$ 11
Education	15	1
Health and Human Services	25	2
Law and Justice	5	4
Natural Resources	4	—
Development	2	2
Public Protection	15	3
Transportation	432	22
University	—	—
Depreciation on capital assets held by the state's internal service funds is charged to the various functions based on their use of the assets.	31	5
Total Depreciation Expense - Governmental Activities	$ 550	$ 50
Business-Type Activities:		
Enterprise	$ 76	

DISCRETELY PRESENTED COMPONENT UNITS

The estimated useful lives of capital assets range from 4 to 50 years. Intangibles are reported separately in the notes to the financial statements; however, on the face of the financial statements, intangibles that are not depreciated are grouped with the asset class they most resemble. Easements and Right-of-Way are grouped with Construction in Progress.

The following table summarizes net capital assets reported by the discretely presented component units at June 30, 2023 (in millions):

	Beginning Balance (Restated)	Additions	Deletions	Ending Balance
Capital assets not being depreciated:				
Intangible - Easements and Right-of-Way	$ 31	$ 12	$ —	$ 43
Land	131	3	—	134
Museum Collections	7	—	—	7
Construction in Progress	296	111	(74)	333
Total capital assets not being depreciated	465	126	(74)	517
Capital assets being depreciated/depleted:				
Intangible - Software	1		—	1
Intangible - Right of Use	—	—	—	—
Land	4	—	—	4
Library Books	53	—	—	53
Buildings	2,799	17	—	2,816
Equipment	982	37	(7)	1,012
Infrastructure	2,251	26	(7)	2,270
Total capital assets being depreciated/depleted	6,090	80	(14)	6,156
Less accumulated depreciation/depletion for:				
Intangible - Software	—	—	—	—
Intangible - Right of Use	—	—	—	—
Land	(1)	—	—	(1)
Library Books	(47)	(1)	—	(48)
Buildings	(1,497)	(80)	—	(1,577)
Equipment	(637)	(46)	7	(676)
Infrastructure	(1,263)	(67)	6	(1,324)
Total accumulated depreciation/depletion	(3,445)	(194)	13	(3,626)
Total capital assets being depreciated/depleted, net	2,645	(114)	(1)	2,530
Capital assets, net	$ 3,110	$ 12	$ (75)	$ 3,047

University of Alaska art and museum collections, which are capitalized but not depreciated, are held for public exhibition, education, or research rather than financial gain, and are protected, kept unencumbered, cared for, and preserved. Proceeds from the sale of collection items are used to acquire other items for collections.

The beginning balance was restated due to a correction of an error. See Note 14 for additional information.

	Beginning Balance (Restated)	Additions	Deletions	Ending Balance
Lease assets not being amortized:				
Land	$ —	$ —	$ —	$ —
Museum Collections	—	—	—	—
Construction in Progress	—	—	—	—
Total lease assets not being amortized	—	—	—	—
Lease and SBITA assets being amortized:				
Land	3	—	—	3
Library Books	—	—	—	—
IT Subscriptions	8	—	—	8
Buildings	5	2	—	7
Equipment	1	4	—	5
Infrastructure	—	—	—	—
Total lease and SBITA assets being amortized	17	6	—	23
Less accumulated amortization for:				
Land	—	—	—	—
Library Books	—	—	—	—
Buildings	(2)	(1)	—	(3)
IT Subscriptions	(2)	—	—	(2)
Equipment	—	(1)	—	(1)
Infrastructure	—	—	—	—
Total accumulated amortization	(4)	(2)	—	(6)
Total lease and SBITA assets being amortized, net	13	4	—	17
Lease and SBITA assets, net	$ 13	$ 4	$ —	$ 17

The Alaska Railroad Corporation's fiscal year ends on December 31, which caused the beginning balance to be restated due to the implementation of GASB Statement No. 87 for Alaska Railroad Corporation.

NOTE 6 – SHORT-TERM DEBT, BONDS PAYABLE AND OTHER LONG-TERM OBLIGATIONS

A. SUMMARY OF CHANGES

Short-Term Debt

Two enterprise funds, the Alaska Clean Water Fund and the Alaska Drinking Water Fund issued revenue anticipation bonds during FY 2023 totaling $1,385 thousand and $1,402 thousand respectively. The proceeds were used to fund the State share of loan distributions and administration costs. In accordance with the Environmental Protection Agency regulations, interest and investment earnings were then used to retire the revenue anticipation notes.

Long-Term Liabilities

The following table summarizes changes in long-term liabilities for Governmental Activities for the fiscal year ended June 30, 2023 (in thousands):

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Revenue bonds payable	$ 308,742	$ 3,358	$ 15,572	$ 296,528	$ 4,680
General obligation debt	673,803	57,922	111,297	620,428	45,212
Notes from direct borrowings and direct placements	1,069	—	1,069	—	—
Leases, transfer of ownership and SBITAs	462,187	40,823	64,319	438,691	62,362
Unearned revenue	363,012	289,667	511,909	140,770	77,242
Certificates of participation	19,870	—	2,474	17,396	2,615
Compensated absences	191,790	177,341	167,762	201,369	163,664
Claims and judgments	186,397	42,079	27,560	200,916	34,385
Pollution remediation	125,107	5,106	4,535	125,678	12,568
Other noncurrent liabilities	37,823	87,379	90,757	34,445	612
Net pension liability	2,328,108	1,614,992	—	3,943,100	—
Net OPEB liability	—	—	—	—	—
Total	$ 4,697,908	$ 2,318,667	$ 997,254	$ 6,019,321	$ 403,340

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for internal service funds are included as part of the above totals for governmental activities.

The General Fund in which the leases and transfer of ownership contracts are recorded typically liquidate these liabilities. The compensated absence obligations are typically liquidated by the funds incurring the related salaries and wages. Claims and judgments attributable to governmental activities will generally be liquidated by the General Fund, except for the payments by Capital Project Funds for the rebate of arbitrage. Certain claims and judgment liquidations will receive proportional federal reimbursement. Other non-current liabilities due within one year will be liquidated by the General Fund and those due after one year will be liquidated by the Reclamation Bonding Pool, a special revenue fund.

The Internal Revenue Code and arbitrage regulations issued by the Internal Revenue Service require rebate to the federal government of excess investment earnings on bond proceeds if the yield on those earnings exceeds the effective yield on the related tax-exempt bonds issued. Arbitrage rebates payable are reported under claims and judgments.

The following table summarizes changes in long-term liabilities for business-type activities for the fiscal year ended June 30, 2023 (in thousands):

Business-Type Activities	Beginning Balance (Restated)	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Revenue bonds payable	$ 278,414	$ —	$ 9,983	$ 268,431	$ 9,835
Unearned revenue	20,069	13,259	5,542	27,786	27,786
Compensated absences	5,415	4,599	3,988	6,026	4,074
Pollution remediation	8,688	8,235	2,693	14,230	1,423
Other Noncurrent Liabilities	41,337	—	2,649	38,688	—
Net pension liability	57,618	26,790	216	84,192	—
Net OPEB liability	—	—	—	—	—
Total	$ 411,541	$ 52,883	$ 25,071	$ 439,353	$ 43,118

The beginning balance was restated for unearned revenue due to a correction of an error by the Alaska International Airport.

B. NET PENSION LIABILITY

Net Pension Liability is recorded in the schedule of long-term liabilities above. The PERS and TRS total pension liability for the June 30, 2022 measurement date was determined by actuarial valuations as of June 30, 2021, which were rolled forward to June 30, 2022 and adjusted to reflect updated assumptions. The JRS and NGNMRS total pension liability for the June 30, 2022 measurement date was determined by actuarial valuations as of June 30, 2022. The actuarial valuations used the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2022:

System	Investment Rate of Return	Inflation Rate	Salary Scale Increases
PERS	7.38%, net of pension plan investment expenses. This is based on an average inflation of 2.50% and a real return of 4.88%	2.5%	Based on service, from 7.75% to 2.75% for Peace Officer/Firefighter Graded by service from 6.75% to 2.75% for all others
TRS	7.38%, net of pension plan investment expenses. This is based on an average inflation rate of 2.50% and a real return of 4.88%	2.5%	Based on service, from 7.00% to 2.85%
JRS	7.25%, net of pension plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return 4.75%	2.5%	0% per year through FY 2024, 3.00% per year thereafter
NGNMRS	5.75%, net of pension plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 3.25%	2.5%	None

PERS pre-commencement and post-commencement mortality rates were based upon the 2013-2017 actual experience. Pre-commencement mortality rates were based on 100 percent of the RP-2014 employee table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. Post-commencement mortality rates were based on 91 percent of male and 96 percent of female rates of the RP-2014 healthy annuitant table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. Post-disability mortality in accordance with the RP-2014 disabled table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. Disabilities are assumed to be occupational 75 percent of the time for Peace Officer/Firefighters, 40 percent of the time for others.The actuarial assumptions used in the June 30, 2021 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2017. The actuarial assumptions used in the June 30, 2021 actuarial valuation are the same as those used in the June 30, 2020 actuarial valuation except the amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from plan assets.

TRS pre-commencement and post-commencement mortality rates were based upon the 2013-2017 actual experience. Pre-commencement mortality rates were based on 100 percent of the RP-2014 white-collar employee table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. Post-commencement mortality rates were based on 93

percent of male and 90 percent of female rates of the RP-2014 white-collar healthy annuitant table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. Deaths are assumed to result from occupational causes 15 percent of the time. Post-disability mortality in accordance with the RP-2014 disabled table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. The actuarial assumptions used in the June 30, 2021 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017. The assumptions used in the June 30, 2021 actuarial valuation are the same as those used in the June 30, 2020 valuation except the amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from plan assets.

JRS pre-commencement and post-commencement mortality rates were based on the 2017-2021 actual experience, to the extent the experience was statistically credible. In accordance with Pub-2010 general employee/retiree table, above median, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement beneficiary mortality in accordance with Pub-2010 contingent survivor table, above-median, amount-weighted, and projected with MP-2021 generational improvement. The beneficiary mortality table is applied only after the death of the original member. The actuarial assumption used in the June 30, 2022 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021. For the June 30, 2022 actuarial valuation, the salary increase and the pensioner benefit increase assumptions were further modified to be 5.00 percent for FY 2023, and 3.00 percent per year thereafter to better reflect expected short-term experience. The amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from plan assets.

NGNMRS pre-commencement and post commencement mortality rates were based on the Pub-2010 safety employee/retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement beneficiary mortality in accordance with Pub-2010 contingent survivor table, above-median, amount-weighted, and projected with MP-2021 generational improvement. The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on the results of an experience study for the period from July 1, 2017 to June 30, 2021. The amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from plan assets.

For PERS, TRS, JRS, and NGNMRS, the long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022 are summarized in the next table (note that the rates shown exclude the inflation component):

System	Asset Class	Long-term Expected Real Rate of Return	Allocation	Range
PERS/TRS	Domestic Equity	6.51%	27.00%	+/- 6%
	Global Equity (ex-U.S.)	5.70	18.00	+/- 4
	Aggregate Bonds	0.31	21.00	+/- 10
	Opportunistic	—	6.00	+/- 4
	Real Assets	3.71	14.00	+/- 7
	Private Equity	9.61	14.00	+/- 6
	Cash Equivalents	(0.50)	—	—
JRS	Domestic Equity	6.51	27.00	+/- 6
	Global Equity (non-U.S.)	5.70	18.00	+/- 4
	Aggregate Bonds	0.31	21.00	+/- 10
	Opportunistic	—	6.00	+/- 4
	Real Assets	3.71	14.00	+/- 7
	Private Equity	9.61	14.00	+/- 6
	Cash Equivalents	(0.50)	—	—
NGNMRS	Broad Domestic Equity	6.51	20.00	+/- 6
	Global Equity (non-U.S.)	5.73	13.00	+/- 4
	Aggregate Bonds	0.31	46.00	+/- 10
	Opportunistic	—	6.00	+/- 4
	Real Assets	3.71	7.00	+/- 4
	Private Equity	9.61	8.00	+/- 4
	Cash Equivalents	(0.50)	—	—

The discount rate used to measure the total pension liability was 7.25 percent for PERS, TRS and JRS which is no change from the June 30, 2021 measurement. The discount rate used to measure the total pension liability was 5.75 percent for NGNMRS which a 1.25 percent decrease from the June 30, 2021 measurement. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the System Pension Plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability in accordance with the method prescribed by GASB 68. In the event benefit payments are not covered by the plan's fiduciary net position, a municipal bond rate would be used to discount the benefit payments not covered by the System Pension Plans' fiduciary net position. The S&P Municipal Bond 20-Year High Grade Index rate was 4.09 percent as of June 30, 2022.

The following presents the net pension liability/(asset) for each plan as of June 30, 2022, calculated using the discount rate, as well as what the respective plans' net pension liability/(asset) would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate (in thousands):

	1% Decrease 6.25%	Discount Rate 7.25%	1% Increase 8.25%
Primary Government's proportionate share of the PERS net pension liability/(asset)	$ 3,386,765	$ 2,515,767	$ 1,781,334
Discrete Component Units' proportionate share of the PERS net pension liability/(asset)	355,471	264,052	186,967
Primary Government's proportionate share of the TRS net pension liability/(asset)	16,152	10,799	6,283
Discrete Component Units' proportionate share of the TRS net pension liability/(asset)	38,482	25,728	14,969
Primary Government's JRS net pension liability/(asset)	23,347	46	(19,804)

	1% Decrease 4.75%	Discount Rate 5.75%	1% Increase 6.75%
Primary Government's NGNMRS net pension liability/(asset)	$ (13,535)	$ (16,327)	$ (18,718)

The State’s proportion of the net pension liability for the defined benefits multiple employer plans were based on projections of the present value of the State’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers from July 1, 2022 to a projected fully funded year of 2039. At June 30, 2022 the proportionate share of the net pension liability attributed to the State was 54.54 percent (49.36 percent for the primary government and 5.18 percent for the discrete component units) for the Public Employees' Retirement System (PERS) and 2.19 percent (0.65 for the primary government and 1.54 for the discrete component units) for the Teacher’s Retirement System (TRS). This was a decrease of 0.19 percent (0.40 percent increase for the primary government and 0.59 percent decrease for the discrete component units) for PERS and an decrease of 0.39 percent (0.00 percent increase for the primary government and 0.39 percent decrease for the discrete component units) for TRS from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the State recognized pension expense of $160,045 thousand ($169,126 thousand for the primary government and ($9,081) thousand for the discrete component units) broken out by plan as follows (in thousands):

Systems	Pension Expense
Public Employees’ Retirement System - Primary Government	$ 176,406
Public Employees’ Retirement System - Discrete Component Units	(5,834)
Teachers’ Retirement System - Primary Government	815
Teachers’ Retirement System - Discrete Component Units	(3,247)
Judicial Retirement System - Primary Government	(9,185)
Alaska National Guard and Alaska Naval Militia Retirement System - Primary Government	1,090

At June 30, 2023, the State reported deferred outflows of resources and deferred inflows of resources related to pension plans from the following sources by plan (in thousands):

		Deferred Outflows of Resources	Deferred Inflows of Resources
PERS			
Primary Government	Difference Between Projected and Actual Investment Earnings	$ 71,927	$ —
	Contributions Subsequent to the Measurement Date	231,768	—
Discrete Component Units	Difference Between Expected and Actual Experience	—	—
	Difference Between Projected and Actual Investment Earnings	7,549	—
	Contributions Subsequent to the Measurement Date	29,501	—
TRS			
Primary Government	Difference Between Expected and Actual Experience	—	35
	Difference Between Projected and Actual Investment Earnings	477	—
	Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	—	5
	Changes in Assumption	91	—
	Contributions Subsequent to the Measurement Date	1,001	—
Discrete Component Units	Difference Between Expected and Actual Experience	—	84
	Difference Between Projected and Actual Investment Earnings	1,136	—
	Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	—	705
	Changes in Assumptions	216	—
	Contributions Subsequent to the Measurement Date	2,206	—
JRS			
Primary Government	Difference Between Projected and Actual Investment Earnings	3,625	—
	Difference Between Expected and Actual Experience	1,780	—
	Changes in Assumptions	—	806
	Contributions Subsequent to the Measurement Date	10,743	—
NGNMRS			
Primary Government	Difference Between Projected and Actual Investment Earnings	1,641	—
	Difference Between Expected and Actual Experiences	907	111
	Changes in Assumptions	1,778	—

$275,219 thousand reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in fiscal year 2024 ($243,512 thousand for the primary government and $31,707 thousand for discrete component units).

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense for each plan as follows (in thousands):

Year Ending June 30	PERS - Primary Government	PERS - Discrete Component Units	TRS - Primary Government	TRS - Discrete Component Units	JRS - Primary Government	NGNMRS - Primary Government
2024	$ (8,551)	$ (898)	$ (22)	$ (746)	$ (1,590)	$ 1,351
2025	(21,918)	(2,300)	(178)	(425)	(2,120)	1,172
2026	(52,617)	(5,523)	(414)	(986)	(2,109)	381
2027	155,013	16,270	1,141	2,720	6,551	1,310
2028	—	—	—	—	—	—
Thereafter	—	—	—	—	—	—

SPECIAL FUNDING SITUATION

Under Governmental Accounting Standards Board Statement No. 68, a special funding situation exists when a nonemployer entity is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity or entities and either (1) the amount of contributions for which the nonemployer entity legally is responsible is not dependent upon one or more events unrelated to pensions or (2) the nonemployer is the only entity with a legal obligation to make contributions directly to a pension plan.

In an opinion dated August 3, 2015, the Department of Law advised that AS 39.35.280 and AS 14.25.085 did not create "legal responsibility" in the State to make contributions for non-State PERS and TRS participating employers, and that a "special funding situation" did not exist for purposes of GASB 68. The Department of Law further advised that the State should only report on its balance sheet those net pension liabilities attributable to the State as a participating employer. That opinion is incorporated by reference to this note.

On November 25, 2015, however, GASB staff advised the Department of Administration and the Department of Law that the term "legally responsible" for purposes of GASB 68 should not be construed in a legally enforceable sense, and that the reporting of net pension liability attributable to special funding situations on the State's balance sheet does not mean that the State is legally obligated for such underlying net pension liabilities. Rather, the reporting of such amounts merely reflects an "economic reality" that the State is making state assistance payments on behalf of participating employers pursuant to AS 39.35.280 and AS 14.25.085. Nevertheless, GASB staff advised that the existence of such statutes, irrespective of their constitutional validity, required the State to report these amounts as liabilities on its balance sheet. Moreover, in a memo dated December 16, 2015, the Division of Legislative Audit stated that the constitutional prohibition against dedicated revenue and limitations on one legislature binding the appropriation power of a subsequent legislature are not permissible exceptions to this accounting rule.

Accordingly, the State is reporting such amounts on its balance sheet, but the State affirmatively disclaims any and all legal responsibility or obligation, in a legally enforceable sense, for the non-State employer GASB 68 net pension liabilities reported as liabilities on the basic financial statements herein. The State acknowledges that municipalities and school districts have taken the position that they are not claiming responsibility for liabilities beyond the obligations they report in their financial statements.

The assumptions for the portion of the net pension liability attributed to the special funding situation for both the PERS and TRS plans are the same as those previously listed. The proportionate share of the net pension liability attributed to the special funding situation was based on a projection of the present value of the State's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers from July 1, 2023 to a projected fully funded year of 2039.

The following presents the State's proportionate share of the net pension liability calculated using the discount rate, as well as what the State's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage point higher than the current rate for the special funding situation portion (in thousands):

	1% Decrease 6.25%	Discount Rate 7.25%	1% Increase 8.25%
PERS net pension liability	$ 746,539	$ 554,547	$ 392,658
TRS net pension liability	1,415,142	946,135	550,492

At June 30, 2022 the proportionate share of the net pension liability attributed to the State for the special funding situation was 10.88 percent for the Public Employee's Retirement System (PERS) and 56.76 percent for the Teacher's Retirement System (TRS), which was a increase of 4.85 percent and an increase of 11.15 percent from its proportion measured as of June 30, 2021 for PERS and TRS respectively.

For the year ended June 30, 2023, the State recognized expenses of ($216,060) thousand in relation to the special funding situation broken out by plan as follows (in thousands):

Systems	Pension Expense
Public Employees' Retirement System	$ 255,877
Teachers' Retirement System	217,207

At June 30, 2023, the State reported deferred outflows of resources and deferred inflows of resources related to pension plans for the special funding situation amounts from the following sources by plan (in thousands):

		Deferred Outflows of Resources	Deferred Inflows of Resources
PERS	Difference Between Projected and Actual Investment Earnings	15,855	—
	Contributions Subsequent to the Measurement Date	33,933	—
TRS	Difference Between Expected and Actual Experience	—	3,079
	Difference Between Projected and Actual Investment Earnings	41,777	—
	Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	20,466	—
	Changes in Assumptions	7,951	—
	Contributions Subsequent to the Measurement Date	90,412	—

$124,345 thousand reported as deferred outflows of resources related to the special funding situation resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in fiscal year 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the special funding situation will be recognized as expenses for each plan as follows (in thousands):

Year Ending June 30	PERS	TRS
2024	$ (1,885)	$ 18,975
2025	(4,831)	(15,612)
2026	(11,598)	(36,256)
2027	34,169	100,009
2028	—	—
Thereafter	—	—

STATE ADMINISTERED SINGLE EMPLOYER PLANS

The schedules of changes in plan net pension liability/(asset) for the JRS and NGNMRS defined benefit pension plan as of the measurement date, June 30, 2022 are below (in thousands):

JRS	**Increase (Decrease)**		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (a)-(b)**
Balances at June 30, 2021	$ 218,717	$ 245,048	$ (26,331)
Changes for the year:			
Service Cost	5,851	—	5,851
Interest	15,992	—	15,992
Differences between expected and actual experience	2,627	—	2,627
Changes in assumptions	(1,190)	—	(1,190)
Contributions - employer	—	10,823	(10,823)
Contributions - employee	—	862	(862)
Net investment income	—	(14,674)	14,674
Benefit payments, including refunds of employee contributions	(14,770)	(14,770)	—
Administrative expense	—	(107)	107
Net Changes	8,510	(17,866)	26,376
Balances at June 30, 2022	$ 227,227	$ 227,182	$ 45

NGNMRS	**Increase (Decrease)**		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Asset (a)-(b)**
Balances at June 30, 2021	$ 25,228	$ 49,813	$ (24,585)
Changes for the year:			
Service Cost	657	—	657
Interest	1,439	—	1,439
Differences between expected and actual experience	1,242	—	1,242
Changes in assumptions	816	—	816
Net investment income	—	(3,746)	3,746
Benefit payments, including refunds of employee contributions	(1,621)	(1,621)	—
Administrative expense	—	(358)	358
Net Changes	2,533	(5,725)	8,258
Balances at June 30, 2022	$ 27,761	$ 44,088	$ (16,327)

NON-STATE ADMINISTERED SINGLE EMPLOYER PLANS

The Alaska Railroad Corporation (ARRC) is a component unit of the State of Alaska. The ARRC has a single-employer defined benefit pension plan administered by the Tax Deferred Savings and Pension Committee covering all regular represented and nonrepresented employees who are not covered by the Civil Service Retirement System. The net pension liability/(asset) was measured as of December 31, 2022, and the total pension liability/(asset) used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of January 1, 2022. The actuarial valuation used the following actuarial assumptions:

Actuarial Assumption	December 31, 2022
Inflation	2.5%
Salary increases	2.5% CPI plus merit based rates
Long term rate of return	7.25%
Cost of living allowance	1.25%
Retirement, disablement, and termination	Based on 2015-2019 experience study
Administrative expenses	0.66% of payroll, based on current year actual expense

Mortality rates were based on the Society of Actuaries RP-2014 healthy annuitant mortality table, rolled back to 2006 using MP-2014 and projected forward to 2015 using MP-2017, adjusted 91 percent for males and 96 percent for females and the Scale MP-2021 generational mortality improvement in longevity that management expects to occur in the future.

The long-term expected rate of return on pension plan investments of 7.25 percent was determined by management using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the intermediate-term and long-term expected rates of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Target allocation	Intermediate-term expected real rate of return	Long-term expected real rate of return
U.S. Treasury Inflation-Protected Securities (TIPS)	5.00%	(0.49)%	2.20%
Total Return Bond	13.00	(0.10)	2.68
Global Bond	5.00	0.63	2.68
High Yield Bond	7.00	2.15	3.66
Domestic Large Cap	20.00	3.61	5.85
Domestic Mid Cap	12.00	4.59	6.10
Domestic Small Cap	8.00	4.83	6.34
International Equity	13.00	4.34	5.61
Commodities	2.00	3.32	3.90
Real Estate	15.00	3.56	4.63
Total	100.00%		

The discount rate used to measure the total pension liability/(asset) was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and the ARRC contributions will be made based on the actuarially determined contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the net pension liability/(asset) calculated using the discount rate of 7.25 percent as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1-percentage point lower or higher than the current rate (in thousands):

	1% Decrease (6.25%)	Current discount rate (7.25%)	1% Increase (8.25%)
Net pension liability/(asset)	$ 69,855	$ 32,387	$ 1,496

For the year ended December 31, 2022, the ARRC recognized pension expense of ($5.4 million) and the following deferred outflows and deferred inflows (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 501	$ 4,733
Changes in assumptions	2,780	6,638
Net difference between actual and projected earnings on investments	21,486	—

Deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

	Amount
Year ending December 31,	
2023	$ (708)
2024	1,151
2025	3,253
2026	9,700
2027	—
Thereafter	—
	$ 13,396

Changes in the net pension liability/(asset) are as follows (in thousands):

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a)-(b)
Balances at January 1, 2022	$ 257,862	$ 271,627	$ (13,765)
Changes for the year:			
Service cost	6,500	—	6,500
Interest	18,796	—	18,796
Difference between expected and actual experience	(5,206)	—	(5,206)
Changes of assumptions	390	—	390
Contributions - employer	—	2,673	(2,673)
Contributions - employee	—	4,987	(4,987)
Net investment income	—	(32,967)	32,967
Benefit payments, including refunds of employee contributions	(10,226)	(10,226)	—
Administrative expense	—	(365)	365
Net Changes	10,254	(35,898)	46,152
Balances at December 31, 2022	$ 268,116	$ 235,729	$ 32,387

C. NET OTHER POST-EMPLOYMENT BENEFITS LIABILITY/ASSET

Net other post-employment benefits (OPEB) liability is recorded in the schedule of long-term liabilities above. The total OPEB liability for the June 30, 2022 measurement date for all plans except JRS was determined by actuarial valuations as of June 30, 2021, which were rolled forward to June 30, 2022 and adjusted to reflect updated assumptions. The total OPEB liability for the June 30, 2022 measurement date for JRS was determined by an actuarial valuation as of June 30, 2022. Projections are based on an established pattern of practice. The actuarial valuations used the following actuarial assumptions, applied to all periods included in the measurement:

System	Investment Rate of Return	Inflation Rate	Salary Scale Increases	Healthcare Cost Trend Rates
PERS*	7.38%, net of postretirement healthcare plan investment expenses. This is based on an average inflation of 2.50% and a real rate of return of 4.88%	2.5%	Graded by service, from 7.75% to 2.75% for Peace Officer/Firefighter. Graded by service from 6.75% to 2.75% for all others	Pre-65 medical; 6.3% grading down to 4.5% Post-65 medical; 5.4% grading down to 4.5% Rx/EGWP; 7.1% grading down to 4.5%
TRS*	7.38%, net of postretirement healthcare plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.88%	2.5%	Graded by service, from 6.75% to 2.75% for ARHCT, from 7.25% to 2.85% for ODD/RMP	Pre-65 medical; 6.3% grading down to 4.5% Post-65 medical; 5.4% grading down to 4.5% Rx/EGWP; 7.1% grading down to 4.5%
JRS	7.25%, net of post-retirement healthcare investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.75%	2.5%	0% per year through FY 2024, 3.00% per year thereafter	Pre-65 Medical; 7.0% grading down to 4.5% Post-65 medical; 5.5% grading down to 4.5% Rx/ EGWP; 7.5% grading down to 4.5%

* Healthcare Cost Trend Rates applicable to Alaska Retiree Healthcare Trust and Retiree Medical Plans within PERS and TRS systems.

PERS pre-commencement and post-commencement mortality rates were based upon the 2013-2017 actual experience. Pre-commencement mortality rates were based on 100 percent of the RP-2014 employee table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. Post-commencement mortality rates were based on 91 percent of the male rates and 96 percent of the female rates of the RP-2014 healthy annuitant table benefit-weighted, rolled back to 2006,

and projected with MP-2017 generational improvement. Post-disability mortality in accordance with the RP-2014 disabled table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. Disabilities are assumed to be occupational 75 percent of the time for peace officers/firefighters, 40 percent of the time for all others. The actuarial assumptions used in the June 30, 2021 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2017. The assumptions used in the June 30, 2021 actuarial valuation are the same as those used in the June 30, 2020 valuation.

TRS pre-commencement and post-commencement mortality rates were based upon the 2013-2017 actual experience. Pre-commencement mortality rates were based on 100 percent of the RP-2014 employee table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. Post-commencement mortality rates were based on 93 percent of male and 90 percent of female rates of the RP-2014 white-collar healthy annuitant table benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. Deaths are assumed to be occupational 15 percent of the time. Post-disability mortality in accordance with the RP-2014 disabled table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. The actuarial assumption used in the June 30, 2021 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2017. The assumptions used in the June 30, 2021 actuarial valuation are the same as those used in the June 30, 2020 valuation.

JRS pre-commencement and post-commencement mortality rates were based upon the 2017-2021 actual experience, to the extent the experience was statistically credible. In accordance with Pub-2010 general employee/retiree table, above median, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement beneficiary mortality in accordance with Pub-2010 contingent survivor table, above-median, headcount-weighted, and projected with MP-2021 generational improvement. The beneficiary mortality table is applied only after the death of the original member. The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on the experience study for the period from July 1, 2017 to June 30, 2021.

The long-term expected rate of return on plan investments for each plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in the postretirement healthcare plans' target asset allocation are summarized in the following table as of June 30, 2022 (note that the following rates exclude the inflation):

System	Asset Class	Long-term Expected Real Rate of Return	Allocation	Range
PERS/TRS	Broad Domestic Equity	6.51%	27.00%	+/- 6%
	Global Equity non-U.S.	5.70	18.00	+/- 4
	Aggregate Bonds	0.31	21.00	+/-10
	Opportunistic	—	6.00	+/- 4
	Real Assets	3.71	14.00	+/- 7
	Private Equity	9.61	14.00	+/- 6
	Cash Equivalents	(0.50)	—	—
JRS	Domestic Equity	6.51	27.00	+/- 6%
	Global Equity (non-U.S.)	5.70	18.00	+/- 4
	Aggregate Bonds	0.31	21.00	+/-10
	Opportunistic	—	6.00	+/- 4
	Real Assets	3.71	14.00	+/- 7
	Private Equity	9.61	14.00	+/- 6
	Cash Equivalents	(0.50)	—	—

The discount rate used to measure the total OPEB liability/(asset) for each plan was 7.25 percent which is a (0.13) change from the June 30, 2021 measurement. The projection of cash flows used to determine the discount rate assumed that employer and state contributions will continue to follow the current funding policy, which meets state statutes. Based on those assumptions, the fiduciary net position for each plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability/(asset) in accordance with the method prescribed by GASB 75. In the event benefit payments are not covered by the plan's fiduciary net position, a municipal bond rate would be used to discount the benefit payments not covered by the System Pension Plan's fiduciary net position. The S&P Municipal Bond 20-Year High Grade Index rate was 4.09 percent as of June 30, 2022.

The following presents the net OPEB liability/(asset) for each plan as of June 30, 2022, calculated using the discount rate, as well as what the respective plans' net OPEB liability/(asset) would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate (in thousands):

	1% Decrease 6.25%	Discount Rate 7.25%	1% Increase 8.25%
Primary Government's proportionate share of the PERS Alaska Retiree Healthcare Trust Plan net OPEB liability/(asset)	$ (577,165)	$ (971,422)	$ (1,302,042)
Discrete Component Units' proportionate share of the PERS Alaska Retiree Healthcare Trust Plan net OPEB liability/(asset)	(60,187)	(101,300)	(135,777)
Primary Government's proportionate share of the PERS Occupational Death and Disability net OPEB liability/(asset)	(20,020)	(21,252)	(22,217)
Discrete Component Units' proportionate share of the PERS Occupational Death and Disability net OPEB liability/(asset)	(2,115)	(2,245)	(2,347)
Primary Government's proportionate share of the PERS Retiree Medical Plan net OPEB liability/(asset)	3,046	(16,560)	(31,512)
Discrete Component Units' proportionate share of the PERS Retiree Medical Plan net OPEB liability/(asset)	376	(2,046)	(3,892)
Primary Government's proportionate share of the TRS Alaska Retiree Healthcare Trust Plan net OPEB liability/(asset)	(3,708)	(5,682)	(7,329)
Discrete Component Units' proportionate share of the TRS Alaska Retiree Healthcare Trust Plan net OPEB liability/(asset)	(9,004)	(13,800)	(17,800)
Primary Government's proportionate share of the TRS Occupational Death and Disability net OPEB liability/(asset)	(31)	(31)	(30)
Discrete Component Units' proportionate share of the TRS Occupational Death and Disability net OPEB liability/(asset)	(159)	(159)	(158)
Primary Government's proportionate share of the TRS Retiree Medical Plan net OPEB liability/(asset)	(38)	(98)	(152)
Discrete Component Units' proportionate share of the TRS Retiree Medical Plan net OPEB liability/(asset)	(180)	(509)	(756)
Primary Government's JRS net OPEB liability/(asset)	(20,407)	(22,403)	(24,087)

The following presents the net OPEB liability/(asset) for each applicable plan as of June 30, 2022, calculated using the healthcare cost trend rates as summarized in the actuarial valuation reports, as well as what the respective plans' net OPEB liability/(asset) would be if it were calculated using trend rates that are one-percentage-point lower or one-percentage-point higher than the current healthcare cost trend rate (in thousands):

	1% Decrease	Current Trend Rate	1% Increase
Primary Government's proportionate share of the PERS Alaska Retiree Healthcare Trust Plan net OPEB liability/(asset)	$ (1,340,936)	$ (971,422)	$ (530,152)
Discrete Component Units' proportionate share of the PERS Alaska Retiree Healthcare Trust Plan net OPEB liability/(asset)	(139,833)	(101,300)	(55,284)
Primary Government's proportionate share of the PERS Retiree Medical Plan net OPEB liability/(asset)	(33,565)	(16,560)	6,344
Discrete Component Units' proportionate share of the PERS Retiree Medical Plan net OPEB liability/(asset)	(4,146)	(2,046)	784
Primary Government's proportionate share of the TRS Alaska Retiree Healthcare Trust Plan net OPEB liability/(asset)	(7,517)	(5,682)	(3,477)
Discrete Component Units' proportionate share of the TRS Alaska Retiree Healthcare Trust Plan net OPEB liability/(asset)	(18,257)	(13,800)	(8,444)
Primary Government's proportionate share of the TRS Retiree Medical Plan net OPEB liability/(asset)	(151)	(98)	(25)
Discrete Component Units' proportionate share of the TRS Retiree Medical Plan net OPEB liability/(asset)	(788)	(509)	(129)
Primary Government's JRS net OPEB liability/(asset)	(24,252)	(22,403)	(20,195)

The State's proportion of the net OPEB liability/(asset) for the Alaska Retiree Healthcare Trust plans were based on projections of the present value of the State's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers from July 1, 2023 to a projected fully funded year of 2039. The State's proportion of net OPEB liability/(asset) for the Occupational Death and Disability and the Retiree Medical plans were based on employer retiree medical contributions made during the measurement year. The following represents the proportionate share of the multiple employer net OPEB liability/(asset) attributed to the state at June 30, 2022 and the associated change from its proportion measured as of June 30, 2021:

	2022	2023	Increase/ (Decrease)
PERS Alaska Retiree Healthcare Trust Plan	54.74 %	54.52 %	(0.22)%
Primary Government	48.95	49.37	0.42
Discrete Component Units	5.79	5.15	(0.64)
PERS Occupational Death and Disability Plan	53.29	53.60	0.31
Primary Government	48.63	48.48	(0.15)
Discrete Component Units	4.66	5.12	0.46
PERS Retiree Medical Plan	53.43	53.57	0.14
Primary Government	48.08	47.68	(0.40)
Discrete Component Units	5.35	5.89	0.54
TRS Alaska Retiree Healthcare Trust Plan	2.65	2.22	(0.43)
Primary Government	0.65	0.65	—
Discrete Component Units	2.00	1.57	(0.43)
TRS Occupational Death and Disability Plan	2.97	3.14	0.17
Primary Government	0.51	0.51	—
Discrete Component Units	2.46	2.63	0.17
TRS Retiree Medical Plan	2.98	3.13	0.15
Primary Government	0.51	0.50	(0.01)
Discrete Component Units	2.47	2.63	0.16

For the year ended June 30, 2023 the State recognized OPEB expense of ($355,746) thousand (($327,806) thousand for the primary government and ($27,940) thousand for the discrete component units) broken out by plan as follows (in thousands):

Systems	OPEB Expense
PERS Alaska Retiree Healthcare Trust Plan - Primary Government	$ (328,167)
PERS Alaska Retiree Healthcare Trust Plan - Discrete Component Units	(27,380)
PERS Occupational Death and Disability Plan - Primary Government	(74)
PERS Occupational Death and Disability Plan - Discrete Component Units	(55)
PERS Retiree Medical Plan - Primary Government	3,651
PERS Retiree Medical Plan - Discrete Component Units	482
TRS Alaska Retiree Healthcare Trust Plan - Primary Government	(1,290)
TRS Alaska Retiree Healthcare Trust Plan - Discrete Component Units	(990)
TRS Occupational Death and Disability Plan - Primary Government	(2)
TRS Occupational Death and Disability Plan - Discrete Component Units	(8)
TRS Retiree Medical Plan - Primary Government	2
TRS Retiree Medical Plan - Discrete Component Units	11
Judicial Retirement System - Primary Government	(1,926)

At June 30, 2023 the State reported deferred outflows of resources and deferred inflows of resources related to OPEB plans from the following sources by plan (in thousands):

		Deferred Outflows of Resources	Deferred Inflows of Resources
PERS Alaska Retiree Healthcare Trust Plan			
Primary Government	Difference Between Expected and Actual Experience	$ —	$ 6,876
	Difference Between Projected and Actual Investment Earnings	55,112	—
	Changes in Proportions and Difference Between Employer Contributions and Proportionate Share of Contributions	679	—
	Changes in Assumptions	—	44,580
	Changes in Benefits	—	—
	Contributions Subsequent to the Measurement Date	6	—
Discrete Component	Difference Between Expected and Actual Experience	—	717
Units	Difference Between Projected and Actual Investment Earnings	5,747	—
	Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	2,171	—
	Changes in Assumptions	—	4,649
	Contributions Subsequent to the Measurement Date	329	—
PERS Occupational Death and Disability Plan			
Primary Government	Difference Between Expected and Actual Experience	—	6,972
	Difference Between Projected and Actual Investment Earnings	720	—
	Changes in Proportions and Difference Between Employer Contributions and Proportionate Share of Contributions	268	55
	Changes in Assumptions	—	135
	Contributions Subsequent to the Measurement Date	2,996	—
Discrete Component	Difference Between Expected and Actual Experience	—	736
Units	Difference Between Projected and Actual Investment Earnings	76	—
	Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	38	263
	Changes in Assumptions	—	14
	Contributions Subsequent to the Measurement Date	348	—
PERS Retiree Medical Plan			
Primary Government	Difference Between Expected and Actual Experience	$ 821	$ 651
	Difference Between Projected and Actual Investment Earnings	2,632	—
	Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	4	148
	Changes in Assumptions	3,206	19,857
	Contributions Subsequent to the Measurement Date	8,989	—
Discrete Component	Difference Between Expected and Actual Experience	101	80
Units	Difference Between Projected and Actual Investment Earnings	292	—
	Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	135	18
	Changes in Assumptions	396	2,453
	Contributions Subsequent to the Measurement Date	1,238	—

		Deferred Outflows of Resources	Deferred Inflows of Resources
TRS Alaska Retiree Healthcare Trust Plan			
Primary Government	Difference Between Expected and Actual Experience	—	20
	Difference Between Projected and Actual Investment Earnings	294	—
	Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	18	—
	Changes in Assumption	—	129
Discrete Component Units	Difference Between Expected and Actual Experience	—	49
	Difference Between Projected and Actual Investment Earnings	714	—
	Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	815	—
	Changes in Assumptions	—	313
	Contributions Subsequent to the Measurement Date	11	—
TRS Occupational Death and Disability Plan			
Primary Government	Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	1	3
	Difference Between Projected and Actual Investment Earnings	1	—
	Difference Between Expected and Actual Experience	—	5
	Contributions Subsequent to the Measurement Date	2	—
Discrete Component Units	Difference Between Projected and Actual Investment Earnings	4	—
	Difference Between Expected and Actual Experience	—	25
	Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	4	15
	Contributions Subsequent to the Measurement Date	13	—
TRS Retiree Medical Plan			
Primary Government	Difference Between Expected and Actual Experience	17	5
	Difference Between Projected and Actual Investment Earnings	8	—
	Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	—	4
	Changes in Assumption	6	58
	Contributions Subsequent to the Measurement Date	26	—
Discrete Component Units	Difference Between Expected and Actual Experience	87	24
	Difference Between Projected and Actual Investment Earnings	39	—
	Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	4	25
	Changes in Assumption	30	302
	Contributions Subsequent to the Measurement Date	138	—
JRS Alaska Retiree Healthcare Trust Plan			
Primary Government	Difference Between Projected and Actual Investment Earnings	607	—
	Difference Between Expected and Actual Experience	1,224	—
	Changes in Assumptions	—	2,044
	Contributions Subsequent to the Measurement Date	922	—

$15,018 thousand reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or increase of the net OPEB asset in fiscal year 2024 ($12,941 thousand for the primary government $2,077 thousand for discrete component units). Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in OPEB expense for each plan as follows (in thousands):

	Year Ending June 30					
	2023	2024	2025	2026	2027	Thereafter
PERS Alaska Retiree Healthcare Trust Plan - Primary Government	$ (60,300)	$ (19,328)	$ (43,541)	$ 127,237	$ —	$ —
PERS Alaska Retiree Healthcare Trust Plan - Discrete Component Units	(4,160)	(2,016)	(4,540)	13,268	—	—
PERS Occupational Death and Disability Plan - Primary Government	(1,250)	(1,286)	(1,400)	(449)	(836)	(953)
PERS Occupational Death and Disability Plan - Discrete Component Units	(180)	(183)	(196)	(81)	(116)	(144)
PERS Retiree Medical Plan - Primary Government	(2,423)	(2,539)	(2,903)	314	(3,008)	(3,703)
PERS Retiree Medical Plan - Discrete Component Units	(269)	(283)	(328)	60	(361)	(445)
TRS Alaska Retiree Healthcare Trust Plan - Primary Government	(172)	(91)	(211)	638	—	—
TRS Alaska Retiree Healthcare Trust Plan - Discrete Component Units	354	(222)	(513)	1,549	—	—
TRS Occupational Death and Disability Plan - Primary Government	(1)	(1)	(1)	—	(1)	(2)
TRS Occupational Death and Disability Plan - Discrete Component Units	(5)	(6)	(6)	(1)	(5)	(8)
TRS Retiree Medical Plan - Primary Government	(7)	(7)	(8)	3	(7)	(11)
TRS Retiree Medical Plan - Discrete Component Units	(34)	(36)	(43)	15	(34)	(58)
JRS - Primary Government	(472)	(266)	(577)	1,113	—	—

SPECIAL FUNDING SITUATION

Under Governmental Accounting Standards Board Statement No. 75, a special funding situation exists when a nonemployer entity is legally responsible for providing certain forms of financial support for OPEB of the employees of another entity. Such support is a special funding situation if either (1) the amount of contributions or benefits, as applicable, for which the nonemployer entity legally is responsible is not dependent upon one or more events unrelated to OPEB or (2) the nonemployer is the only entity with a legal obligation to make contributions directly to an OPEB plan or to make benefit payments as OPEB comes due, as applicable.

As with net pension liability, the State is reporting such amounts on its balance sheet, but the State affirmatively disclaims any and all legal responsibility, right, or obligation, in a legally enforceable sense, for the non-State employer GASB 75 net OPEB liabilities/(assets) reported on the basic financial statements herein. The State acknowledges that municipalities and school districts have taken the position that they are not claiming responsibility for liabilities beyond the obligations they report in their financial statements.

The assumptions for the portion of the net OPEB liability attributed to the special funding situation for both the PERS and TRS plans are the same as those previously listed. The proportionate share of the net OPEB liability attributed to the special funding situation was based on a present value of the State's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers from July 1, 2023 to a projected fully funded year of 2039.

The following presents the State's proportionate share of the net OPEB liability/(asset) associated with the special funding situation calculated using the discount rate, as well as what the State's proportionate share of the net OPEB liability/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage point higher than the current rate for the special funding situation portion (in thousands):

	1% Decrease 6.25%	Discount Rate 7.25%	1% Increase 8.25%
PERS Alaska Retiree Healthcare Trust Plan	$ (130,459)	$ (219,574)	$ (294,306)
TRS Alaska Retiree Healthcare Trust Plan	(319,655)	(489,910)	(631,908)

The following presents the net OPEB liability/(asset) associated with the special funding situation for each applicable plan as of June 30, 2022, calculated using the healthcare cost trend rates as summarized in the actuarial valuation reports, as well as what the respective plans' net OPEB liability/(asset) would be if it were calculated using trend rates that are one-percentage-point lower or one-percentage-point higher than the current healthcare cost trend rate (in thousands):

	1% Decrease	Current Trend Rate	1% Increase
PERS Alaska Retiree Healthcare Trust Plan	$ (303,097)	$ (219,574)	$ (119,832)
TRS Alaska Retiree Healthcare Trust Plan	(648,115)	(489,910)	(299,744)

At June 30, 2022 the proportionate share of the net OPEB liability/(asset) attributed to the State for the special funding situation was 11.16 percent for the Public Employee's Retirement System (PERS) and 55.89 percent for the Teacher's Retirement System (TRS), which was an increase of 5.31 percent and an increase of 12.40 percent from its proportion measured as of June 30, 2021 for PERS and TRS respectively.

For the year ended June 30, 2023, the State recognized expenses of $(298,036) thousand in relation to the special funding situation broken out by plan as follows (in thousands):

Systems	OPEB Expense
Public Employees' Retirement System	$ (123,708)
Teachers' Retirement System	(174,328)

At June 30, 2023, the State reported deferred outflows of resources and deferred inflows of resources related to pension plans for the special funding situation amounts from the following sources by plan (in thousands):

		Deferred Outflows of Resources	Deferred Inflows of Resources
PERS	Difference Between Expected and Actual Experience	$ —	$ 1,554
	Difference Between Projected and Actual Investment Earnings	12,457	—
	Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	—	16,881
	Changes in Assumptions	—	10,077
TRS	Difference Between Expected and Actual Experience	—	1,736
	Difference Between Projected and Actual Investment Earnings	25,353	—
	Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	—	21,921
	Changes in Assumptions	—	11,104

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the special funding situation will be recognized as expenses for each plan as follows (in thousands):

Year Ending June 30	PERS	TRS
2023	$ (30,604)	$ (38,308)
2024	(4,369)	(7,867)
2025	(9,842)	(18,221)
2026	28,760	(54,989)
2027	—	—
Thereafter	—	—

STATE ADMINISTERED SINGLE EMPLOYER PLANS

The schedules of changes in plan net OPEB liability/(asset) for the JRS defined benefit OPEB plan as of the measurement date, June 30, 2022 are below (in thousands):

	Increase (Decrease)		
	Total OPEB Liability (a)	**Plan Fiduciary Net Position (b)**	**Net OPEB asset (a)-(b)**
Balances at June 30, 2021	$ 17,921	$ 43,173	$ (25,252)
Changes for the year:			
Service Cost	830	—	830
Interest	1,345	—	1,345
Difference between expected and actual experience	1,215	—	1,215
Changes of assumptions	(2,166)	—	(2,166)
EGWP rebates	165	165	—
Changes of benefit terms	(224)	—	(224)
Contributions - employer	—	622	(622)
Contributions - RDS	—	179	(179)
Net investment income	—	(2,615)	2,615
Benefit payments, including refunds of employee contributions	(1,222)	(1,222)	—
Administrative expense	—	(35)	35
Net Changes	(57)	(2,906)	2,849
Balances at June 30, 2022	$ 17,864	$ 40,267	$ (22,403)

NON-STATE ADMINISTERED SINGLE EMPLOYER PLANS

The Alaska Railroad Corporation (ARRC) is a component unit of the State of Alaska. The ARRC has a single-employer defined benefit retiree health care plan administered by the Nonrepresented Tax Deferred Savings, 457 and Health Care Trust Plan Committee covering nonrepresented and Alaska Railroad Workers represented employees, who became employed prior to November 4, 2014. The plan also covers regular represented employees hired before April 2, 2015 for Carmen's Division of Transportation Communication International Union, March 4, 2016 for United Transportation Union, April 26, 2016 for International Brotherhood of Teamsters Local 959, and June 28, 2019 for American Train Dispatchers Association as specified in the labor agreements.

The net OPEB asset was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of January 1, 2022. The actuarial valuation used the following actuarial assumptions:

Actuarial Assumption	**December 31, 2022**
Discount Rate	6.00% Based on crossover test
Inflation	2.5%
Salary increases	2.5% CPI plus merit based rates
Long-term rate of return	6.00%
Retirement, disablement, and termination	Based on 2015-2019 experience study
Administrative expenses	0.18% of payroll, based on current year actual expenses
Participation Rates	Varies from 30% to 85%
Medical Trend	Non Medicare 6.75%, decreasing to an ultimate rate of 4.0% in 2076. Medicare 5.9%, decreasing to an ultimate rate of 4.0% in 2076.

Mortality rates were based on the Society of Actuaries RP-2014 healthy annuitant table, rolled back to 2006 using MP-2014 and projected forward to 2015 using MP-2017, adjusted 91 percent for males and 96 percent for females and the Scale MP-2021 generational mortality improvement in longevity that management expects to occur in the future.

The long-term expected rate of return on OPEB plan investments of 6.00 percent was determined by management using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. The target allocation and best estimates of nominal rate of return for each major asset class are summarized in the following table:

Asset Class	Target allocation	Nominal Rate of Return - Long Term
U.S. Treasury Inflation-Protected Securities (TIPS)	6.00%	5.00%
Short Term Bond	5.00	3.75
Total Bond Return	31.00	5.25
Global Bond	7.00	5.00
High Yield Bond	11.00	6.25
Domestic Large Cap	11.00	8.00
Domestic Mid Cap	7.00	8.55
Domestic Small Cap	4.00	8.75
U.S. Healthcare (Equity)	4.00	8.50
International Equity	6.00	8.75
Real Estate	8.00	7.00
Total	100.00%	

The discount rate used to measure the total OPEB liability/(asset) was 6.00 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate, and contributions from employers will be made based on the actuarially determined contribution rate. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected payments to determine the total OPEB liability.

The following presents the net OPEB liability/(asset) calculated as of December 31, 2022 using the discount rate of 6.00 percent, as well as what the net OPEB liability/(asset) would be if it were calculated using a discount rate that is 1-percentage point lower or higher than the current rate (in thousands):

	1% decrease 5.00%	Current discount rate 6.00%	1% Increase 7.00%
Net OPEB liability/(asset)	$ (35,705)	$ (37,975)	$ (39,793)

The following presents the net OPEB liability/(asset) calculated using the medical cost trend rate of 6.75 percent (Non-Medicare) and 5.90 percent (Medicare) beginning in 2023, decreasing to an ultimate rate of 4.0 percent in 2076+ as of December 31, 2022 as well as what the net OPEB liability/(asset) would be if it were calculated using a trend rate that is 1-percentage point lower or higher than the current rate (in thousands):

	1% Decrease	Medical Cost Trend Rate	1% Increase
Net OPEB liability/(asset)	$ (40,173)	$ (37,975)	$ (35,157)

For the year ended December 31, 2022, the ARRC recognized net OPEB expense of ($1.5) million and the following deferred outflows and deferred inflows (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 1,460	$ 5,992
Changes in assumptions	2,170	2,856
Net difference between actual and projected earnings on investments	5,994	—

Deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense or income as follows (in thousands):

	Amount
Year ending December 31,	
2023	$ (37)
2024	575
2025	707
2026	1,139
2027	(720)
Thereafter	(888)
	$ 776

Changes in the net OPEB liability/(asset) are as follows (in thousands):

	Increase (Decrease)		
	Total OPEB Liability (a)	**Plan Fiduciary Net Position (b)**	**Net OPEB Asset (a)-(b)**
Balances at January 1, 2022	$ 14,197	$ 58,922	$ (44,725)
Changes for the year:			
Service Cost	404	—	404
Interest	796	—	796
Difference between expected and actual experience	(1,560)	—	(1,560)
Changes in assumptions	501	—	501
Net investment income	—	(6,547)	6,547
Benefit payments, net of retiree premiums	(567)	(567)	—
Administrative expense	—	(62)	62
Net Changes	(426)	(7,176)	6,750
Balances at December 31, 2022	$ 13,771	$ 51,746	$ (37,975)

D. GENERAL OBLIGATION BONDS AND REVENUE BONDS AND OTHER LONG-TERM DEBT

GENERAL OBLIGATION BONDS

Under Article IX, Section 8 of the State Constitution and AS 37.15, the State Bonding Act, General Obligation Bonds must be authorized by law and ratified by voters and generally must be issued for capital improvements. There is no statutory limit on the amount of State General Obligation Bonds that may be authorized.

The full faith, credit, and resources of the State are pledged to secure payment of General Obligation Bonds. As of June 30, 2023, the following were the General Obligation Bond debt outstanding (in millions):

Year Ending June 30	Principal	Interest	Total
2024	$ 44.2	$ 28.5	$ 72.7
2025	41.3	26.5	67.8
2026	43.2	24.3	67.5
2027	45.4	22.1	67.5
2028	46.8	19.7	66.5
2029-2033	223.9	62.2	286.1
2034-2038	115.5	14.4	129.9
2039-2043	17.0	1.3	18.3
Total debt service requirements	577.3	$ 199	$ 776.3
Unamortized bond premium	43.2		
Total principal outstanding	$ 620.5		

The General Obligation Bond Series 2009A Bonds were issued for the purpose of paying $165 million of the costs of State transportation projects. The Series 2010A and B Bonds were issued for the purpose of paying $164.57 million of the costs of State education projects. The Series 2012A Bonds were issued for the purpose of refunding $191.41 million on the 2003A Series Bonds resulting in an economic gain of $27.1 million and an aggregate difference in debt service of $33.0 million. The Series 2013A and B Bonds were issued for the purpose of paying $162.48 million of the costs of State education projects. The Series 2015B Bonds were issued for the purpose of refunding $100.62 million on the 2009A Series Bonds resulting in an economic gain of $7.5 million and an aggregate difference in debt service of $8.8 million. The Series 2016A bonds were issued for the purpose of long-term financing, over short-term financing, of $155.2 million of the costs of State transportation projects. The Series 2016B bonds were issued for the purpose of paying $128.3 million of the costs of State transportation projects. The Series 2020A bonds were issued for the purpose of paying $84.56 million of the costs of State transportation projects.

The General Obligation Refunding Bonds, Series 2023A, was issued in February 2023 to refund a portion of the State's General Obligation Bonds, the Series 2012A and Series 2013B. The State issued $55.9 million of General Obligation Refunding Bonds to refund $57.625 million of outstanding General Obligation Bonds. The issuance of the new bonds achieved a total debt service savings of approximately $1.81 million and a net present value savings of approximately $1.75 million.

Federal subsidies related to the interest payments made during the year on the bonds were $5.2 million.

At June 30, 2023, the amount of General Obligation Bonds authorized was $1,015.7 million with $1,015.7 million issued.

REVENUE BONDS AND OTHER LONG-TERM DEBT

As of June 30, 2023, the following were the revenue bonds and other long-term debt outstanding (in millions):

	Governmental Activities		Business-Type Activities	
	Bonds		Bonds	
Year Ending June 30	Principal	Interest	Principal	Interest
2024	$ 4.7	$ 7.2	$ 9.8	$ 11.3
2025	4.4	6.9	16.9	10.7
2026	4.3	6.7	13.9	10.0
2027	5.0	6.5	14.6	9.3
2028	5.2	6.2	15.4	8.5
2029-2033	26.9	27.2	93.1	30.2
2034-2038	28.2	21.0	74.0	5.5
2039-2043	29.8	15.1	—	—
2044-2048	26.5	9.4	—	—
2049-2053	31.4	2.3	—	—
2064-2068	94.6	335.7	—	—
Total debt service requirements	261.0	$ 444.2	237.7	$ 85.5
Unamortized bond (discounts)/ premiums	29.0		30.7	
Deferred amount on refunding	—		1.0	
Plus accreted value	6.6		—	
Total principal outstanding	$ 296.6		$ 269.4	

Between the 2054-2063 period, no principal or interest is due, therefore those years are not shown in the table above.

Northern Tobacco Securitization Corporation Revenue Bonds

The governmental activities revenue bonds include bond issuances by the Northern Tobacco Securitization Corporation (NTSC). The NTSC bonds were issued to purchase the right to a share of Tobacco Settlement Revenues (TSRs) received by the State of Alaska. These revenue bonds are secured by and payable solely from the TSRs and investment earnings pledged under the respective bond indentures and amounts established and held in accordance with those bond indentures. Neither Alaska Housing Finance Corporation nor the State of Alaska is liable for any debt issued by NTSC. NTSC revenue bond total at June 30, 2023 includes $261.0 million in principal, $29.0 million in unamortized premium, and $6.6 million in accreted value on the Series 2021 Bonds. This debt is reported in the Governmental Activities column of the Government-wide Statement of Net Position.

On July 1, 2021, NTSC issued $282.5 million of its Tobacco Settlement Asset-Backed Bonds, Series 2021, A, B-1, and B-2. These bonds were issued to fully redeem the series 2006 bonds.

Internal Service Fund Direct Borrowing

The Public Building Fund and the Information Service Fund both had direct borrowing activity. Both agreements state that if there is an event of default, notwithstanding any return of the subject property, the agency shall pay upon demand all remaining amounts due and anticipated to be due during the current fiscal year.

International Airports Revenue Bonds

The business activities revenue bonds include bond issuances by the International Airports Fund. Gross revenues derived from the operation of the international airports at Anchorage and Fairbanks are pledged to secure the payment of principal and interest on International Airports Revenue Bonds. This debt is reported in the business-type activities column of the Government-wide Statement of Net Position. There are $23.2 million of bonds authorized by the Alaska Legislature that have not been issued. During FY 2023 International Airports paid $6.1 million of bonds that had matured. At June 30, 2023 there was no bond interest arbitrage rebate liability. International Airports Revenue Bond total at year end includes $237.7 million in principal, $85.5 million in interest, $30.7 million in unamortized premiums/discounts and deferred gains/losses and $1.0 million in deferred amount on refunding.

E. LEASES, CONTRACTS THAT TRANSFER OWNERSHIP & SBITA's

The State routinely leases office facilities, office and computer equipment, and subscription-based information technology arrangements (SBITA) instead of purchasing assets. In addition, the State routinely acquires certain capital assets using contracts that transfer ownership arrangements. The lease contracts, at times, include variable payments, residual value guarantees, or termination penalties that are not known or certain to be exercised at the time of the lease liability valuation. These are recognized in the period that they occur. There were no variable payments or residual guarantee expenses for the fiscal year ended June 30, 2023. The State also had commitments for SBITAs that had not yet commenced, the future cash commitments for SBITAs not yet commenced as of June 30, 2023 were $51.5 million.

The following is a schedule by fiscal year of future minimum payments due for leases, contracts that transfer ownership and SBITAs, together with the present value of the net minimum lease payments as of June 30, 2023 (in millions):

	Contracts that Transfer Ownership			Lease Liabilities			SBITA Liabilities		
Year Ending June 30	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2024	$ 10.4	$ 6.7	$ 17.1	$ 39.0	$ 5.3	$ 44.3	$ 13.1	$ 0.7	$ 13.8
2025	10.8	6.2	17.0	32.7	4.6	37.3	8.0	0.4	8.4
2026	11.3	5.6	16.9	30.4	3.9	34.3	5.4	0.3	5.7
2027	13.4	5.0	18.4	29.6	3.3	32.9	4.7	0.2	4.9
2028	14.1	4.3	18.4	27.4	2.6	30.0	2.7	—	2.7
2029-2033	81.4	10.2	91.6	65.2	7.0	72.2	1.6	—	1.6
2034-2038	0.4	—	0.4	21.8	3.0	24.8	—	—	—
2039-2043	—	—	—	8.7	1.3	10.0	—	—	—
2044-2048	—	—	—	2.5	0.7	3.2	—	—	—
2049-2053	—	—	—	1.2	0.4	1.6	—	—	—
2054-2058	—	—	—	0.2	0.4	0.6	—	—	—
2059-2063	—	—	—	0.2	0.3	0.5	—	—	—
2064-2068	—	—	—	0.2	0.3	0.5	—	—	—
2069-2073	—	—	—	0.3	0.3	0.6	—	—	—
2074-2078	—	—	—	0.3	0.2	0.5	—	—	—
2079-2083	—	—	—	0.4	0.2	0.6	—	—	—
2084-2088	—	—	—	0.4	0.1	0.5	—	—	—
2089-2093	—	—	—	0.5	0.1	0.6	—	—	—
2094-2098	—	—	—	0.4	—	0.4	—	—	—
Total	141.8	38.0	$179.8	$ 261.4	$ 34.0	$295.4	$ 35.5	$ 1.6	$ 37.1

Leases, contracts that transfer ownership, and SBITAs at June 30, 2023 are reported by the State of Alaska within governmental activities and business-type activities, as applicable.

F. CERTIFICATES OF PARTICIPATION

The State has lease purchase agreements funded through certificates of participation (COPs). These leases are for the purchase or construction of buildings. Third-party leasing companies assigned their interest in the lease to underwriters, which issued certificates for the funding of these obligations. The COPs represent an ownership interest of the certificate holder in a lease purchase agreement. While the State is liable for lease payments to the underwriters, the State is not liable for payments to holders of the certificates.

The following schedule presents future minimum payments as of June 30, 2023 (in millions):

Governmental Activities	Certificates of Participation		
Year Ending June 30	Principal	Interest	Total
2024	$ 2.6	$ 0.7	$ 3.3
2025	2.7	0.6	3.3
2026	2.8	0.5	3.3
2027	2.9	0.4	3.3
2028	3.0	0.3	3.3
2029-2033	3.4	0.2	3.6
2034-2038	—	—	—
Total	$ 17.4	$ 2.7	$ 20.1

G. DISCRETELY PRESENTED COMPONENT UNITS

Debt service requirements are (in millions):

	Bonds		Notes from Direct Borrowings and Direct Placements	
Year Ending June 30	Principal	Interest	Principal	Interest
2024	$ 204.9	$ 152.3	$ 2.8	$ 0.9
2025	182.7	144.0	2.5	0.8
2026	171.5	136.8	2.6	0.7
2027	174.0	130.0	2.7	0.6
2028	169.3	123.0	2.8	0.5
2029-2033	1,024.4	511.6	12.8	1.2
2034-2038	718.4	334.2	—	—
2039-2043	574.5	196.2	—	—
2044-2048	385.1	89.0	—	—
2049-2053	129.5	14.1	—	—
2054-2058	—	—	—	—
Total debt service requirements	3,734.3	$ 1,831.2	$ 26.2	$ 4.7
Unamortized (discounts)/premiums	101.8			
Unamortized swap termination penalty	(2.8)			
Total principal outstanding	$ 3,833.3			

The preceding schedule excluded conduit debt of the Alaska Municipal Bond Bank Authority. Under the Coastal Energy Loan Program, the Authority issued $5 million 1986 Series A Coastal Energy Bonds payable to the National Oceanic and Atmospheric Administration (NOAA). The proceeds of these bonds were used to purchase port revenue bonds from the City of Nome. The City of Nome entered into a tripartite agreement with NOAA and the Authority effective August 2, 1994 to defer payment of the principal and accrual of interest for ten years. Effective January 29, 2009, a second amendment to the tripartite

agreement was executed. The amendment authorized the issuance of 2009A Bonds for the purpose of refunding by exchange the outstanding City of Nome, Alaska, Port Revenue Bond 1986 Series A. As of June 30, 2023 the aggregate amount outstanding for conduit debt obligations was $3.3 million.

The Alaska Municipal Bond Bank Authority issued $6.6 million 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 $6.0 million.

The preceding schedule excluded conduit debt of the Alaska Industrial Development and Export Authority (AIDEA). AS 44.88.080 authorizes AIDEA to borrow money and issue taxable and tax-exempt bonds for the purpose of acquiring ownership interests in projects and to provide development project financing. These bonds may be issued in an amount not to exceed $400 million in a 12-month period and the maturities are limited to no more than 40 years from the date of issuance. There are no outstanding bond issuances for which AIDEA is financially responsible. However, AIDEA has acted as a conduit and utilized the services of trustees to issue bonds for the benefit of third-parties. The third-parties, which receive the benefit from the proceeds of these issuances, are legally responsible for the payment of principal and interest. As of the end of June 30, 2023, there was approximately $370.8 million in conduit debt obligations outstanding. Additionally, the Board of Directors has authorized the issuance of up to $185.0 million in additional conduit debt to finance the construction of power transmission interties that electric utilities will own. AIDEA has not made any moral obligation or appropriation pledges; financial guarantees; pledges of its own property, revenue or assets; or any other type of voluntary or additional commitment for payment of principal or interest of these bonds. The only commitment AIDEA has made is the limited commitment to maintain the tax-exempt status of tax-exempt bond issuances.

The preceding schedule excluded conduit debt of the Alaska Housing Finance Corporation (AHFC). AHFC has issued debt to assist private-sector entities in the acquisition or construction of facilities that help the Corporation fulfill its mission of making housing affordable for all Alaskans. The bonds are secured by the properties financed and are payable from rents, payments received on the underlying mortgage loans, as well as tax credits, grants and other subsidy funding. Neither the Corporation nor the State is obligated in any manner for repayment of the bonds. Accordingly, the bonds and any related assets are not reported as assets or liabilities in the accompanying financial statements.

A summary of the all AHFC conduit debt as of June 30, 2023 follows (in thousands):

	Maximum Issue Amount	Balance as of June 30, 2023	Remaining Authority as of June 30, 2023
Revenue bonds, 2023 (Brewsters MT View 21)	$ 5,500	$ 50	$ 5,450
Revenue bonds, 2023 (ACAH Fairbanks Project)	13,000	5,541	7,459
Revenue bonds, 2021 (Little Dipper Project)	4,372	4,372	—
Revenue bonds, 2020 (Old Mat Phase I Project)	3,800	1,771	2,029
Total	$ 26,672	$ 11,734	$ 14,938

H. ALASKA HOUSING FINANCE CORPORATION DERIVATIVES

The Alaska Housing Finance Corporations (AHFC) entered into derivatives to reduce the overall cost of borrowing long-term capital and protect against the risk of rising interest rates. AHFC's derivatives consist of interest rate swap agreements entered into in connection with its long-term variable rate bonds. The interest rate swaps are pay-fixed, receive-variable agreements, and were entered into at a cost less than what AHFC would have paid to issue conventional fixed-rate debt.

The swaps are recorded and disclosed as either hedging derivatives or investment derivatives. The synthetic instrument method was used to determine whether or not the derivatives constitute effective hedges. The fair values of the hedgeable derivatives and investment derivatives are presented in the Statement of Net Position, either as a derivative liability (negative fair value amount) or as a derivative asset (positive fair value amount). If a swap changes from a hedgeable derivative to an investment derivative, the hedge is considered terminated and the accumulated change in fair value is no longer deferred but recognized as a revenue item.

AHFC categorizes its fair value measurements within the fair value hierarchy established by Generally Accepted Accounting Principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The fair value amounts, obtained from mark to market statements from the respective counterparties and reconciled to present value calculations done by AHFC, represent mid-market valuations that approximate the current economic value using market averages, reference rates, and/or mathematical models. These measurements are Level 2 inputs. Actual trade prices may vary significantly from these estimates as a result of various factors, which may include (but are not limited to) portfolio composition, current trading intentions, prevailing credit spreads, market liquidity, hedging costs and risks, position size, transaction and financing costs, and the use of capital profit. The fair value represents the current price to settle swap assets or liabilities in the marketplace if a swap were to be terminated.

AHFC's interest rate swaps require that if the ratings on the associated bonds fall to "BBB+/Baa1", AHFC would have to post collateral of up to 100 percent of the swap's fair value. As of June 30, 2023, AHFC had not posted any collateral and was not required to post any collateral.

HEDGING DERIVATIVES

The significant terms and credit ratings of AHFC's hedging derivatives as of June 30, 2023, are shown below:

Related Bond Issue	Effective Date	Fixed Rate Paid	Variable Rate Received	Swap Termination Date	Counterparty Credit Rating[6]
GP01B[1]	8/2/2001	4.1127%	67% of 1M LIBOR[4]	12/1/2030	A+/Aa2
E021A1[2]	10/9/2008	2.9800%	70% of 3M LIBOR[5]	6/1/2032	AA-/Aa2
E071AB	5/31/2007	3.7345%	70% of 3M LIBOR	12/1/2041	AA-/Aa2
E071BD	5/31/2007	3.7200%	70% of 3M LIBOR	12/1/2041	A+/Aa1
E091A	5/28/2009	3.7610%	70% of 3M LIBOR	12/1/2040	A+/Aa1
E091B	5/28/2009	3.7610%	70% of 3M LIBOR	12/1/2040	AA-/Aa2
E091ABD	5/28/2009	3.7400%	70% of 3M LIBOR	12/1/2040	A+/Aa1
SC19A[3]	6/1/2019	3.2220%	100% of 1M LIBOR	12/1/2029	AA-/Aa2

[1] Governmental Purpose Bonds

[2] Home Mortgage Revenue Bonds

[3] State Capital Project Bonds (1/II)

[4] London Interbank Offered Rate ("LIBOR") 1 month

[5] London Interbank Offered Rate 3 Month

[6] Standard & Poor's/Moody's

The change in fair value and ending balance of AHFC's hedging derivatives as of June 30, 2023, is shown below (in thousands). The fair value is reported as a deferred outflow/inflow of resources in the Statement of Net Position.

Related Bond Issue	Notional Amounts	Present Values	Fair Values June 30, 2023	Fair Values June 30, 2022	Change in Fair Value
GP01A	$ —	$ —	$ —	$ (731)	$ 731
GP01B	34,995	36,777	(1,782)	(3,707)	1,925
E021A	26,260	26,395	(135)	(1,276)	1,141
E071A1	121,320	132,260	(10,940)	(18,802)	7,862
E071A2	80,880	88,159	(7,279)	(12,526)	5,247
A091A1	65,249	70,928	(5,679)	(10,009)	4,330
E091A2	65,249	70,928	(5,679)	(9,833)	4,154
E091A3	86,997	94,516	(7,519)	(13,040)	5,525
SC19A[3]	140,000	135,085	4,915	(3,522)	8,437
	$ 620,950	$ 655,048	$ (34,098)	$ (73,446)	$ 39,348

As of June 30, 2023, debt service requirements of AHFC's outstanding variable-rate debt and net swap payments are displayed in the following schedule (in thousands). As interest rates vary, variable-rate bond interest payments and net swap payments will also vary.

Fiscal Year Ending June 30	Outstanding Variable-Rate Debt Principal	Outstanding Variable-Rate Debt Interest	Swap Net Payment	Total Payment
2024	$ 21,405	$ 26,008	$ (3,449)	$ 44,044
2025	22,440	25,164	(3,421)	44,183
2026	23,495	24,295	(3,403)	44,387
2027	24,630	23,358	(3,383)	44,605
2028	25,820	22,415	(3,370)	44,865
2029-2033	271,075	70,645	(6,459)	335,261
2034-2038	134,850	34,514	(1,232)	168,132
2039-2043	97,235	6,998	(254)	103,979
	$ 620,950	$ 233,477	$ (24,971)	$ 829,456

Interest Rate Risk

AHFC is exposed to interest rate risk on all of its interest rate swaps. As the London Interbank Offered Rate (LIBOR) or the Securities Industry and Financial Markets Association (SIFMA) index decreases, AHFC's net payment on the swaps increases.

Credit Risk

As of June 30, 2023, AHFC was exposed to credit risk on its State Capital Project Bonds 2019 Series A, to the extent of the swap's fair value of $4.92 million, due to the value turning positive becasue of the increase in interest rates. AHFC was not exposed to a credit risk on the rest of the swaps because these swaps all have negative fair values or fair values equal to the notional amount. If interest rates rise and the fair value of the swaps becomes positive, AHFC would be exposed to credit risk in the amount of the swaps' fair value. The swap agreements contain varying collateral agreements with the counterparties and require full collateralization of the fair value amount of the swap should the counterparty's rating fall to BBB+/Baa1. AHFC currently has swap agreements with five separate counterparties. Approximately 34.3 percent of the total notional amount of the swaps is held with one counterparty rated "AA-/Aa2". Another 27.0 percent of the total notional amount of the swaps is held with another counterparty rated "A+/Aa1" and 22.5 percent of the total notional amount of swaps is held with another counterparty rated "AA-/Aa2". Of the remaining swaps, the counterparties are rated "A+/Aa1", "A+/Aa2", approximating 10.5 and 5.6 percent respectively, of the total notional amount of the swaps.

Basis Risk

AHFC is exposed to basis risk when the variable payment received on an interest rate swap is based on an index that differs from the index on which AHFC's variable-rate payment to its bondholders is based. In such instance, the float payment received from the swap counterparty may not fully offset the variable rate paid on the bonds. As of June 30, 2023, AHFCs interest rate swaps were based on the LIBOR index, while its variable rate bonds were based on SIFMA or some other non-LIBOR index. The relative ratios among such indices have fluctuated since AHFC's swap agreements became effective and will continue to do so in response to then-current market conditions.

Termination Risk

Termination risk is the risk of an unscheduled termination of a swap prior to its planned maturity. If any of the swaps are terminated, the associated floating rate bonds would no longer carry synthetic fixed interest rates and AHFC would be exposed to interest rate risk on the bond. This risk is mitigated by the fact that the termination payment could be used to enter into an identical swap at the termination date of the existing swap. Further, if any of the swaps have a negative fair value at termination, AHFC would be liable to the counterparty for payments equal to the swaps' fair value. AHFC or the counterparty may terminate any of the swaps if the other party fails to perform under the terms of the agreement, including downgrades and events of default.

Rollover Risk

Rollover risk occurs when there is a mismatch in the amortization of the swap versus the amortization of the floating rate bonds. AHFC has structured the swaps to amortize at the same rate as scheduled or anticipated reductions in the associated floating rate bonds outstanding.

NOTE 7 – DEFINED BENEFIT PENSION PLANS

DESCRIPTION OF PLANS

The Public Employees' Retirement System - Defined Benefit (PERS-DB)

PERS-DB is a defined benefit, cost-sharing, multiple-employer public employee retirement plan established and administered by the State to provide pension and postemployment healthcare benefits for eligible State and local government public employees and public organizations. Benefit and contribution provisions are established by Chapter 35 of Alaska Statute Title 39, and may be amended only by the state legislature. The 24th Alaska State Legislature enacted into law Senate Bill 141, which closed the PERS-DB to new members effective July 1, 2006, and created a Public Employees' Retirement System Defined Contribution Retirement Plan (PERS-DCR). Information regarding PERS-DCR is disclosed in Note 8.

Senate Bill 55 (SB 55), an Act relating to employer contributions to the System, made changes to Alaska Statute (AS) 39.35.255 that indicated the State of Alaska, as a participating employer, shall contribute to the System every payroll period an amount sufficient to pay the full actuarially determined employer normal cost, all contributions required under AS 39.30.370 (Health Reimbursement Arrangement (HRA)) and AS 39.35.750 (all DCR costs - employer match, Occupational Death and Disability (ODD), Retiree Medical Plan (RMP)), and past service costs for members at the contribution rate adopted by the Board under AS 37.10.220 for the fiscal year for that payroll period. The State of Alaska, as an employer, pays the full actuarial determined employer contribution rate adopted by the Board each fiscal year effective July 1, 2022.

Prior to July 1, 2008, PERS was a defined benefit, agent, multiple-employer public employee retirement plan. The Alaska Legislature passed Senate Bill 125, which was signed by the Governor on April 2, 2008. This law converted the PERS to a cost-sharing plan under which the unfunded liability will be shared among all employers. This legislation also established a uniform contribution rate of 22 percent of participating employees' covered payroll.

Prior to July 1, 1997, postemployment healthcare benefits were provided by the payment of premiums to an insurance company. Beginning July 1, 1997, the Retiree Health Fund (RHF), an other enterprise fund of the State, was established. The RHF is self-funded and originally provided major medical, dental, vision, audio, and long-term care coverage to retirees of the PERS-DB, the Teacher's Retirement System - Defined Benefit (TRS-DB), and the Judicial Retirement System (JRS) plans. Due to the establishment of the Alaska Retiree Healthcare Trust (ARHCT) effective July 1, 2007, the RHF now provides major medical coverage to those retirees and their dependents not eligible to participate in the ARHCT, along with optional dental, vision, audio, and voluntary long-term care insurance coverage to all retirees and their dependents in these plans. The plan retains the risk of loss of allowable claims. The RHF issues a financial report that may be obtained from the Division of Retirement and Benefits, P.O. Box 110203, Juneau, AK 99811-0203.

The PERS-DB Plan is a plan within the Public Employees' Retirement System (PERS). PERS is a fiduciary component unit of the State of Alaska financial reporting entity. PERS includes the PERS-DB and ARHCT. Senate Bill 123 was passed during the 2007 legislative session and created the ARHCT. ARHCT is self-funded and provides major medical coverage to retirees of PERS. PERS retains the risk of loss of allowable claims for eligible members. ARHCT began paying member healthcare claims on March 1, 2008. Prior to that time, healthcare claims were paid for by the RHF.

The PERS component unit is comprised of the PERS-DB, PERS-DCR Plans, and the ARHCT. PERS issues a separate stand-alone financial report that includes financial statements and required supplementary information. PERS is also reported as a pension (and other employee benefit) trust fund by the State. Participants should refer to the plan agreement for more complete information. Copies of the audited financial statements and reports listing "Information Required Under Governmental Accounting Standards Board Statement Nos. 68 and 75 as of June 30, 2023," may be obtained from the Division of Retirement and Benefits, P.O. Box 110203, Juneau, AK 99811-0203 or from their website at http://drb.alaska.gov.

For purposes of measuring the net pension liability, net other post employment benefit liability (OPEB), deferred outflows of resources and deferred inflows of resources related to pension and OPEB liability/asset, and pension and OPEB expense, information about the fiduciary net position of the PERS defined benefits plans (the Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. Contributions are due to the Plans when employee services have been performed and paid. Contributions are recognized as revenues when due pursuant to statutory requirements. Benefits and refunds are recognized when due and payable and expenses are recorded when the corresponding liabilities are incurred, regardless of when contributions are received, or payment is made. Additional information about the Plans' fiduciary net position can be found in the Plans' audited financial statements.

Members hired prior to July 1, 1986, with five or more paid-up years of credited service, are entitled to monthly pension benefits beginning at normal retirement age, 55, or early retirement age, 50. For members hired after June 30, 1986, the normal

and early retirement ages are 60 and 55, respectively. Members with 30 or more years of credited service (20 years for peace officers and firefighters) may retire at any age and receive a normal benefit.

The normal monthly pension benefit is based on years of service and average monthly compensation. For members hired prior to July 1, 1996, and all peace officers and firefighters, the average monthly compensation is based upon the member's three highest, consecutive years' salaries. For all other members hired after June 30, 1996, average monthly compensation is based upon the members' five highest consecutive years' salaries.

The benefit related to all years of service prior to July 1, 1986, and for years of service through a total of 10 years for general members is equal to 2 percent of the member's average monthly compensation for each year of service. The benefit for each year over 10 years of service subsequent to June 30, 1986, is equal to 2.25 percent of the member's average monthly compensation for the second 10 years and 2.5 percent for all remaining years of service. For peace officers and firefighters, the benefit for years of service through a total of 10 years is equal to 2 percent of the member's average monthly compensation and 2.5 percent for all remaining years of service.

PERS-DB has two types of postretirement pension adjustment (PRPA). The automatic PRPA is issued annually to all eligible benefit recipients when the cost of living increases in the previous calendar year. The automatic PRPA increase is paid beginning July 1 of each year. The discretionary PRPA may be granted to eligible recipients by the PERS-DB Plan's Administrator if the funding ratio of the PERS-DB Plan meets or exceeds 105 percent. If both an automatic and discretionary PRPA are granted, and a retiree is eligible for both adjustments, the one that provides the retiree the greater increase will be paid.

PERS-DB employee contribution rates are 6.75 percent of compensation (7.5 percent for peace officers and firefighters and 9.6 percent for some school district employees). Employee contributions are deducted before federal income tax is withheld.

The PERS-DB funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual-covered payroll, are sufficient to accumulate assets to pay both pension and postemployment healthcare benefits when due. Employer contributions are accumulated in both the pension and the healthcare funds based on the approved contribution rate for the fiscal year. The employer rate for the State of Alaska for the year ended June 30, 2023, was 24.79 percent of compensation.

The State's employer contributions to PERS-DB for the fiscal years ended June 30, 2023, 2022, and 2021 were $261.3, $315.4, and $215.8 million respectively for the year. For the FY 2023 contributions, $261.3 million ($233.7 million for the primary government and $27.5 million for the discretely presented component units) was for pensions and $32.2 thousand ($6.1 thousand for the primary government and $26.1 thousand for the discretely presented component units) was for postemployment benefits. The contributions were equal to the required contributions in FY 2023.

Alaska Statute 39.35.280 requires that additional state contributions are to be paid each July 1 or as soon after July 1 as funds become available for the ensuing fiscal year that when combined with the total employer contributions is sufficient to pay the PERS-DB past service liability at the contribution rate adopted by the Alaska Retirement Management Board (ARMB) for that fiscal year. Additionally, there is a Defined Benefit Unfunded Liability (DBUL) amount levied against the Defined Contribution Retirement Pension Plan payroll. The DBUL amount is computed as the difference between:

A. The amount calculated for the statutory employer effective contribution rate of 22 percent on eligible salary (except for the State of Alaska which pays the full actuarially determined contribution rate) less

B. The total of the employer contributions for:

    a. The defined contribution employer matching amount;

    b. Major medical;

    c. Occupational death and disability; and

    d. Health reimbursement arrangement.

C. But not less than zero.

The difference is deposited based on an actuarial allocation into the DB Plan's pension and healthcare funds. For FY 2023, the DBUL is allocated 100 percent to the DB Pension Plan and 0 percent to the DB ARHCT Plan.

The 32nd Alaska State Legislature, HB281 2022 Section 80 (a) appropriated $33.9 million from the General Fund to PERS-DB as an additional state contribution for FY 2023. The portion of this payment attributable to State of Alaska employers is $4.6 million (for the discretely presented component units as nonemployer contributions) for pensions.

Postemployment healthcare benefits are provided to retirees and their surviving spouses at no premium cost for all members first hired before July 1, 1986, and employees who are disabled, regardless of initial hire dates. Employees first hired on or after July 1, 1986, and their surviving spouses with five years of credited service (or 10 years of credited service for those first hired after July 1, 1996) must pay the full monthly premium if they are under age 60, and receive benefits at no premium cost if they are over age 60. Members hired on or after June 30, 1996 with between 5 and 10 years of credited service must pay the full monthly premium regardless of their age. Members hired after June 30, 1986 with less than five years of credited service are not eligible for postemployment healthcare benefits. Members hired after June 30, 1986, but before June 30, 1996, who are receiving a conditional benefit, and are age eligible, are eligible for postemployment healthcare benefits. Peace officers and their surviving spouses with 25 years of membership and all other employees and their surviving spouses with 30 years of membership service also receive benefits at no premium cost, regardless of their age or date of hire. Peace officers who are disabled between 20 and 25 years must pay the full monthly premium.

The Teachers' Retirement System - Defined Benefit (TRS-DB)

TRS-DB is a defined benefit, cost-sharing, multiple-employer public employee retirement plan established and administered by the State to provide pension and postemployment healthcare benefits for teachers and other eligible participants. Benefit and contribution provisions are established by Chapter 25 of Alaska Statute Title 14 and may be amended only by the state legislature. TRS-DB provides for normal pension benefits, as well as death, disability, and postemployment healthcare benefits. The 24th Alaska State Legislature enacted into law Senate Bill 141, which closed the TRS-DB to new members effective July 1, 2006, and created a Teachers' Retirement System Defined Contribution Retirement Plan (TRS-DCR). Information regarding TRS-DCR is disclosed in Note 8.

Prior to July 1, 1997, postemployment healthcare benefits were provided by the payment of premiums to an insurance company. Beginning July 1, 1997, the RHF, an other agency enterprise fund of the State, was established. The RHF is self-funded and originally provided major medical, dental, vision, audio, and long-term care coverage to retirees of the PERS-DB, TRS-DB, and JRS plans. Due to the establishment of the ARHCT, effective July 1, 2007, the RHF now provides major medical coverage to those retirees and their dependents not eligible to participate in the ARHCT, along with optional dental, vision, audio, and voluntary long-term care insurance coverage to all retirees and their dependents in these plans. The plan retains the risk of loss of allowable claims. The RHF issues a financial report that may be obtained from the Division of Retirement and Benefits, P.O. Box 110203, Juneau, AK 99811-0203.

The TRS-DB Plan is a plan within the Teachers' Retirement System (TRS). TRS is a fiduciary component unit of the State of Alaska financial reporting entity. TRS includes the TRS-DB and the ARHCT Fund. Senate Bill 123 was passed during the 2007 legislative session and created the ARHCT. ARHCT is self-funded and provides major medical coverage to retirees of TRS. TRS retains the risk of loss of allowable claims for eligible members. ARHCT began paying member healthcare claims on March 1, 2008. Prior to that time, healthcare claims were paid for by the RHF.

The TRS component unit is comprised of the TRS-DB, TRS-DCR plans, and ARHCT. TRS issues a separate stand-alone financial report that includes financial statements and required supplementary information. TRS is also reported as a pension (and other employee benefit) trust fund by the State. Participants should refer to the plan agreement for more complete information. Copies of the audited financial statements and reports listing "Information Required Under Governmental Accounting Standards Board Statement Nos. 68 and 75 as of June 30, 2023," may be obtained from the Division of Retirement and Benefits, P.O. Box 110203, Juneau, AK 99811-0203 or from their website at http://drb.alaska.gov.

For purposes of measuring the net pension liability, net OPEB liability/asset, deferred outflows of resources and deferred inflows of resources related to pension and OPEB liability/asset, and pension and OPEB expense, information about the fiduciary net position of the TRS defined benefits plans (the Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. Contributions are due to the Plans when employee services have been performed and paid. Contributions are recognized as revenues when due pursuant to statutory requirements. Benefits and refunds are recognized when due and payable and expenses are recorded when the corresponding liabilities are incurred, regardless of when contributions are received, or payment is made. Additional information about the Plans' fiduciary net position can be found in the Plans' audited financial statements.

Vested members hired prior to July 1, 1990, are entitled to monthly pension benefits beginning at normal retirement age, 55, or early retirement age, 50. For members hired after June 30, 1990, the normal and early retirement ages are 60 and 55, respectively. Members may retire at any age and receive a normal benefit when they accumulate the required credited service.

The normal annual pension benefit is based on years of service and average base salary. The average base salary is based upon the member's three highest contract years' salaries.

The benefit related to all years of credited service prior to July 1, 1990, and for years of service through a total of 20 years equal to 2 percent of the employee's average base salary. The benefit for each year over 20 years of service subsequent to June 30, 1990, is equal to 2.5 percent of the employee's base salary.

TRS-DB has two types of postretirement pension adjustment (PRPA). The automatic PRPA is issued annually to all eligible benefit recipients, when the cost of living increases in the previous calendar year. The automatic PRPA increase is paid beginning July 1 of each year. The discretionary PRPA may be granted to eligible recipients by the TRS-DB Plan's administrator if the funding ratio of the TRS-DB Plan meets or exceeds 105 percent. If both an automatic and discretionary PRPA are granted, and a retiree is eligible for both adjustments, the one that provides the retiree the greater increase will be paid.

TRS-DB Plan members contribute 8.65 percent of their base salary, as required by statute. Employee contributions are deducted before federal income tax is withheld.

The TRS funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual-covered payroll, as an amount that, when combined, is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The employer rate for the State of Alaska for the year ended June 30, 2023, was 12.56 percent of compensation. Employer contributions are accumulated in both the pension and healthcare funds based on the approved contribution rate for the fiscal year. Additionally, there is a Defined Benefit Unfunded Liability amount levied against the Defined Contributions Retirement Pension Plan payroll.

The State's employer contributions to TRS-DB for the fiscal years ended June 30, 2023, 2022, and 2021 were $2.6, $2.6, and $2.7 million respectively, equal to the required contributions for each year. For the FY 2023 contributions, $2.6 million ($0.4 million for the primary government and $2.2 million for the discretely presented component units) was for pensions and $(10.8) thousand was for postemployment benefits ($0.3 thousand for the primary government and $(11.1) thousand for the discretely presented component units). The contributions were equal to the required contributions in FY 2023.

Alaska Statute 14.25.085 requires that additional state contributions are to be paid each July 1 or as soon after July 1 as funds become available for the ensuing fiscal year that when combined with the total employer contributions is sufficient to pay the TRS-DB past service liability at the contribution rate adopted by the ARMB for that fiscal year.

The 32nd Alaska State Legislature, HB281 2022 Section 80(b) $91.0 million from the General Fund to the TRS-DB as an additional state contribution for FY 2023. The portion of this payment attributable to State of Alaska employers is $4.0 million ($0.6 million for the primary government as an employer contribution and $3.4 million for the discretely presented component units as nonemployer contributions) for pensions.

Postemployment healthcare benefits are provided when pension benefits begin, without cost to all employees first hired before July 1, 1990, employees hired after July 1, 1990, with 25 years of membership service, and employees who are disabled or age 60 or older, regardless of initial hire dates. Employees first hired after June 30, 1990, may receive postemployment healthcare benefits prior to age 60 by paying premiums.

The Judicial Retirement System (JRS)

JRS is a defined benefit, single-employer retirement plan established and administered by the State to provide pension and postemployment healthcare benefits for eligible state judges and justices.

Prior to July 1, 1997, postemployment healthcare benefits were provided by the payment of premiums to an insurance company. Beginning July 1, 1997, the RHF, an other agency enterprise fund of the State, was established. The RHF is self-funded and originally provided major medical, dental, vision, audio, and long-term care coverage to retirees of the PERS-DB, TRS-DB, and JRS Plans. Due to the establishment of the ARHCT, effective July 1, 2007, the RHF now provides major medical coverage to those retirees and their dependents not eligible to participate in the ARHCT, along with optional dental, vision, audio, and voluntary long-term care insurance coverage to all retirees and their dependents in these plans. The plan retains the risk of loss of allowable claims. The RHF issues a financial report that may be obtained from the Division of Retirement and Benefits, P.O. Box 110203, Juneau, AK 99811-0203.

Senate Bill 123 was passed during the 2007 legislative session and which created the ARHCT beginning July 1, 2007. The ARHCT is self-funded and provides major medical coverage to retirees of the JRS. JRS retains the risk of loss of allowable claims for eligible members. ARHCT began paying member healthcare claims on March 1, 2008. Prior to that time, healthcare claims were paid for by the RHF.

JRS is considered a fiduciary component unit of the State of Alaska financial reporting entity. JRS issues a separate stand-alone financial report that includes financial statements and required supplementary information. JRS is also reported as a pension (and other employee benefit) trust fund by the State. Copies of the audited financial statements may be obtained from the Division of Retirement and Benefits, P.O. Box 110203, Juneau, AK 99811-0203 or from their website at http://drb.alaska.gov.

For purposes of measuring the net pension liability/asset, net OPEB liability/asset, deferred outflows of resources and deferred inflows of resources related to pension and OPEB liability/asset, and pension and OPEB expense, information about the fiduciary net position of the JRS defined benefits plans (the Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. Contributions are due to the Plan when employee services have been performed and paid. Contributions are recognized as revenue when due pursuant to statutory requirements. Benefits are recognized when due and payable and expenses are recorded when corresponding liabilities are incurred, regardless of when contributions are received, or payment is made. The Plans own shares in various investment pools that are administered by the State of Alaska, Department of Revenue, Treasury. The Plans' investment in the pools, except for the Short-term Fixed Income Pool, is reported at fair value based on the net asset value reported by the Treasury. The Short-term Fixed Income Pool maintains a share price of $1. Each participant owns shares in the pool, the number of which fluctuates daily with contributions and withdrawals. Additional information about the Plans' fiduciary net position can be found in the Plans' audited financial statements.

Benefit and contribution provisions are established by Chapter 25 of Alaska Statute Title 22 and may be amended only by the state legislature. JRS provides for normal pension benefits, as well as death, disability, and postemployment healthcare benefits.

Members with five or more paid-up years of credited service are entitled to annual pension benefits beginning at normal retirement at age 60 or early retirement at age 55. Members who are under age 60 and have 20 or more years of credited service may retire at any age and receive an actuarially reduced benefit.

The normal monthly pension benefit is based on the member's years of service and the current authorized salary for the position from which they retired. The pension benefit is equal to 5 percent for each year of service up to a maximum of 75 percent of the current base salary for an active judge in the month the benefit is paid. In the event of salary increases for active judges, the monthly pension benefit for retired judges also increases.

Upon the death of a member who has served for at least two years, the surviving spouse is entitled to receive monthly benefits equal to one-half of the monthly retirement pay the member would have been entitled to receive if retired at the time of death. If the member was not eligible to retire or would have been entitled to less than 60 percent of the monthly authorized salary, the spouse is entitled to monthly benefits not less than 30 percent of the authorized salary. The benefits continue until the surviving spouse dies.

If there is no eligible surviving spouse, the member's surviving dependent child(ren) are entitled to receive a benefit equal to 50 percent of the above survivor's benefit. Each child will receive an equal share of the benefit while they are dependent. If there is no surviving spouse or dependent child(ren), the member's beneficiary(ies) shall receive the difference between contributions made and interest accrued in the Plan less benefits paid by the Plan.

Members who are involuntarily retired for incapacity and have a minimum of five years of service at the time of retirement for incapacity are eligible for pension benefits.

Members contribute seven percent of their compensation to JRS, as required by statute. The contributions are deducted before federal income tax is withheld. Contributions are not required after members have made contributions for 15 years, or from members first appointed before July 1, 1978.

The JRS funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual-covered payroll, an amount that, when combined, is expected to finance the costs of both pension and postemployment healthcare benefits earned by plan members during the year. The employer rate for the State of Alaska for the year ended June 30, 2023, was 70.08 percent of compensation. Total employer contributions for FY 2023 were $7.5 million for pensions, and $0.9 million for postemployment benefits. Included in the total employer contribution amounts is $4.2 million appropriated in the 33rd Alaska State Legislature, HB281 2022 Section 80(c) from the General Fund to JRS as an additional state contribution for the purpose of funding the retirement system.

The Alaska National Guard and Alaska Naval Militia Retirement System (NGNMRS)

NGNMRS is a defined benefit, single-employer retirement plan established and administered by the State to provide pension benefits for eligible members of the Alaska National Guard and Alaska Naval Militia.

NGNMRS is considered a fiduciary component unit of the State of Alaska financial reporting entity. NGNMRS issues a separate stand-alone financial report that includes financial statements and required supplementary information. The plan is also reported as a pension (and other employee benefit) trust fund by the State. Additional information on the NGNMRS plan may be obtained from the Division of Retirement and Benefits, P.O. Box 110203, Juneau, AK 99811-0203.

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to the pension asset and pension expense, information about the fiduciary net position of the NGNMRS defined benefits plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. Contributions are due to the Plan when employee services have been performed and paid. Contributions are recognized as revenue when due pursuant to statutory requirements. Benefits and refunds are recognized when due and payable and expenses are recorded when the corresponding liabilities are incurred, regardless of when contributions are received or when payment is made.

Benefit and contribution provisions are established by Chapter 5 of Alaska Statute Title 26 and may be amended only by the state legislature. NGNMRS provides for normal pension benefits and death benefits. Postemployment healthcare benefits are not provided.

Members who voluntarily retire from the Alaska National Guard or Alaska Naval Militia after at least five years of Alaska Guard service and a total of at least 20 years of U.S. military service or members who involuntarily leave the Alaska Guard service due to federal standards imposed on the Alaska Guard, regardless of length of service, are eligible for a retirement pension. The retirement pension is $100 per month for each month of Alaska Guard service and may be paid to the member monthly or in a one-time lump sum.

Upon the death of an eligible member the member's designated beneficiary is entitled to a lump-sum benefit equal to the original pension amount less any payments already paid to the member.

No contributions are required from plan members. NGNMRS's funding policy provides for annual employer contributions by the Alaska Department of Military and Veterans' Affairs at actuarially determined amounts that are sufficient to accumulate assets to pay benefits when due. State contributions are determined using the entry age normal actuarial cost method.

The 33rd Alaska State Legislature, did not appropriate funds to the NGNMRS for FY 2023.

PLAN MEMBERSHIPS

The table below includes the plan membership counts from the separately issued financial statements for the various plans.

	PERS	TRS	JRS	NGNMRS
Retired plan members or beneficiaries currently receiving benefits	36,951	13,484	149	691
Inactive plan members entitled to but not yet receiving benefits	4,781	773	2	702
Inactive plan members not entitled to benefits	9,961	1,559	—	—
Active plan members	8,557	2,897	74	3,909
Total	60,250	18,713	225	5,302

NOTE 8 – DEFINED CONTRIBUTION PENSION PLANS

STATE ADMINISTERED PLANS

DESCRIPTION OF PLANS

A. The Public Employees' Retirement System - Defined Contribution Retirement Plan (PERS-DCR)

PERS-DCR is a defined contribution, multiple-employer public employee retirement plan established by the State to provide pension and postemployment healthcare benefits for eligible state and local government employees. Benefit and contribution

provisions are established by state law and may be amended only by the State Legislature. The 24th Alaska Legislature enacted into law Senate Bill 141, which created PERS-DCR effective July 1, 2006. The PERS-DCR Plan savings are accumulated in an individual retirement account for exclusive benefit of the members or beneficiaries.

The PERS-DCR Plan is a plan within the Public Employees' Retirement System (PERS). PERS is a component unit of the State of Alaska financial reporting entity. The PERS component unit is comprised of the PERS-DB (see note 7), PERS-DCR Plans, and the PERS Retiree Medical Plan (RMP) and Healthcare Reimbursement Arrangement Plan (HRA), and Occupational Death and Disability (OD&D). PERS is reported as a pension (and other employee benefit) trust fund by the State. PERS separately issued financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. Participants should refer to the plan agreement for more complete information. Copies of the audited financial statements and required supplementary information may be obtained from the Division of Retirement and Benefits, P.O. Box 110203, Juneau, AK 99811-0203 or from their website at http://doa.alaska.gov/drb/.

A participating member is immediately and fully vested in that member's contributions and related earnings (losses). A member shall be fully vested in the employer contributions made on that member's behalf, and related earnings (losses), after five years of service. A member is partially vested in the employer contributions made on that member's behalf, and the related earnings, in the ratio of (a) 25 percent with two years of service; (b) 50 percent with three years of service; (c) 75 percent with four years of service; and (d) 100 percent with five years of service. Any forfeited employer contributions are used to reduce pension expense in the fiscal year it is forfeited.

PERS-DCR pension contribution rates are eight percent for PERS-DCR members, as required by statute. The employer shall deduct the contribution from the member's compensation at the end of each payroll period, and the contribution shall be credited by the plan to the member's individual account. The contributions shall be deducted from the member's compensation before the computation of applicable federal taxes. An employer shall contribute to each member's individual pension account an amount equal to five percent of the member's compensation. Participant accounts under the PERS-DCR Plan are self-directed with respect to investment options.

The PERS-DCR pension contributions for the year ended June 30, 2023 by the State of Alaska employees were $74,468 thousand and the State of Alaska employers were $43,375 thousand. The State of Alaska PERS other postemployment contributions for the year ended June 30, 2023 were $40,160 thousand ($3,344 thousand for OD&D, $26,590 thousand for HRA, and $10,226 thousand for RMP).

For the year ended June 30, 2023 the State of Alaska recognized $43,575 thousand in pension expense for the PERS-DCR as an employer. Forfeitures of $3,174 thousand are reflected in the pension expense amount.

On July 1, 2006, three other postemployment benefit trust funds were created within PERS; RMP, HRA, and OD&D. RMP allows eligible members who retire directly from the plan to obtain medical benefits. The HRA allows medical care expenses to be reimbursed from individual savings accounts established for eligible persons. OD&D provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within the system. PERS-DCR participants are eligible members of RMP and HRA and their postemployment healthcare benefits are paid out of these funds.

The employer RMP contribution rate for FY 2023 for each member's compensation was 1.10 percent for medical coverage and 0.30 percent for death and disability (0.68 percent for peace officers and firefighters). HRA is $186.42 per month for full time employees and $1.43 per hour for part time employees.

B. The Teachers' Retirement System - Defined Contribution Retirement Plan (TRS-DCR)

TRS-DCR is a defined contribution, multiple-employer public employee retirement plan established by the State to provide pension and postemployment healthcare benefits for teachers and other eligible members. Benefit and contribution provisions are established by state law and may be amended only by the State Legislature. The 24th Alaska Legislature enacted into law Senate Bill 141, which created TRS-DCR effective July 1, 2006. TRS-DCR Plan savings are accumulated by an individual retirement account for exclusive benefit of the members or beneficiaries.

The TRS-DCR Plan is a plan within the Teachers' Retirement System (TRS). TRS is a component unit of the State of Alaska financial reporting entity. The TRS component unit is comprised of the TRS-DB (see note 7), TRS-DCR Plans, TRS Retiree Medical Plan (RMP) and Healthcare Reimbursement Arrangement Plan (HRA), and Occupational Death and Disability (OD&D). TRS is reported as a pension (and other employee benefit) trust fund by the State. TRS separately issued financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. Participants should

refer to the plan agreement for more complete information. Copies of the audited financial statements and required supplementary information may be obtained from the Division of Retirement and Benefits, P.O. Box 110203, Juneau, AK 99811-0203 or from their website at http://doa.alaska.gov/drb/.

A participating member is immediately and fully vested in that member's contributions and related earnings (losses). A member shall be fully vested in the employer contributions made on that member's behalf, and related earnings (losses), after five years of service. A member is partially vested in the employer contributions made on that member's behalf, and the related earnings, in the ratio of (a) 25 percent with two years of service; (b) 50 percent with three years of service; (c) 75 percent with four years of service; and (d) 100 percent with five years of service. Any forfeited employer contributions are used to reduce pension expense in the fiscal year it is forfeited.

TRS-DCR pension contribution rates are eight percent for TRS-DCR members, as required by statute. The employer shall deduct the contribution from the member's compensation at the end of each payroll period, and the contribution shall be credited by the plan to the member's individual account. The contributions shall be deducted from the member's compensation before the computation of applicable federal taxes. An employer shall contribute to each member's individual pension account an amount equal to seven percent of the member's compensation. Participant accounts under the TRS-DCR Plan are self-directed with respect to investment options.

The TRS-DCR pension contributions for the year ended June 30, 2023 by the employees were $1,507 thousand and the State of Alaska employers were $1,275 thousand. The State of Alaska TRS other postemployment contributions for the year ended June 30, 2023 were $612 thousand ($15 thousand for ODD, $433 thousand for HRA and $164 thousand for RMP).

For the year ended June 30, 2023 the State of Alaska recognized $1,297 thousand in pension expense for the TRS-DCR as an employer. Forfeitures of 44 thousand are reflected in the pension expense amount.

On July 1, 2006, two other postemployment benefit trust funds were created in TRS, the RMP and HRA. The TRS OD&D other postemployment benefit trust fund was created on July 1, 2007. RMP allows eligible members who retire directly from the plan to obtain major medical benefits. The HRA allows medical care expenses to be reimbursed from individual savings accounts established for eligible persons. OD&D provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within the system. TRS-DCR participants are eligible members of RMP and HRA and their postemployment healthcare benefits are paid out of these funds. The employer RMP contribution rate for FY 2023 for each member's compensation was 0.87 percent for medical coverage and 0.08 percent for death and disability. HRA is $186.42 per month for full-time employees while part-time employees are based on the contract percentage worked multiplied by the full-time employee rate.

C. Supplemental Benefits System

In addition to the pension plans (note 7) and deferred compensation plan (note 9), all state employees, as well as employees of political subdivisions which have elected to participate in the program, are covered under the Alaska Supplemental Benefits System (SBS). SBS is comprised of the Supplemental Annuity Plan and the Supplemental Benefits Cafeteria Plan. The Supplemental Annuity Plan is a defined contribution plan that was created under Alaska statutes effective January 1, 1980, to provide benefits in lieu of those provided by the federal Social Security System (Social Security). All State employees, who would have participated in Social Security if the State had not withdrawn, participate in SBS. Other employers whose employees participate in the State Public Employees' Retirement System and meet other requirements are eligible to have their employees participate in SBS as provided by Alaska Statute. As of June 30, 2023, there were 21 employers participating in SBS and there were 51,413 participants in the Plan.

The Division of Retirement and Benefits is responsible for administration and record keeping. Through September 30, 2005, the Alaska State Pension Investment Board (ASPIB) was responsible for the specific investment of monies in SBS. Effective October 1, 2005, ASPIB was disbanded and their duties were assumed by the Alaska Retirement Management Board.

SBS is considered a component unit of the State financial reporting entity. SBS issues a separate stand-alone financial report that includes financial statements and required supplementary information, and SBS is also reported as a pension (and other employee benefit) trust fund by the State. Copies of the audited financial statements may be obtained from the Division of Retirement and Benefits, P.O. Box 110203, Juneau, AK 99811-0203 or from their website at http://doa.alaska.gov/drb/.

Mandatory contributions are made to the Supplemental Annuity Plan and voluntary contributions to the Supplemental Benefits Cafeteria Plan. Participating employees are vested at all times. Supplemental Annuity Plan contributions are made in lieu of contributions to Social Security. The State and other participating employers are required to contribute 12.26 percent of an employee's wages up to the taxable wage base in effect under Social Security regulations. Each employee is considered to have agreed to a wage reduction equal to one-half the contribution made on the employee's behalf. The State's mandatory contributions for the year ended June 30, 2023, were $163,875 thousand of that amount contributed by employees were $81,939 thousand. The State's covered payroll was $1,336,691 thousand. For the year ended June 30, 2023 the State of Alaska recognized $81,935 thousand in pension expense for the SBS as an employer.

Supplemental Benefits Cafeteria Plan contributions are voluntary based upon the optional benefits elected by each employee enrolled in SBS. Each employee agrees to a wage reduction based upon the benefit options selected. The benefit amounts are deducted from each employee's wages and remitted by the employer to SBS third party administrator (TPA) on the employee's behalf. Effective January 1, 2020 the administration of the voluntary supplemental benefits was transferred to a TPA. The State employee voluntary contributions for the year ended June 30, 2023, were 4,256 thousand.

Employees are eligible to withdraw from the Supplemental Annuity Plan 60 days after termination. Benefits are payable in the form of a lump sum or a periodic payment option, unless the participant elects to defer commencement of benefits. Various annuities can also be purchased from an insurance carrier, which are excluded from Plan assets. The SBS administrator issues lump-sum payments through its contracted record keeper. Employees may request a hardship withdrawal for an unforeseeable emergency, within the definition allowed by the Internal Revenue Code. Hardship withdrawals are disbursed as lump sums and must be approved by the plan administrator.

Benefits available under the Supplemental Benefits Cafeteria Plan include life, accidental death, disability, and critical illness insurance. Selection of these benefits is at the discretion of the employee, with certain restrictions, and may be amended and/or changed on an annual basis or in conjunction with an employee change in status.

Supplemental annuity contributions were deposited with investment managers under contract with SBS for the year ended June 30, 2023. Participant accounts under the Supplemental Annuity Plan are self-directed with respect to investment options. Each participant designates how their contribution is to be allocated among the investment options. Each participant's account is credited with the participants contributions, adjusted for the appreciation or depreciation in unit value for the investment funds, and reduced for administrative fees.

D. University of Alaska Optional Retirement Plan - Defined Contribution (ORP)

The ORP is an employer funded defined contribution plan which operates in conjunction with a companion mandatory tax-deferred annuity plan. The ORP is comprised of three layers of participants: the original ORP, or ORP Tier 1, which was created for participants hired prior to July 1, 2005; ORP Tier 2, which was created for participants hired between July 1, 2005 and June 30, 2006; and ORP Tier 3, which was created for participants hired on or after July 1, 2006. For ORP Tier 1 and ORP Tier 2, faculty classified as regular and certain administrators made a one-time election to participate in the ORP as an alternative to participation in the defined benefit plans, PERS-DB or TRS-DB. The ORP Tier 2 plan was available for new ORP benefit-eligible employees hired in fiscal year 2006. As of July 1, 2006, the ORP Tier 2 plan was no longer available to newly-hired ORP benefit-eligible employees. For ORP Tier 3, each new eligible employee was able to make a one-time election to participate in the University of Alaska Retirement Program (includes ORP Tier 3 and the University of Alaska Pension Plan) as an alternative to participation in the State of Alaska defined contribution plans, PERS-DC or TRS-DC. Beginning July 1, 2015 the ORP was closed to new hired regular staff, but is still available for faculty and certain administrators.

University contributions are remitted to the plan's authorized employee-selected annuity providers or investment managers. The contribution rates and amounts for fiscal year 2023 were as follows (in thousands):

	ORP Tier 1	ORP Tier 2	ORP Tier 3
Employee Contribution Rates	8.65%	8.65%	8.00%
University Contribution Rates	14.00%	12.00%	12.00%
Covered Payroll	$25,997	$2,234	$104,534
University Contributions	$3,640	$268	$12,544

At June 30, 2023, plan assets (participants' accounts attributable to employer contributions) for ORP Tier 1, Tier 2, and Tier 3 had a net value to $441.5 million. ORP Tier 1 and ORP Tier 2 participants are 100 percent vested at all times. University contributions for ORP Tier 3 participants are 100 percent vested after three years of service.

University of Alaska Pension Plan

In addition to the other retirement plans, substantially all regular employees (hired before July 1, 2006) and certain faculty classified as temporary, participate in the Pension plan which was established January 1, 1982, when the University withdrew from the federal social security program. Eligible employees, hired on or after July 1, 2006, who elected to participate in the University of Alaska Retirement Program also participate in the Pension plan.

For fiscal year 2023, employer contributions for regular employees were 7.65 percent of covered wages up to $42.0 thousand. For certain faculty classified as temporary, the employer contributions were 7.65 percent of covered wages up to $160.2 thousand. The plan provides for employer contributions to be invested in accordance with participant-directed investment elections. Participants hired before July 1, 2006 are 100 percent vested at all times. University contributions for participants hired on or after July 1, 2006 are 100 percent vested after three years of service. Regular staff hired on or after July 1, 2015 are also 100 percent vested after three years of service of the employer contributions of the pension plan.

The University's total covered payroll for the Pension plan was $171.3 million. The University's gross costs to fund and administer the plan totaled $13.1 million for the year ended June 30, 2023. At June 30, 2023, plan assets (participants' accounts) had a net value of $497.4 million.

NOTE 9 – DEFERRED COMPENSATION PLAN

The State of Alaska Deferred Compensation Plan was created by Alaska statutes issued May 31, 1974 and was most recently amended effective August 30, 2021. It is a deferred compensation plan under Section 457 of the Internal Revenue Code and is available to all permanent and long-term non-permanent employees, elected officials of the State, and members of State boards and commissions, as well as employees of participating local government employers and public organizations. Participants authorize their employer to reduce their current salary or compensation so that they can receive the amount deferred at a later date. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency, within the definition allowed by the applicable Internal Revenue Code. All amounts deferred are held in a trust for the exclusive benefit of employees and beneficiaries. Additionally, participants may also have their contributions directed as a ROTH contribution. Those amounts are post-tax contributions and earnings on ROTH contributions are not taxable when properly withdrawn from the plan. As of June 30, 2023 the Deferred Compensation Plan had 12,672 participants.

The Division of Retirement and Benefits is responsible for Deferred Compensation Plan administration and record-keeping. The Alaska Retirement Management Board is responsible for the specific investment of monies in the Deferred Compensation Plan.

During fiscal year 2023, an employer participating in the Deferred Compensation Plan began offering and contributing matching contributions. Currently, there is one employer matching employee contributions.

Participant accounts are self-directed with respect to investment options. Each participant designates how their contributions are to be allocated among the investment options. Each participant’s account is credited with the participant’s contributions and the appreciation or depreciation in unit value for the investment funds and deductions for administrative fees.

Deferred Compensation Plan net position as of June 30, 2023 was $1,135,224 thousand. The Deferred Compensation Plan is reported in the accompanying financial statements as a pension (and other employee benefit) trust fund.

NOTE 10 – INTERFUND TRANSACTIONS

The following schedules summarize individual interfund receivable and payable balances at June 30, 2023, and interfund transfers for the year then ended (in thousands):

INTERFUND RECEIVABLE / PAYABLE BALANCES

	Due from Other Funds							
Due to Other Funds	General Fund	Alaska Permanent Fund	Nonmajor Governmental Funds	International Airports	Nonmajor Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total
General Fund	$ —	$ 35,779	$ 4,438	$ 174	$ 5,858	$ 39,575	$ 52,580	$ 138,404
Alaska Permanent Fund	14,265	—	—	—	—	—	—	14,265
Nonmajor Governmental Funds	4,506	—	—	—	—	—	—	4,506
International Airports	475	—	—	—	—	—	—	475
Nonmajor Enterprise Funds	4,419	—	—	—	—	—	—	4,419
Internal Service Funds	585	—	—	—	—	—	—	585
Fiduciary Funds	34,023	—	—	—	—	—	—	34,023
Other	1,405	—	—	—	—	—	—	1,405
Total	$ 59,678	$ 35,779	$ 4,438	$ 174	$ 5,858	$ 39,575	$ 52,580	$ 198,082

The $1.4 million reported in the Other row consists of a $1.4 million receivable to Department of Revenue from the Alaska Permanent Fund that was not included in the Alaska Permanent Fund outside audit. This amount is immaterial to their audited financial statements thus the audit was not restated.

INTERFUND TRANSFERS

	Transfers to				
Transfers From	General Fund	Nonmajor Governmental Funds	Internal Service Funds	Other	Total
General Fund	$ —	$ 75,573	$ 14,572	$ 5,200	$ 95,345
Alaska Permanent Fund	3,374,832	—	—	—	3,374,832
Nonmajor Governmental Funds	31,289	587	—	—	31,876
Nonmajor Enterprise Funds	30	—	—	—	30
Fiduciary Funds	9,000	—	—	—	9,000
Total	$ 3,415,151	$ 76,160	$ 14,572	$ 5,200	$ 3,511,083

The general purpose for transfers is to move monies from funds required by statute to collect them to the funds required by statute or budget to expend them, to move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments come due, and transfer accumulated surpluses from “Other” funds to the General Fund.

The transfer from the Alaska Permanent Fund to the General Fund includes a $3.36 billion transfer for payment of the Permanent Fund dividends, administrative and associated costs of the dividend program, and to fund various State operating expenses. Additionally, a $14.3 million transfer to the Alaska Capital Income Fund.

The $5.2 million reported in the Other column consists of a fund transfer from the General Fund to the Alaska International Airport for their debt service appropriation that is funded by the American Recovery and Reinvestment Act (ARRA).

NOTE 11 – RELATED PARTY ACTIVITY

Based on understandings and board-approved agreements between the Alaska Industrial Development and Export Authority (AIDEA) and Alaska Energy Authority (AEA), AIDEA supplies administrative, personnel, data processing, communications and other services to AEA. AIDEA recognized revenue totaling $6.3 million for providing these services during FY 2023. On June 30, 2023, AIDEA had $4.1 million receivable from AEA for services and short-term borrowings.

In December 2020, AEA borrowed $17 million from AIDEA to acquire an approximately 39.3-mile 115 kV electricity transmission line system between the Sterling Substation and Quartz Creek Substation ("SSQ Line") from Homer Electric Association and to incorporate as part of the Bradley Lake Hydroelectric Project. The loan, bearing interest at 3.5%, requires semiannual interest and annual principal payments with a final maturity date of July 2040. As of June 30, 2023, the balance of this loan was $5.8 million.

On September 30, 2010, pursuant to legislation and an agreement, AIDEA purchased 37 loans from AEA with an outstanding balance of $24.25 million, plus accrued interest, for $20.63 million. Under the agreement, at AIDEA's request, AEA is required to repurchase any loan upon a payment default. The current loan outstanding balance at June 30, 2023 is $2.44 million.

The Department of Transportation and Public Facilities (DOTPF) provides administrative and technical services benefiting all of Alaska's airports and aircraft bases. Related costs are allocated based upon budgetary estimates of the *pro rata* portion which should be borne by the various facilities as set forth in the annual appropriation and budget document of the State. Costs allocated to the International Airport Fund (IAF) as operating expenses totaled $3.38 million for the year ended June 30, 2023. Capital project management services are performed by DOTPF personnel and are capitalized to IAF construction in progress. These costs totaled $3.50 million during the year ended June 30, 2023.

NOTE 12 – COMMITMENTS, CONTINGENCIES, AND CONCENTRATIONS

A. SICK LEAVE

The cost of state employee sick leave is charged against agency appropriations when leave is used rather than when leave is earned. There is no recorded liability for sick leave in the financial records of the State. Accordingly, the statements in this report do not include an estimate of this obligation as either a liability or a reserve.

The estimated amount of unused accumulated sick leave as of June 30, 2023, is $8.5 million. This amount was calculated using the base pay on file for each employee as of June 30, 2023. It does not include an estimate of the cost of fringe benefits (supplemental benefits, retirement, group insurance, etc.) which can vary depending on the status of the employee when leave is taken.

B. SCHOOL DEBT

Under a program enacted in 1970 (AS 14.11.100), the State may reimburse municipalities up to 60, 70, 80, 90, or 100 percent of debt service on bonds issued to finance school construction. The percentage depends on the year in which the costs are incurred. The 60 percent limitation, enacted in 2002, applies to fiscal years after June 30, 1999.

Although the statute provides that the State may reimburse school districts 60, 70, 80, 90, or 100 percent of construction costs, the actual funding for the program is dependent on annual legislative appropriations to the school construction account. When amounts in the account are insufficient, the available funds are allocated *pro rata* among the eligible school districts. There is no contractual commitment by the State to make these payments. The amount for FY 2023 expended for school debt was $77.57 million, which was 100% of the entitlement. The total debt requirement, assuming the State makes full payment of its share of school debt service, would be approximately $433.24 million. The State is able to, and has in the past, appropriated less than the full amount anticipated by municipalities.

C. RISK MANAGEMENT AND SELF-INSURANCE

PRIMARY GOVERNMENT

The State maintains a risk management program that is administered by the Department of Administration, Division of Risk Management. The Division of Risk Management's objective is to protect the financial assets and operations of the State of Alaska from accidental loss through a comprehensive self-insurance program for normal and expected property and casualty claims of high frequency and low severity, combined with high-limit, broad-form excess insurance protection for catastrophic loss exposures.

Risk Management acts as the insurance carrier for each state agency, funding all sudden and accidental property and casualty claims. The annual premiums allocated by Risk Management are the maximum each agency is called upon to pay. This planning for known and catastrophic losses forestalls the need for the affected agency to request a supplemental appropriation or disrupt vital state services after a major property loss, adverse civil jury award, or significant workers' compensation claim.

By effectively managing the State's property and liability exposures through a comprehensive self-insurance program, Risk Management expends less public funds than would be paid to private insurance companies, while at the same time providing streamlined claims services utilizing professional adjusting firms located throughout Alaska.

Property insurance with all-risk (including earthquake and flood) coverage is provided on a replacement cost basis for all state-owned or leased property; buildings (including contents, museum fine arts, etc.), aircraft, and watercraft (Alaska Marine Highway System ferries and other agency vessels).

Casualty coverages protect each state agency and their personnel from third-party civil (tort) liability claims alleged to have arisen from combined liability - general (premises/operations), automobile, professional (errors and omissions), medical malpractice, aviation (aircraft and airport), or marine (passenger injuries).

Additional specialty coverage includes blanket public employee faithful performance, accidental death and disability (including medical expenses) for volunteers, computer fraud and foreign liability, etc. These insurance programs continually evolve, responding to new activities and special projects undertaken by each state agency. The State has not incurred a loss in excess of its insurance program.

In FY 2023, the State completely self-insured all statutory workers' compensation claims, general (premises and operations) and professional liability, automobile, property (bldgs), cyber, and aircraft liability. The State had Self-Insured Retention (SIR) levels of $400 thousand for marine risks and $250 thousand per incident for airport liability exposures. Limits of excess insurance vary by risk: $1 billion per occurrence for marine, $125 million for fine arts, and $500 million for airport.

Both domestic and international insurance companies and various Lloyd's of London underwriting syndicates participate in the State of Alaska's excess insurance program. Independent brokers provide marketing. The State obtains an annual independent actuarial assessment of the state insurance program as required by AS 37.05.287(b) which calculates unfunded claims and allocated loss adjustment expenses (ALAE).

An unconstrained audit of the State of Alaska's overall property and casualty insurance program performed by an independent risk management consultant found the retention levels and excess insurance coverage purchased are appropriate.

Risk Management's budget is funded entirely through interagency receipts annually billed to each agency through a "Cost of Risk" premium allocation system. The Risk Management Information System generates the annual cost of risk allocation to each agency, reflecting their proportionate share of the State's overall cost of risk. Designed to achieve equitable distribution of the self-insurance program costs, it factors exposure values subject to loss and considers the past five years actual claims experience incurred by each department.

For most cost of risk allocations, 80 percent of the premium billing is based on the average of the past five years actual claims experience. This provides a direct fiscal incentive to each agency to reduce or control their claim costs.

The program compiles a property inventory schedule of all owned or leased buildings used or occupied by state agencies, listing age and type of building construction, occupancy, fire protection services and sprinkler systems, and projected replacement cost value. Individual premiums are then determined and, in cases of multiple occupancy, allocated to each department on the basis of their square foot use.

The "Cost of Risk" premium is collected through two methods from individual state agency operating budgets. Reimbursable service agreements (RSAs) are used for all categories of insurance other than Workers' Compensation and Combined Liability (general, auto, and professional), which are assessed on a rate per $100 payroll applied monthly to each agency's actual payroll until the allocated premium is paid.

The table below presents changes in policy claim liabilities for the fiscal years ending June 30, 2022, and June 30, 2023, (in thousands). The State records its related liability using discounted amounts provided by actuaries. The amount of unpaid claim liabilities for Risk Management are presented at their present value using a 3.0 percent discount interest rate for FY 2022 and for FY 2023. Claims payment amounts include allocated loss adjustment expenses (legal and adjusting).

Fiscal Year	Beginning Balance	Current Year Claims and Changes in Estimates	Claim Payments	Ending Balance
2022	$ 142,456	$ 28,239	$ (23,298)	$ 147,397
2023	147,397	31,071	(27,560)	150,908

The Group Health and Life Fund is an Internal Service Fund of the State of Alaska, the plan is self-insured for all benefits. The plan's funding policy provides for the collection of insurance premiums from employees, if applicable, and the State. Insurance premium amounts are actuarially determined on an annual basis and adjusted as necessary. The State retains the risk of loss of allowable claims.

The liability for claims incurred but not reported (IBNR) represents the estimated amounts necessary to settle all outstanding claims as of the balance sheet date. The plan's reserve estimate for IBNR are based primarily on historical development patterns adjusted for current trends that would modify experience. Claims are re-evaluated periodically to consider the effects of inflation, claims settlement trends, and other economic factors. The process of establishing loss reserves is subject to uncertainties that are normal, recurring and inherent in the healthcare business.

Changes in the balances of claims liabilities during the years ended June 30, 2023 and 2022 were as follows (in thousands):

Fiscal Year	Beginning Balance	Heath Care Benefits	Benefits Paid	Ending Balance
2022	$ 15,888	$ 145,503	$ (144,055)	$ 17,336
2023	17,336	148,866	(148,793)	17,409

UNIVERSITY OF ALASKA

The University is exposed to a wide variety of risks including property loss, bodily and personal injury, intellectual property, errors and omissions, cyber-attacks, aviation and marine. Exposures are handled with a combination of self-insurance and commercial insurance.

The University is self-insured up the maximum of $2.0 million per occurrence for casualty claims and a minimum of $250 thousand for property claims. Commercial carriers provide coverage in excess of these amounts. Health care, workers' compensation and unemployment claims are fully self-insured. Liabilities have been established using actuarial analysis to cover estimates for specific reported losses, estimates for unreported losses based upon past experience modified for current trends, and estimates of expenses for investigating and settling claims. Settled claims have not exceeded the coverages for any of the past three years.

Changes in applicable self-insured liability amounts follow (in thousands):

	Balance July 1, 2022	Provision for Claims	Claims Payments	Balance June 30, 2023
Health	$ 5,531	$ 63,964	$ (63,422)	$ 6,073
General Liability	4,826	1,093	—	5,919
Workers' Compensation	3,589	—	(153)	3,436
Unemployment	39	270	(267)	42
	$ 13,985	$ 65,327	$ (63,842)	$ 15,470

D. LITIGATION AND ADMINISTRATIVE APPEALS

The State is involved in a number of legal actions. The Department of Law estimates the probable maximum liability for the cases associated with the governmental fund types to be approximately $49.24 million, with an additional possible liability of $44.46 million. The probable loss amount has been reported as long-term debt obligations.

The amount of revenue recognized by the Northern Tobacco Securitization Corporation could be adversely impacted by certain third party litigation involving tobacco companies and others.

The Division of Retirement and Benefits was a defendant in a class action lawsuit against the State alleging that the passage of Senate Bill (SB) 141 violated the Alaska Constitution by extinguishing a former member's ability to re-enter the PERS/TRS defined benefits plan. According to SB 141, a PERS/TRS defined benefit former member would have to re-employ into an eligible defined benefit position by June 30, 2010 or lose that former member's status (tier standing). If that former member re-entered the workforce in a valid PERS/TRS position but after June 30, 2010, that person would become a defined contribution retirement plan member, rather than reinstated into their prior defined benefit status (tier standing). The lawsuit challenged the effect of SB 141 as an unconstitutional diminishment of a promised defined benefit.

In April 2022, the Alaska Supreme Court found that a former member's ability to reinstate PERS/TRS status is an accrued benefit protected by Article XII, Section 7 of the Alaska Constitution. The Court held that not allowing former members to buy back into PERS/TRS defined benefit status resulted in an unconstitutional diminishment. The decision could lead to an increase in the number of employees previously believed to be ineligible for the defined benefit plan by operation of SB 141 for PERS/TRS. The case was returned to the Superior Court and the Department of Law filed a motion for final judgement. The Superior Court granted the motion for final judgment, awarded judgment on attorney's fees, and ordered the Division to notify class members by the end of May 2022 of their right to seek reinstatement into the defined benefit plan and the procedures to do so.

The Division continues to determine the impact of the Metcalfe decision on PERS and TRS. The Division is working with impacted former members who meet the requirements to re-establish their position in the defined benefits plan. However, it is unclear exactly how many former members will seek to reinstate to the defined benefits plan or the precise impact the reintroduction of those former members to the defined benefits plan will cost.

The Department of Revenue Tax Division's Oil and Gas Production Tax Audit Group performs periodic audits of oil and gas companies that file Alaska's oil and gas production tax returns. The audits mostly result in additional tax assessments and associated interest. The companies sometimes choose to pay the additional assessment "under protest" to avoid accruing interest. Because these prepayments are deposited in the Constitutional Budget Reserve Fund (CBRF) but are still under dispute, the tax assessment revenues recognized in the CBRF could be adversely affected by a potential refund resulting from a decision issued by the Department of Revenue Tax Division's Appeals Group, by the Department of Administration's Office of Administrative Hearings, by an Alaska Superior Court ruling, or by an Alaska Supreme Court ruling. As of the end of fiscal year June 30, 2023, there are no pending prepayments or payments made "under protest". If there were, we would not be able to estimate the amount of potential refund.

In August of 2018, the U.S. Department of Health & Human Services (USDHHS), Office of Inspector General (OIG) released audit report number A-04-17-08059, in which the OIG found that the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA) overpaid the State of Alaska an estimated $8.9 million in bonus payments due to the State including individuals that did not qualify because of their basis-of-eligibility category. The State of Alaska disagrees with this finding and joined several other states by entering into the formal appeals process through the USDHHS Department of Appeals Board (DAB) based on the states following the statutory criteria for the CHIPRA bonus payments and preparing current enrollment numbers in accordance with Centers for Medicare & Medicaid Services (CMS) guidance.

During FY21, USDHHS DAB issued a preliminary decision that required additional action by both the State and CMS. According to USDHHS DAB, the previous methodology used for determining the bonus awards was invalid; therefore, CMS could not pursue collecting the estimated overpayments. However, the decision allowed CMS the opportunity to recalculate the baseline year (2007) for determining eligibility and pursue an overpayment collection in accordance with this new calculation. As of June 30, 2023, USDHHS is evaluating the potential overpayment and the amount to potentially be repaid is unknown.

The Department of Natural Resource's Division of Oil and Gas performs periodic audits of oil and gas companies that file Alaska's oil and gas Royalty and Net Profit Share (NPS) reports. The audits mostly result in additional royalty and NPS payments and associated interest. The companies sometimes pay the additional assessment "under protest" to avoid accruing interest. Per Alaska Statutes 37.14.150 and 37.13.010, royalty payments are split between the Constitutional Budget Reserve Fund, Public School Trust Fund, and the Alaska Permanent Fund. Since the royalty and NPS revenues are still under dispute the funds could be adversely affected by a potential refund resulting from a decision issued by the Department of Natural Resource's Commissioner, by an Alaska Superior Court ruling, or by an Alaska Supreme Court ruling. As of the end of fiscal year June 30, 2023, there were no pending prepayments or payments made "under protest". If there were, we would not be able to estimate the amount of potential refund.

E. FEDERAL GRANTS

The State has received federal grants for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowance under terms of the grants, it is believed that any required reimbursements will not be material.

F. DISASTER RELIEF FUND

The State may be liable to reimburse communities for expenditures related to disasters in excess of the amount allocated by the State.

G. FUTURE LOAN COMMITMENTS

As of June 30, 2023, the Alaska Clean Water and the Alaska Drinking Water Funds are committed to funding loans for which they have entered into agreements for communities, but funds have not yet been disbursed. The total amounts to be disbursed under these agreements are uncertain as not all of the loans are expected to be fully drawn and some loans may increase with changes in scope of the underlying projects; accordingly, they are not included in the financial statements for these funds. As of June 30, 2023, the Alaska Clean Water and the Alaska Drinking Water Funds have entered into binding commitments, as evidenced by signed loan agreements, for which funds remain to be disbursed totaling $68.29 million and $35.44 million respectively.

As of June 30, 2023, the Department of Commerce, Community and Economic Development identified outstanding loan commitments. Agreements have been entered into, but funds have not yet been disbursed. The open loan commitments include the Alaska Commercial Fishing Revolving Loan Fund for $0.43 million and the Alaska Fisheries Enhancement Revolving Loan Fund for $1.99 million.

As of June 30, 2023, the Alaska Energy Authority (AEA) had Power Project Fund loan commitments of $5.58 million.

As of June 30, 2023, the Alaska Industrial Development and Export Authority (AIDEA) had extended loan participation purchase commitments of $4.5 million, as well as loan guarantees of $2.5 million.

AIDEA has also entered into funding agreements with Ambler Metals, LLC to support Ambler Access Project, to develop an industrial access road to the Ambler Mining District. The associated Interim Funding Agreement and Full Funding Agreement indicate that AIDEA will provide funds up to $1 million and $35 million, respectively.

H. POTENTIAL DEVELOPMENT PROJECTS

Exclusive of the Alaska LNG Project, and regarding the development of a proposed in-state natural gas pipeline from the North Slope to Cook Inlet (Bullet Line), the Alaska Gasline Development Corporation (AGDC) entered into a 2010 agreement where $4.66 million would become due and payable when (a) the State awards permits, work product, and other results of a Bullet Line Preliminary Development Project to a Qualified Builder (other than a public corporation owned by the State); or (b) the State determines it will construct the Bullet Line itself, either through a public corporation owned by the State or otherwise, and (i) the Legislature of the State of Alaska appropriates some or all of the funding for the Bullet Line Development and Construction Expenses, or (ii) bonds are issued by the State or a public corporation owned by the State intended to finance some or all of the Bullet Line Development and Construction Expenses.

I. INVESTMENT COMMITMENTS

As of June 30, 2023, the Alaska Permanent Fund Corporation (APFC), on behalf of the Alaska Permanent Fund, had outstanding future funding commitments of $400 million for real estate fund investments.

As of June 30, 2023, the APFC, on behalf of the Alaska Permanent Fund, had outstanding future funding commitments of $100 million for absolute return, $1.5 billion for private credit, $4.3 billion for private equity, and $1.4 billion for infrastructure investments. Many alternative investments have liquidity constraints and may not be available for cash withdrawal until a specified period of time has elapsed.

The Alaska Retirement Management Board (ARMB) has entered into agreements with external investment managers to provide funding for future pension fund investments. As of June 30, 2023, ARMB's unfunded commitments were as follows (in thousands):

Investment Type		
Alternative Fixed Income	$	377,897
Energy		31,214
Farmland		87,206
Private Equity		1,622,189
Real Estate		299,529
	$	2,418,035

J. POLLUTION REMEDIATION

Governmental Accounting Standards Board Statement (GASBS) 49 provides guidance for state and local governments in estimating and reporting the potential costs of pollution remediation. While GASBS 49 does not require the State to search for pollution, it does require the State to reasonably estimate and report a remediation liability when an obligating event occurs.

According to AS 46.03.010, it is the policy of the State to conserve, improve, and protect its natural resources and environment and control water, land, and air pollution, in order to enhance the health, safety, and welfare of the people of the State and their overall economic and social well-being. It is also the policy of the State to improve and coordinate the environmental plans, functions, powers, and programs of the State, in cooperation with the federal government, local governments, other public and private organizations, and concerned individuals, and to develop and manage the basic resources of water, land, and air to the end that the State may fulfill its responsibility as trustee of the environment for the present and future generations.

The State has the knowledge and expertise to estimate the remediation obligations presented in the statements based on prior experience in identifying and funding similar remediation activities. GASBS 49 requires the State to calculate pollution remediation liabilities using the expected cash flow technique. Where the State cannot reasonably estimate a pollution remediation obligation, it does not report a liability.

The remediation obligation estimates that appear in this report are subject to change over time. Cost may vary due to price fluctuations, changes in technology, changes in potential responsible parties, results of environmental studies, changes to statutes or regulations or other factors. Prospective recoveries from responsible parties may reduce the State's obligation.

At July 1, 2022, the General Fund had pollution remediation obligations of $125,107 thousand. As of June 30, 2023, the State had an increase to the obligations of $5,106 thousand and recognized a decrease of $4,535 thousand, for an ending balance of $125,678 thousand in pollution remediation obligation related activities. The State has an estimated potential recovery of $545 thousand from other responsible parties.

Additionally, the International Airports Fund (IAF) reported pollution remediation liabilities for which IAF is in whole or in part a responsible party. The liabilities were valued using the estimated mean of the future cash flows of costs and recovery associated with identified sites, measured at current value. Amounts recorded as current and long-term portions of these estimated liabilities were respectively $1,423 thousand and $12,807 thousand in 2023 and $869 thousand and $7,819 thousand in 2022.

K. ENCUMBRANCES

The State of Alaska utilizes encumbrance accounting to identify fund obligations. The following shows encumbrances within the governmental funds for the fiscal year ended June 30, 2023:

	Amount (in thousands)
General Fund	$ 948,162
Special Revenue Funds	82,839
Capital Project Funds	2,367
Total Encumbrances	$ 1,033,368

A review of the appropriations with encumbrance balances over $5 million were identified and analyzed below:

The Department of Commerce, Community and Economic Development administers projects related to transportation projects for $413.77 million. These projects are funded by the SBR Fund and general funds.

The Department of Commerce, Community and Economic Development administers the Alaska Reinsurance Program which was established under AS 21.55 to stabilize the health insurance market in Alaska. The program provides a reinsurance mechanism for insurers issuing policies that cover certain high-risk individuals through the Comprehensive Health Insurance Association. The program has $53.5 million remaining obligated in the Alaska Comprehensive Health Insurance Fund from revenues collected under Title 21 of the Alaska Statutes.

The Department of Commerce, Community and Economic Development administers a project for the Kodiak fire station replacement for $14.56 million. This project is funded by general funds.

The Department of Commerce, Community and Economic Development administers grants for the Alaska Impact Grant Program for $28.07 million. This is funded by the National Petroleum Reserve Fund.

The Department of Commerce, Community and Economic Development administers projects for the Food Bank of Alaska for $6.07 million. This is funded by general funds.

The Department of Commerce, Community and Economic Development administers construction projects for $14.22 million. These are funded by general funds.

The Department of Commerce, Community and Economic Development administers a grant for the Exxon Valdez Oil Spill funded "EVOSTC" for $13.25 million. The Department of Fish and Game also administers a grant for the Exxon Valdez Oil Spill funded "EVOSTC" for $8.03 million. These are funded by the Exxon Valdez Settlement Trust Fund.

The Department of Military and Veterans Affairs had numerous Program Worksheets (Public Assistance) and Project Worksheets (Hazard Mitigation) totaling $8.68 million for the November 2018 earthquake that are funded with 75 percent Federal and 25 percent State Disaster Relief funds.

The Department of Transportation administers projects related to transportation projects for $5.52 million. These projects are funded by general funds.

The Department of Natural Resources administers projects related to fire suppression for $27.96 million. These projects are funded by general funds.

The Department of Corrections administers projects related to prison repairs for $5.85 million. These projects are funded by general funds.

The Department of Education and Early Development administers projects related to school construction and renovation that totals $126.17 million. This project is funded by the SBR Fund and general funds.

L. MEDICAID

The Department of Health uses two Medicaid Management Information Systems, Alaska Health Enterprise (AHE) and Optum Behavioral Health System (OBHS) FACETS, to process Medicaid and Children's Health Insurance Program medical claims submitted by service providers. Some claims are suspended during normal processing for reasons including third party insurance verification, verification of medical necessity, and provider claim submission errors. Due to the complexity of claim processing, the cost of settling the suspended claims cannot be reasonably estimated.

M. FINANCIAL GUARANTEES

In accordance with AS 18.56.098 (i), the State has guaranteed the Veterans Mortgage Program Bonds issued by the Alaska Housing Finance Corporation (AHFC) in the amount of $41.3 million at June 30, 2023. The guarantees extend through the life of the bonds, with a final maturity date of the longest series in 2048. In the event that AHFC cannot make the bond payments, the State would be responsible for the principal and interest.

N. CONCENTRATIONS

In FY 2023, the most significant sources of revenues were federal, taxes, and rents and royalties; which make up 92.5 percent of total revenues. With a large portion of total revenues coming from federal sources (52.0 percent), a large decrease in federal funding could impact the stability of the State. Additionally, with the volatility in petroleum related revenues, taxes, and rents and royalties continue to be a significant concern for the State of Alaska.

NOTE 13 – SUBSEQUENT EVENTS

A. ALASKA MUNICIPAL BOND BANK AUTHORITY

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

On December 14, 2023, the Bond Bank closed on the 2023 Series Three bonds. The 2023 Series Three bonds consisted of $35.12 million in general obligation bonds (AMT) with interest rates ranging between 5.00% and 5.25%. The proceeds of the 2023 Series Three bonds were used to make a new loan to an authorized borrower and to pay a portion of the costs of issuance.

B. ALASKA CLEAN WATER FUND

Pursuant to legislative authorization obtained during the 2023 session of the Alaska Legislature, Series A Revenue Bond Anticipation Notes for FY 2024 were issued on November 14, 2023, in the amount of $1.97 million. The borrowing is secured by interest earnings of the Alaska Clean Water Fund.

C. ALASKA DRINKING WATER FUND

Pursuant to legislative authorization obtained during the 2023 session of the Alaska Legislature, Series B Revenue Bond Anticipation Notes for FY 2024 were issued on November 14, 2023, in the amount of $2.81 million. The borrowing is secured by interest earnings of the Alaska Drinking Water Fund.

D. ALASKA HOUSING FINANCE CORPORATION

The Corporation delivered its $49.9 million Collateralized Bonds (Veterans Mortgage Program), 2023 First Series, on July 27, 2023. The First Series Bonds are tax-exempt general obligations of the Corporation having a final maturity of December 1, 2052, and paying interest each June 1 and December 1 at fixed rates ranging from 3.15 percent to 4.65 percent. Proceeds of the First Series Bonds will be used to finance qualified veterans mortgage loans. principal and interest on the First Series Bonds is further secured by the unconditional guarantee of the State of Alaska.

The Corporation delivered its $100.00 million State Capital Project Bonds II, 2023 Series A, on October 17, 2023. The Series A Bonds are tax-exempt general obligations of the Corporation having a final maturity of December 1, 2041, and paying interest each June 1 and December 1 at fixed rates ranging from 5.00 percent to 5.25 percent. Proceeds of the Series A Bonds will be used to refund certain outstanding obligations of the Corporation and for other authorized purposes.

The Corporation delivered its $120.00 million General Mortgage Revenue Bonds II, 2024 Series C, on February 1, 2024. The Series C Bonds are federally taxable general obligations of the Corporation having a final maturity of December 1, 2053, and

paying interest each June 1 and December 1 at fixed rates ranging from 4.808% to 6.250%. Proceeds of the Series C Bonds were used to purchase mortgage loans and for other authorized purposes.

The Corporation delivered its $75.00 million General Mortgage Revenue Bonds II, 2024 Series A, on March 5, 2024. The Series A Bonds are tax-exempt general obligations of the Corporation having a final maturity of June 1, 2054, and paying interest each June 1 and December 1 at fixed rates ranging from 3.200% to 6.000%. Proceeds of the Series A Bonds were used to purchase mortgage loans and for other authorized purposes.

The Corporation delivered its $48.12 million General Mortgage Revenue Bonds II, 2024 Series B, on March 5, 2024. The Series B Bonds are tax-exempt general obligations of the Corporation having a final maturity of December 1, 2036, and paying interest each June 1 and December 1 at fixed rates ranging from 3.625% to 5.000%. Proceeds of the Series B Bonds were used to refund certain outstanding obligations of the Corporation.

E. ALASKA ENERGY AUTHORITY

On June 26, 2023, Senate Bill (SB) 98 passed and became law. In this legislation the Alaska Permanent Fund Corporation (APFC) was given management and investment authority over the PCE endowment fund. Per SB 98 this was to take effect July 1, 2023. Up and until June 30, 2023, Treasury continued to manage and invest the funds of the PCE endowment. SB 98 directs at July 1, 2023, that the commissioner of revenue shall transfer the balance of the PCE endowment fund to the APFC. At June 28, 2023, all of the investment funds held by the Treasury for the PCE endowment fund were held in the State's short-term pool as cash and cash equivalents. Thereby, there were no long-term investments held for the PCE Endowment Fund as of June 30, 2023. All funds were transferred to the APFC on the first business day of July, which was July 3, 2023.

F. ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY

On October 27, 2023, a closing was held in which ownership of Mustang Holding LLC was transferred to Finnex Operating LLC. The divestiture of this component unit took place in the form of an installment sale in which AIDEA received $1.0 million at closing. The sale also requires two payments in the amount of $1.2 million, with the first payable in 18 months and the second payable within 24 months. These installment payments are secured by irrevocable letters of credit which expire on May 25, 2025 and November 25, 2025, respectively.

AIDEA is also entitled to receive property tax credits from the Alaska Department of Revenue. When payment of these credits is received, it will be used to pay property taxes due. As part of the agreement, Finnex Operating LLC will reimburse AIDEA for payment of property taxes due up to $1.4 million within 36 months.

NOTE 14 – PRIOR PERIOD ADJUSTMENTS AND RESTATED BEGINNING NET POSITION

PRIOR PERIOD ADJUSTMENT

Alaska Industrial Development and Export Authority

During FY 2023, AIDEA identified and corrected the following misstatements in the FY 2022 financial statements. An understatement of revenue and related lease receivables; an understatement of revenue related to DeLong Mountain Transportation System (DMTS) and an overstatement of accrued liabilities; understatement of impairment loss and overstatement of the related component unit - Mustang Holding LLC; an understatement of expenses and an overstatement of the related to notes receivables; an overstatement of expenses and an understatement of the related Arctic national Wildlife Refuge (ANWR) Section 1002 other asset. To correct the beginning net position as of June 30, 2022, a restatement was required as noted in the table below (in thousands):

Net position at June 30, 2022, as previously reported	$	1,434,687
Correction of revenues related to leases not previously recorded		5,500
Correction of revenues related to DMTS not previously recorded		23,335
Correction of impairment loss related to Mustang Holding, LLC not previously recorded		(19,049)
Correction of expenses related to notes receivables not previously recorded		(1,781)
Correction of expenses related to ANWR Section 1002 leases not previously recorded		1,291
Net position at July 1, 2022, as restated	$	1,443,983

NOTE 15 – ALASKA AEROSPACE CORPORATION - DEPARTURE FROM GAAP

Alaska Aerospace Corporation (AAC) is a discretely presented component unit of the State of Alaska as noted in Footnote 1A. Per GAAP, AAC financial information should be reported in the ACFR; however, due to AAC financial information not being available at the time of issuing the FY 2023 ACFR, it was omitted and not reported. This omission is a departure from GAAP and is reflected as blank amounts for AAC in the respective discretely presented component unit financial statements and related notes.

Required Supplementary Information

STATE OF ALASKA **STATEMENT 2.01**
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2023
(Stated in Thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Unrestricted:				
Taxes	$ 3,555,867	$ 3,555,867	$ 2,548,653	$ 1,007,214
Licenses and Permits	112,995	113,632	139,925	(26,293)
Charges for Services	555,816	505,221	177,647	327,574
Fines and Forfeitures	24,813	25,063	30,060	(4,997)
Rents and Royalties	1,499,100	1,495,986	1,273,043	222,943
Premiums and Contributions	1,389	946	870	76
Interest and Investment Income (Loss)	17,426	17,426	279,449	(262,023)
Payments In from Component Units	223,038	230,271	44,516	185,755
Other Revenues	82,000	82,000	38,021	43,979
Restricted:				
Federal Grants in Aid	13,933,637	12,882,563	4,840,753	8,041,810
Interagency	804,191	1,294,303	672,191	622,112
Payments In from Component Units	68,674	66,940	—	66,940
Other Revenues	6,798	7,104	7,361	(257)
Total Revenues	20,885,744	20,277,322	10,052,489	10,224,833
EXPENDITURES				
Current:				
General Government	732,760	808,797	543,098	265,699
Alaska Permanent Fund Dividend	2,083,265	2,083,265	2,068,504	14,761
Education	2,084,687	2,121,429	1,883,917	237,512
University	935,458	939,989	345,936	594,053
Health and Human Services	6,092,055	5,806,100	3,984,106	1,821,994
Law and Justice	355,685	367,435	319,323	48,112
Public Protection	1,079,507	1,721,303	1,167,160	554,143
Natural Resources	614,207	696,068	367,220	328,848
Development	586,179	626,262	177,256	449,006
Transportation	8,791,573	7,300,925	1,977,081	5,323,844
Intergovernmental Revenue Sharing	110,339	121,891	121,208	683
Debt Service:				
Principal	61,919	61,919	61,868	51
Interest and Other Charges	14,631	14,631	14,631	—
Total Expenditures	23,542,265	22,670,014	13,031,308	9,638,706
Excess (Deficiency) of Revenues Over Expenditures	(2,656,521)	(2,392,692)	(2,978,819)	586,127
OTHER FINANCING SOURCES (USES)				
Transfers In from Other Funds	5,507,358	5,507,358	5,507,358	—
Transfers (Out to) Other Funds	(2,147,677)	(2,147,677)	(2,147,677)	—
Total Other Financing Sources and Uses	3,359,681	3,359,681	3,359,681	—
Excess (Deficiency) of Revenues, Expenditures, Other Financing Sources, Special and Extraordinary Items, Budgetary Basis	$ 703,160	$ 966,989	380,862	$ 586,127
RECONCILIATION OF BUDGETARY / GAAP REPORTING:				
Adjust Expenditures for Encumbrances			288,326	
Basis Difference			139,203	
Excess (Deficiency) of Revenues, Expenditures, Other Financing Sources, Special and Extraordinary Items, GAAP Basis			808,391	
Fund Balances - Beginning of Year			4,411,698	
Fund Balances - End of Year			$ 5,220,089	

Note to Required Supplementary Information - Budgetary Reporting
For the Fiscal Year Ended June 30, 2023

The Budgetary Comparison Schedule - General Fund presents comparisons of the original and final adopted budget with actual data on a budgetary basis. The State issues a separate legal basis budgetary report, which demonstrates legal compliance with the budget. A copy of this report may be obtained by contacting the State of Alaska, Department of Administration, Division of Finance, P.O. Box 110204, Juneau, AK 99811-0204, or may be viewed online at http://doa.alaska.gov/dof/reports/annualreport.html.

The legislature's legal authorization (appropriations) to incur obligations is enacted on a basis inconsistent with Generally Accepted Accounting Principles (GAAP). The reconciliation of the budgetary basis to GAAP is shown directly on the Budgetary Comparison Schedule - General Fund. Both the annual operating budget and the net continuing total budget are included.

The types of differences are as follows:

- Encumbrances are included for total authorized expenditures, although for GAAP purposes they are excluded.

- There was financial activity related to reimbursable services agreements (RSA) and interfund transactions that were recorded in the general fund and in other funds. For budgetary purposes, that activity was left in the general fund, but for GAAP purposes it was eliminated from the general fund.

- Basis differences arise when the budgetary basis of accounting differs from the basis of accounting applicable to fund type when reporting on operations in accordance with GAAP. This difference is comprised of the following in the general fund (in thousands):

Petroleum Severance Taxes and Royalties	$ 172,934
Medical Assistance Program	(22,217)
Corporate Income Tax	(9,261)
Tobacco Tax	(1,222)
Alcohol Tax	(12)
Tire Tax	(28)
Vehicle Rental Tax	23
Commercial Passenger Vessel Excise Tax	1,347
Marijuana Tax	1,048
Working Reserve	(3,409)
Total General Fund Basis Difference	$ 139,203

STATE OF ALASKA **STATEMENT 2.10**

Proportionate Share of the Net Pension Liability Schedule

Public Employees' Retirement System - Pension

Last Ten Fiscal Years

As of Measurement Date

(Stated in Thousands)

	2023	2022	2021	2020	2019
Primary government's proportion of the net pension liability	49.36 %	48.96 %	49.09 %	49.72 %	49.53 %
Component unit's proportion of the net pension liability	5.18 %	5.77 %	4.79 %	4.91 %	5.15 %
Nonemployer contributing state's proportion of the net pension liability	10.88 %	6.03 %	14.86 %	14.28 %	11.33 %
Primary government's proportionate share of the net pension liability	$ 2,515,767	$ 1,796,269	$ 2,896,625	$ 2,721,623	$ 2,461,037
Component unit's proportionate share of the net pension liability	$ 264,052	$ 211,646	$ 282,741	$ 268,783	$ 255,967
Nonemployer contributing state's share of the net pension liability	$ 554,547	$ 221,236	$ 876,821	$ 781,773	$ 562,886
Primary government's covered payroll	$ 1,179,889	$ 1,140,501	$ 1,276,521	$ 1,102,180	$ 1,093,705
Component unit's covered payroll	$ 80,973	$ 91,176	$ 102,596	$ 116,162	$ 119,018
Primary government's proportionate share of the net pension liability as a percentage of its covered payroll	213.22 %	157.50 %	226.92 %	246.93 %	225.02 %
Component unit's proportionate share of the net pension liability as a percentage of its covered payroll	326.10 %	232.13 %	275.59 %	231.39 %	215.07 %
Plan fiduciary net position as a percentage of the total pension liability	67.97 %	76.46 %	61.61 %	63.42 %	65.19 %

This schedule continued on next page.

STATE OF ALASKA **STATEMENT 2.10**

Proportionate Share of the Net Pension Liability Schedule

Public Employees' Retirement System - Pension

Last Ten Fiscal Years

As of Measurement Date

(Stated in Thousands)

	2018	2017	2016	2015	2014
Primary government's proportion of the net pension liability	50.62 %	51.87 %	50.75 %	52.23 %	51.60 %
Component unit's proportion of the net pension liability	4.74 %	5.79 %	5.52 %	4.44 %	4.43 %
Nonemployer contributing state's proportion of the net pension liability	13.40 %	5.38 %	10.40 %	21.86 %	22.87 %
Primary government's proportionate share of the net pension liability	$ 2,616,648	$ 2,899,139	$ 2,461,215	$ 2,436,220	$ 2,709,520
Component unit's proportionate share of the net pension liability	$ 244,871	$ 323,541	$ 267,632	$ 207,090	$ 232,515
Nonemployer contributing state's share of the net pension liability	$ 692,476	$ 300,921	$ 504,300	$ 1,019,583	$ 1,201,055
Primary government's covered payroll	$ 1,092,504	$ 1,090,607	$ 1,148,502	$ 1,136,811	$ 1,094,801
Component unit's covered payroll	$ 128,050	$ 140,886	$ 150,562	$ 143,205	$ 145,495
Primary government's proportionate share of the net pension liability as a percentage of its covered payroll	239.51 %	265.83 %	214.30 %	214.30 %	247.49 %
Component unit's proportionate share of the net pension liability as a percentage of its covered payroll	191.23 %	229.65 %	177.76 %	144.61 %	159.81 %
Plan fiduciary net position as a percentage of the total pension liability	63.37 %	59.55 %	63.96 %	62.37 %	56.04 %

STATE OF ALASKA **STATEMENT 2.11**

Employer Contributions Schedule

Public Employees' Retirement System - Pension

Last Ten Fiscal Years

(Stated in Thousands)

	2023	2022	2021	2020	2019
Primary Government					
Statutorily required contribution	$ 264,648	$ 250,432	$ 254,597	$ 200,767	$ 188,809
Contributions in relation to the statutorily required contribution	231,768	248,138	255,643	212,693	207,815
Contribution deficiency (excess)	$ 32,880	$ 2,294	$ (1,046)	$ (11,926)	$ (19,006)
Covered payroll	$ 1,228,426	$ 1,179,889	$ 1,140,501	$ 1,276,521	$ 1,102,180
Contributions as a percentage of covered payroll	18.87 %	21.03 %	22.41 %	16.66 %	18.85 %
Component Units					
Statutorily required contribution	$ 17,702	$ 14,121	$ 13,890	$ 16,074	$ 17,626
Contributions in relation to the statutorily required contribution	29,501	23,737	21,861	19,763	17,718
Contribution deficiency (excess)	$ (11,799)	$ (9,616)	$ (7,971)	$ (3,689)	$ (92)
Covered payroll	$ 76,646	$ 80,973	$ 91,176	$ 102,596	$ 116,162
Contributions as a percentage of covered payroll	38.49 %	29.31 %	23.98 %	19.26 %	15.25 %
Primary Government Nonemployer Contribution					
Statutorily required contribution	$ 33,933	$ 97,700	$ 102,429	$ 69,067	$ 67,433
Contributions in relation to the statutorily required contribution	33,933	97,700	101,383	79,486	67,857
Contribution deficiency (excess)	$ —	$ —	$ 1,046	$ (10,419)	$ (424)

This schedule continued on next page.

STATE OF ALASKA **STATEMENT 2.11**

Employer Contributions Schedule

Public Employees' Retirement System - Pension

Last Ten Fiscal Years

(Stated in Thousands)

	2018	2017	2016	2015	2014
Primary Government					
Statutorily required contribution	$ 181,720	$ 170,247	$ 164,533	$ 285,769	$ 200,076
Contributions in relation to the statutorily required contribution	183,334	$ 179,742	164,533	636,865	200,076
Contribution deficiency (excess)	$ (1,614)	$ (9,495)	$ —	$ (351,096)	$ —
Covered payroll	$ 1,093,885	$ 1,092,504	$ 1,090,607	$ 1,148,502	$ 1,136,811
Contributions as a percentage of covered payroll	16.76 %	16.45 %	15.09 %	55.45 %	17.60 %
Component Units					
Statutorily required contribution	$ 20,590	$ 19,693	$ 17,969	$ 18,561	$ 17,313
Contributions in relation to the statutorily required contribution	20,590	19,693	17,969	18,561	17,313
Contribution deficiency (excess)	$ —	$ —	$ —	$ —	$ —
Covered payroll	$ 119,018	$ 128,050	$ 140,886	$ 150,562	$ 143,205
Contributions as a percentage of covered payroll	17.30 %	15.38 %	12.75 %	12.33 %	12.09 %
Primary Government Nonemployer Contribution					
Statutorily required contribution	$ 36,399	$ 40,360	$ 43,535	$ 153,622	$ 82,554
Contributions in relation to the statutorily required contribution	36,770	50,027	43,535	479,750	82,554
Contribution deficiency (excess)	$ (371)	$ (9,667)	$ —	$ (326,128)	$ —

Notes to required schedule

Significant methods and assumptions used in calculating the actuarially determined contribution are presented in Note 6.

In FY 2015 the legislature appropriated $1.0 billion to the Public Employee's Retirement System's retirement funds from the Constitutional Budget Reserve Fund to help with the net pension liability.

During the 32nd Legislature, Senate Bill 55 made changes to Alaska Statute (AS) 39.35.255 that indicated the State of Alaska shall contribute to the System every payroll period an amount sufficient to pay the full actuarially determined employer normal cost.

STATE OF ALASKA **STATEMENT 2.12**

Proportionate Share of the Net OPEB Liability Schedule

Public Employees' Retirement System - Alaska Retiree Healthcare Trust Plan

Last Ten Fiscal Years

As of Measurement Date

(Stated in Thousands)

	2023	2022	2021	2020	2019
Primary government's proportion of the net OPEB liability or asset	49.37 %	48.95 %	49.10 %	49.73 %	49.54 %
Component unit's proportion of the net OPEB liability or asset	5.15 %	5.79 %	4.79 %	4.91 %	5.15 %
Nonemployer contributing state's proportion of the net OPEB liability or asset	11.16 %	5.85 %	14.89 %	14.30 %	11.35 %
Primary government's proportionate share of the net OPEB liability or (asset)	$ (971,422)	$ (1,255,765)	$ (222,361)	$ 73,794	$ 508,456
Component unit's proportionate share of the net OPEB liability or (asset)	$ (101,300)	$ (148,506)	$ (21,690)	$ 7,285	$ 52,106
Nonemployer contributing state's share of the net OPEB liability or (asset)	$ (219,574)	$ (150,200)	$ (67,431)	$ 21,218	$ 116,512
Primary government's covered payroll	$ 1,179,889	$ 1,140,501	$ 1,276,521	$ 1,102,180	$ 1,093,705
Component unit's covered payroll	$ 92,476	$ 100,856	$ 110,704	$ 116,162	$ 119,018
Primary government's proportionate share of the net OPEB liability or asset as a percentage of its covered payroll	82.33 %	110.11 %	17.42 %	6.70 %	46.49 %
Component unit's proportionate share of the net OPEB liability or asset as a percentage of its covered payroll	109.54 %	147.25 %	19.59 %	6.27 %	43.78 %
Plan fiduciary net position as a percentage of the total OPEB liability	128.51 %	135.54 %	106.15 %	98.13 %	93.13 %

This schedule continued on next page.

STATE OF ALASKA **STATEMENT 2.12**

Proportionate Share of the Net OPEB Liability Schedule

Public Employees' Retirement System - Alaska Retiree Healthcare Trust Plan

Last Ten Fiscal Years

As of Measurement Date

(Stated in Thousands)

	2018
Primary government's proportion of the net OPEB liability or asset	50.64 %
Component unit's proportion of the net OPEB liability or asset	4.74 %
Nonemployer contributing state's proportion of the net OPEB liability or asset	13.41 %
Primary government's proportionate share of the net OPEB liability or (asset)	$ 427,754
Component unit's proportionate share of the net OPEB liability or (asset)	$ 39,552
Nonemployer contributing state's share of the net OPEB liability or (asset)	$ 113,255
Primary government's covered payroll	$ 1,092,504
Component unit's covered payroll	$ 128,050
Primary government's proportionate share of the net OPEB liability or asset as a percentage of its covered payroll	39.15 %
Component unit's proportionate share of the net OPEB liability or asset as a percentage of its covered payroll	30.89 %
Plan fiduciary net position as a percentage of the total OPEB liability	89.70 %

This schedule is intended to present information for ten years. Additional years will be displayed as they become available.

STATE OF ALASKA **STATEMENT 2.13**

Employer Contributions Schedule

Public Employees' Retirement System - Alaska Retiree Healthcare Trust Plan

Last Ten Fiscal Years

(Stated in Thousands)

	2023	2022	2021	2020	2019
Primary Government					
Statutorily required contribution	$ 6	$ 38,261	$ 34,183	$ 64,223	$ 87,606
Contributions in relation to the statutorily required contribution	6	38,261	34,183	53,167	50,848
Contribution deficiency (excess)	$ —	$ —	$ —	$ 11,056	$ 36,758
Covered payroll	$ 1,228,426	$ 1,179,889	$ 1,140,501	$ 1,276,521	$ 1,102,180
Contributions as a percentage of covered payroll	— %	3.24 %	3.00 %	4.16 %	4.61 %
Component Units					
Statutorily required contribution	$ 638	$ 5,729	$ 7,015	$ 6,073	$ 6,825
Contributions in relation to the statutorily required contribution	329	5,547	6,574	8,142	6,614
Contribution deficiency (excess)	$ 309	$ 182	$ 441	$ (2,069)	$ 211
Covered payroll	$ 89,120	$ 92,476	$ 100,856	$ 110,704	$ 116,162
Contributions as a percentage of covered payroll	0.37 %	6.00 %	6.52 %	7.35 %	5.69 %
Primary Government Nonemployer Contribution					
Statutorily required contribution	$ —	$ —	$ —	$ 11,289	$ 11,137
Contributions in relation to the statutorily required contribution	—	—	—	—	—
Contribution deficiency (excess)	$ —	$ —	$ —	$ 11,289	$ 11,137

This schedule continued on next page.

STATE OF ALASKA **STATEMENT 2.13**

Employer Contributions Schedule

Public Employees' Retirement System - Alaska Retiree Healthcare Trust Plan

Last Ten Fiscal Years

(Stated in Thousands)

	2018
Primary Government	
Statutorily required contribution	$ 44,192
Contributions in relation to the statutorily required contribution	41,929
Contribution deficiency (excess)	$ 2,263
Covered payroll	$ 1,093,885
Contributions as a percentage of covered payroll	3.83 %
Component Units	
Statutorily required contribution	$ 6,060
Contributions in relation to the statutorily required contribution	6,060
Contribution deficiency (excess)	$ —
Covered payroll	$ 119,018
Contributions as a percentage of covered payroll	5.09 %
Primary Government Nonemployer Contribution	
Statutorily required contribution	$ 2,316
Contributions in relation to the statutorily required contribution	—
Contribution deficiency (excess)	$ 2,316

This schedule is intended to present information for ten years. Additional years will be displayed as they become available.

Notes to required schedule

Significant methods and assumptions used in calculating the actuarially determined contribution are presented in Note 6.

STATE OF ALASKA **STATEMENT 2.14**

Proportionate Share of the Collective Net OPEB Liability Schedule

Public Employees' Retirement System - Occupational Death & Disability Plan

Last Ten Fiscal Years

As of Measurement Date

(Stated in Thousands)

	2023	2022	2021	2020	2019
Primary government's proportion of the collective net OPEB liability or asset	48.48 %	48.63 %	48.77 %	49.15 %	48.37 %
Component unit's proportion of the collective net OPEB liability or asset	5.12 %	4.66 %	4.25 %	4.30 %	4.58 %
Primary government's proportionate share of the collective net OPEB liability or (asset)	$ (21,252)	$ (21,435)	$ (13,294)	$ (11,917)	$ (9,395)
Component unit's proportionate share of the collective net OPEB liability or (asset)	$ (2,245)	$ (2,053)	$ (1,160)	$ (164)	$ (140)
Primary government's covered payroll	$ 1,179,889	$ 1,140,501	$ 1,276,521	$ 1,102,180	$ 1,093,705
Component unit's covered payroll	$ 107,260	$ 93,463	$ 89,410	$ 116,162	$ 119,018
Primary government's proportionate share of the collective net OPEB liability or asset as a percentage of its covered payroll	1.80 %	1.88 %	1.04 %	1.08 %	0.86 %
Component unit's proportionate share of the collective net OPEB liability or asset as a percentage of its covered payroll	2.09 %	2.20 %	1.30 %	0.14 %	0.12 %
Plan fiduciary net position as a percentage of the total OPEB liability	348.80 %	374.23 %	283.80 %	— %	— %

This schedule continued on next page.

STATE OF ALASKA **STATEMENT 2.14**

Proportionate Share of the Collective Net OPEB Liability Schedule

Public Employees' Retirement System - Occupational Death & Disability Plan

Last Ten Fiscal Years

As of Measurement Date

(Stated in Thousands)

	2018
Primary government's proportion of the collective net OPEB liability or asset	49.14 %
Component unit's proportion of the collective net OPEB liability or asset	4.03 %
Primary government's proportionate share of the collective net OPEB liability or (asset)	$ (6,972)
Component unit's proportionate share of the collective net OPEB liability or (asset)	$ (103)
Primary government's covered payroll	$ 508,805
Component unit's covered payroll	$ 65,874
Primary government's proportionate share of the collective net OPEB liability or asset as a percentage of its covered payroll	1.37 %
Component unit's proportionate share of the collective net OPEB liability or asset as a percentage of its covered payroll	0.16 %
Plan fiduciary net position as a percentage of the total OPEB liability	— %

This schedule is intended to present information for ten years. Additional years will be displayed as they become available.

STATE OF ALASKA **SCHEDULE 2.15**

Employer Contributions Schedule

Public Employees' Retirement System - Occupational Death & Disability Plan

Last Ten Fiscal Years

(Stated in Thousands)

	2023	2022	2021	2020	2019
Primary Government					
Statutorily required contribution	$ 944	$ 837	$ 1,823	$ 1,432	$ 2,599
Contributions in relation to the statutorily required contribution	2,996	2,795	2,591	2,137	2,008
Contribution deficiency (excess)	$ (2,052)	$ (1,958)	$ (768)	$ (705)	$ 591
Covered payroll	$ 1,228,426	$ 1,179,889	$ 1,140,501	$ 1,276,521	$ 1,102,180
Contributions as a percentage of covered payroll	0.24 %	0.24 %	0.23 %	0.17 %	0.18 %
Component Units					
Statutorily required contribution	$ 303	$ 257	$ 300	$ 181	$ 246
Contributions in relation to the statutorily required contribution	348	298	251	188	175
Contribution deficiency (excess)	$ (45)	$ (41)	$ 49	$ (7)	$ 71
Covered payroll	$ 124,932	$ 107,260	$ 93,463	$ 89,410	$ 116,162
Contributions as a percentage of covered payroll	0.28 %	0.28 %	0.27 %	0.21 %	0.15 %

This schedule continued on next page.

STATE OF ALASKA **SCHEDULE 2.15**

Employer Contributions Schedule

Public Employees' Retirement System - Occupational Death & Disability Plan

Last Ten Fiscal Years

(Stated in Thousands)

	2018
Primary Government	
Statutorily required contribution	$ 1,088
Contributions in relation to the statutorily required contribution	1,088
Contribution deficiency (excess)	$ —
Covered payroll	$ 547,669
Contributions as a percentage of covered payroll	0.20 %
Component Units	
Statutorily required contribution	$ 85
Contributions in relation to the statutorily required contribution	85
Contribution deficiency (excess)	$ —
Covered payroll	$ 65,276
Contributions as a percentage of covered payroll	0.13 %

This schedule is intended to present information for ten years. Additional years will be displayed as they become available.

Notes to required schedule

Significant methods and assumptions used in calculating the actuarially determined contribution are presented in Note 6.

STATE OF ALASKA **SCHEDULE 2.16**

Proportionate Share of the Collective Net OPEB Liability Schedule

Public Employees' Retirement System - Retiree Medical Plan

Last Ten Fiscal Years

As of Measurement Date

(Stated in Thousands)

	2023	2022	2021	2020	2019
Primary government's proportion of the collective net OPEB liability or asset	47.68 %	48.08 %	47.99 %	48.37 %	48.37 %
Component unit's proportion of the collective net OPEB liability or asset	5.89 %	5.35 %	5.09 %	5.17 %	4.58 %
Primary government's proportionate share of the collective net OPEB liability or (asset)	$ (16,560)	$ (12,906)	$ 3,404	$ 11,556	$ 6,156
Component unit's proportionate share of the collective net OPEB liability or (asset)	$ (2,046)	$ (1,436)	$ 361	$ 1,236	$ 582
Primary government's covered payroll	$ 747,777	$ 680,616	$ 809,874	$ 599,129	$ 547,669
Component unit's covered payroll	$ 102,330	$ 88,707	$ 84,255	$ 116,162	$ 65,276
Primary government's proportionate share of the collective net OPEB liability or asset as a percentage of its covered payroll	2.21 %	1.90 %	0.42 %	1.93 %	1.12 %
Component unit's proportionate share of the collective net OPEB liability or asset as a percentage of its covered payroll	2.00 %	1.62 %	0.43 %	1.06 %	0.89 %
Plan fiduciary net position as a percentage of the total OPEB liability or asset	120.08 %	115.10 %	95.23 %	83.17 %	88.17 %

This schedule continued on next page.

STATE OF ALASKA **SCHEDULE 2.16**

Proportionate Share of the Collective Net OPEB Liability Schedule

Public Employees' Retirement System - Retiree Medical Plan

Last Ten Fiscal Years

As of Measurement Date

(Stated in Thousands)

		2018
Primary government's proportion of the collective net OPEB liability or asset		49.14 %
Component unit's proportion of the collective net OPEB liability or asset		4.03 %
Primary government's proportionate share of the collective net OPEB liability or (asset)	$	2,563
Component unit's proportionate share of the collective net OPEB liability or (asset)	$	210
Primary government's covered payroll	$	508,805
Component unit's covered payroll	$	65,874
Primary government's proportionate share of the collective net OPEB liability or asset as a percentage of its covered payroll		0.50 %
Component unit's proportionate share of the collective net OPEB liability or asset as a percentage of its covered payroll		0.32 %
Plan fiduciary net position as a percentage of the total OPEB liability or asset		94.00 %

This schedule is intended to present information for ten years. Additional years will be displayed as they become available.

STATE OF ALASKA **STATEMENT 2.17**

Employer Contributions Schedule

Public Employees' Retirement System - Retiree Medical Plan

Last Ten Fiscal Years

(Stated in Thousands)

	2023	2022	2021	2020	2019
Primary Government					
Statutorily required contribution	$ 8,963	$ 8,045	$ 8,914	$ 8,555	$ 6,156
Contributions in relation to the statutorily required contribution	8,989	8,062	8,914	8,555	5,670
Contribution deficiency (excess)	$ (26)	$ (17)	$ —	$ —	$ 486
Covered payroll	$ 818,842	$ 747,777	$ 680,616	$ 809,874	$ 599,129
Contributions as a percentage of covered payroll	1.10 %	1.08 %	1.31 %	1.06 %	0.95 %
Component Units					
Statutorily required contribution	$ 4,293	$ 885	$ 894	$ 896	$ 582
Contributions in relation to the statutorily required contribution	1,238	1,003	1,002	914	604
Contribution deficiency (excess)	$ 3,055	$ (118)	$ (108)	$ (18)	$ (22)
Covered payroll	$ 121,458	$ 102,330	$ 88,707	$ 84,255	$ 116,162
Contributions as a percentage of covered payroll	1.02 %	0.98 %	1.13 %	1.08 %	0.52 %

This schedule continued on next page.

STATE OF ALASKA **STATEMENT 2.17**

Employer Contributions Schedule

Public Employees' Retirement System - Retiree Medical Plan

Last Ten Fiscal Years

(Stated in Thousands)

	2018
Primary Government	
Statutorily required contribution	$ 5,641
Contributions in relation to the statutorily required contribution	5,641
Contribution deficiency (excess)	$ —
Covered payroll	$ 547,669
Contributions as a percentage of covered payroll	1.03 %
Component Units	
Statutorily required contribution	$ 532
Contributions in relation to the statutorily required contribution	532
Contribution deficiency (excess)	$ —
Covered payroll	$ 65,276
Contributions as a percentage of covered payroll	0.82 %

This schedule is intended to present information for ten years. Additional years will be displayed as they become available.

Notes to required schedule

Significant methods and assumptions used in calculating the actuarially determined contribution are presented in Note 6.

STATE OF ALASKA **STATEMENT 2.20**

Proportionate Share of the Net Pension Liability Schedule

Teachers' Retirement System - Pension

Last Ten Fiscal Years

As of Measurement Date

(Stated in Thousands)

	2023	2022	2021	2020	2019
Primary government's proportion of the net pension liability	0.65 %	0.65 %	0.65 %	0.67 %	0.67 %
Component unit's proportion of the net pension liability	1.54 %	1.93 %	1.42 %	1.60 %	1.68 %
Nonemployer contributing state's proportion of the net pension liability	56.76 %	45.61 %	63.02 %	59.33 %	59.39 %
Primary government's proportionate share of the net pension liability	$ 10,799	$ 5,198	$ 13,276	$ 12,438	$ 12,807
Component unit's proportionate share of the net pension liability	$ 25,728	$ 15,339	$ 28,801	$ 29,951	$ 32,065
Nonemployer contributing state's share of the net pension liability	$ 946,135	$ 363,023	$ 1,281,372	$ 1,108,594	$ 1,136,829
Primary government's covered payroll	$ 6,307	$ 5,349	$ 5,143	$ 5,312	$ 4,768
Component unit's covered payroll	$ 15,231	$ 16,049	$ 18,249	$ 20,625	$ 20,625
Primary government's proportionate share of the net pension liability as a percentage of its covered payroll	171.22 %	97.18 %	258.14 %	234.15 %	268.60 %
Component unit's proportionate share of the net pension liability as a percentage of its covered payroll	168.92 %	95.58 %	157.82 %	145.22 %	155.47 %
Plan fiduciary net position as a percentage of the total pension liability	89.43 %	89.43 %	72.81 %	74.68 %	74.1 %

This schedule continued on next page.

STATE OF ALASKA **STATEMENT 2.20**

Proportionate Share of the Net Pension Liability Schedule

Teachers' Retirement System - Pension

Last Ten Fiscal Years

As of Measurement Date

(Stated in Thousands)

	2018	2017	2016	2015	2014
Primary government's proportion of the net pension liability	0.67 %	0.75 %	0.78 %	0.79 %	0.78 %
Component unit's proportion of the net pension liability	1.61 %	2.14 %	2.03 %	0.97 %	1.02 %
Nonemployer contributing state's proportion of the net pension liability	63.14 %	53.90 %	61.03 %	84.10 %	83.41 %
Primary government's proportionate share of the net pension liability	$ 13,601	$ 17,047	$ 14,501	$ 23,739	$ 25,930
Component unit's proportionate share of the net pension liability	$ 32,661	$ 48,846	$ 37,680	$ 29,024	$ 33,771
Nonemployer contributing state's share of the net pension liability	$ 1,279,682	$ 1,230,776	$ 1,135,514	$ 2,522,174	$ 2,761,123
Primary government's covered payroll	$ 4,853	$ 5,388	$ 5,620	$ 5,920	$ 5,834
Component unit's covered payroll	$ 22,128	$ 25,212	$ 31,575	$ 34,497	$ 36,150
Primary government's proportionate share of the net pension liability as a percentage of its covered payroll	280.26 %	316.39 %	258.02 %	401.00 %	444.46 %
Component unit's proportionate share of the net pension liability as a percentage of its covered payroll	147.60 %	193.74 %	119.33 %	84.13 %	93.42 %
Plan fiduciary net position as a percentage of the total pension liability	72.4 %	68.4 %	73.82 %	55.7 %	49.76 %

STATE OF ALASKA **STATEMENT 2.21**

Employer Contributions Schedule

Teachers' Retirement System - Pension

Last Ten Fiscal Years

(Stated in Thousands)

	2023	2022	2021	2020	2019
Primary Government					
Statutorily required contribution	$ 1,001	$ 1,147	$ 1,120	$ 1,097	$ 1,086
Contributions in relation to the statutorily required contribution	1,001	1,147	1,120	1,184	1,095
Contribution deficiency (excess)	$ —	$ —	$ —	$ (87)	$ (9)
Covered payroll	$ 5,893	$ 6,307	$ 5,349	$ 5,143	$ 5,312
Contributions as a percentage of covered payroll	16.99 %	18.19 %	20.94 %	23.02 %	20.61 %
Component Units					
Statutorily required contribution	$ 1,792	$ 923	$ 907	$ 1,465	$ 1,830
Contributions in relation to the statutorily required contribution	2,206	923	907	1,735	1,735
Contribution deficiency (excess)	$ (414)	$ —	$ —	$ (270)	$ 95
Covered payroll	$ 14,268	$ 15,231	$ 16,049	$ 18,249	$ 20,625
Contributions as a percentage of covered payroll	15.46 %	6.06 %	5.65 %	9.51 %	8.41 %
Primary Government Nonemployer Contribution					
Statutorily required contribution	$ 91,029	$ 142,665	$ 134,070	$ 126,831	$ 127,371
Contributions in relation to the statutorily required contribution	90,412	141,739	134,070	140,219	127,365
Contribution deficiency (excess)	$ 617	$ 926	$ —	$ (13,388)	$ 6

This schedule continued on next page.

STATE OF ALASKA **STATEMENT 2.21**

Employer Contributions Schedule

Teachers' Retirement System - Pension

Last Ten Fiscal Years

(Stated in Thousands)

	2018	2017	2016	2015	2014
Primary Government					
Statutorily required contribution	$ 989	$ 872	$ 925	$ 2,644	$ 1,951
Contributions in relation to the statutorily required contribution	1,004	1,003	925	12,500	1,951
Contribution deficiency (excess)	$ (15)	$ (131)	$ —	$ (9,856)	$ —
Covered payroll	$ 4,768	$ 4,853	$ 5,388	$ 5,620	$ 5,920
Contributions as a percentage of covered payroll	21.06 %	20.67 %	17.17 %	222.42 %	32.96 %
Component Units					
Statutorily required contribution	$ 1,859	$ 2,003	$ 1,973	$ 2,314	$ 2,385
Contributions in relation to the statutorily required contribution	1,859	2,003	1,973	2,314	2,385
Contribution deficiency (excess)	$ —	$ —	$ —	$ —	$ —
Covered payroll	$ 22,128	$ 25,212	$ 27,848	$ 31,575	$ 34,497
Contributions as a percentage of covered payroll	8.40 %	7.94 %	7.08 %	7.33 %	6.91 %
Primary Government Nonemployer Contribution					
Statutorily required contribution	$ 105,888	$ 94,775	$ 89,957	$ 315,279	$ 207,271
Contributions in relation to the statutorily required contribution	111,042	115,980	89,957	1,650,517	207,271
Contribution deficiency (excess)	$ (5,154)	$ (21,205)	$ —	$ (1,335,238)	$ —

Notes to required schedule

Significant methods and assumptions used in calculating the actuarially determined contribution are presented in Note 6.

In FY 2015 the legislature appropriated $2.0 billion to the Teacher's Retirement System's retirement funds from the Constitutional Budget Reserve Fund to help with the net pension liability.

STATE OF ALASKA **STATEMENT 2.22**

Proportionate Share of the Collective Net OPEB Liability Schedule

Teachers' Retirement System - Alaska Retiree Healthcare Trust Plan

Last Ten Fiscal Years

As of Measurement Date

(Stated in Thousands)

	2023	2022	2021	2020	2019
Primary government's proportion of the collective net OPEB liability or asset	0.65 %	0.65 %	0.65 %	0.67 %	0.67 %
Component unit's proportion of the collective net OPEB liability or asset	1.57 %	2.00 %	1.41 %	1.60 %	1.67 %
Nonemployer contributing state's proportion of the collective net OPEB liability or asset	55.89 %	43.49 %	63.12 %	59.41 %	59.47 %
Primary government's proportionate share of the collective net OPEB liability or (asset)	$ (5,682)	$ (7,596)	$ (2,335)	$ (1,017)	$ 2,080
Component unit's proportionate share of the collective net OPEB liability or (asset)	$ (13,800)	$ (23,285)	$ (5,054)	$ (2,444)	$ 5,196
Nonemployer contributing state's share of the collective net OPEB liability or (asset)	$ (489,910)	$ (505,696)	$ (225,823)	$ (90,788)	$ 184,929
Primary government's covered payroll	$ 6,307	$ 5,349	$ 5,143	$ 5,312	$ 4,768
Component unit's covered payroll	$ 15,231	$ 16,049	$ 18,249	$ 20,625	$ 20,625
Primary government's proportionate share of the collective net OPEB liability or asset as a percentage of its covered payroll	90.09 %	142.01 %	45.40 %	19.15 %	43.62 %
Component unit's proportionate share of the collective net OPEB liability or asset as a percentage of its covered payroll	90.60 %	145.09 %	27.69 %	11.85 %	25.19 %
Plan fiduciary net position as a percentage of the total OPEB liability	134.84 %	145.41 %	113.78 %	105.50 %	— %

This schedule continued on next page.

STATE OF ALASKA **STATEMENT 2.22**

Proportionate Share of the Collective Net OPEB Liability Schedule

Teachers' Retirement System - Alaska Retiree Healthcare Trust Plan

Last Ten Fiscal Years

As of Measurement Date

(Stated in Thousands)

	2018
Primary government's proportion of the collective net OPEB liability or asset	0.67 %
Component unit's proportion of the collective net OPEB liability or asset	1.61 %
Nonemployer contributing state's proportion of the collective net OPEB liability or asset	63.26 %
Primary government's proportionate share of the collective net OPEB liability or (asset)	$ 1,234
Component unit's proportionate share of the collective net OPEB liability or (asset)	$ 2,955
Nonemployer contributing state's share of the collective net OPEB liability or (asset)	$ 116,351
Primary government's covered payroll	$ 4,853
Component unit's covered payroll	$ 22,128
Primary government's proportionate share of the collective net OPEB liability or asset as a percentage of its covered payroll	25.43 %
Component unit's proportionate share of the collective net OPEB liability or asset as a percentage of its covered payroll	13.35 %
Plan fiduciary net position as a percentage of the total OPEB liability	93.8 %

This schedule is intended to present information for ten years. Additional years will be displayed as they become available.

STATE OF ALASKA **STATEMENT 2.23**

Employer Contributions Schedule

Teachers' Retirement System - Alaska Retiree Healthcare Trust Plan

Last Ten Fiscal Years

(Stated in Thousands)

	2023	2022	2021	2020	2019
Primary Government					
Statutorily required contribution	$ —	$ 184	$ 210	$ 241	$ 141
Contributions in relation to the statutorily required contribution	—	184	210	154	141
Contribution deficiency (excess)	$ —	$ —	$ —	$ 87	$ —
Covered payroll	$ 5,893	$ 6,307	$ 5,349	$ 5,143	$ 5,312
Contributions as a percentage of covered payroll	— %	2.92 %	3.93 %	2.99 %	2.65 %
Component Units					
Statutorily required contribution	$ —	$ 990	$ 1,109	$ 827	$ 856
Contributions in relation to the statutorily required contribution	(11)	1,014	1,107	860	856
Contribution deficiency (excess)	$ 11	$ (24)	$ 2	$ (33)	$ —
Covered payroll	$ 14,268	$ 15,231	$ 16,049	$ 18,249	$ 20,625
Contributions as a percentage of covered payroll	(0.08)%	6.66 %	6.90 %	4.71 %	4.15 %
Primary Government Nonemployer Contribution					
Statutorily required contribution	$ —	$ —	$ —	$ 13,388	$ —
Contribution deficiency (excess)	$ —	$ —	$ —	$ 13,388	$ —

This schedule continued on next page.

STATE OF ALASKA **STATEMENT 2.23**

Employer Contributions Schedule

Teachers' Retirement System - Alaska Retiree Healthcare Trust Plan

Last Ten Fiscal Years

(Stated in Thousands)

	2018
Primary Government	
Statutorily required contribution	$ 186
Contributions in relation to the statutorily required contribution	153
Contribution deficiency (excess)	$ 33
Covered payroll	$ 4,768
Contributions as a percentage of covered payroll	3.21 %
Component Units	
Statutorily required contribution	$ 921
Contributions in relation to the statutorily required contribution	921
Contribution deficiency (excess)	$ —
Covered payroll	$ 22,128
Contributions as a percentage of covered payroll	4.16 %
Primary Government Nonemployer Contribution	
Statutorily required contribution	$ 5,154
Contribution deficiency (excess)	$ 5,154

This schedule is intended to present information for ten years. Additional years will be displayed as they become available.

Notes to required schedule

Significant methods and assumptions used in calculating the actuarially determined contribution are presented in Note 6.

STATE OF ALASKA **STATEMENT 2.24**

Proportionate Share of the Collective Net OPEB Liability Schedule

Teachers' Retirement System - Occupational Death & Disability Plan

Last Ten Fiscal Years

As of Measurement Date

(Stated in Thousands)

	2023	2022	2021	2020	2019
Primary government's proportion of the collective net OPEB liability or asset	0.51 %	0.51 %	0.46 %	0.45 %	0.40 %
Component unit's proportion of the collective net OPEB liability or asset	2.63 %	2.46 %	2.29 %	2.47 %	2.28 %
Primary government's proportionate share of the collective net OPEB liability or (asset)	$ (31)	$ (31)	$ (20)	$ (18)	$ (14)
Component unit's proportionate share of the collective net OPEB liability or (asset)	$ (159)	$ (150)	$ (99)	$ (99)	$ (80)
Primary government's covered payroll	$ 6,307	$ 5,349	$ 5,143	$ 5,312	$ 4,768
Component unit's covered payroll	$ 12,831	$ 11,145	$ 9,766	$ 9,654	$ 9,654
Primary government's proportionate share of the collective net OPEB liability or asset as a percentage of its covered payroll	0.49 %	0.58 %	0.39 %	0.34 %	0.29 %
Component unit's proportionate share of the collective net OPEB liability or asset as a percentage of its covered payroll	1.24 %	1.35 %	1.01 %	1.03 %	0.83 %
Plan fiduciary net position as a percentage of the total OPEB liability	1,268.28 %	1,254.36 %	931.08 %	1,409.77 %	— %

This schedule continued on next page.

STATE OF ALASKA **STATEMENT 2.24**

Proportionate Share of the Collective Net OPEB Liability Schedule

Teachers' Retirement System - Occupational Death & Disability Plan

Last Ten Fiscal Years

As of Measurement Date

(Stated in Thousands)

	2018
Primary government's proportion of the collective net OPEB liability or asset	0.36 %
Component unit's proportion of the collective net OPEB liability or asset	2.30 %
Primary government's proportionate share of the collective net OPEB liability or (asset)	$ (12)
Component unit's proportionate share of the collective net OPEB liability or (asset)	$ (75)
Primary government's covered payroll	$ 1,246
Component unit's covered payroll	$ 8,200
Primary government's proportionate share of the collective net OPEB liability or asset as a percentage of its covered payroll	0.96 %
Component unit's proportionate share of the collective net OPEB liability or asset as a percentage of its covered payroll	0.91 %
Plan fiduciary net position as a percentage of the total OPEB liability	— %

This schedule is intended to present information for ten years. Additional years will be displayed as they become available.

STATE OF ALASKA **STATEMENT 2.25**

Employer Contributions Schedule

Teachers' Retirement System - Occupational Death & Disability Plan

Last Ten Fiscal Years

(Stated in Thousands)

	2023	2022	2021	2020	2019
Primary Government					
Statutorily required contribution	$ 2	$ 2	$ 2	$ 1	$ —
Contributions in relation to the statutorily required contribution	2	2	2	1	1
Contribution deficiency (excess)	$ —	$ —	$ —	$ —	$ (1)
Covered payroll	$ 5,893	$ 6,307	$ 5,349	$ 5,143	$ 5,312
Contributions as a percentage of covered payroll	0.03 %	0.03 %	0.04 %	0.02 %	0.02 %
Component Units					
Statutorily required contribution	$ 13	$ 10	$ 9	$ 8	$ —
Contributions in relation to the statutorily required contribution	13	10	9	8	8
Contribution deficiency (excess)	$ —	$ —	$ —	$ —	$ (8)
Covered payroll	$ 15,966	$ 12,831	$ 11,145	$ 9,766	$ 9,654
Contributions as a percentage of covered payroll	0.08 %	0.08 %	0.08 %	0.08 %	0.08 %

This schedule continued on next page.

STATE OF ALASKA **STATEMENT 2.25**

Employer Contributions Schedule

Teachers' Retirement System - Occupational Death & Disability Plan

Last Ten Fiscal Years

(Stated in Thousands)

	2018
Primary Government	
Statutorily required contribution	$ —
Contributions in relation to the statutorily required contribution	—
Contribution deficiency (excess)	$ —
Covered payroll	$ 1,328
Contributions as a percentage of covered payroll	— %
Component Units	
Statutorily required contribution	$ —
Contributions in relation to the statutorily required contribution	—
Contribution deficiency (excess)	$ —
Covered payroll	$ 8,200
Contributions as a percentage of covered payroll	— %

This schedule is intended to present information for ten years. Additional years will be displayed as they become available.

Notes to required schedule

Significant methods and assumptions used in calculating the actuarially determined contribution are presented in Note 6.

STATE OF ALASKA **STATEMENT 2.26**

Proportionate Share of the Collective Net OPEB Liability Schedule

Teachers' Retirement System - Retiree Medical Plan

Last Ten Fiscal Years

As of Measurement Date

(Stated in Thousands)

	2023	2022	2021	2020	2019
Primary government's proportion of the collective net OPEB liability or asset	0.50 %	0.51 %	0.46 %	0.45 %	0.40 %
Component unit's proportion of the collective net OPEB liability or asset	2.63 %	2.47 %	2.30 %	2.46 %	2.28 %
Primary government's proportionate share of the collective net OPEB liability or (asset)	$ (98)	$ (103)	$ (45)	$ (17)	$ (13)
Component unit's proportionate share of the collective net OPEB liability or (asset)	$ (509)	$ (496)	$ (227)	$ (94)	$ (73)
Primary government's covered payroll	$ 2,494	$ 2,307	$ 1,782	$ 1,738	$ 1,314
Component unit's covered payroll	$ 12,831	$ 11,145	$ 9,766	$ 9,654	$ 9,654
Primary government's proportionate share of the collective net OPEB liability or asset as a percentage of its covered payroll	3.93 %	4.46 %	2.53 %	0.98 %	0.99 %
Component unit's proportionate share of the collective net OPEB liability or asset as a percentage of its covered payroll	3.97 %	4.45 %	2.32 %	0.97 %	0.76 %
Plan fiduciary net position as a percentage of the total OPEB liability	— %	142.54 %	125.59 %	110.03 %	— %

This schedule continued on next page.

STATE OF ALASKA **STATEMENT 2.26**

Proportionate Share of the Collective Net OPEB Liability Schedule

Teachers' Retirement System - Retiree Medical Plan

Last Ten Fiscal Years

As of Measurement Date

(Stated in Thousands)

	2018
Primary government's proportion of the collective net OPEB liability or asset	0.36 %
Component unit's proportion of the collective net OPEB liability or asset	2.30 %
Primary government's proportionate share of the collective net OPEB liability or (asset)	$ (17)
Component unit's proportionate share of the collective net OPEB liability or (asset)	$ (109)
Primary government's covered payroll	$ 1,246
Component unit's covered payroll	$ 8,200
Primary government's proportionate share of the collective net OPEB liability or asset as a percentage of its covered payroll	1.36 %
Component unit's proportionate share of the collective net OPEB liability or asset as a percentage of its covered payroll	1.33 %
Plan fiduciary net position as a percentage of the total OPEB liability	— %

This schedule is intended to present information for ten years. Additional years will be displayed as they become available.

STATE OF ALASKA **STATEMENT 2.27**

Employer Contributions Schedule

Teachers' Retirement System - Retiree Medical Plan

Last Ten Fiscal Years

(Stated in Thousands)

	2023	2022	2021	2020	2019
Primary Government					
Statutorily required contribution	$ 26	$ 21	$ 22	$ 20	$ 14
Contributions in relation to the statutorily required contribution	26	21	22	20	14
Contribution deficiency (excess)	$ —	$ —	$ —	$ —	$ —
Covered payroll	$ 2,971	$ 2,494	$ 2,307	$ 1,782	$ 1,738
Contributions as a percentage of covered payroll	0.88 %	0.84 %	0.95 %	1.12 %	0.81 %
Component Units					
Statutorily required contribution	$ 139	$ 107	$ 104	$ 106	$ 76
Contributions in relation to the statutorily required contribution	138	107	104	103	76
Contribution deficiency (excess)	$ 1	$ —	$ —	$ 3	$ —
Covered payroll	$ 15,966	$ 12,831	$ 11,145	$ 9,766	$ 9,654
Contributions as a percentage of covered payroll	0.86 %	0.83 %	0.93 %	1.05 %	0.79 %

This schedule continued on next page.

STATE OF ALASKA **STATEMENT 2.27**

Employer Contributions Schedule

Teachers' Retirement System - Retiree Medical Plan

Last Ten Fiscal Years

(Stated in Thousands)

	2018
Primary Government	
Statutorily required contribution	$ 13
Contributions in relation to the statutorily required contribution	13
Contribution deficiency (excess)	$ —
Covered payroll	$ 1,328
Contributions as a percentage of covered payroll	0.98 %
Component Units	
Statutorily required contribution	$ 75
Contributions in relation to the statutorily required contribution	75
Contribution deficiency (excess)	$ —
Covered payroll	$ 8,200
Contributions as a percentage of covered payroll	0.91 %

This schedule is intended to present information for ten years. Additional years will be displayed as they become available.

Notes to required schedule

Significant methods and assumptions used in calculating the actuarially determined contribution are presented in Note 6.

STATE OF ALASKA **STATEMENT 2.30**

Changes in the Net Pension Liability and Related Ratios Schedule

Judicial Retirement System - Pension

Last Ten Fiscal Years

As of Measurement Date

(Stated in Thousands)

	2023	2022	2021	2020	2019
Total pension liability					
Service cost	$ 5,851	$ 5,851	$ 6,580	$ 6,351	$ 6,452
Interest	15,992	15,493	17,340	16,653	17,331
Differences between expected and actual experience	2,627	—	4,075	—	(12,076)
Changes of assumptions	(1,190)	—	(38,010)	—	10,344
Benefit payments, including refunds of employee contributions	(14,770)	(14,369)	(14,178)	(13,628)	(12,126)
Net change in total pension liability	8,510	6,975	(24,193)	9,376	9,925
Total pension liability - beginning	218,717	211,742	235,935	226,560	216,635
Total pension liability - ending (a)	227,227	218,717	211,742	235,936	226,560
Plan fiduciary net position					
Contributions - employer	10,823	12,107	11,127	10,257	10,528
Contributions - employee	862	838	839	813	833
Net investment income	(14,674)	56,717	7,537	10,448	13,590
Other income	—	—	—	—	—
Benefit payments, including refunds of employee contributions	(14,770)	(14,369)	(14,178)	(13,628)	(12,126)
Administrative expenses	(107)	(97)	(107)	(59)	(63)
Net change in plan fiduciary net position	(17,866)	55,196	5,218	7,831	12,762
Plan fiduciary net position - beginning	245,048	189,844	184,626	176,795	164,033
Plan fiduciary net position - ending (b)	227,182	245,040	189,844	184,626	176,795
State's net pension liability (asset) - ending (a) - (b)	$ 45	$ (26,323)	$ 21,898	$ 51,310	$ 49,765
Plan fiduciary net position as a percentage of the total pension liability or asset	99.98 %	112.04 %	89.66 %	78.25 %	78.03 %
Covered payroll	$ 13,699	$ 13,945	$ 13,527	$ 13,393	$ 14,599
State's net pension liability or asset as a percentage of covered payroll	0.33 %	188.76 %	161.88 %	383.11 %	340.88 %

This statement continued on next page.

STATE OF ALASKA **STATEMENT 2.30**

Changes in the Net Pension Liability and Related Ratios Schedule

Judicial Retirement System - Pension

Last Ten Fiscal Years

As of Measurement Date

(Stated in Thousands)

	2018	2017	2016	2015
Total pension liability				
Service cost	$ 6,227	$ 6,025	$ 5,814	$ 5,186
Interest	16,449	16,417	15,564	15,320
Differences between expected and actual experience	—	(10,791)	—	(3,741)
Changes of assumptions	—	—	—	1,407
Benefit payments, including refunds of employee contributions	(11,589)	(11,228)	(10,684)	(10,578)
Net change in total pension liability	11,087	423	10,694	7,594
Total pension liability - beginning	205,548	205,125	194,431	186,837
Total pension liability - ending (a)	216,635	205,548	205,125	194,431
Plan fiduciary net position				
Contributions - employer	11,086	11,710	10,222	8,862
Contributions - employee	886	802	811	780
Net investment income	18,910	(567)	4,349	21,845
Other income	—	2	—	—
Benefit payments, including refunds of employee contributions	(11,589)	(11,228)	(10,684)	(10,578)
Administrative expenses	(79)	(60)	(86)	(66)
Net change in plan fiduciary net position	19,214	659	4,612	20,843
Plan fiduciary net position - beginning	144,819	144,160	139,548	118,705
Plan fiduciary net position - ending (b)	164,033	144,819	144,160	139,548
State's net pension liability (asset) - ending (a) - (b)	$ 52,602	$ 60,729	$ 60,965	$ 54,883
Plan fiduciary net position as a percentage of the total pension liability or asset	75.72 %	70.46 %	70.28 %	71.77 %
Covered payroll	$ 14,089	$ 13,597	$ 13,507	$ 13,731
State's net pension liability or asset as a percentage of covered payroll	373.36 %	446.64 %	451.36 %	399.70 %

This schedule is intended to present information for ten years. Additional years will be displayed as they become available.

STATE OF ALASKA **STATEMENT 2.31**

Employer Contributions Schedule

Judicial Retirement System - Pension

Last Ten Fiscal Years

(Stated in Thousands)

	2023	2022	2021	2020	2019
Actuarially determined contribution	$ 8,925	$ 10,239	$ 10,239	$ 9,388	$ 9,454
Contributions in relation to the actuarially determined contribution	10,743	10,823	12,108	11,127	10,257
Contribution deficiency (excess)	$ (1,818)	$ (584)	$ (1,869)	$ (1,739)	$ (803)
Covered payroll	$ 14,161	$ 13,699	$ 13,945	$ 13,527	$ 13,393
Contributions as a percentage of covered payroll	75.86 %	79.01 %	86.83 %	82.26 %	76.58 %

This statement continued on next page.

STATE OF ALASKA **STATEMENT 2.31**

Employer Contributions Schedule

Judicial Retirement System - Pension

Last Ten Fiscal Years

(Stated in Thousands)

	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 10,632	$ 10,471	$ 11,183	$ 10,329	$ 9,156
Contributions in relation to the actuarially determined contribution	10,286	11,086	11,710	10,222	8,862
Contribution deficiency (excess)	$ 346	$ (615)	$ (527)	$ 107	$ 294
Covered payroll	$ 14,599	$ 14,089	$ 13,996	$ 13,507	$ 13,731
Contributions as a percentage of covered payroll	70.46 %	78.69 %	83.67 %	75.68 %	64.54 %

Notes to required schedule

Significant methods and assumptions used in calculating the actuarially determined contribution are presented in Note 6.

STATE OF ALASKA **STATEMENT 2.32**

Changes in the Net OPEB Liability and Related Ratios Schedule
Judicial Retirement System - Alaska Retiree Healthcare Trust Plan
Last Ten Fiscal Years
As of Measurement Date
(Stated in Thousands)

	2023	2022	2021	2020	2019
Total OPEB liability					
Service cost	$ 830	830	758	801	690
Interest	1,345	1,243	1,340	1,270	1,391
Differences between expected and actual experience	1,215	609	224	(73)	(1,865)
Changes of assumptions	(2,166)	—	(2,361)	—	710
Retiree Drug Subsidy	—	—	—	74	21
Pharmacy Rebates	165	167	109	22	—
Benefit payments, including refunds of employee contributions	(1,222)	(1,692)	(1,268)	(979)	(1,576)
Net change in total OPEB liability	167	1,157	(1,198)	1,115	(629)
Total OPEB liability - beginning	17,921	16,764	17,962	16,847	17,476
Total OPEB liability - ending (a)	18,088	17,921	16,764	17,962	16,847
Plan fiduciary net position					
Contributions - employer	622	654	730	591	621
Net investment income	(2,615)	10,025	1,378	1,901	2,455
Other income	—	—	290	99	21
Benefit payments, including refunds of employee contributions	(1,222)	(1,692)	(1,425)	(978)	(1,576)
Administrative expenses	(35)	(32)	(29)	(18)	(15)
Net change in plan fiduciary net position	(3,250)	8,955	944	1,595	1,506
Plan fiduciary net position - beginning	43,173	34,036	33,092	31,497	29,991
Plan fiduciary net position - ending (b)	39,923	42,991	34,036	33,092	31,497
State's net OPEB liability (asset) - ending (a) - (b)	$ (21,835)	$ (25,070)	$ (17,272)	$ (15,130)	$ (14,650)
Plan fiduciary net position as a percentage of the total OPEB liability or asset	220.72 %	239.89 %	203.03 %	184.23 %	186.96 %
Covered payroll	$ 13,699	$ 13,945	$ 13,527	$ 13,393	$ 14,599
State's net OPEB liability or asset as a percentage of covered payroll	159.39 %	179.78 %	127.69 %	112.97 %	100.35 %

This statement continued on next page.

STATE OF ALASKA **STATEMENT 2.32**

Changes in the Net OPEB Liability and Related Ratios Schedule
Judicial Retirement System - Alaska Retiree Healthcare Trust Plan
Last Ten Fiscal Years
As of Measurement Date
(Stated in Thousands)

	2018
Total OPEB liability	
Service cost	$ 734
Interest	1,318
Differences between expected and actual experience	83
Changes of assumptions	—
Retiree Drug Subsidy	64
Pharmacy Rebates	62
Benefit payments, including refunds of employee contributions	(1,031)
Net change in total OPEB liability	1,230
Total OPEB liability - beginning	16,246
Total OPEB liability - ending (a)	17,476
Plan fiduciary net position	
Contributions - employer	628
Net investment income	3,470
Other income	127
Benefit payments, including refunds of employee contributions	(1,031)
Administrative expenses	(51)
Net change in plan fiduciary net position	3,143
Plan fiduciary net position - beginning	26,848
Plan fiduciary net position - ending (b)	29,991
State's net OPEB liability (asset) - ending (a) - (b)	$ (12,515)
Plan fiduciary net position as a percentage of the total OPEB liability or asset	171.61 %
Covered payroll	$ 14,089
State's net OPEB liability or asset as a percentage of covered payroll	88.83 %

This schedule is intended to present information for ten years. Additional years will be displayed as they become available.

STATE OF ALASKA **STATEMENT 2.33**

Employer Contributions Schedule

Judicial Retirement System - Alaska Retiree Healthcare Trust Plan

Last Ten Fiscal Years

(Stated in Thousands)

	2023	2022	2021	2020	2019
Actuarially determined contribution	$ 911	$ 805	$ 805	$ 579	$ 599
Contributions in relation to the actuarially determined contribution	922	622	654	730	591
Contribution deficiency (excess)	$ (11)	$ 183	$ 151	$ (151)	$ 8
Covered payroll	$ 14,161	$ 13,699	$ 13,945	$ 13,527	$ 13,393
Contributions as a percentage of covered payroll	6.51 %	4.54 %	4.69 %	5.40 %	4.41 %

This statement continued on next page.

STATE OF ALASKA **STATEMENT 2.33**

Employer Contributions Schedule

Judicial Retirement System - Alaska Retiree Healthcare Trust Plan

Last Ten Fiscal Years

(Stated in Thousands)

	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 632	$ 631	$ 501	$ 313	$ 1,094
Contributions in relation to the actuarially determined contribution	594	628	508	520	882
Contribution deficiency (excess)	$ 38	$ 3	$ (7)	$ (207)	$ 212
Covered payroll	$ 14,599	$ 14,089	$ 13,996	$ 13,507	$ 13,731
Contributions as a percentage of covered payroll	4.07 %	4.46 %	3.63 %	3.85 %	6.42 %

STATE OF ALASKA **STATEMENT 2.40**

Changes in the Net Pension Liability and Related Ratios Schedule
Alaska National Guard and Alaska Naval Militia Retirement System
Last Ten Fiscal Years
As of Measurement Date
(Stated in Thousands)

	2023	2022	2021	2020	2019
Total pension liability					
Service cost	$ 657	$ 517	$ 508	$ 496	$ 611
Interest	1,439	1,527	1,532	1,497	2,266
Differences between expected and actual experience	1,242	—	(587)	—	(12,218)
Changes of assumptions	816	2,573	—	—	(174)
Benefit payments, including refunds of employee contributions	(1,621)	(1,454)	(1,641)	(1,344)	(1,360)
Net change in total pension liability	2,533	3,163	(188)	649	(10,875)
Total pension liability - beginning	25,228	22,065	22,253	21,604	32,480
Total pension liability - ending (a)	27,761	25,228	22,065	22,253	21,605
Plan fiduciary net position					
Contributions - employer	—	—	861	852	907
Net investment income	(3,746)	9,474	2,142	2,321	1,965
Benefit payments, including refunds of employee contributions	(1,621)	(1,454)	(1,641)	(1,344)	(1,360)
Administrative expenses	(358)	(304)	(231)	(282)	(226)
Net change in plan fiduciary net position	(5,725)	7,716	1,131	1,547	1,286
Plan fiduciary net position - beginning	49,813	42,096	40,965	39,418	38,132
Plan fiduciary net position - ending (b)	44,088	49,812	42,096	40,965	39,418
State's net pension liability (asset) - ending (a) - (b)	$ (16,327)	$ (24,584)	$ (20,031)	$ (18,712)	$ (17,813)
Plan fiduciary net position as a percentage of the total pension liability	158.81 %	197.45 %	190.78 %	184.09 %	182.45 %
Covered payroll	N/A	N/A	N/A	N/A	N/A
State's net pension liability or asset as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

This statement continued on next page.

STATE OF ALASKA **STATEMENT 2.40**

Changes in the Net Pension Liability and Related Ratios Schedule
Alaska National Guard and Alaska Naval Militia Retirement System
Last Ten Fiscal Years
As of Measurement Date
(Stated in Thousands)

	2018	2017	2016	2015
Total pension liability				
Service cost	$ 611	$ 603	$ 604	$ 632
Interest	2,170	2,660	2,554	2,363
Differences between expected and actual experience	—	(8,659)	—	241
Changes of assumptions	—	—	—	27
Benefit payments, including refunds of employee contributions	(1,485)	(1,729)	(1,564)	(1,611)
Net change in total pension liability	1,296	(7,125)	1,594	1,652
Total pension liability - beginning	31,184	38,309	36,715	35,063
Total pension liability - ending (a)	32,480	31,184	38,309	36,715
Plan fiduciary net position				
Contributions - employer	866	735	628	740
Net investment income	3,182	182	590	4,528
Benefit payments, including refunds of employee contributions	(1,485)	(1,729)	(1,564)	(1,611)
Administrative expenses	(257)	(242)	(241)	(223)
Net change in plan fiduciary net position	2,306	(1,054)	(587)	3,434
Plan fiduciary net position - beginning	35,826	36,880	37,467	34,033
Plan fiduciary net position - ending (b)	38,132	35,826	36,880	37,467
State's net pension liability (asset) - ending (a) - (b)	$ (5,652)	$ (4,642)	$ 1,429	$ (752)
Plan fiduciary net position as a percentage of the total pension liability	117.40 %	114.89 %	96.27 %	102.05 %
Covered payroll	N/A	N/A	N/A	N/A
State's net pension liability or asset as a percentage of covered payroll	N/A	N/A	N/A	N/A

This schedule is intended to present information for ten years. Additional years will be displayed as they become available.

STATE OF ALASKA **STATEMENT 2.41**

Employer Contributions Schedule

Alaska National Guard and Alaska Naval Militia Retirement System

Last Ten Fiscal Years

(Stated in Thousands)

	2023	2022	2021	2020	2019
Actuarially determined contribution	$ —	$ —	$ —	$ 861	$ 852
Contributions in relation to the actuarially determined contribution	—	—	—	861	852
Contribution deficiency (excess)	$ —	$ —	$ —	$ —	$ —
Covered payroll	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

This statement continued on next page.

STATE OF ALASKA **STATEMENT 2.41**

Employer Contributions Schedule

Alaska National Guard and Alaska Naval Militia Retirement System

Last Ten Fiscal Years

(Stated in Thousands)

	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 907	$ 867	$ 735	$ 627	$ 475
Contributions in relation to the actuarially determined contribution	907	867	735	627	740
Contribution deficiency (excess)	$ —	$ —	$ —	$ —	$ (265)
Covered payroll	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

Notes to required schedule

Significant methods and assumptions used in calculating the actuarially determined contribution are presented in Note 6.

STATE OF ALASKA **STATEMENT 2.50**

Changes in the Net Pension Liability and Related Ratios Schedule
Alaska Railroad Corporation Defined Benefits Pension Plan
Last Ten Fiscal Years
As of Measurement Date
(Stated in Thousands)

	2023	2022	2021	2020	2019
Total pension liability					
Service cost	$ 6,500	$ 6,176	$ 6,106	$ 5,835	$ 5,676
Interest	18,796	18,302	17,659	16,059	15,221
Changes of benefits terms	—	—	—	—	—
Differences between expected and actual experience	(5,206)	837	(1,502)	(496)	(2,321)
Changes of assumptions	390	(8,735)	(3,929)	16,396	—
Benefit payments, including refunds of employee contributions	(10,226)	(9,966)	(9,116)	(8,086)	(7,062)
Net change in total pension liability	10,254	6,614	9,218	29,708	11,514
Total pension liability - beginning	257,862	251,248	242,030	212,322	200,808
Total pension liability - ending (a)	268,116	257,862	251,248	242,030	212,322
Plan fiduciary net position					
Contributions - employer	2,673	3,813	4,619	5,220	3,555
Contributions - employee	4,987	4,650	4,639	4,477	4,341
Net investment income	(32,967)	40,127	21,600	32,628	(8,075)
Benefit payments, including refunds of employee contributions	(10,226)	(9,966)	(9,116)	(8,086)	(7,062)
Administrative expenses	(365)	(306)	(273)	(269)	(312)
Net change in plan fiduciary net position	(35,898)	38,318	21,469	33,970	(7,553)
Plan fiduciary net position - beginning	271,627	233,309	211,840	177,870	185,423
Plan fiduciary net position - ending (b)	235,729	271,627	233,309	211,840	177,870
State's net pension liability (asset) - ending (a) - (b)	$ 32,387	$ (13,765)	$ 17,939	$ 30,190	$ 34,452
Plan fiduciary net position as a percentage of the total pension liability or asset	87.92 %	105.34 %	92.86 %	87.53 %	83.77 %
Covered payroll	$ 51,671	$ 51,559	$ 49,739	$ 48,228	$ 48,228
State's net pension liability or asset as a percentage of covered payroll	62.68 %	26.70 %	36.07 %	62.60 %	71.44 %

This statement continued on next page.

STATE OF ALASKA **STATEMENT 2.50**

Changes in the Net Pension Liability and Related Ratios Schedule

Alaska Railroad Corporation Defined Benefits Pension Plan

Last Ten Fiscal Years

As of Measurement Date

(Stated in Thousands)

	2018	2017	2016
Total pension liability			
Service cost	$ 5,777	$ 5,853	$ 5,834
Interest	14,230	13,244	11,832
Changes of benefits terms	154	—	—
Differences between expected and actual experience	(482)	6,368	—
Changes of assumptions	272	—	—
Benefit payments, including refunds of employee contributions	(6,197)	(5,541)	(4,920)
Net change in total pension liability	13,754	19,924	12,746
Total pension liability - beginning	187,054	167,130	154,384
Total pension liability - ending (a)	200,808	187,054	167,130
Plan fiduciary net position			
Contributions - employer	4,051	4,163	3,571
Contributions - employee	4,302	4,383	4,290
Net investment income	22,088	11,774	(199)
Benefit payments, including refunds of employee contributions	(6,197)	(5,541)	(4,920)
Administrative expenses	(409)	(593)	(550)
Net change in plan fiduciary net position	23,835	14,186	2,192
Plan fiduciary net position - beginning	161,588	147,402	145,210
Plan fiduciary net position - ending (b)	185,423	161,588	147,402
State's net pension liability (asset) - ending (a) - (b)	$ 15,385	$ 25,466	$ 19,728
Plan fiduciary net position as a percentage of the total pension liability or asset	92.34 %	86.39 %	88.20 %
Covered payroll	$ 47,804	$ 48,705	$ 47,660
State's net pension liability or asset as a percentage of covered payroll	32.18 %	52.29 %	41.39 %

This schedule is intended to present information for ten years. Additional years will be displayed as they become available.

STATE OF ALASKA **STATEMENT 2.51**

Employer Contributions Schedule

Alaska Railroad Corporation Defined Benefits Pension Plan

Last Ten Fiscal Years

(Stated in Thousands)

	2023	2022	2021	2020	2019
Actuarially determined contribution	$ 2,673	$ 3,813	$ 4,619	$ 5,220	$ 3,555
Contributions in relation to the actuarially determined contribution	2,673	3,813	4,619	5,220	3,555
Contribution deficiency (excess)	$ —	$ —	$ —	$ —	$ —
Covered payroll	55,408	51,671	51,559	49,739	48,288
Contributions as a percentage of covered payroll	4.82 %	7.38 %	8.96 %	10.49 %	7.36 %

This statement continued on next page.

STATE OF ALASKA **STATEMENT 2.51**

Employer Contributions Schedule

Alaska Railroad Corporation Defined Benefits Pension Plan

Last Ten Fiscal Years

(Stated in Thousands)

	2018	2017	2016
Actuarially determined contribution	$ 4,051	$ 4,163	$ 3,571
Contributions in relation to the actuarially determined contribution	4,051	4,163	3,571
Contribution deficiency (excess)	$ —	$ —	$ —
Covered payroll	47,804	48,705	47,660
Contributions as a percentage of covered payroll	8.47 %	8.55 %	7.49 %

This schedule is intended to present information for ten years. Additional years will be displayed as they become available.

Notes to required schedule

Significant methods and assumptions used in calculating the actuarially determined contribution are presented in Note 6.

STATE OF ALASKA **STATEMENT 2.52**

Changes in the Net OPEB Liability and Related Ratios Schedule

Alaska Railroad Corporation Defined Benefits Postretirement Medical Plan

Last Ten Fiscal Years

As of Measurement Date

(Stated in Thousands)

	2023	2022	2021	2020	2019
Total OPEB liability					
Service cost	$ 404	$ 446	$ 522	$ 529	$ 599
Interest	796	857	972	1,003	981
Changes of benefits terms	—	—	—	—	—
Differences between expected and actual experience	(1,560)	1,879	(1,205)	(1,998)	(4,511)
Changes of assumptions	501	(3,371)	(353)	1,186	1,461
Benefit payments, net of Retiree Premiums	(567)	(740)	(491)	(371)	(350)
Net change in total OPEB liability	(426)	(929)	(555)	349	(1,820)
Total OPEB liability - beginning	14,197	15,126	15,681	15,332	17,152
Total OPEB liability - ending (a)	13,771	14,197	15,126	15,681	15,332
Plan fiduciary net position					
Net investment income	(6,547)	5,444	3,914	6,096	(958)
Benefit payments, net of Retiree Premiums	(567)	(740)	(491)	(371)	(350)
Administrative expenses	(62)	(60)	(59)	(59)	(71)
Net change in plan fiduciary net position	(7,176)	4,644	3,364	5,666	(1,379)
Plan fiduciary net position - beginning	58,922	54,278	50,914	45,248	46,627
Plan fiduciary net position - ending (b)	51,746	58,922	54,278	50,914	45,248
State's net OPEB liability (asset) - ending (a) - (b)	$ (37,975)	$ (44,725)	$ (39,152)	$ (35,233)	$ (29,916)
Plan fiduciary net position as a percentage of the total OPEB liability	375.76 %	415.03 %	358.84 %	324.69 %	295.12 %
Covered payroll	$ 33,280	$ 32,015	$ 32,154	$ 33,444	$ 33,444
State's net OPEB liability or asset as a percentage of covered payroll	114.11 %	139.70 %	121.76 %	105.35 %	89.45 %

This statement continued on next page.

STATE OF ALASKA **STATEMENT 2.52**

Changes in the Net OPEB Liability and Related Ratios Schedule

Alaska Railroad Corporation Defined Benefits Postretirement Medical Plan

Last Ten Fiscal Years

As of Measurement Date

(Stated in Thousands)

	2018	2017	2016
Total OPEB liability			
Service cost	$ 700	$ 699	$ 633
Interest	1,095	985	1,021
Changes of benefits terms	526	—	—
Differences between expected and actual experience	(165)	(1,832)	—
Changes of assumptions	—	1,442	—
Benefit payments, net of Retiree Premiums	(331)	(506)	(193)
Net change in total OPEB liability	1,825	788	1,461
Total OPEB liability - beginning	15,327	14,539	13,078
Total OPEB liability - ending (a)	17,152	15,327	14,539
Plan fiduciary net position			
Net investment income	4,295	2,670	(384)
Benefit payments, net of Retiree Premiums	(331)	(506)	(193)
Administrative expenses	(77)	(66)	(48)
Net change in plan fiduciary net position	3,887	2,098	(625)
Plan fiduciary net position - beginning	42,740	40,642	41,267
Plan fiduciary net position - ending (b)	46,627	42,740	40,642
State's net OPEB liability (asset) - ending (a) - (b)	$ (29,475)	$ (27,413)	$ (26,103)
Plan fiduciary net position as a percentage of the total OPEB liability	271.85 %	278.85 %	279.54 %
Covered payroll	$ 35,292	$ 46,941	$ 47,660
State's net OPEB liability or asset as a percentage of covered payroll	83.52 %	58.40 %	54.77 %

This schedule is intended to present information for ten years. Additional years will be displayed as they become available.

STATE OF ALASKA **STATEMENT 2.53**

Employer Contributions Schedule

Alaska Railroad Corporation Defined Benefits Postretirement Medical Plan

Last Ten Fiscal Years

(Stated in Thousands)

	2023	2022	2021	2020	2019
Actuarially determined contribution	$ —	$ —	$ —	$ —	$ —
Contributions in relation to the actuarially determined contribution	—	—	—	—	—
Contribution deficiency (excess)	$ —	$ —	$ —	$ —	$ —
Covered payroll	33,720	33,280	32,015	32,154	33,444
Contributions as a percentage of covered payroll	— %	— %	— %	— %	— %

This statement continued on next page.

STATE OF ALASKA **STATEMENT 2.53**

Employer Contributions Schedule

Alaska Railroad Corporation Defined Benefits Postretirement Medical Plan

Last Ten Fiscal Years

(Stated in Thousands)

	2018	2017	2016
Actuarially determined contribution	$ —	$ —	$ —
Contributions in relation to the actuarially determined contribution	—	—	—
Contribution deficiency (excess)	$ —	$ —	$ —
Covered payroll	35,292	46,941	47,660
Contributions as a percentage of covered payroll	— %	— %	— %

This schedule is intended to present information for ten years. Additional years will be displayed as they become available.

Notes to required schedule

Significant methods and assumptions used in calculating the actuarially determined contribution are presented in Note 6.



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Combining Fund Section



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General Fund

The General Fund is the State's primary operating fund. All public monies and revenues coming into the state treasury, not specifically authorized by statute to be placed in a special fund, constitute the General Fund. Unlike other funds held in the name of the State, the General Fund has become a fundamental component of our fund structure without benefit of formal creation by the Constitution or the Alaska Statutes.

There are several accounts and funds that have been created by law which are considered a part of the General Fund. These are treated as subfunds of the General Fund and are accounted for as individual funds for accounting purposes, but they are included in the General Fund for annual financial reporting purposes. The following lists those funds and accounts.

- **1 Cent Response Surcharge Fund (Fund 3388)** - AS 46.08.020, AS 43.55.201 - Administered by the Department of Environmental Conservation (DEC). This fund is established to deposit the surcharge of $.01 per barrel of oil produced from each lease or property in the state, less any oil the ownership or right to which is exempt from taxation.
- **4 Cent Prevention Surcharge Fund (Fund 3389)** - AS 46.08.020, AS 43.55.300 - Administered by the DEC. This fund is established to deposit the surcharge of $.04 per barrel of oil produced from each lease or property in the state, less any oil the ownership or right to which is exempt from taxation.
- **Abandoned Motor Vehicles Fund (Fund 3223)** - AS 28.11.110 - Administered by the Department of Administration (DOA). This fund consists of money appropriated to the fund by the legislature and proceeds from the sale of abandoned motor vehicles. This fund was created to reimburse payment of services associated with impounding, advertising, and selling abandoned vehicles.
- **Adak Airport Operations Fund (Fund 1190)** - PL 101-510 - The Alaska Department of Transportation and Public Facilities (DOT&PF) and the United States Department of Defense entered into a cooperative agreement under which the State will undertake operation and maintenance of a portion of the former Naval Air Facility known as the Adak Airport. In accordance with the agreement, the Navy paid the State $10,000,000 to operate and maintain the airport.
- **Alaska Capital Income Fund (Fund 1197)** - AS 37.05.565 - Administered by the Department of Revenue (DOR). This fund consists of money deposited to the fund from income earned on money awarded in, or received as a result of, State v. Amerada Hess, and of appropriations to the fund. Money may be appropriated from this fund for any public purpose, including covering annual debt service and reserves for debt service on bonds authorized by state law.
- **Alaska Children's Trust Grant Account (Fund 3231)** - AS 37.14.205 - This fund is established to deposit the receipts from Alaska children's trust plates, birth and marriage certificates, donations, and any other source. The board may use money in the grant account to make grants, obtain private and federal grants, to solicit contributions, gifts, and bequests, and to expend private donations in conformity with the donor's restrictions.
- **Alaska Comprehensive Health Insurance Fund (Fund 1248)** - AS 21.55.430 - Administered by the Department of Commerce, Community, and Economic Development (DCCED). The fund is established for the purpose of payment for claims under the reimbursement program.
- **Alaska Debt Retirement Fund (Fund 1044)** - AS 37.15.011 - Administered by the DOR. The fund consists of all money appropriated to it. The fund was established to help meet the General Fund debt obligations of the State and its political subdivisions, to fund lease-purchases, and to finance capital projects with money remaining after debt obligations are paid.
- **Alaska Gasline Inducement Act Reimbursement Fund (Fund Category 3218)** - AS 43.90.400 - Administered by the Office of the Governor. This fund consists of money appropriated to it by the legislature for reimbursing a percentage of qualified expenditures as authorized under AS 43.90.110. These state matching contributions serve as an inducement to aid in the construction of a natural gas pipeline.
- **Alaska Higher Education Investment Fund (Fund 1226)** - AS 37.14.750 - Administered by the Department of Education and Early Development (DEED). This fund consists of appropriations, income earned on investments of fund assets, donations, and money redeposited under AS 14.43.915(c). This fund is used for making grants and scholarship payments.

- **Alaska Historical Commission Receipts Account (Fund 3205)** - AS 41.35.380 - Administered by the Department of Natural Resources (DNR). Consists of all monetary gifts, grants, bequests, royalties, and other income received by the Alaska Historical Commission and is used for commission projects.
- **Alaska Marine Highway System Fund (Fund Category 3106)** - AS 19.65.060 - Administered by the DOT&PF, Alaska Marine Highway System. Gross revenues of the Alaska Marine Highway System are deposited into the fund. The fund also consists of legislative appropriations of amounts necessary to provide stable services to the public, after consideration of gross revenue.
- **Alaska Marine Highway System Vessel Replacement Fund (Fund 1082)** - AS 37.05.550 - Administered by the DOT&PF. The fund consists of money appropriated to it by the legislature. The legislature may appropriate money from the fund for refurbishment of existing state ferry vessels, acquisition of additional state ferry vessels, or replacement of retired or outmoded state ferry vessels.
- **Alaska Technical and Vocational Education Program Fund (Fund 1151)** - AS 23.15.830 - Administered by the Department of Labor and Workforce Development (DOLWD). The fund consists of amounts collected under AS 23.15.835. The legislature may appropriate the annual estimated balance in the fund to the Alaska Workforce Investment Board to implement AS 23.15.820 - 23.15.850. The legislature may appropriate the lapsing balance of the fund to the Unemployment Compensation Fund established in AS 23.20.130.
- **Alaska Transportation Infrastructure Bank Fund (Fund Category 3107)** - Section 350 of the National Highway System Designation Act of 1995 Federal Law - Administered by the DOT&PF. This fund was established as a pilot program with the U.S. Department of Transportation to increase infrastructure investment in the private sector. The fund has the ability to make loans and provide other forms of credit assistance to public and private entities to carry out highway construction and transit capital projects.
- **Alaska Veterans' Memorial Endowment (Fund 1181)** - AS 37.14.700(a) - Administered by the Department of Military and Veterans' Affairs (DMVA). The fund is used to maintain and develop veteran or military memorials. The fund consists of appropriations to the fund, donations to the fund, and income earned on investments of fund assets.
- **Alcohol and Other Drug Abuse Treatment and Prevention Fund (Fund 1180)** - AS 43.60.050 - Administered by the DOH. The fund is used to establish and maintain programs for the prevention and treatment of alcoholism, drug abuse, and misuse of hazardous volatile materials and substances by inhalant abusers under AS 47.37.030.
- **Anatomical Gift Awareness Fund (Fund 1202)** - AS 13.50.160(a) - Administered by the DOA. This fund was established to promote gifts under AS 13.52 the Health Care Decisions Act and to administer the donation program established under AS 13.50.150. The fund consists of donations and fees collected to support the Donor Registry Program.
- **Art in Public Places Fund (Fund 1145)** - AS 44.27.060 - Administered by the Alaska State Council on the Arts. This fund consists of one percent of the construction cost of buildings exempt from AS 35.27. The money is used to commission or purchase art for public state-owned or leased buildings or facilities.
- **Assistive Technology Loan Guarantee Fund (Fund 3213)** - AS 23.15.125 - Administered by the DOLWD, Division of Vocational Rehabilitation (DVR). The fund consists of money appropriated to it. DVR may solicit and accept available public and private money for distribution from the fund. Money in the fund may be used to guarantee 90 percent of the principal amount of a loan or to subsidize the interest rate of a loan guaranteed by DVR for appropriate assistive technology.
- **Aviation Fuel Tax Fund (Fund 1239) -** AS 43.40.010(e) - Administered by the DOR. This fund is established to deposit 60 percent of all proceeds of the motor fuel taxes on aviation fuel. All other proceeds shall be paid into a special aviation fuel tax account in the state general fund.
- **Building Safety Account (Fund 1172)** - AS 44.31.025 - Administered by the DOLWD. The collection of fees associated with building inspection and the issuance of certificates of fitness will be deposited in the Building Safety Account. The legislature may appropriate money from the account for necessary costs incurred by the DOLWD in the administration of AS 18.60.180 - 18.60.395, 18.60.800 - 18.60.820 and AS 18.62 relating to building safety and certificates of fitness.
- **Civil Legal Services Fund (Fund 1221)** - AS 37.05.590 - The fund consists of appropriations made to it. Annually, the legislature may only appropriate to the fund amounts deposited into the general fund of the state under AS 09.17.020(j). The legislature may make appropriations from the fund to organizations that provide civil legal services to low-income individuals.
- **Commercial Passenger Vessel Environmental Compliance Fund (Fund 1166)** - AS 46.03.482 - Administered by the Department of Environmental Conservation (DEC). Sources of income for this fund include: (1) money received by the department in payment of fees under AS 46.03.480; (2) money received as a result of a violation; (3) money appropriated

to the fund by the legislature; (4) earnings on the fund. The legislature may make appropriations from this fund to the department to pay for the department's operational costs necessary to prepare reports that assess the information received by the department for the cruise ship seasons of 2000, 2001, 2002, and 2003 and for the department's operational costs necessary to carry out activities under AS 46.03.460 - 46.03.490 relating to commercial passenger vessels.

- **Commercial Vessel Passenger Tax Account (Fund Category 3105)** - AS 43.35.220, AS 43.52.230(a) - Administered by the DOR. The fund consists of proceeds from the tax on travel on commercial passenger vessels providing overnight accommodations in the state's marine water, and proceeds on gambling activities on large passenger vessels in the state. Money appropriated from this fund can be used for state-owned harbor facilities, other services to properly provide for vessel or watercraft visits, to enhance the safety and efficiency of interstate and foreign commerce, and such other lawful purposes as determined by the legislature.
- **Community Assistance Fund (Fund 3220)** - AS 29.60.850 - Administered by the DCCED. The Fund provides community revenue sharing payments to municipalities, reserves, and communities for any public purpose. The fund consists of appropriations. Income earned on money in the fund may be appropriated to the fund. The legislature may appropriate 20 percent of the money received by the State during the previous calendar year under AS 43.55.011(g).
- **Constitutional Budget Reserve Fund (Fund 3100)** - Alaska Constitution, Article IX, Section 17; AS 37.13 - Administered by the DOR. All money received by the State as a result of the termination of administrative proceedings or litigation in a state or federal court involving mineral lease bonuses, rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments or bonuses, or involving taxes imposed on mineral income, production, or property are deposited in the fund, except for the share of those proceeds that are deposited into the Alaska Permanent Fund.
- **Crime Victims Compensation Fund (Fund 1220)** - AS 18.67.162 - Administered by the Department of Public Safety (DPS), Violent Crimes Compensation Board. This fund consists of all money appropriated to it, including donations, recoveries of or reimbursements of awards made from the fund and investment income. The purpose of the fund is to facilitate and permit the payment of compensation to innocent persons as a result of certain serious crimes.
- **Derelict Vessel Prevention Program Fund (Fund 3391)** - AS 30.30.096 - Administered by the Department of Transportation and Public Facilities. The fund consists of money appropriated through donations, vessel sales, civil penalties, income from the fund and other program receipts, and boat registration fees. The purpose of the fund is to allow for reimbursing state and local governments for expenses related to removing derelict vessels from state and municipality property and waters; and developing, implementing, and subsidizing incentive programs and projects intended for derelict vessel prevention.
- **Disaster Relief Fund (Fund 1116)** - AS 26.23.300 - Administered by the Office of the Governor and the DMVA. This fund provides resources to alleviate the effects of disasters wherever and whenever they may occur in the State.
- **Dividend Raffle Fund (Fund 1257)** - AS 43.23.230 - Administered by the Department of Revenue. This fund consists of annual donations of part or all of an applicant's permanent fund dividend for educational purposes and to participate in the permanent fund dividend raffle. Donations are appropriated as follows: 25 percent to the Education Endowment Fund; 25 percent to the Dividend Raffle Fund; and 50 percent to the Department of Education and Early Development for supplemental grant distribution to school districts.
- **Donated Commodity Fee Fund (Fund 1014)** - USC 7 CFR, Part 250 - Administered by the DEED. This fund consists of monies from federal agencies and recipients of goods. It is intended to cover the cost of the distribution of federal surplus food to schools, childcare institutions, nonprofit camps for children, charitable institutions for minors, nutrition programs for the elderly, and assistance to needy persons.
- **Education Endowment Fund (Fund 1256)** - AS 43.23.220 - Administered by the Department of Revenue. The fund consists of a percentage of the money donated through the Dividend Raffle Fund and other appropriated money. The purpose of the fund is to allow for supplemental grant distribution to school districts.
- **Educational Facilities Maintenance and Construction Fund (Fund 1083)** - AS 37.05.560 - Administered by the DEED. Money in the fund may be appropriated to finance the design, construction, and maintenance of public school facilities and for maintenance of the University of Alaska facilities.
- **Election Fund (Fund 1185)** - Federal H.R. 3295, "The Help America Vote Act" - Administered by the Office of the Lieutenant Governor, Division of Elections. Funds will be used for election administration improvements, for replacement of voting equipment, to improve accessibility for individuals with disabilities, and to provide alternative language accessibility.
- **Employment Assistance and Training Program Account (Fund 1054)** - AS 23.15.625 - Administered by the DOLWD. The account consists of amounts collected under the provision of AS 23.15.630. The annual estimated balance in the

account may be appropriated by the legislature to the department to implement AS 23.15.620 - 23.15.660. The legislature may appropriate the lapsing balance of the account to the Unemployment Compensation Fund established in AS 23.20.130.

- **FHWA - Airspace Leases Fund (Fund 3207)** - Administered by the DOT&PF. Section 156 of the Surface Transportation and Uniform Relocation Assistance Act of 1987 requires that the State shall charge fair market value for the sale, use, or lease rentals of right-of-way airspace and that the federal share of these net incomes be used by the State for highway projects. This fund accounts for those revenues. The revenues are available for appropriation by the legislature for highway projects.
- **FICA Administration Fund (Fund 1023)** - AS 39.30.050 - Administered by the DOA. The fund consists of the pro rata share of expenses incurred in the administration of AS 39.30.010 - 39.30.080 and collected from participating political subdivisions and from the State.
- **Fisheries Disaster Fund (Fund 3216)** - PL 108-7, Sec. 2, Division N, Title V - Fisheries Disasters, Sec. 501(a) - Administered by the Office of the Governor. $35,000,000 shall be made available as a direct lump sum payment to the State of Alaska to make payments to persons or entities that have experienced significant economic hardship. Funds in Alaska shall be used to provide personal assistance; assistance for small businesses including fishermen, fish processors, and related business serving the fishing industry; assistance for local borough governments adversely affected by reductions in fish landing fees and other fishing-related revenue; and product development and marketing.
- **Fuel Emergency Fund (Fund 3206)** - AS 26.23.400 - Administered by the Office of the Governor. This fund is used when the governor determines that a shortage of fuel is sufficiently severe to justify state assistance to make grants to a city or borough, or to a village or unincorporated community to purchase emergency supplies of fuel.
- **Fund for the Improvement of School Performance (Fund 3210)** - AS 14.03.125 - Administered by the DEED. It is used to make grants to a district located in the State for the purpose of improving school performance.
- **Major Maintenance Grant Fund (Fund 1193)** - AS 14.11.007 - Administered by the DEED. The fund is used to make grants for the cost of school major maintenance.
- **Marijuana Education and Treatment Fund (Fund 1254)** - AS 43.61.010. Administered by the Department of Administration. The fund consists of 25 percent of money collected under the marijuana tax. The purpose of the fund is to provide money for comprehensive marijuana education and treatment programs.
- **Memorial Education Revolving Loan Fund (Fund 3226)** - AS 14.43.255 - Administered by the DEED. The fund was created to pay tribute to the memory of Alaskans who, by example of their lives, or by their distinguished contribution and service to the State, their community, or their profession, exemplified the best that is the challenge of "The Great Land." The funds shall be used to provide education loans to students selected under AS 14.43.250-325.
- **Municipal Capital Project Matching Grant Fund (Fund 1087)** - AS 37.06.010 - Administered by the DCCED. The money in the fund is held by the department in custody for each municipality. Each fiscal year the department allocates individual grants for each municipality.
- **Municipal Harbor Facility Grant Fund (Fund 3217)** - AS 29.60.800 - Administered by the DOT&PF. The money appropriated to the fund may be expended by the department for municipal harbor grants.
- **Oil and Gas Tax Credit Fund (Fund 3219)** - AS 43.55.028 - Administered by the DOR. The purpose of this fund is to purchase certain transferable tax credit certificates issued under AS 43.55.023 and certain production tax credit certificates issued under AS 43.55.025. The fund consists of money appropriated to it, including any appropriation of the percentage provided under (c) of this section of all revenue from taxes levied by AS 43.55.011 that is not required to be deposited in the Constitutional Budget Reserve Fund established in art. IX, sec. 17 (a), Constitution of the State of Alaska; and earnings on the fund.
- **Oil and Hazardous Substance Release Prevention and Response (Fund 1052 and 3208)** - AS 46.08.010 - Administered by the DEC. This fund is composed of two accounts: (1) the prevention account and (2) the response account. The fund consists of appropriations by the legislature of money from private donors, money recovered from parties responsible for cleanup of oil or a hazardous substance, and fines, penalties, or damages recovered under Chapter 46. This money is for the containment and cleanup of oil or a hazardous substance; monitoring, assessing, investigating, and evaluating the release or threatened release of oil or a hazardous substance; and recovery of the cost to the State of the containment and cleanup of oil or a hazardous substance.
- **Oil and Hazardous Substance Release Prevention Mitigation Account (Fund 3211)** - AS 46.08.020(b) - Administered by the DEC. This account consists of money received from other state sources, from federal or other sources, or from a private donor; money recovered or otherwise received from parties responsible for the containment and cleanup of oil or a hazardous substance; and fines, penalties, or damages recovered under AS 46.08.005-46.08.080. The legislature may

appropriate the amount received in this account (during the preceding calendar year) to the prevention account in the Oil and Hazardous Substance Release Prevention and Response Fund.

- **Oil and Hazardous Substance Release Response Mitigation Account (Fund 3212)** - AS 46.08.025(b) - Administered by the DEC. This account consists of money received from other state sources, from federal or other sources, or from a private donor; money recovered or otherwise received from parties responsible for the containment and cleanup of oil or a hazardous substance at a specific site for which the State expended money from the former Oil and Hazardous Substance Release Prevention and Response Fund before October 2, 1994, or for which the State expended money from the response account. The legislature may appropriate the amount received in this account (during the preceding calendar year) to the response account in the Oil and Hazardous Substance Release Prevention and Response Fund.
- **Originator Surety Fund (Fund 3221)** - AS 06.60.500 - Administered by the DCCED. This fund consists of payments made by originator licensees under AS 06.60.550, filing fees retained under AS 06.60.620, income earned on the investment of the money in the fund, and money deposited in the fund by the department under AS 06.60.740.
- **Peace Officer and Firefighter Survivor's Fund (Fund 3387)** - AS 39.60.010 - This fund is administered by the DPS for the purpose of paying medical insurance premiums for an eligible surviving spouse or dependent child of a peace officer or a firefighter.
- **Permanent Fund Dividend Fund (Fund 1050)** - AS 43.23.045 - Administered by the DOR. This fund consists of 50 percent of the income earned by the Alaska Permanent Fund during the fiscal year ending on June 30 that is paid out to eligible Alaska residents.
- **Public Education Fund (Fund 3201)** - AS 14.17.300 - Administered by the DEED. This account may be expended only in aid of public schools and for centralized correspondence study programs under Chapter 17 - Financing of Public Schools, and for transportation of pupils under AS 14.09.010.
- **Railbelt Energy Fund (Fund 1012)** - AS 37.05.520 - The legislature may appropriate money from the fund for programs, projects, and other expenditures to assist in meeting Railbelt energy needs, including projects for retrofitting state-owned buildings and facilities for energy conservation.
- **Randolph-Sheppard Small Business Fund (Fund 1117)** - AS 23.15.130, 20 USC 107-107(f) - Administered by the DOLWD. This fund consists of receipts from vending facilities on federal properties and is used to aid only blind licensees in operating vending machine facilities.
- **Real Estate Recovery Fund (Fund 1040)** - AS 08.88.450 - Administered by the DCCED. This fund is composed of payments made by real estate licensees under AS 08.88.455 and filing fees under AS 08.88.460, income earned on investment of the money in the fund, and money deposited in the fund under AS 08.88.450(c). Amounts in the fund may be appropriated for claims against the fund, for hearing and legal expenses directly related to fund operations and claims, and real estate educational purposes.
- **Recidivism Reduction Fund (Fund 1246)** - AS 43.61.010(c) - Administered by the Department of Administration. This fund is established to deposit 50 percent of the tax collected under the marijuana tax into this fund for recidivism reduction programs.
- **Regional Educational Attendance Area School Fund (Fund 1222)** - AS 14.11.030 - Administered by the DEED for the purpose of funding costs of school construction in regional educational attendance areas.
- **School Construction Grant Fund (Fund 1080)** - Administered by the DEED. The fund shall be used to make grants for the costs of school construction. Legislative appropriations for school construction shall be deposited in the fund and the proceeds from the sale of general obligation bonds for school construction may be deposited in the fund.
- **School Trust Land Sales (Fund 3215)** - Established per attorney general memo regarding Public School Trust Litigation. Used to separately account for income from former public school trust land, the status of which is in litigation.
- **State Insurance Catastrophe Reserve Account (Fund 3209)** - AS 37.05.289 - Administered by the DOA. Assets of the account may be used to obtain insurance, to establish reserves for the self-insurance program, and to satisfy claims or judgments arising under the program.
- **State Land Disposal Income Fund (Fund 1153)** - AS 38.04.022(a) - Administered by the DNR. The fund consists of revenue from the state land disposal program.
- **State Land Reforestation Fund (Fund 1019)** - AS 41.17.300 - Administered by the DNR. The money in the state land reforestation fund may be used only for the reforestation of state land, including site preparation; seed and seedling acquisition and cultivation; planting and other reforestation measures; timber stand improvement; and the development of materials and techniques for the reforestation of state land.

- **Statutory Budget Reserve Fund (Fund 3200)** - AS 37.05.540 - Administered by the DOR. This fund consists of appropriations to the fund. Money received by the State that is subject to the appropriation limit under AS 37.05.540(b) and that exceeds that limit may be appropriated to the budget reserve fund.
- **Surplus Property Revolving Fund (Fund 1033)** - AS 37.05.500(a)(1), AS 44.68.130 - Administered by the DOA. This fund is to account for revenues from the users or purchasers of excess federal property that the State has acquired and is used to pay the administrative expenses incurred in managing this property.
- **Tobacco Use Education and Cessation Fund (Fund 1168)** - AS 37.05.580 - Administered by the DOH. This fund consists of 20 percent of the annual revenue derived from the settlement of State of Alaska v. Philip Morris, Incorporated, et al, No. 1JU-97-915 CI (Alaska Super. 1997). The purpose of this fund is to provide a source to finance the comprehensive smoking education, tobacco use prevention, and tobacco control program authorized by AS 44.29.020(a)(12).
- **Training and Building Fund (Fund 1049)** - AS 23.20.130(d) - Administered by the DOLWD. This fund consists of interest and penalties for failure to file timely reports and pay contributions to the Unemployment Compensation Fund. It may be used for the administration of the Employment Security Act when federal funds are not available and for the acquisition of land and buildings for the purpose of providing office space for the department.
- **Trauma Care Fund (Fund 3222)** - AS 18.08.085 - Administered by the DOH. This fund consists of money appropriated to it by the legislature including donations, recoveries of or reimbursements for awards made from the fund and investment income. The purpose of this fund is to compensate certified trauma centers in the state that receive a special designation under AS 18.08.082(c) and that achieve or maintain the highest appropriate level of trauma care designation.
- **Unincorporated Community Capital Project Matching Grant Fund (Fund 1088)** - AS 37.06.020 - Administered by the DCCED. This fund was created for unincorporated communities to acquire or improve an asset with an anticipated life exceeding one year and includes land acquisition, construction, repair or structural improvement of a facility, engineering and design for a facility, and acquisition or repair of equipment.
- **Vaccine Assessment (Fund 1238)** - AS 18.09.230 - Administered by the DOH. The fund is established for the purpose of monitoring, purchasing, and distributing included vaccines to providers approved by the department who agree to provide the vaccines to state residents under terms consistent with the program and state and federal law.
- **Vocational Rehabilitation Small Business Enterprise Revolving Fund (Fund 1237)** - AS 23.15.130 - Administered by the DOLWD, DVR. This fund consists of receipts from the net proceeds of vending facilities on public property. The annual estimated receipts of the fund may be used by the legislature to make appropriations to the department to aid licensees in operating vending machine facilities.
- **Workers' Compensation Benefits Guaranty Fund (Fund 1203)** - AS 23.30.082 - Administered by the DOLWD. This fund is composed of civil penalty payments made by employers under AS 23.30.080, income earned on investment of the money in the fund, money deposited in the fund, and appropriations to the fund. The fund may be appropriated for claims against the fund, for expenses directly related to fund operations and claims, and for legal expenses.
- **Workers' Safety and Compensation Administration Account (Fund 1157)** - AS 23.05.067 - Administered by the DOLWD. This fund is used to account for the annual service fees collected from employers for the administrative expenses of the State for workers' safety programs under AS 18.60 and the workers' compensation program under AS 23.30.

STATE OF ALASKA **STATEMENT 3.01**

Combining Balance Sheet

General Fund

June 30, 2023

(Stated in Thousands)

	General Fund						
	Constitutional Budget Reserve Subfund	Statutory Budget Reserve Subfund	Permanent Fund Dividend Subfund	Public Education Subfund	General and all Other Subfunds	Eliminations of Internal Balances	Total General Fund
ASSETS							
Cash and Investments	$ 2,607,154	$ 443,662	$ 44,133	$ 5,175	$ 2,697,903	$ —	$ 5,798,027
Accounts Receivable - Net	—	—	—	—	185,961	—	185,961
Interest and Dividends Receivable	12,777	—	227	—	13,129	—	26,133
Due from Other Funds	12,565,451	—	—	98	1,362,582	(13,868,453)	59,678
Due from Component Units	—	—	—	—	3,044	—	3,044
Due from Other Governments	—	—	—	—	934,352	—	934,352
Loans, Notes, Bonds and Leases Receivable	—	—	—	—	54,359	—	54,359
Inventories	—	—	—	—	30,723	—	30,723
Other Assets	8	6,010	1	—	48,629	—	54,648
Total Assets	15,185,390	449,672	44,361	5,273	5,330,682	(13,868,453)	7,146,925
LIABILITIES							
Accounts Payable and Accrued Liabilities	695	961	14,684	1	1,200,720	—	1,217,061
Due to Other Funds	1,273,841	21,049	7,967	—	12,704,000	(13,868,453)	138,404
Due to Component Units	—	3	—	—	4,984	—	4,987
Unearned Revenue	—	—	307	—	139,163	—	139,470
Other Liabilities	—	—	142	—	33,717	—	33,859
Total Liabilities	1,274,536	22,013	23,100	1	14,082,584	(13,868,453)	1,533,781
DEFERRED INFLOWS OF RESOURCES							
Total Deferred Inflows of Resources	—	—	—	—	393,055	—	393,055
FUND BALANCES							
Nonspendable:							
Inventory	—	—	—	—	30,723	—	30,723
Advances and Prepaid Items	11,320,775	6,010	1	—	48,629	(11,320,767)	54,648
Restricted for:							
Debt Service	—	—	—	—	4,678	—	4,678
Education	—	—	—	—	16,527	—	16,527
Health and Human Services	—	—	—	—	830	—	830
Development	—	—	—	—	15,606	—	15,606
Other Purposes	—	—	—	—	6,249	—	6,249
Committed to:							
Education	—	7,200	—	5,272	679,602	—	692,074
Health and Human Services	13,679	9,445	—	—	244,695	—	267,819
Public Protection	576	6,222	—	—	272,779	—	279,577
Permanent Fund	—	—	21,260	—	—	—	21,260
Development	18,445	397,282	—	—	1,049,729	—	1,465,456
Other Purposes	—	1,500	—	—	236,670	—	238,170
Assigned to:							
Public Protection	—	—	—	—	905	—	905
Unassigned	2,557,379	—	—	—	(11,752,579)	11,320,767	2,125,567
Total Fund Balances	13,910,854	427,659	21,261	5,272	(9,144,957)	—	5,220,089
Total Liabilities, Deferred Inflows, and Fund Balances	$ 15,185,390	$ 449,672	$ 44,361	$ 5,273	$ 5,330,682	$ (13,868,453)	$ 7,146,925

STATE OF ALASKA **STATEMENT 3.02**

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances

General Fund

For the Fiscal Year Ended June 30, 2023

(Stated in Thousands)

	General Fund						
	Constitutional Budget Reserve Subfund	Statutory Budget Reserve Subfund	Permanent Fund Dividend Subfund	Public Education Subfund	General and all Other Subfunds	Eliminations of Internal Balances	Total General Fund
REVENUES							
Taxes	$ 127,391	$ —	$ —	$ —	$ 2,637,430	$ —	$ 2,764,821
Licenses and Permits	—	—	—	—	139,925	—	139,925
Charges for Services	—	—	672	216	177,459	—	178,347
Fines and Forfeitures	2,155	—	65	—	27,840	—	30,060
Rents and Royalties	5,069	—	—	—	1,216,634	—	1,221,703
Premiums and Contributions	—	—	—	—	25,469	—	25,469
Interest and Investment Income (Loss)	124,512	—	—	—	154,937	—	279,449
Federal Grants in Aid	—	—	—	—	5,109,390	—	5,109,390
Payments In from Component Units	—	—	—	—	44,516	—	44,516
Other Revenues	—	—	2	—	45,384	—	45,386
Total Revenues	259,127	—	739	216	9,578,984	—	9,839,066
EXPENDITURES							
Current:							
General Government	1,789	—	9,642	—	270,161	—	281,592
Alaska Permanent Fund Dividend	—	—	2,070,825	—	—	—	2,070,825
Education	—	1,800	—	1,265,708	774,432	—	2,041,940
University	—	—	—	—	337,311	—	337,311
Health and Human Services	957	483	14,977	—	4,122,920	—	4,139,337
Law and Justice	—	7	—	—	291,839	—	291,846
Public Protection	16	762	8,343	—	1,081,219	—	1,090,340
Natural Resources	693	2,817	—	—	302,129	—	305,639
Development	13	2,007	—	—	177,743	—	179,763
Transportation	5,763	4,925	—	—	1,419,177	—	1,429,865
Intergovernmental Revenue Sharing	—	—	—	—	145,039	—	145,039
Debt Service:							
Principal	—	—	—	—	61,868	—	61,868
Interest and Other Charges	—	—	—	—	14,631	—	14,631
Total Expenditures	9,231	12,801	2,103,787	1,265,708	8,998,469	—	12,389,996
Excess (Deficiency) of Revenues Over Expenditures	249,896	(12,801)	(2,103,048)	(1,265,492)	580,515	—	(2,550,930)
OTHER FINANCING SOURCES (USES)							
Leases and SBITA	—	—	—	—	39,515	—	39,515
Transfers In from Other Funds	9,234	—	2,100,354	1,260,000	1,725,303	(1,679,740)	3,415,151
Transfers (Out to) Other Funds	—	(20,866)	(858)	—	(1,753,361)	1,679,740	(95,345)
Total Other Financing Sources and Uses	9,234	(20,866)	2,099,496	1,260,000	11,457	—	3,359,321
Net Change in Fund Balances	259,130	(33,667)	(3,552)	(5,492)	591,972	—	808,391
Fund Balances - Beginning of Year	13,651,724	461,326	24,813	10,764	(9,736,929)	—	4,411,698
Fund Balances - End of Year	$ 13,910,854	$ 427,659	$ 21,261	$ 5,272	$ (9,144,957)	$ —	$ 5,220,089

Nonmajor Governmental Funds

STATE OF ALASKA **STATEMENT 3.11**

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2023

(Stated in Thousands)

	Permanent Fund				
	Public School Trust Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS					
Cash and Investments	$ 761,393	$ 216,720	$ 16,169	$ 58,787	$ 1,053,069
Accounts Receivable - Net	634	1,163	—	—	1,797
Interest and Dividends Receivable	28	9	66	293	396
Due from Other Funds	579	3,859	—	—	4,438
Due from Other Governments	—	508	—	—	508
Loans, Notes, Bonds and Leases Receivable	152	—	—	—	152
Other Assets	4	1,719	—	—	1,723
Total Assets	762,790	223,978	16,235	59,080	1,062,083
LIABILITIES					
Accounts Payable and Accrued Liabilities	—	7,114	—	1,354	8,468
Due to Other Funds	—	3,742	—	764	4,506
Unearned Revenue	121	1,182	—	—	1,303
Other Liabilities	1	586	—	—	587
Total Liabilities	122	12,624	—	2,118	14,864
DEFERRED INFLOWS OF RESOURCES					
Total Deferred Inflows of Resources	77	—	—	—	77
FUND BALANCES					
Nonspendable:					
Principal	762,591	—	—	—	762,591
Advances and Prepaid Items	—	1,691	—	—	1,691
Restricted for:					
Debt Service	—	—	16,235	—	16,235
Education	—	2,903	—	184	3,087
Health and Human Services	—	19,071	—	—	19,071
Development	—	81,068	—	56,778	137,846
Other Purposes	—	209	—	—	209
Committed to:					
Education	—	190	—	—	190
Public Protection	—	398	—	—	398
Development	—	105,859	—	—	105,859
Unassigned	—	(35)	—	—	(35)
Total Fund Balances	762,591	211,354	16,235	56,962	1,047,142
Total Liabilities and Fund Balances	$ 762,790	$ 223,978	$ 16,235	$ 59,080	$ 1,062,083

STATE OF ALASKA **STATEMENT 3.12**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

For the Fiscal Year Ended June 30, 2023

(Stated in Thousands)

	Permanent Fund				
	Public School Trust Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES					
Taxes	$ —	$ 14,026	$ —	$ —	$ 14,026
Licenses and Permits	—	41,025	—	—	41,025
Charges for Services	—	690	—	—	690
Fines and Forfeitures	—	110	—	—	110
Rents and Royalties	8,800	41,544	—	—	50,344
Premiums and Contributions	—	20,458	—	—	20,458
Interest and Investment Income (Loss)	71,977	3,257	741	2,473	78,448
Federal Grants in Aid	—	983	—	—	983
Other Revenues	—	8	18,544	—	18,552
Total Revenues	80,777	122,101	19,285	2,473	224,636
EXPENDITURES					
Current:					
General Government	719	2,358	—	—	3,077
Education	—	17,929	—	—	17,929
University	—	425	—	—	425
Health and Human Services	—	3,285	—	—	3,285
Public Protection	—	475	—	—	475
Natural Resources	—	52,154	—	—	52,154
Development	—	1,091	—	—	1,091
Transportation	—	403	—	12,095	12,498
Debt Service:					
Principal	—	—	54,510	—	54,510
Interest and Other Charges	—	—	38,500	—	38,500
Total Expenditures	719	78,120	93,010	12,095	183,944
Excess (Deficiency) of Revenues Over Expenditures	80,058	43,981	(73,725)	(9,622)	40,692
OTHER FINANCING SOURCES (USES)					
Refunding Bonds Issued	—	—	55,900	—	55,900
Bonds Issued Premium	—	—	2,022	—	2,022
Payment to Refunded Bonds Escrow Agent	—	—	(57,625)	—	(57,625)
Transfers In from Other Funds	—	2,605	73,555	—	76,160
Transfers (Out to) Other Funds	(31,289)	—	(63)	(524)	(31,876)
Total Other Financing Sources and Uses	(31,289)	2,605	73,789	(524)	44,581
Net Change in Fund Balances	48,769	46,586	64	(10,146)	85,273
Fund Balances - Beginning of Year	713,822	164,768	16,171	67,108	961,869
Fund Balances - End of Year	$ 762,591	$ 211,354	$ 16,235	$ 56,962	$ 1,047,142



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Permanent Funds

Permanent funds account for permanent endowments created when the principal amount of a contribution must be invested and preserved but earnings on amounts invested can be used for public purpose. Following are the State's permanent funds.

- **Alaska Mental Health Trust Authority (Fund 3146)** - AS 47.30.011 - This is a Discretely Presented Component Unit. The fund description is contained in the Notes to the Basic Financial Statements, Note 1A. Statements are included in the Nonmajor Component Units section.
- **Alaska Permanent Fund (Fund 3258)** - Alaska Constitution, Article IX, Section 15 - Administered by the Alaska Permanent Fund Corporation. The Alaska Constitution provides that at least 25 percent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments, and bonuses received by the State shall be placed in the Alaska Permanent Fund. This is a major fund and included in Statements 1.11, 1.13, and 3.23.
- **Public School Trust Fund (Fund 3121)** - AS 37.14.110 - Administered by the Department of Revenue. The principal consists of the balance of the public school permanent fund on July 1, 1978, and one-half of one percent of the receipts derived from the management of state land (AS 34.14.150). The net income of the fund may be appropriated only for the support of the state public school program. This is a nonmajor fund and is included in Statements 3.11, 3.12, and 3.23.

STATE OF ALASKA **STATEMENT 3.23**

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Permanent Funds

For the Fiscal Year Ended June 30, 2023

(Stated in Thousands)

	Public School Trust			Alaska Permanent			Total Permanent Funds		
	Budget	Actual	Variance with Budget	Budget	Actual	Variance with Budget	Budget	Actual	Variance with Budget
REVENUES									
Unrestricted:									
Rents and Royalties	$ 8,800	$ 8,800	$ —	$ 753,610	$ 753,610	$ —	$ 762,410	$ 762,410	$ —
Interest and Investment Income (Loss)	71,977	71,977	—	4,467,320	4,467,320	—	4,539,297	4,539,297	—
Total Revenues	80,777	80,777	—	5,220,930	5,220,930	—	5,301,707	5,301,707	—
EXPENDITURES									
Current:									
General Government	859	719	140	217,993	161,838	56,155	218,852	162,557	56,295
Law and Justice	—	—	—	2,923	2,923	—	2,923	2,923	—
Natural Resources	—	—	—	6,611	6,611	—	6,611	6,611	—
Total Expenditures	859	719	140	227,527	171,372	56,155	228,386	172,091	56,295
Excess (Deficiency) of Revenues Over Expenditures	79,918	80,058	(140)	4,993,403	5,049,558	(56,155)	5,073,321	5,129,616	(56,295)
OTHER FINANCING SOURCES (USES)									
Transfers (Out to) Other Funds	(31,289)	(31,289)	—	(3,374,832)	(3,374,832)	—	(3,406,121)	(3,406,121)	—
Total Other Financing Sources and Uses	(31,289)	(31,289)	—	(3,374,832)	(3,374,832)	—	(3,406,121)	(3,406,121)	—
Excess (Deficiency) of Revenues, Over (Under) Expenditures, Other Financing Sources (Uses), Special and Extraordinary Items, Budgetary Basis	$ 48,629	48,769	$ (140)	$ 1,618,571	1,674,726	$ (56,155)	$ 1,667,200	1,723,495	$ (56,295)
RECONCILIATION OF BUDGETARY/GAAP REPORTING									
Excess (Deficiency) of Revenues, Over (Under) Expenditures, Other Financing Sources (Uses), Special and Extraordinary Items, GAAP Basis		48,769			1,674,726			1,723,495	
Fund Balances - Beginning of Year		713,822			76,337,171			77,050,993	
Fund Balances - End of Year		$ 762,591			$78,011,897			$78,774,488	

Nonmajor Special Revenue Funds

Special revenue funds account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes. Additionally, special revenue funds account for the General Fund of legally separate entities (component units) that are blended with the government. The following are the State's special revenue funds.

- **Alaska Housing Capital Corporation (AHCC) (Fund 1213)** - AS 18.56.086 - Subsidiary of Alaska Housing Finance Corporation (AHFC). The purpose of this fund is to fund capital projects, including financing expenses. AHCC is authorized to issue bonds necessary to provide sufficient funds for carrying out its purpose.
- **Alaska State Council on the Arts (Fund 3392)** - AS 44.27.040 - The fund is established to accept gifts, contributions, and bequests of unrestricted funds from individuals, foundations, corporations, and other organizations or institutions for the purpose of furthering the strategic objectives of the council's programs. The council is the official agency of this state to receive and disburse funds made available by the National Endowment for the Arts.
- **Alyeska Settlement Trust Fund (Fund Type 3110)** - Consent Decree between the United States, the State of Alaska, and Alyeska Pipeline Service Company - Administered by the Department of Revenue (DOR). The fund was created for the purpose of receiving, holding, and disbursing settlement proceeds from Alyeska under the Consent Decree. The funds are to be used to clean up oil spills and for other projects specified in the Consent Decree.
- **Clean Air Protection Fund (Fund 1093)** - AS 46.14.260 and Federal Clean Air Act - Administered by the Department of Environmental Conservation (DEC). The fund was established to collect and account for permit fees under the Federal Clean Air Act. Monies collected may only be used to cover reasonable costs required to support the permit program.
- **Exxon Valdez Oil Spill Restoration Fund (Fund Type 3109)** - United States District Court judgment in the criminal case U.S. v. Exxon Shipping Company and Exxon Corporation resulted in $50 million restitution being received by the State to be used exclusively for restoration projects related to the Exxon Valdez oil spill. Administered by the DOR.
- **Exxon Valdez Settlement Trust Fund (Fund Type 3114)** - AS 37.14.400 - Memorandum of Agreement and Consent Decree between the United States (U.S.) and the State of Alaska to maximize the funds available for restoration of natural resources and to resolve the governments' claims against one another relating to the Exxon Valdez Oil Spill, which occurred on the night of March 23-24, 1989, in Prince William Sound, Alaska. The funds are administered by the trustee council which consists of the Secretaries of the U.S. Departments of the Interior and Agriculture and the Administrator of the National Oceanic and Atmospheric Administration (the federal trustees) and the Commissioners of the DEC and the Department of Fish and Game (DF&G) and the Attorney General of the State of Alaska (State trustees). The trustee council determines which projects shall be financed by monies from the trust. The Exxon Valdez Settlement Trust Fund established in the state accounting system accounts for those monies transferred to the State for projects approved by the trustee council. These projects are for the purpose of restoring, replacing, enhancing, rehabilitating, or acquiring the equivalent of natural resources injured, lost, or destroyed as a result of the oil spill.
- **Fish and Game Fund (Fund Type 3108)** - AS 16.05.100 - Administered by the DF&G. Statutory revenue in this fund can only be used for the purpose of protection, propagation, investigation, and restoration of sport fish and game resources and the expenses of administering the sport fish and wildlife divisions of the DF&G. These monies are received from the sale of state sport fishing and hunting licenses and special permits; sale of furs, skins, and specimens taken by predator hunters; money received in settlement of a claim or loss caused by damage to fish and game resources; and donations. In addition to the statutory revenues, federal revenues, crew member license fees, and other sources are appropriated to the fund for purposes related to fish and wildlife.
- **Fishermen's Fund (Fund 1032)** - AS 23.35.060 - Administered by the Department of Labor and Workforce Development (DOLWD). This fund is composed of 39 percent of the money derived by the State from all commercial fishermen's licenses and money appropriated by the legislature to pay for emergency treatment, transportation, medical care, and hospitalization of injured or disabled commercial fishermen.

- **Mine Reclamation Trust Fund (Fund Type 3111)** - AS 37.14.800 - Administered by the Department of Natural Resources (DNR). The principal and earnings of the fund shall be held by the State for the purpose of protecting the public interest in reclaiming mine sites in the State. The fund is composed of the mine reclamation trust fund income account and the mine reclamation trust fund operating account. The fund's income account consists of payments and deposits made by miners to satisfy the miners' reclamation bonding or financial assurance obligation under AS 27.19.040 or AS 27.21.160 and earnings on the income account. The mine reclamation trust fund operating account consists of appropriations by the legislature of the annual balance of the mine reclamation trust fund income account and any earnings on those appropriations while in the operating account.
- **National Petroleum Reserve (NPR) Fund (Fund 1063)** - AS 37.05.530 - The commissioner of the DOR is responsible for the management of the NPR fund. The Department of Commerce, Community and Economic Development administers the NPR grant program within the fund. This fund consists of all money disbursed to the State by the federal government under 42 USC 6506a and former USC 6508 since December 12, 1980, less the amount deposited in the General Fund and expended by the State by General Fund appropriations before June 9, 1984. The monies are spent by municipalities to alleviate the impact from oil and gas development within the NPR.
- **Northern Tobacco Securitization Corporation (NTSC) Fund (Fund 3242)** - AS 18.56.086 - Subsidiary of AHFC. The purpose of this fund is to purchase Tobacco Settlement Revenues from the State in order to provide financing of construction of public school facilities, facilities for the University of Alaska, public housing facilities of AHFC and facilities for ports and harbors. NTSC is authorized to issue bonds necessary to provide sufficient funds for carrying out its purpose.
- **Reclamation Bonding Pool Fund (Fund 3234)** - AS 27.19.040 - Administered by the DNR. The fund is a statewide bonding pool for mining operations as an alternative to individual financial assurance. A miner participating in the bonding pool contributes a nonrefundable annual fee and an initial deposit that is refunded upon satisfactory completion of the approved reclamation plan. If a miner violates the reclamation plan, the financial assurance is forfeited and deposited in the fund. Income and other earnings on the bonding pool are also added to the fund. The reclamation and administrative costs and forfeited financial assurances are used for reclamation of the mining sites subject to forfeiture.
- **School Fund (Fund 1030)** - AS 43.50.140 - Administered by the DOR and the Department of Education and Early Development. This fund receives the revenue from the payment of cigarette taxes, fees, and penalties. It can only be used to rehabilitate, construct, and repair the State's school facilities, and for costs of insurance on buildings comprising school facilities.
- **Second Injury Fund (Fund 1031)** - AS 23.30.040 - Administered by the DOLWD. The fund consists of contributions from employers collected under AS 23.30.040(b) and (c), and civil penalties collected under AS 23.30.155(c). Money in the fund may only be paid for the benefit of those persons entitled to payment of benefits from the second injury fund under AS 23.30.



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STATE OF ALASKA **STATEMENT 3.31**

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2023

(Stated in Thousands)

	Second Injury	Fishermen's	Fish and Game	School	National Petroleum Reserve	Reclamation Bonding Pool	Clean Air Protection	Exxon Valdez Oil Spill Restoration
ASSETS								
Cash and Investments	$ 6,033	$ 12,651	$ 47,749	$ 373	$ 104,818	$ 3,407	$ (144)	$ 1,485
Accounts Receivable - Net	—	—	—	1,099	—	—	64	—
Interest and Dividends Receivable	—	—	—	—	—	—	—	—
Due from Other Funds	—	483	2	1,511	—	—	1,856	—
Due from Other Governments	—	—	—	—	—	—	—	—
Other Assets	—	—	28	—	—	—	—	—
Total Assets	6,033	13,134	47,779	2,983	104,818	3,407	1,776	1,485
LIABILITIES								
Accounts Payable and Accrued Liabilities	57	14	3,699	80	597	—	448	1
Due to Other Funds	25	—	3,429	—	—	—	—	—
Unearned Revenue	—	—	3	—	—	—	—	—
Other Liabilities	—	—	—	—	—	586	—	—
Total Liabilities	82	14	7,131	80	597	586	448	1
FUND BALANCES								
Nonspendable:								
Advances and Prepaid Items	—	—	—	—	—	—	—	—
Restricted for:								
Education	—	—	—	2,903	—	—	—	—
Health and Human Services	5,951	13,120	—	—	—	—	—	—
Development	—	—	40,648	—	—	2,821	1,328	1,484
Other Purposes	—	—	—	—	—	—	—	—
Committed to:								
Education	—	—	—	—	—	—	—	—
Public Protection	—	—	—	—	—	—	—	—
Development	—	—	—	—	104,221	—	—	—
Unassigned	—	—	—	—	—	—	—	—
Total Fund Balances	5,951	13,120	40,648	2,903	104,221	2,821	1,328	1,484
Total Liabilities and Fund Balances	$ 6,033	$ 13,134	$ 47,779	$ 2,983	$ 104,818	$ 3,407	$ 1,776	$ 1,485

This statement continued on next page.

STATE OF ALASKA **STATEMENT 3.31**

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2023

(Stated in Thousands)

	Alyeska Settlement Trust	Exxon Valdez Settlement Trust	Northern Tobacco Securitization Corporation	Mine Reclamation Trust	Alaska Housing Capital Corporation	Alaska State Council on the Arts	Total Nonmajor Special Revenue Funds
ASSETS							
Cash and Investments	$ 3,901	$ 30,736	$ 209	$ 1,555	$ 2,367	$ 1,580	$ 216,720
Accounts Receivable - Net	—	—	—	—	—	—	1,163
Interest and Dividends Receivable	—	—	—	—	9	—	9
Due from Other Funds	—	—	—	—	—	7	3,859
Due from Other Governments	—	—	—	—	—	508	508
Other Assets	—	—	—	—	1,691	—	1,719
Total Assets	3,901	30,736	209	1,555	4,067	2,095	223,978
LIABILITIES							
Accounts Payable and Accrued Liabilities	—	1,267	—	—	—	951	7,114
Due to Other Funds	—	138	—	—	150	—	3,742
Unearned Revenue	—	—	—	—	—	1,179	1,182
Other Liabilities	—	—	—	—	—	—	586
Total Liabilities	—	1,405	—	—	150	2,130	12,624
FUND BALANCES							
Nonspendable:							
Advances and Prepaid Items	—	—	—	—	1,691	—	1,691
Restricted for:							
Education	—	—	—	—	—	—	2,903
Health and Human Services	—	—	—	—	—	—	19,071
Development	3,901	29,331	—	1,555	—	—	81,068
Other Purposes	—	—	209	—	—	—	209
Committed to:							
Education	—	—	—	—	190	—	190
Public Protection	—	—	—	—	398	—	398
Development	—	—	—	—	1,638	—	105,859
Unassigned	—	—	—	—	—	(35)	(35)
Total Fund Balances	3,901	29,331	209	1,555	3,917	(35)	211,354
Total Liabilities and Fund Balances	$ 3,901	$ 30,736	$ 209	$ 1,555	$ 4,067	$ 2,095	$ 223,978

STATE OF ALASKA **STATEMENT 3.32**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Fiscal Year Ended June 30, 2023

(Stated in Thousands)

	Second Injury	Fishermen's	Fish and Game	School	National Petroleum Reserve	Reclamation Bonding Pool	Clean Air Protection	Exxon Valdez Oil Spill Restoration
REVENUES								
Taxes	$ —	$ —	$ —	$ 14,026	$ —	$ —	$ —	$ —
Licenses and Permits	—	908	36,229	—	—	—	3,888	—
Charges for Services	—	—	602	—	—	88	—	—
Fines and Forfeitures	—	—	110	—	—	—	—	—
Rents and Royalties	—	—	—	—	41,544	—	—	—
Premiums and Contributions	2,456	—	—	—	—	—	—	—
Interest and Investment Income (Loss)	—	—	1,713	—	—	115	—	48
Federal Grants in Aid	—	—	—	—	—	—	—	—
Other Revenues	—	7	1	—	—	—	—	—
Total Revenues	2,456	915	38,655	14,026	41,544	203	3,888	48
EXPENDITURES								
Current:								
General Government	—	—	—	—	1,754	—	530	—
Education	—	—	—	15,100	21	—	—	—
University	—	—	—	—	—	—	—	—
Health and Human Services	2,333	951	—	—	1	—	—	—
Public Protection	—	—	—	—	353	—	—	—
Natural Resources	—	—	33,478	—	565	—	4,652	—
Development	—	—	—	—	740	—	—	—
Transportation	—	—	—	—	207	—	—	—
Total Expenditures	2,333	951	33,478	15,100	3,641	—	5,182	—
Excess (Deficiency) of Revenues Over Expenditures	123	(36)	5,177	(1,074)	37,903	203	(1,294)	48
OTHER FINANCING SOURCES (USES)								
Transfers In from Other Funds	—	—	560	—	—	—	1,982	—
Net Change in Fund Balances	123	(36)	5,737	(1,074)	37,903	203	688	48
Fund Balances - Beginning of Year	5,828	13,156	34,911	3,977	66,318	2,618	640	1,436
Fund Balances - End of Year	$ 5,951	$ 13,120	$ 40,648	$ 2,903	$ 104,221	$ 2,821	$ 1,328	$ 1,484

This statement continued on next page.

STATE OF ALASKA **STATEMENT 3.32**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Fiscal Year Ended June 30, 2023

(Stated in Thousands)

	Alyeska Settlement Trust	Exxon Valdez Settlement Trust	Northern Tobacco Securitization Corporation	Mine Reclamation Trust	Alaska Housing Capital Corporation	Alaska State Council on the Arts	Total Nonmajor Special Revenue Funds
REVENUES							
Taxes	$ —	$ —	$ —	$ —	$ —	$ —	$ 14,026
Licenses and Permits	—	—	—	—	—	—	41,025
Charges for Services	—	—	—	—	—	—	690
Fines and Forfeitures	—	—	—	—	—	—	110
Rents and Royalties	—	—	—	—	—	—	41,544
Premiums and Contributions	—	17,111	—	—	—	891	20,458
Interest and Investment Income (Loss)	134	1,023	—	136	88	—	3,257
Federal Grants in Aid	—		—	—	—	983	983
Other Revenues	—	—	—	—	—	—	8
Total Revenues	134	18,134	—	136	88	1,874	122,101
EXPENDITURES							
Current:							
General Government	—	—	74	—	—	—	2,358
Education	—	324	—	—	845	1,639	17,929
University	—	—	—	—	425	—	425
Health and Human Services	—	—	—	—	—	—	3,285
Public Protection	—	—	—	—	122	—	475
Natural Resources	—	13,459	—	—	—	—	52,154
Development	—	—	—	—	351	—	1,091
Transportation	—	—	—	—	196	—	403
Total Expenditures	—	13,783	74	—	1,939	1,639	78,120
Excess (Deficiency) of Revenues Over Expenditures	134	4,351	(74)	136	(1,851)	235	43,981
OTHER FINANCING SOURCES (USES)							
Transfers In from Other Funds	—	—	63	—	—	—	2,605
Net Change in Fund Balances	134	4,351	(11)	136	(1,851)	235	46,586
Fund Balances - Beginning of Year	3,767	24,980	220	1,419	5,768	(270)	164,768
Fund Balances - End of Year	$ 3,901	$ 29,331	$ 209	$ 1,555	$ 3,917	$ (35)	$ 211,354

STATE OF ALASKA **STATEMENT 3.33**

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2023
(Stated in Thousands)

	Second Injury			Fishermen's		
	Budget	Actual	Variance with Budget	Budget	Actual	Variance with Budget
REVENUES						
Unrestricted:						
Taxes	$ —	$ —	$ —	$ —	$ —	$ —
Licenses and Permits	—	—	—	1,425	908	517
Charges for Services	—	—	—	—	—	—
Fines and Forfeitures	—	—	—	—	—	—
Rents and Royalties	—	—	—	—	—	—
Premiums and Contributions	2,864	2,456	408	—	—	—
Interest and Investment Income (Loss)	—	—	—	—	—	—
Other Revenues	—	—	—	—	7	(7)
Restricted:						
Federal Grants in Aid	—	—	—	—	—	—
Total Revenues	2,864	2,456	408	1,425	915	510
EXPENDITURES						
Current:						
General Government	2	—	2	—	—	—
Education	—	—	—	—	—	—
University	—	—	—	—	—	—
Health and Human Services	2,862	2,333	529	1,425	951	474
Public Protection	—	—	—	—	—	—
Natural Resources	—	—	—	—	—	—
Development	—	—	—	—	—	—
Transportation	—	—	—	—	—	—
Total Expenditures	2,864	2,333	531	1,425	951	474
Excess (Deficiency) of Revenues Over Expenditures	—	123	(123)	—	(36)	36
OTHER FINANCING SOURCES (USES)						
Transfers In from Other Funds	—	—	—	—	—	—
Total Other Financing Sources and Uses	—	—	—	—	—	—
Excess (Deficiency) of Revenues, Over (Under) Expenditures, Other Financing Sources (Uses), Special and Extraordinary Items, Budgetary Basis	$ —	123	$ (123)	$ —	(36)	$ 36
RECONCILIATION OF BUDGETARY/GAAP REPORTING						
Adjust Expenditures for Encumbrances		—			—	
Excess (Deficiency) of Revenues, Over (Under) Expenditures, Other Financing Sources (Uses), Special and Extraordinary Items, GAAP Basis		123			(36)	
Fund Balances - Beginning of Year		5,828			13,156	
Fund Balances - End of Year		$ 5,951			$ 13,120	

This statement continued on next page.

STATE OF ALASKA **STATEMENT 3.33**

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2023
(Stated in Thousands)

	Fish and Game			School		
	Budget	Actual	Variance with Budget	Budget	Actual	Variance with Budget
REVENUES						
Unrestricted:						
Taxes	$ —	$ —	$ —	$ 14,200	$ 14,026	$ 174
Licenses and Permits	34,277	36,229	(1,952)	—	—	—
Charges for Services	569	602	(33)	—	—	—
Fines and Forfeitures	104	110	(6)	—	—	—
Rents and Royalties	—	—	—	—	—	—
Premiums and Contributions	—	—	—	—	—	—
Interest and Investment Income (Loss)	1,713	1,713	—	—	—	—
Other Revenues	—	1	(1)	—	—	—
Restricted:						
Federal Grants in Aid	—	—	—	—	—	—
Total Revenues	36,663	38,655	(1,992)	14,200	14,026	174
EXPENDITURES						
Current:						
General Government	—	—	—	—	—	—
Education	—	—	—	15,100	15,100	—
University	—	—	—	—	—	—
Health and Human Services	—	—	—	—	—	—
Public Protection	—	—	—	—	—	—
Natural Resources	48,878	33,991	14,887	—	—	—
Development	—	—	—	—	—	—
Transportation	—	—	—	—	—	—
Total Expenditures	48,878	33,991	14,887	15,100	15,100	—
Excess (Deficiency) of Revenues Over Expenditures	(12,215)	4,664	(16,879)	(900)	(1,074)	174
OTHER FINANCING SOURCES (USES)						
Transfers In from Other Funds	560	560	—	—	—	—
Total Other Financing Sources and Uses	560	560	—	—	—	—
Excess (Deficiency) of Revenues, Over (Under) Expenditures, Other Financing Sources (Uses), Special and Extraordinary Items, Budgetary Basis	$ (11,655)	5,224	$ (16,879)	$ (900)	(1,074)	$ 174
RECONCILIATION OF BUDGETARY/GAAP REPORTING						
Adjust Expenditures for Encumbrances		513			—	
Excess (Deficiency) of Revenues, Over (Under) Expenditures, Other Financing Sources (Uses), Special and Extraordinary Items, GAAP Basis		5,737			(1,074)	
Fund Balances - Beginning of Year		34,911			3,977	
Fund Balances - End of Year		$ 40,648			$ 2,903	

This statement continued on next page.

STATE OF ALASKA **STATEMENT 3.33**

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2023
(Stated in Thousands)

	National Petroleum Reserve			Clean Air Protection		
	Budget	Actual	Variance with Budget	Budget	Actual	Variance with Budget
REVENUES						
Unrestricted:						
Taxes	$ —	$ —	$ —	$ —	$ —	$ —
Licenses and Permits	—	—	—	6,915	3,888	3,027
Charges for Services	—	—	—	—	—	—
Fines and Forfeitures	—	—	—	—	—	—
Rents and Royalties	18,044	41,544	(23,500)	—	—	—
Premiums and Contributions	—	—	—	—	—	—
Interest and Investment Income (Loss)	—	—	—	—	—	—
Other Revenues	—	—	—	—	—	—
Restricted:						
Federal Grants in Aid	—	—	—	—	—	—
Total Revenues	18,044	41,544	(23,500)	6,915	3,888	3,027
EXPENDITURES						
Current:						
General Government	—	—	—	530	530	—
Education	—	—	—	—	—	—
University	—	—	—	—	—	—
Health and Human Services	—	—	—	—	—	—
Public Protection	—	—	—	—	—	—
Natural Resources	—	—	—	6,385	4,942	1,443
Development	28,646	22,997	5,649	—	—	—
Transportation	—	—	—	—	—	—
Total Expenditures	28,646	22,997	5,649	6,915	5,472	1,443
Excess (Deficiency) of Revenues Over Expenditures	(10,602)	18,547	(29,149)	—	(1,584)	1,584
OTHER FINANCING SOURCES (USES)						
Transfers In from Other Funds	—	—	—	—	1,982	(1,982)
Total Other Financing Sources and Uses	—	—	—	—	1,982	(1,982)
Excess (Deficiency) of Revenues, Over (Under) Expenditures, Other Financing Sources (Uses), Special and Extraordinary Items, Budgetary Basis	$ (10,602)	18,547	$ (29,149)	$ —	398	$ (398)
RECONCILIATION OF BUDGETARY/GAAP REPORTING						
Adjust Expenditures for Encumbrances		19,356			290	
Excess (Deficiency) of Revenues, Over (Under) Expenditures, Other Financing Sources (Uses), Special and Extraordinary Items, GAAP Basis		37,903			688	
Fund Balances - Beginning of Year		66,318			640	
Fund Balances - End of Year		$ 104,221			$ 1,328	

This statement continued on next page.

STATE OF ALASKA **STATEMENT 3.33**

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2023
(Stated in Thousands)

	Exxon Valdez Oil Spill Restoration			Alyeska Settlement Trust		
	Budget	Actual	Variance with Budget	Budget	Actual	Variance with Budget
REVENUES						
Unrestricted:						
Taxes	$ —	$ —	$ —	$ —	$ —	$ —
Licenses and Permits	—	—	—	—	—	—
Charges for Services	—	—	—	—	—	—
Fines and Forfeitures	—	—	—	—	—	—
Rents and Royalties	—	—	—	—	—	—
Premiums and Contributions	—	—	—	—	—	—
Interest and Investment Income (Loss)	1,089	48	1,041	—	134	(134)
Other Revenues	—	—	—	—	—	—
Restricted:						
Federal Grants in Aid	—	—	—	—	—	—
Total Revenues	1,089	48	1,041	—	134	(134)
EXPENDITURES						
Current:						
General Government	—	—	—	—	—	—
Education	—	—	—	—	—	—
University	—	—	—	—	—	—
Health and Human Services	—	—	—	—	—	—
Public Protection	—	—	—	—	—	—
Natural Resources	1,088	—	1,088	—	—	—
Development	—	—	—	—	—	—
Transportation	—	—	—	—	—	—
Total Expenditures	1,088	—	1,088	—	—	—
Excess (Deficiency) of Revenues Over Expenditures	1	48	(47)	—	134	(134)
OTHER FINANCING SOURCES (USES)						
Transfers In from Other Funds	—	—	—	—	—	—
Total Other Financing Sources and Uses	—	—	—	—	—	—
Excess (Deficiency) of Revenues, Over (Under) Expenditures, Other Financing Sources (Uses), Special and Extraordinary Items, Budgetary Basis	$ 1	48	$ (47)	$ —	134	$ (134)
RECONCILIATION OF BUDGETARY/GAAP REPORTING						
Adjust Expenditures for Encumbrances		—			—	
Excess (Deficiency) of Revenues, Over (Under) Expenditures, Other Financing Sources (Uses), Special and Extraordinary Items, GAAP Basis		48			134	
Fund Balances - Beginning of Year		1,436			3,767	
Fund Balances - End of Year		$ 1,484			$ 3,901	

This statement continued on next page.

STATE OF ALASKA **STATEMENT 3.33**

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2023
(Stated in Thousands)

	Exxon Valdez Settlement Trust			Mine Reclamation Trust		
	Budget	Actual	Variance with Budget	Budget	Actual	Variance with Budget
REVENUES						
Unrestricted:						
Taxes	$ —	$ —	$ —	$ —	$ —	$ —
Licenses and Permits	—	—	—	—	—	—
Charges for Services	—	—	—	—	—	—
Fines and Forfeitures	—	—	—	—	—	—
Rents and Royalties	—	—	—	—	—	—
Premiums and Contributions	79,214	17,111	62,103	—	—	—
Interest and Investment Income (Loss)	—	1,023	(1,023)	—	136	(136)
Other Revenues	—	—	—	—	—	—
Restricted:						
Federal Grants in Aid	—	—	—	—	—	—
Total Revenues	79,214	18,134	61,080	—	136	(136)
EXPENDITURES						
Current:						
General Government	7	7	—	—	—	—
Education	7,339	7,339	—	—	—	—
University	—	—	—	—	—	—
Health and Human Services	658	52	606	—	—	—
Public Protection	—	—	—	—	—	—
Natural Resources	85,711	24,841	60,870	—	—	—
Development	5,950	5,950	—	—	—	—
Transportation	—	—	—	—	—	—
Total Expenditures	99,665	38,189	61,476	—	—	—
Excess (Deficiency) of Revenues Over Expenditures	(20,451)	(20,055)	(396)	—	136	(136)
OTHER FINANCING SOURCES (USES)						
Transfers In from Other Funds	—	—	—	—	—	—
Total Other Financing Sources and Uses	—	—	—	—	—	—
Excess (Deficiency) of Revenues, Over (Under) Expenditures, Other Financing Sources (Uses), Special and Extraordinary Items, Budgetary Basis	$ (20,451)	(20,055)	$ (396)	$ —	136	$ (136)
RECONCILIATION OF BUDGETARY/GAAP REPORTING						
Adjust Expenditures for Encumbrances		24,406			—	
Excess (Deficiency) of Revenues, Over (Under) Expenditures, Other Financing Sources (Uses), Special and Extraordinary Items, GAAP Basis		4,351			136	
Fund Balances - Beginning of Year		24,980			1,419	
Fund Balances - End of Year		$ 29,331			$ 1,555	

This statement continued on next page.

STATE OF ALASKA **STATEMENT 3.33**

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2023
(Stated in Thousands)

	Alaska State Council on the Arts			Funds Not Annually Budgeted		
				Reclamation Bonding Pool	Northern Tobacco Securitization Corporation	Alaska Housing Capital Corporation
	Budget	Actual	Variance with Budget	Actual	Actual	Actual
REVENUES						
Unrestricted:						
Taxes	$ —	$ —	$ —	$ —	$ —	$ —
Licenses and Permits	—	—	—	—	—	—
Charges for Services	—	—	—	88	—	—
Fines and Forfeitures	—	—	—	—	—	—
Rents and Royalties	—	—	—	—	—	—
Premiums and Contributions	2,327	891	1,436	—	—	—
Interest and Investment Income (Loss)	—	—	—	115	—	88
Other Revenues	—	—	—	—	—	—
Restricted:						
Federal Grants in Aid	956	983	(27)	—	—	—
Total Revenues	3,283	1,874	1,409	203	—	88
EXPENDITURES						
Current:						
General Government	—	—	—	—	74	—
Education	3,283	1,560	1,723	—	—	845
University	—	—	—	—	—	425
Health and Human Services	—	—	—	—	—	—
Public Protection	—	—	—	—	—	122
Natural Resources	—	—	—	—	—	—
Development	—	—	—	—	—	351
Transportation	—	—	—	—	—	196
Total Expenditures	3,283	1,560	1,723	—	74	1,939
Excess (Deficiency) of Revenues Over Expenditures	—	314	(314)	203	(74)	(1,851)
OTHER FINANCING SOURCES (USES)						
Transfers In from Other Funds	—	—	—	—	63	—
Total Other Financing Sources and Uses	—	—	—	—	63	—
Excess (Deficiency) of Revenues, Over (Under) Expenditures, Other Financing Sources (Uses), Special and Extraordinary Items, Budgetary Basis	$ —	314	$ (314)	203	(11)	(1,851)
RECONCILIATION OF BUDGETARY/GAAP REPORTING						
Adjust Expenditures for Encumbrances		(79)		—	—	—
Excess (Deficiency) of Revenues, Over (Under) Expenditures, Other Financing Sources (Uses), Special and Extraordinary Items, GAAP Basis		235		203	(11)	(1,851)
Fund Balances - Beginning of Year		(270)		2,618	220	5,768
Fund Balances - End of Year		$ (35)		$ 2,821	$ 209	$ 3,917

This statement continued on next page.

STATE OF ALASKA **STATEMENT 3.33**

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2023
(Stated in Thousands)

	Total		
	Budget	Actual	Variance with Budget
REVENUES			
Unrestricted:			
Taxes	$ 14,200	$ 14,026	$ 174
Licenses and Permits	42,617	41,025	1,592
Charges for Services	569	690	(121)
Fines and Forfeitures	104	110	(6)
Rents and Royalties	18,044	41,544	(23,500)
Premiums and Contributions	84,405	20,458	63,947
Interest and Investment Income (Loss)	2,802	3,257	(455)
Other Revenues	—	8	(8)
Restricted:			
Federal Grants in Aid	956	983	(27)
Total Revenues	163,697	122,101	41,596
EXPENDITURES			
Current:			
General Government	539	611	(72)
Education	25,722	24,844	878
University	—	425	(425)
Health and Human Services	4,945	3,336	1,609
Public Protection	—	122	(122)
Natural Resources	142,062	63,774	78,288
Development	34,596	29,298	5,298
Transportation	—	196	(196)
Total Expenditures	207,864	122,606	85,258
Excess (Deficiency) of Revenues Over Expenditures	(44,167)	(505)	(43,662)
OTHER FINANCING SOURCES (USES)			
Transfers In from Other Funds	560	2,605	(2,045)
Total Other Financing Sources and Uses	560	2,605	(2,045)
Excess (Deficiency) of Revenues, Over (Under) Expenditures, Other Financing Sources (Uses), Special and Extraordinary Items, Budgetary Basis	$ (43,607)	2,100	$ (45,707)
RECONCILIATION OF BUDGETARY/GAAP REPORTING			
Adjust Expenditures for Encumbrances		44,486	
Excess (Deficiency) of Revenues, Over (Under) Expenditures, Other Financing Sources (Uses), Special and Extraordinary Items, GAAP Basis		46,586	
Fund Balances - Beginning of Year		164,768	
Fund Balances - End of Year		$ 211,354	

Nonmajor Debt Service Funds

The debt service funds account for the accumulation of resources for and the payment of principal, interest, and related costs of general long-term debt. The following are the State's debt service funds.

- **General Obligation Bond Redemption Fund (Fund 3120)** - Accounts for accumulation of resources for and the payment of principal, interest, and related costs of general obligation bonds.
- **Northern Tobacco Securitization Corporation (NTSC) Bond Redemption Fund (Fund 3256)** - AS 18.56.086 - Accounts for accumulation of resources for and the payment of principal, interest, and related costs of revenue bonds issued by NTSC.

STATE OF ALASKA **STATEMENT 3.41**

Combining Balance Sheet

Nonmajor Debt Service Funds

June 30, 2023

(Stated in Thousands)

	General Obligation Bond Redemption	Northern Tobacco Securitization Corporation	Total Nonmajor Debt Service Funds
ASSETS			
Cash and Investments	$ 404	$ 15,765	$ 16,169
Interest and Dividends Receivable	—	66	66
Total Assets	404	15,831	16,235
LIABILITIES			
Total Liabilities	—	—	—
FUND BALANCES			
Restricted for:			
Debt Service	404	15,831	16,235
Total Fund Balances	404	15,831	16,235
Total Liabilities and Fund Balances	$ 404	$ 15,831	$ 16,235

STATE OF ALASKA **STATEMENT 3.42**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Debt Service Funds

For the Fiscal Year Ended June 30, 2023

(Stated in Thousands)

	General Obligation Bond Redemption	Northern Tobacco Securitization Corporation	Total Nonmajor Debt Service Funds
REVENUES			
Interest and Investment Income (Loss)	$ 117	$ 624	$ 741
Other Revenues	—	18,544	18,544
Total Revenues	117	19,168	19,285
EXPENDITURES			
Debt Service:			
Principal	42,910	11,600	54,510
Interest and Other Charges	30,924	7,576	38,500
Total Expenditures	73,834	19,176	93,010
Excess (Deficiency) of Revenues Over Expenditures	(73,717)	(8)	(73,725)
OTHER FINANCING SOURCES (USES)			
Refunding Bonds Issued	55,900	—	55,900
Bonds Issued Premium	2,022	—	2,022
Payment to Refunded Bonds Escrow Agent	(57,625)	—	(57,625)
Transfers In from Other Funds	73,555	—	73,555
Transfers (Out to) Other Funds	—	(63)	(63)
Total Other Financing Sources and Uses	73,852	(63)	73,789
Net Change in Fund Balances	135	(71)	64
Fund Balances - Beginning of Year	269	15,902	16,171
Fund Balances - End of Year	$ 404	$ 15,831	$ 16,235



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Nonmajor Capital Projects Funds

The capital projects funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

The following are the State's capital projects funds.

- **2008 Transportation Project Fund (GO Bonds) (Fund 3243)** - Chapter 30, SLA 2008 - This fund consists of the proceeds from the sale of general obligation bonds, and is to be used for the purpose of paying the cost of state transportation projects.
- **2010 Education Project Fund (GO Bonds) (Fund 3116)** - Chapter 95, SLA 2010 - This fund consists of the proceeds from the sale of general obligation bonds, and is to be used for the purpose of paying the cost of state education projects.
- **2012 Transportation Project Fund (GO Bonds) (Fund 3154)** - Chapter 18, SLA 2012 - This fund consists of the proceeds from the sale of general obligation bonds, and is to be used for the purpose of paying the cost of state transportation projects.

STATE OF ALASKA **STATEMENT 3.51**

Combining Balance Sheet

Nonmajor Capital Projects Funds

June 30, 2023

(Stated in Thousands)

	2008 Transportation Projects	2010 Education Projects	2012 Transportation Projects	Total Nonmajor Capital Projects Fund
ASSETS				
Cash and Investments	$ 788	$ 201	$ 57,798	$ 58,787
Interest and Dividends Receivable	4	1	288	293
Total Assets	792	202	58,086	59,080
LIABILITIES				
Accounts Payable and Accrued Liabilities	—	—	1,354	1,354
Due to Other Funds	—	18	746	764
Total Liabilities	—	18	2,100	2,118
FUND BALANCES				
Restricted for:				
Education	—	184	—	184
Development	792	—	55,986	56,778
Total Fund Balances	792	184	55,986	56,962
Total Liabilities and Fund Balances	$ 792	$ 202	$ 58,086	$ 59,080

STATE OF ALASKA **STATEMENT 3.52**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Capital Projects Funds

For the Fiscal Year Ended June 30, 2023

(Stated in Thousands)

	2008 Transportation Projects	2010 Education Projects	2012 Transportation Projects	Total Nonmajor Capital Projects Fund
REVENUES				
Interest and Investment Income (Loss)	$ 31	$ 8	$ 2,434	$ 2,473
Total Revenues	31	8	2,434	2,473
EXPENDITURES				
Current:				
Transportation	—	—	12,095	12,095
Total Expenditures	—	—	12,095	12,095
Excess (Deficiency) of Revenues Over Expenditures	31	8	(9,661)	(9,622)
OTHER FINANCING SOURCES (USES)				
Transfers (Out to) Other Funds	—	(18)	(506)	(524)
Total Other Financing Sources and Uses	—	(18)	(506)	(524)
Net Changes in Fund Balances	31	(10)	(10,167)	(10,146)
Fund Balances - Beginning of Year	761	194	66,153	67,108
Fund Balances - End of Year	$ 792	$ 184	$ 55,986	$ 56,962



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Nonmajor Enterprise Funds

Enterprise funds account for business-like state activities that provide goods and/or services to the public and are financed primarily through user charges. The following are the State's nonmajor enterprise funds.

COMMERCIAL AND ENERGY ASSISTANCE ENTERPRISE FUNDS

- **Alaska Capstone Avionics Revolving Loan Fund (Fund Category 1209)** - AS 44.33.655 - Administered by the Department of Commerce, Community, and Economic Development (DCCED). The purpose of this fund is to provide low interest loans to qualified applicants for the purpose of purchasing and installing capstone avionics equipment, to increase the safety of air carrier, air taxi, and general aviation intrastate air transportation.
- **Alaska Microloan Revolving Loan Fund (Fund Category 1227)** - AS 44.33.950 - Administered by the DCCED. The purpose of this fund is to make loans to be used for working capital, equipment, construction or other commercial purposes by a business located in the state.
- **Alternative Energy Conservation Revolving Loan Fund (Fund Category 1071)** - AS 45.88.010 - Administered by the DCCED. This fund consists of monies appropriated by the legislature for the purpose of developing energy production utilizing one or more alternative energy systems and to purchase, construct, and install energy conservation improvements in commercial buildings.
- **Bulk Fuel Revolving Loan Fund (Fund Category 3122)** - AS 42.45.250 - Administered by the DCCED. The purpose of this fund is to assist communities, utilities providing power in communities, fuel retailers, and other persons in communities in purchasing bulk fuel to generate power or supply the public with fuel for use in communities.
- **Commercial Charter Fisheries Revolving Loan Fund (Fund Category 1223)** - AS 16.10.801 - Administered by the DCCED. The purpose of this fund is to make loans for the purchase of charter halibut permits and to refinance debt obligations for the purchase of halibut fishing vessels or gear.
- **Commercial Fishing Revolving Loan Fund (Fund Category 1036)** - AS 16.10.340 - Administered by the DCCED. The purpose of this fund is to promote the development and continued maintenance of commercial fishing gear and vessels by means of long-term, low interest loans.
- **Fisheries Enhancement Revolving Loan Fund (Fund Category 1070)** - AS 16.10.505 - Administered by the DCCED. The purpose of this fund is to promote the enhancement of the State's fisheries by means of long-term, low interest loans for hatchery planning, construction, and operation.
- **Mariculture Revolving Loan Fund (Fund Category 1224)** - AS 16.10.900 - Administered by the DCCED. The purpose of this fund is to make loans to eligible applicants for the planning, construction and operation of a mariculture business.
- **Mining Revolving Loan Fund (Fund Category 1067)** - AS 27.09.010 - Administered by the DCCED. This fund consists of money appropriated by the legislature for loans to underwrite advanced mineral exploration, development, or mining.

OTHER AGENCIES ENTERPRISE FUNDS

- **Agricultural Revolving Loan Fund (Fund Category 1021)** - AS 03.10.040 - Administered by the Department of Natural Resources. The purpose of this fund is to promote the development of agriculture as an industry throughout the State by means of long-term, low interest loans.
- **Alaska Clean Water Fund (Fund Type 3129)** - AS 46.03.032 - Administered by the Department of Environmental Conservation (DEC). The fund consists of money appropriated by the legislature to meet federal matching requirements for public water and sewage treatment facilities and to provide financial assistance for this purpose.
- **Alaska Drinking Water Fund (Fund Type 3129)** - AS 46.03.036 - Administered by the DEC. The fund consists of federal capitalization grants. The capitalization grants are divided between two purposes: (1) part of each capitalization grant is to be deposited into the fund for providing loans for drinking water infrastructure projects; (2) the other part is to be used or set aside for non-project activities.
- **Alcoholism and Drug Abuse Revolving Loan Fund (Fund Category 1013)** - AS 44.29.210 - Administered by the Department of Health. This fund is required under 42 U.S.C. 300x-25 to qualify the State to receive block grant money from the United States Department of Health and Human Services under 42 U.S.C. 300x-21. Money in the fund may be used to make loans to private nonprofit organizations for the cost of establishing programs to help pay the living expenses of individuals recovering from alcohol or drug abuse who may reside in group homes.
- **Retiree Health (Fund Type 3133)** – AS 39.35.535, AS 14.25.168, AS 22.25.090 – Administered by the Department of Administration. The State has a self–insurance program to provide health care coverage for retirees covered by the retirement programs administered by the State. This fund consists of accumulated assets held for the purpose of paying health care claims for retirees and accounts for transactions pertaining to the self–insurance program.
- **Unemployment Compensation Fund (Fund Type 3284)** - AS 23.20.130 - Administered by the Department of Labor and Workforce Development. This federal trust fund is established and maintained in the United States Treasury. It is used to account for unemployment contributions from employers and unemployment benefits paid to eligible claimants.



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STATE OF ALASKA **STATEMENT 4.01**

Combining Statement of Net Position

Nonmajor Enterprise Funds

June 30, 2023

(Stated in Thousands)

	Commercial and Energy Assistance	Other Agencies	Total Nonmajor Enterprise Funds
ASSETS			
Current Assets:			
Cash and Investments	$ 121,968	$ 1,639,299	$ 1,761,267
Accounts Receivable - Net	—	30,414	30,414
Interest and Dividends Receivable	3,751	3,178	6,929
Due from Other Funds	11	5,847	5,858
Due from Other Governments	—	223	223
Loans, Notes, Bonds and Leases Receivable	10,334	26,119	36,453
Other Current Assets	1	214	215
Total Current Assets	136,065	1,705,294	1,841,359
Noncurrent Assets:			
Interest and Dividends Receivable	7,013	—	7,013
Loans, Notes, Bonds and Leases Receivable	140,535	343,744	484,279
Repossessed Property	170	—	170
Net OPEB Asset	2,280	—	2,280
Other Noncurrent Assets	13	2,335	2,348
Total Noncurrent Assets	150,011	346,079	496,090
Total Assets	286,076	2,051,373	2,337,449
DEFERRED OUTFLOWS OF RESOURCES			
Total Deferred Outflows of Resources	856	—	856
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	229	34,111	34,340
Due to Other Funds	62	4,357	4,419
Due to Other Governments	—	2,966	2,966
Claims, Judgments, Compensated Absences, and Pollution Remediation	241	—	241
Unearned Revenue	—	26,125	26,125
Other Current Liabilities	—	292	292
Total Current Liabilities	532	67,851	68,383
Noncurrent Liabilities:			
Claims, Judgments, Compensated Absences, and Pollution Remediation	129	—	129
Net Pension Liabilities	5,679	—	5,679
Other Noncurrent Liabilities	—	38,688	38,688
Total Noncurrent Liabilities	5,808	38,688	44,496
Total Liabilities	6,340	106,539	112,879
DEFERRED INFLOWS OF RESOURCES			
Total Deferred Inflows of Resources	180	—	180
NET POSITION			
Restricted for:			
Unemployment Compensation	—	588,632	588,632
Health and Human Services	—	594,052	594,052
Other Purposes	—	244	244
Unrestricted	280,412	761,906	1,042,318
Total Net Position	$ 280,412	$ 1,944,834	$ 2,225,246

STATE OF ALASKA **STATEMENT 4.02**

Combining Statement of Revenues, Expenses, and Changes in Net Position

Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2023

(Stated in Thousands)

	Commercial and Energy Assistance	Other Agencies	Total Nonmajor Enterprise Funds
OPERATING REVENUES			
Premiums and Contributions	$ —	$ 267,736	$ 267,736
Charges for Goods and Services	156	1,632	1,788
Interest and Investment Income (Loss)	6,683	3,764	10,447
Allowance for Uncollectible Interest	181	—	181
Fines and Forfeitures	44	684	728
Allowance for Uncollectible Fines	—	(562)	(562)
Federal Reimbursements	—	(3,892)	(3,892)
Other Operating Revenues	—	350	350
Total Operating Revenues	7,064	269,712	276,776
OPERATING EXPENSES			
Benefits	—	134,633	134,633
Operating	4,081	5,227	9,308
Provision for Loan Losses and Forgiveness	(873)	—	(873)
Total Operating Expenses	3,208	139,860	143,068
Operating Income (Loss)	3,856	129,852	133,708
NONOPERATING REVENUES (EXPENSES)			
Interest and Investment Income (Loss)	1,234	82,351	83,585
Interest and Investment Expense	—	(18)	(18)
Other Nonoperating Revenues (Expenses)	(69)	(2,843)	(2,912)
Total Nonoperating Revenues (Expenses)	1,165	79,490	80,655
Income Before Capital Contributions and Transfers	5,021	209,342	214,363
Capital Contributions	—	1,666	1,666
Transfers (Out to) Other Funds	(30)	—	(30)
Change in Net Position	4,991	211,008	215,999
Total Net Position - Beginning of Year	275,421	1,733,826	2,009,247
Total Net Position - End of Year	$ 280,412	$ 1,944,834	$ 2,225,246

STATE OF ALASKA **STATEMENT 4.03**

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2023

(Stated in Thousands)

	Commercial and Energy Assistance	Other Agencies	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Other Governments	$ —	$ 3,819	$ 3,819
Receipts from Customers	168	—	168
Receipts for Interfund Services Provided	93	—	93
Receipt of Principal from Loan Recipients	32,884	29,013	61,897
Receipt of Interest and Fees from Loan Recipients	6,899	5,154	12,053
Receipts from Insured	—	286,735	286,735
Payments to Employees	(3,244)	(1,385)	(4,629)
Payments to Suppliers	—	(4,180)	(4,180)
Payments to Other Governments	—	(2,380)	(2,380)
Payments to Loan Recipients	(32,772)	(20,970)	(53,742)
Claims Paid	—	(127,407)	(127,407)
Payments for Interfund Services Used	(603)	—	(603)
Other Receipts	51	731	782
Other Payments	(37)	—	(37)
Net Cash Provided (Used) by Operating Activities	3,439	169,130	172,569
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating Subsidies and Transfers (Out to) Other Funds	(214)	(2,843)	(3,057)
Proceeds from Issuance of Short-term Debt	—	2,787	2,787
Payments on Short-term Debt	—	(2,787)	(2,787)
Interest and Fees Paid on Borrowing	—	(10)	(10)
Net Cash Provided (Used) by Noncapital Financing Activities	(214)	(2,853)	(3,067)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Federal Grants	—	7,779	7,779
Net Cash Provided (Used) by Capital and Related Financing Activities	—	7,779	7,779

This statement continues on the next page.

STATE OF ALASKA **STATEMENT 4.03**

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2023

(Stated in Thousands)

	Commercial and Energy Assistance	Other Agencies	Total Nonmajor Enterprise Funds
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sales/Maturities of Investments	$ —	$ 299,921	$ 299,921
Purchase of Investments	—	(370,101)	(370,101)
Investment Income (Loss)	1,234	77,386	78,620
Net Cash Provided (Used) by Investing Activities	1,234	7,206	8,440
Net Increase (Decrease) in Cash	4,459	181,262	185,721
Cash and Cash Equivalents - Beginning of Year	117,509	717,950	835,459
Cash and Cash Equivalents - End of Year	$ 121,968	$ 899,212	$ 1,021,180
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	$ 3,856	$ 129,852	$ 133,708
Net Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:			
Accounts Receivable - Net	—	25,239	25,239
Due from Other Funds	—	756	756
Due from Other Governments	—	1,328	1,328
Loans, Notes, and Bonds Receivable - Net	(478)	8,256	7,778
Repossessed Property	(3)	—	(3)
Interest and Dividends Receivable - Net	179	(198)	(19)
Net OPEB Asset	213	162	375
Other Assets	(13)	13	—
Deferred Outflows of Resources	(16)	55	39
Due to Other Funds	10	3,598	3,608
Due to Other Governments	—	626	626
Unearned Revenue	—	1,849	1,849
Accounts Payable and Accrued Liabilities	22	(2,003)	(1,981)
Net Pension Liability	2,209	(226)	1,983
Net OPEB Liability	—	—	—
Other Liabilities	—	—	—
Deferred Inflows of Resources	(2,540)	(177)	(2,717)
Net Cash Provided (Used) by Operating Activities	$ 3,439	$ 169,130	$ 172,569
Reconciliation of Cash to the Statement of Net Position:			
Total Cash and Investments per the Statement of Net Position	$ 121,968	$ 1,639,299	$ 1,761,267
Less: Investments not Meeting the Definition of Cash or Cash Equivalents	—	(740,087)	(740,087)
Cash, End of Year	$ 121,968	$ 899,212	$ 1,021,180

STATE OF ALASKA **STATEMENT 4.11**

Combining Statement of Net Position

Commercial and Energy Assistance Enterprise Funds

June 30, 2023

(Stated in Thousands)

	Alaska Microloan Revolving Loan	Commercial Fishing Revolving Loan	Commercial Charter Fisheries Revolving Loan	Fisheries Enhancement Revolving Loan	Mining Revolving Loan
ASSETS					
Current Assets:					
Cash and Investments	$ 2,753	$ 47,352	$ 1,430	$ 35,239	$ 211
Interest and Dividends Receivable	1	2,919	—	822	—
Due from Other Funds	—	—	11	—	—
Loans, Notes, Bonds and Leases Receivable	4	7,246	—	1,826	—
Other Current Assets	—	1	—	—	—
Total Current Assets	2,758	57,518	1,441	37,887	211
Noncurrent Assets:					
Interest and Dividends Receivable	3	1,050	—	5,892	—
Loans, Notes, Bonds and Leases Receivable	62	70,654	—	66,057	—
Repossessed Property	—	170	—	—	—
Net OPEB Asset	4	1,956	9	277	—
Other Noncurrent Assets	—	—	13	—	—
Total Noncurrent Assets	69	73,830	22	72,226	—
Total Assets	2,827	131,348	1,463	110,113	211
DEFERRED OUTFLOWS OF RESOURCES					
Total Deferred Outflows of Resources	1	734	4	104	—
LIABILITIES					
Current Liabilities:					
Accounts Payable and Accrued Liabilities	1	185	—	31	—
Due to Other Funds	—	41	—	17	—
Claims, Judgments, Compensated Absences, and Pollution Remediation	—	241	—	—	—
Total Current Liabilities	1	467	—	48	—
Noncurrent Liabilities:					
Claims, Judgments, Compensated Absences, and Pollution Remediation	—	129	—	—	—
Net Pension Liabilities	10	4,875	22	689	—
Total Noncurrent Liabilities	10	5,004	22	689	—
Total Liabilities	11	5,471	22	737	—
DEFERRED INFLOWS OF RESOURCES					
Total Deferred Inflows of Resources	—	154	1	22	—
NET POSITION					
Unrestricted	2,817	126,457	1,444	109,458	211
Total Net Position	$ 2,817	$ 126,457	$ 1,444	$ 109,458	$ 211

This statement continues on next page

STATE OF ALASKA **STATEMENT 4.11**

Combining Statement of Net Position

Commercial and Energy Assistance Enterprise Funds

June 30, 2023

(Stated in Thousands)

	Alaska Capstone Avionics Revolving Loan	Mariculture Revolving Loan	Alternative Energy Conservation Revolving Loan	Bulk Fuel Revolving Loan	Total Commercial and Energy Assistance Enterprise Funds
ASSETS					
Current Assets:					
Cash and Investments	$ 4,289	$ 5,229	$ 2,982	$ 22,483	$ 121,968
Interest and Dividends Receivable	—	8	—	1	3,751
Due from Other Funds	—	—	—	—	11
Loans, Notes, Bonds and Leases Receivable	2	25	—	1,231	10,334
Other Current Assets	—	—	—	—	1
Total Current Assets	4,291	5,262	2,982	23,715	136,065
Noncurrent Assets:					
Interest and Dividends Receivable	—	68	—	—	7,013
Loans, Notes, Bonds and Leases Receivable	81	303	—	3,378	140,535
Repossessed Property	—	—	—	—	170
Net OPEB Asset	—	9	—	25	2,280
Other Noncurrent Assets	—	—	—	—	13
Total Noncurrent Assets	81	380	—	3,403	150,011
Total Assets	4,372	5,642	2,982	27,118	286,076
DEFERRED OUTFLOWS OF RESOURCES					
Total Deferred Outflows of Resources	—	3	—	10	856
LIABILITIES					
Current Liabilities:					
Accounts Payable and Accrued Liabilities	8	1	—	3	229
Due to Other Funds	1	1	—	2	62
Claims, Judgments, Compensated Absences, and Pollution Remediation	—	—	—	—	241
Total Current Liabilities	9	2	—	5	532
Noncurrent Liabilities:					
Claims, Judgments, Compensated Absences, and Pollution Remediation	—	—	—	—	129
Net Pension Liabilities	—	21	—	62	5,679
Total Noncurrent Liabilities	—	21	—	62	5,808
Total Liabilities	9	23	—	67	6,340
DEFERRED INFLOWS OF RESOURCES					
Total Deferred Inflows of Resources	—	1	—	2	180
NET POSITION					
Unrestricted	4,363	5,621	2,982	27,059	280,412
Total Net Position	$ 4,363	$ 5,621	$ 2,982	$ 27,059	$ 280,412

STATE OF ALASKA **STATEMENT 4.12**

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position

Commercial and Energy Assistance Enterprise Funds

For the Fiscal Year Ended June 30, 2023

(Stated in Thousands)

	Alaska Microloan Revolving Loan	Commercial Fishing Revolving Loan	Commercial Charter Fisheries Revolving Loan	Fisheries Enhancement Revolving Loan	Mining Revolving Loan
OPERATING REVENUES					
Charges for Goods and Services	$ 1	$ 115	$ —	$ 40	$ —
Interest and Investment Income (Loss)	5	3,988	—	2,478	—
Allowance for Uncollectible Interest	—	176	—	1	—
Fines and Forfeitures	—	44	—	—	—
Total Operating Revenues	6	4,323	—	2,519	—
OPERATING EXPENSES					
Operating	7	3,496	46	475	—
Provision for Loan Losses and Forgiveness	—	(669)	—	(117)	(2)
Total Operating Expenses	7	2,827	46	358	(2)
Operating Income (Loss)	(1)	1,496	(46)	2,161	2
NONOPERATING REVENUES (EXPENSES)					
Interest and Investment Income (Loss)	94	—	51	—	—
Other Nonoperating Revenues (Expenses)	—	—	—	—	—
Total Nonoperating Revenues (Expenses)	94	—	51	—	—
Income Before Capital Contributions and Transfers	93	1,496	5	2,161	2
Transfers (Out to) Other Funds	—	—	(30)	—	—
Change in Net Position	93	1,496	(25)	2,161	2
Total Net Position - Beginning of Year	2,724	124,961	1,469	107,297	209
Total Net Position - End of Year	$ 2,817	$ 126,457	$ 1,444	$ 109,458	$ 211

This statement continues on next page

STATE OF ALASKA **STATEMENT 4.12**

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position

Commercial and Energy Assistance Enterprise Funds

For the Fiscal Year Ended June 30, 2023

(Stated in Thousands)

	Alaska Capstone Avionics Revolving Loan	Mariculture Revolving Loan	Alternative Energy Conservation Revolving Loan	Bulk Fuel Revolving Loan	Total Commercial and Energy Assistance Enterprise Funds
OPERATING REVENUES					
Charges for Goods and Services	$ —	$ —	$ —	$ —	$ 156
Interest and Investment Income (Loss)	4	35	—	173	6,683
Allowance for Uncollectible Interest	—	4	—	—	181
Fines and Forfeitures	—	—	—	—	44
Total Operating Revenues	4	39	—	173	7,064
OPERATING EXPENSES					
Operating	—	14	—	43	4,081
Provision for Loan Losses and Forgiveness	(1)	(12)	—	(72)	(873)
Total Operating Expenses	(1)	2	—	(29)	3,208
Operating Income (Loss)	5	37	—	202	3,856
NONOPERATING REVENUES (EXPENSES)					
Interest and Investment Income (Loss)	148	172	103	666	1,234
Other Nonoperating Revenues (Expenses)	(69)	—	—	—	(69)
Total Nonoperating Revenues (Expenses)	79	172	103	666	1,165
Income Before Capital Contributions and Transfers	84	209	103	868	5,021
Transfers (Out to) Other Funds	—	—	—	—	(30)
Change in Net Position	84	209	103	868	4,991
Total Net Position - Beginning of Year	4,279	5,412	2,879	26,191	275,421
Total Net Position - End of Year	$ 4,363	$ 5,621	$ 2,982	$ 27,059	$ 280,412

STATE OF ALASKA **STATEMENT 4.13**

Combining Statement of Cash Flows

Commercial and Energy Assistance Enterprise Funds

For the Fiscal Year Ended June 30, 2023

(Stated in Thousands)

	Alaska Microloan Revolving Loan	Commercial Fishing Revolving Loan	Commercial Charter Fisheries Revolving Loan	Fisheries Enhancement Revolving Loan	Mining Revolving Loan
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers	$ —	$ 160	$ —	$ 6	$ 2
Receipts for Interfund Services Provided	—	93	—	—	—
Receipts of Principal from Loan Recipients	10	11,461	—	2,974	—
Receipt of Interest and Fees from Loan Recipients	18	3,727	—	2,849	—
Payments to Employees	(6)	(2,750)	(46)	(389)	—
Payments to Loan Recipients	—	(9,704)	—	(4,577)	—
Payments for Interfund Services Used	(2)	(491)	—	(102)	—
Other Receipts	—	50	—	1	—
Other Payments	—	—	(34)	(3)	—
Net Cash Provided (Used) by Operating Activities	20	2,546	(80)	759	2
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Operating Subsidies and Transfers (Out to) Other Funds	—	—	(138)	—	—
Net Cash Provided (Used) by Noncapital Financing Activities	—	—	(138)	—	—
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment Income (Loss)	94	—	51	—	—
Net Cash Provided (Used) by Investing Activities	94	—	51	—	—
Net Increase (Decrease) in Cash	114	2,546	(167)	759	2
Cash and Cash Equivalents - Beginning of Year	2,639	44,806	1,597	34,480	209
Cash and Cash Equivalents - End of Year	$ 2,753	$ 47,352	$ 1,430	$ 35,239	$ 211
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	$ (1)	$ 1,496	$ (46)	$ 2,161	$ 2
Net Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:					
Loans, Notes and Bonds Receivable - Net	9	1,217	—	(1,566)	—
Repossessed Property	—	(3)	—	—	—
Interest and Dividends Receivable - Net	13	(106)	—	175	—
Net OPEB Asset	—	183	—	26	—
Other Assets	—	—	(13)	—	—
Deferred Outflows of Resources	—	(10)	(1)	(1)	—
Due to Other Funds	—	10	—	4	—
Accounts Payable and Accrued Liabilities	—	43	(20)	—	—
Net Pension Liability	4	1,896	9	268	—
Deferred Inflows of Resources	(5)	(2,180)	(9)	(308)	—
Net Cash Provided (Used) by Operating Activities	$ 20	$ 2,546	$ (80)	$ 759	$ 2
Reconciliation of Cash to the Statement of Net Position					
Total Cash and Investments per the Statement of Net Position	2,753	47,352	1,430	35,239	211
Cash, End of Year	$ 2,753	$ 47,352	$ 1,430	$ 35,239	$ 211

This statement continues on next page

STATE OF ALASKA **STATEMENT 4.13**

Combining Statement of Cash Flows

Commercial and Energy Assistance Enterprise Funds

For the Fiscal Year Ended June 30, 2023

(Stated in Thousands)

	Alaska Capstone Avionics Revolving Loan	Mariculture Revolving Loan	Alternative Energy Conservation Revolving Loan	Bulk Fuel Revolving Loan	Total Commercial and Energy Assistance Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers	$ —	$ —	$ —	$ —	$ 168
Receipts for Interfund Services Provided	—	—	—	—	93
Receipts of Principal from Loan Recipients	35	418	—	17,986	32,884
Receipt of Interest and Fees from Loan Recipients	4	130	—	171	6,899
Payments to Employees	—	(18)	—	(35)	(3,244)
Payments to Loan Recipients	—	—	—	(18,491)	(32,772)
Payments for Interfund Services Used	—	(2)	—	(6)	(603)
Other Receipts	—	—	—	—	51
Other Payments	—	—	—	—	(37)
Net Cash Provided (Used) by Operating Activities	39	528	—	(375)	3,439
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Operating Subsidies and Transfers (Out to) Other Funds	(76)	—	—	—	(214)
Net Cash Provided (Used) by Noncapital Financing Activities	(76)	—	—	—	(214)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment Income (Loss)	148	172	103	666	1,234
Net Cash Provided (Used) by Investing Activities	148	172	103	666	1,234
Net Increase (Decrease) in Cash	111	700	103	291	4,459
Cash and Cash Equivalents - Beginning of Year	4,178	4,529	2,879	22,192	117,509
Cash and Cash Equivalents - End of Year	$ 4,289	$ 5,229	$ 2,982	$ 22,483	$ 121,968
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	$ 5	$ 37	$ —	$ 202	$ 3,856
Net Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:					
Loans, Notes and Bonds Receivable - Net	34	403	—	(575)	(478)
Repossessed Property	—	—	—	—	(3)
Interest and Dividends Receivable - Net	—	96	—	1	179
Net OPEB Asset	—	1	—	3	213
Other Assets	—	—	—	—	(13)
Deferred Outflows of Resources	—	(4)	—	—	(16)
Due to Other Funds	—	(2)	—	(2)	10
Accounts Payable and Accrued Liabilities	—	(1)	—	—	22
Net Pension Liability	—	8	—	24	2,209
Deferred Inflows of Resources	—	(10)	—	(28)	(2,540)
Net Cash Provided (Used) by Operating Activities	$ 39	$ 528	$ —	$ (375)	$ 3,439
Reconciliation of Cash to the Statement of Net Position					
Total Cash and Investments per the Statement of Net Position	4,289	5,229	2,982	22,483	121,968
Cash, End of Year	$ 4,289	$ 5,229	$ 2,982	$ 22,483	$ 121,968

STATE OF ALASKA **STATEMENT 4.21**

Combining Statement of Net Position

Other Agencies Enterprise Funds

June 30, 2023

(Stated in Thousands)

	Alcoholism and Drug Abuse Revolving Loan	Agricultural Revolving Loan	Alaska Clean Water	Alaska Drinking Water	Unemployment Compensation	Retiree Health	Total Other Agencies Enterprise Funds
ASSETS							
Current Assets:							
Cash and Investments	$ 244	$ 12,395	$ 151,712	$ 90,267	$ 582,887	$ 801,794	$ 1,639,299
Accounts Receivable - Net	—	12	1,009	521	28,839	33	30,414
Interest and Dividends Receivable	—	73	2,022	1,083	—	—	3,178
Due from Other Funds	—	—	3,205	2,402	141	99	5,847
Due from Other Governments	—	—	—	—	223	—	223
Loans, Notes, Bonds and Leases Receivable	—	659	13,145	12,315	—	—	26,119
Other Current Assets	—	—	—	214	—	—	214
Total Current Assets	244	13,139	171,093	106,802	612,090	801,926	1,705,294
Noncurrent Assets:							
Loans, Notes, Bonds and Leases Receivable	—	8,284	183,511	151,949	—	—	343,744
Other Noncurrent Assets	—	—	—	—	—	2,335	2,335
Total Noncurrent Assets	—	8,284	183,511	151,949	—	2,335	346,079
Total Assets	244	21,423	354,604	258,751	612,090	804,261	2,051,373
LIABILITIES							
Current Liabilities:							
Accounts Payable and Accrued Liabilities	—	22	81	7	9,097	24,904	34,111
Due to Other Funds	—	17	1,703	1,492	998	147	4,357
Due to Other Governments	—	—	—	—	2,966	—	2,966
Unearned Revenue	—	—	5,633	10,387	10,105	—	26,125
Other Current Liabilities	—	—	—	—	292	—	292
Total Current Liabilities	—	39	7,417	11,886	23,458	25,051	67,851
Noncurrent Liabilities:							
Other Noncurrent Liabilities	—	—	—	—	—	38,688	38,688
Total Noncurrent Liabilities	—	—	—	—	—	38,688	38,688
Total Liabilities	—	39	7,417	11,886	23,458	63,739	106,539
NET POSITION							
Restricted for:							
Unemployment Compensation	—	—	—	—	588,632	—	588,632
Health and Human Services	—	—	347,187	246,865	—	—	594,052
Other Purposes	244	—	—	—	—	—	244
Unrestricted	—	21,384	—	—	—	740,522	761,906
Total Net Position	$ 244	$ 21,384	$ 347,187	$ 246,865	$ 588,632	$ 740,522	$ 1,944,834

STATE OF ALASKA **STATEMENT 4.22**

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position

Other Agencies Enterprise Funds

For the Fiscal Year Ended June 30, 2023

(Stated in Thousands)

	Alcoholism and Drug Abuse Revolving Loan	Agricultural Revolving Loan	Alaska Clean Water	Alaska Drinking Water	Unemployment Compensation	Retiree Health	Total Other Agencies Enterprise Funds
OPERATING REVENUES							
Premiums and Contributions	$ —	$ —	$ —	$ —	$ 176,252	$ 91,484	$ 267,736
Charges for Goods and Services	—	—	983	649	—	—	1,632
Interest and Investment Income (Loss)	—	362	2,031	1,371	—	—	3,764
Fines and Forfeitures	—	2	—	—	682	—	684
Allowance for Uncollectible Fines	—	—	—	—	(562)	—	(562)
Federal Reimbursements	—	—	—	—	(3,892)	—	(3,892)
Other Operating Revenues	—	—	—	—	—	350	350
Total Operating Revenues	—	364	3,014	2,020	172,480	91,834	269,712
OPERATING EXPENSES							
Benefits	—	—	—	—	66,784	67,849	134,633
Operating	—	15	1,069	577	—	3,566	5,227
Total Operating Expenses	—	15	1,069	577	66,784	71,415	139,860
Operating Income (Loss)	—	349	1,945	1,443	105,696	20,419	129,852
NONOPERATING REVENUES (EXPENSES)							
Interest and Investment Income (Loss)	9	5	5,057	3,001	9,390	64,889	82,351
Interest and Investment Expense	—	—	(4)	(5)	—	(9)	(18)
Other Nonoperating Revenues (Expenses)	—	—	(1,226)	(1,617)	—	—	(2,843)
Total Nonoperating Revenues (Expenses)	9	5	3,827	1,379	9,390	64,880	79,490
Income Before Capital Contributions and Transfers	9	354	5,772	2,822	115,086	85,299	209,342
Capital Contributions	—	—	1,666	—	—	—	1,666
Change in Net Position	9	354	7,438	2,822	115,086	85,299	211,008
Total Net Position - Beginning of Year	235	21,030	339,749	244,043	473,546	655,223	1,733,826
Total Net Position - End of Year	$ 244	$ 21,384	$ 347,187	$ 246,865	$ 588,632	$ 740,522	$ 1,944,834

Combining Statement of Cash Flows

Other Agencies Enterprise Funds

For the Fiscal Year Ended June 30, 2023

(Stated in Thousands)

	Alcoholism and Drug Abuse Revolving Loan	Agricultural Revolving Loan	Alaska Clean Water	Alaska Drinking Water	Unemployment Compensation	Retiree Health	Total Other Agencies Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from Other Governments	$ —	$ 3	$ 735	$ 3,081	$ —	$ —	$ 3,819
Receipts of Principal from Loan Recipients	—	2,547	14,169	12,297	—	—	29,013
Receipt of Interest and Fees from Loan Recipients	—	364	2,495	2,295	—	—	5,154
Receipts from Insured	—	—	—	—	195,355	91,380	286,735
Payments to Employees	—	(115)	(829)	(435)	—	(6)	(1,385)
Payments to Suppliers	—	(85)	(240)	(141)	—	(3,714)	(4,180)
Payments to Other Governments	—	—	—	—	(2,380)	—	(2,380)
Payments to Loan Recipients	—	(3,254)	(3,848)	(13,868)	—	—	(20,970)
Claims Paid	—	—	—	—	(56,177)	(71,230)	(127,407)
Other Receipts	—	—	—	—	353	378	731
Net Cash Provided (Used) by Operating Activities	—	(540)	12,482	3,229	137,151	16,808	169,130
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Operating Subsidies and Transfers (Out) Other Funds	—	—	(1,226)	(1,617)	—	—	(2,843)
Proceeds from Issuance of Short-term Debt	—	—	1,385	1,402	—	—	2,787
Payments on Short-term Debt	—	—	(1,385)	(1,402)	—	—	(2,787)
Interest and Fees Paid on Borrowing	—	—	(5)	(5)	—	—	(10)
Net Cash Provided (Used) by Noncapital Financing Activities	—	—	(1,231)	(1,622)	—	—	(2,853)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Federal Grants	—	—	4,045	3,734	—	—	7,779
Net Cash Provided (Used) by Capital and Related Financing Activities	—	—	4,045	3,734	—	—	7,779
CASH FLOWS FROM INVESTING ACTIVITIES							
Proceeds from Sales/ Maturities of Investments	—	—	—	—	—	299,921	299,921
Purchase of Investments	—	—	—	—	—	(370,101)	(370,101)
Investment Income (Loss)	9	4	5,057	3,001	9,390	59,925	77,386
Net Cash Provided (Used) by Investing Activities	9	4	5,057	3,001	9,390	(10,255)	7,206
Net Increase (Decrease) in Cash	9	(536)	20,353	8,342	146,541	6,553	181,262
Cash and Cash Equivalents - Beginning of Year	235	12,931	131,359	81,925	436,346	55,154	717,950
Cash and Cash Equivalents - End of Year	$ 244	$ 12,395	$ 151,712	$ 90,267	$ 582,887	$ 61,707	$ 899,212

This statement continues on next page

STATE OF ALASKA **STATEMENT 4.23**

Combining Statement of Cash Flows

Other Agencies Enterprise Funds

For the Fiscal Year Ended June 30, 2023

(Stated in Thousands)

	Alcoholism and Drug Abuse Revolving Loan	Agricultural Revolving Loan	Alaska Clean Water	Alaska Drinking Water	Unemployment Compensation	Retiree Health	Total Other Agencies Enterprise Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:							
Operating Income (Loss)	$ —	$ 349	$ 1,945	$ 1,443	$ 105,696	$ 20,419	$ 129,852
Net Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:							
Accounts Receivable - Net	—	(1)	(173)	98	25,287	28	25,239
Due From Other Funds	—	—	(1,021)	1,580	296	(99)	756
Due From Other Governments	—	(184)	—	—	1,512	—	1,328
Loans, Notes and Bonds Receivable - Net	—	(494)	10,321	(1,571)	—	—	8,256
Interest and Dividends Receivable - Net	—	(30)	(346)	178	—	—	(198)
Net OPEB Asset	—	162	—	—	—	—	162
Other Assets	—	—	11	2	—	—	13
Deferred Outflows of Resources	—	55	—	—	—	—	55
Due to Other Funds	—	3	1,680	1,492	324	99	3,598
Due to Other Governments	—	—	—	—	626	—	626
Unearned Revenue	—	—	—	—	1,849	—	1,849
Accounts Payable and Accrued Liabilities	—	3	65	7	1,561	(3,639)	(2,003)
Net Pension Liability	—	(226)	—	—	—	—	(226)
Deferred Inflows of Resources	—	(177)	—	—	—	—	(177)
Net Cash Provided (Used) by Operating Activities	$ —	$ (540)	$ 12,482	$ 3,229	$ 137,151	$ 16,808	$ 169,130
Reconciliation of Cash to the Statement of Net Position:							
Total Cash and Investments per the Statement of Net Position	$ 244	$ 12,395	$ 151,712	$ 90,267	$ 582,887	$ 801,794	$ 1,639,299
Less: Investments not Meeting the Definition of Cash or Cash Equivalents	—	—	—	—	—	(740,087)	(740,087)
Cash, End of Year	$ 244	$ 12,395	$ 151,712	$ 90,267	$ 582,887	$ 61,707	$ 899,212



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Internal Service Funds

Internal service funds account for the operations of state agencies that render services to other state agencies, institutions, or other governmental units on a cost-reimbursement basis. The following are the State's internal service funds.

- **Alaska Public Building Fund (Fund 1147)** - AS 37.05.570 - Administered by the Department of Transportation and Public Facilities (DOT&PF). Effective July 1, 2021 the DOT&PF began to manage the maintenance and operations of multiple state owned buildings and parking facilities. The goals are to manage these buildings, in good order and a functional state, while providing cost effective and efficient space for state agencies and private tenants (until private tenant leases expire and space is converted to state agency use), to retain maximum value of these state assets, and to maximize revenue from non-general fund sources.
- **Group Health and Life Benefits Fund (Fund 1097)** - AS 39.30.095 - Administered by the DOA. Effective July 1, 1997, the State began a self-insurance program to provide health care coverage for state employees covered by the retirement programs administered by the State. This fund consists of accumulated assets held for the purpose of paying health care claims for employees and accounts for transactions pertaining to the self-insurance program.
- **Highways Equipment Working Capital Fund (Fund 1026)** - AS 44.68.210 - Administered by the Department of Transportation and Public Facilities. This fund is used for necessary expenses resulting from the centralization of equipment maintenance and for the operation of supply depots.
- **Information Services Fund (Fund 1081)** - AS 44.21.045 - During the 1990 Legislative Session, the Legislature established the Information Services Fund (ISF) in the DOA and classified it as an internal service fund. The ISF is used to account for the operation and financing of computing and telecommunication services for the State of Alaska. Included in these services is operation of the State's mainframe computer; the statewide consolidated data network; the telephone system in Juneau, Anchorage, and Fairbanks; and the microwave communications infrastructure.

STATE OF ALASKA **STATEMENT 4.31**

Combining Statement of Net Position

Internal Service Funds

June 30, 2023

(Stated in Thousands)

	Group Health and Life Benefits	Alaska Public Building	Information Services	Highways Equipment Working Capital	Total Internal Service Funds
ASSETS					
Current Assets:					
Cash and Investments	$ 23,716	$ 27,680	$ 12,037	$ 90,047	$ 153,480
Accounts Receivable - Net	2,054	166	7	435	2,662
Due from Other Funds	2,362	6,207	13,092	17,914	39,575
Inventories	—	—	—	5,519	5,519
Other Current Assets	593	—	1,281	2,484	4,358
Total Current Assets	28,725	34,053	26,417	116,399	205,594
Noncurrent Assets:					
Net OPEB Asset	—	2,827	20,448	7,551	30,826
Capital Assets:					
Equipment, Net of Depreciation	—	347	34,061	143,223	177,631
Buildings, Net of Depreciation	—	81,742	—	—	81,742
Intangibles, Net of Amortization	—	18,216	4,745	—	22,961
Construction in Progress	—	4,977	22,085	—	27,062
Total Noncurrent Assets	—	108,109	81,339	150,774	340,222
Total Assets	28,725	142,162	107,756	267,173	545,816
DEFERRED OUTFLOWS OF RESOURCES					
Total Deferred Outflows of Resources	—	1,061	7,671	2,832	11,564
LIABILITIES					
Current Liabilities:					
Accounts Payable and Accrued Liabilities	19,364	693	4,390	6,981	31,428
Due to Other Funds	—	—	—	585	585
Claims, Judgments, Compensated Absences, and Pollution Remediation	34	—	2,248	1,222	3,504
Notes, Bonds, Leases, and SBITAs Payable	—	—	3,743	—	3,743
Total Current Liabilities	19,398	693	10,381	8,788	39,260
Noncurrent Liabilities:					
Claims, Judgments, Compensated Absences, and Pollution Remediation	29	—	1,779	300	2,108
Notes, Bonds, Leases, and SBITAs Payable	—	—	797	—	797
Net Pension Liabilities	—	7,047	50,973	18,822	76,842
Total Noncurrent Liabilities	29	7,047	53,549	19,122	79,747
Total Liabilities	19,427	7,740	63,930	27,910	119,007
DEFERRED INFLOWS OF RESOURCES					
Total Deferred Inflows of Resources	—	222	1,606	593	2,421
NET POSITION					
Net Investment in Capital Assets	—	105,282	54,817	143,223	303,322
Unrestricted	9,298	29,979	(4,926)	98,279	132,630
Total Net Position	$ 9,298	$ 135,261	$ 49,891	$ 241,502	$ 435,952

STATE OF ALASKA **STATEMENT 4.32**

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position

Internal Service Funds

For the Fiscal Year Ended June 30, 2023

(Stated in Thousands)

	Group Health and Life Benefits	Alaska Public Building	Information Services	Highways Equipment Working Capital	Total Internal Service Funds
OPERATING REVENUES					
Premiums and Contributions	$ 142,801	$ —	$ —	$ —	$ 142,801
Charges for Goods and Services	—	17,804	60,267	57,122	135,193
Other Operating Revenues	10,232	—	6	—	10,238
Total Operating Revenues	153,033	17,804	60,273	57,122	288,232
OPERATING EXPENSES					
Benefits	148,866	—	—	—	148,866
Operating	5,756	14,466	60,614	33,235	114,071
Depreciation and Amortization	—	6,626	11,773	17,220	35,619
Total Operating Expenses	154,622	21,092	72,387	50,455	298,556
Operating Income (Loss)	(1,589)	(3,288)	(12,114)	6,667	(10,324)
NONOPERATING REVENUES (EXPENSES)					
Interest and Investment Income (Loss)	834	—	—	—	834
Interest and Investment Expense	—	(3)	—	—	(3)
Gain (Loss) on Disposal of Capital Assets	—	—	—	19	19
Other Nonoperating Revenues (Expenses)	—	6	—	—	6
Total Nonoperating Revenues (Expenses)	834	3	—	19	856
Income Before Capital Contributions and Transfers	(755)	(3,285)	(12,114)	6,686	(9,468)
Capital Contributions	—	15	2,838	4,848	7,701
Transfers In from Other Funds	56	—	14,516	—	14,572
Change in Net Position	(699)	(3,270)	5,240	11,534	12,805
Total Net Position - Beginning of Year	9,997	138,531	44,651	229,968	423,147
Total Net Position - End of Year	$ 9,298	$ 135,261	$ 49,891	$ 241,502	$ 435,952

STATE OF ALASKA **STATEMENT 4.33**
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2023
(Stated in Thousands)

	Group Health and Life Benefits	Alaska Public Building	Information Services	Highways Equipment Working Capital	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers	$ —	$ 305	$ —	$ —	$ 305
Receipts for Interfund Services Provided	—	16,218	63,936	45,984	126,138
Receipts from Insured	140,494	—	—	—	140,494
Payments to Employees	(462)	(1,259)	(31,257)	(16,766)	(49,744)
Payments to Suppliers	(5,298)	(9,151)	(30,196)	(17,674)	(62,319)
Claims Paid	(147,907)	—	—	—	(147,907)
Payments for Interfund Services Used	—	(1,276)	(4,217)	(843)	(6,336)
Other Receipts	9,923	—	—	—	9,923
Net Cash Provided (Used) by Operating Activities	(3,250)	4,837	(1,734)	10,701	10,554
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Operating Subsidies and Transfers In from Other Funds	9,469	—	14,516	—	23,985
Net Cash Provided (Used) by Noncapital Financing Activities	9,469	—	14,516	—	23,985
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from Sale of Capital Assets	—	—	—	1,079	1,079
Acquisition and Construction of Capital Assets	—	(1,340)	(676)	(21,705)	(23,721)
Principal Paid on Capital Debt	—	(392)	(5,336)	—	(5,728)
Interest and Fees Paid on Capital Debt	—	(3)	(1)	—	(4)
Net Cash Provided (Used) by Capital and Related Financing Activities	—	(1,735)	(6,013)	(20,626)	(28,374)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment Income (Loss)	834	—	—	—	834
Net Cash Provided (Used) by Investing Activities	834	—	—	—	834
Net Increase (Decrease) in Cash	7,053	3,102	6,769	(9,925)	6,999
Cash and Cash Equivalents - Beginning of Year	16,663	24,578	5,268	99,972	146,481
Cash and Cash Equivalents - End of Year	$ 23,716	$ 27,680	$ 12,037	$ 90,047	$ 153,480

This statement continued on the next page.

STATE OF ALASKA **STATEMENT 4.33**
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2023
(Stated in Thousands)

	Group Health and Life Benefits	Alaska Public Building	Information Services	Highways Equipment Working Capital	Total Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	$ (1,589)	$ (3,288)	$ (12,114)	$ 6,667	$ (10,324)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:					
Depreciation and Amortization	—	6,626	11,773	17,220	35,619
Net Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:					
Accounts Receivable - Net	(340)	(76)	—	(1)	(417)
Due from Other Funds	(2,296)	(1,234)	3,663	(10,870)	(10,737)
Inventories	—	—	—	(485)	(485)
Net OPEB Asset	—	(2,475)	—	2,329	(146)
Other Assets	—	30	2,257	(941)	1,346
Deferred Outflows of Resources	—	(941)	1,399	511	969
Due to Other Funds	—	—	(816)	585	(231)
Accounts Payable and Accrued Liabilities	975	(199)	(163)	804	1,417
Net Pension Liability	—	—	13,650	5,066	18,716
Net OPEB Liability	—	6,556	6,357	—	12,913
Other Liabilities	—	—	(107)	—	(107)
Deferred Inflows of Resources	—	(162)	(27,633)	(10,184)	(37,979)
Net Cash Provided (Used) by Operating Activities	$ (3,250)	$ 4,837	$ (1,734)	$ 10,701	$ 10,554
Reconciliation of Cash to the Statement of Net Position					
Total Cash and Investments per the Statement of Net Position	$ 23,716	$ 27,680	$ 12,037	$ 90,047	$ 153,480
Less: Investments not Meeting the Definition of Cash or Cash Equivalents	—	—	—	—	—
Cash, End of Year	$ 23,716	$ 27,680	$ 12,037	$ 90,047	$ 153,480
Noncash Investing, Capital, and Financing Activities					
Contributed Capital Assets	—	15	2,838	4,848	7,701
Transfers In from Other Funds (Accrual)	56	—	—	—	56



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Fiduciary Funds

Trust and custodial funds are fiduciary in nature and are maintained to account for assets held by the State acting in the capacity as a trustee or custodian. The following are the State's trust and custodial funds.

PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS

- **Alaska National Guard and Alaska Naval Militia Retirement System (Fund 1045)** - AS 26.05.222 - Administered by the Department of Administration (DOA). This fund consists of accumulated assets held for the purpose of paying benefits provided by the Alaska National Guard and Alaska Naval Militia Retirement System.
- **Deferred Compensation (Fund 3294)** - AS 39.45.010 - Administered by the DOA. This fund consists of compensation deferred by employees under the State's deferred compensation plan allowed under Section 457 of the Internal Revenue Code.
- **Judicial Retirement System (Fund Type 3134)** - AS 22.25.048 - Administered by the DOA. This fund consists of accumulated assets held for the purpose of paying benefits provided by the Judicial Retirement System.
- **Public Employees' Retirement System (Fund Type 3135) -** AS 39.35.095-680, AS 39.35.700-990 - Administered by the DOA. This fund consists of accumulated assets held for the purpose of paying benefits provided by the Public Employees' Retirement System.
- **Supplemental Benefits System (Fund Type 3141) -** AS 39.30.150 - Administered by the DOA. This fund consists of accumulated assets held for the purpose of paying benefits provided by the Supplemental Benefits System.
- **Teachers' Retirement System (Fund Type 3138) -** AS 14.25.009-220, AS 14.25.310-590 - Administered by the DOA. This fund consists of accumulated assets held for the purpose of paying benefits provided by the Teachers' Retirement System.

CUSTODIAL FUNDS

- **Deposits, Suspense, and Miscellaneous (Fund 3131)** - Administered by the DOA. This fund is used to account for refundable deposits and other receipts held in trust until the State has the right to transfer them to operating funds, or until there is a proper authorization to disburse them directly to others.
- **Impact Aid (Fund 3289) -** PL 103-382 - Administered by the Department of Education and Early Development. These monies are received from the federal government and are distributed to the local school districts. The funds provide financial assistance to local school districts where enrollment or availability of revenue is adversely affected by federal activities.
- **Public Advocacy Trust Fund (Fund 3288)** - AS 44.21.410 - Administered by the DOA. The Public Advocacy Trust Fund holds in trust funds for individuals under the guardianship of the Office of Public Advocacy.
- **Wage and Hour (Fund 3287)** - AS 23.05.220 - Administered by the Department of Labor and Workforce Development. This fund was established to account for receipts and disbursements for wage and hour violations.

INVESTMENT TRUST FUND

- **Exxon Valdez Oil Spill Investment Trust Fund (Fund 3132)** - PL 106-113 - Administered by the Exxon Valdez Oil Spill Trustee Council. Consists of assets of a joint federal/state trust fund established to receive, hold, disburse, and manage all natural resource damage recoveries obtained by the United States government and the State of Alaska under the Clean Water Act, arising out of the Exxon Valdez oil spill.

STATE OF ALASKA **STATEMENT 5.01**

Combining Statement of Fiduciary Net Position

Pension and Other Employee Benefit Trust Funds

June 30, 2023

(Stated in Thousands)

	Public Employees' Retirement			Teachers' Retirement		
	Defined Benefit Pension	Defined Contribution Pension	Other Postemployment Benefits	Defined Benefit Pension	Defined Contribution Pension	Other Postemployment Benefits
ASSETS						
Cash and Cash Equivalents	$ 120,420	$ 2,962	$ 88,292	$ 64,627	$ 407	$ 34,314
Investments:						
Fixed Income	2,025,160	—	1,867,204	1,109,941	—	700,002
Broad Domestic Equity	2,753,739	—	2,538,958	1,509,258	—	951,838
Global Equity ex-US	1,909,853	—	1,760,892	1,046,744	—	660,146
Multi-Asset	905,251	—	834,643	496,147	—	312,902
Private Equity Pool	1,806,808	—	1,665,883	990,268	—	624,527
Real Assets	1,594,919	—	1,467,865	874,137	—	550,294
Pooled Investment Funds	—	1,421,233	—	—	609,963	—
Collective Investment Funds	—	583,252	—	—	224,096	—
Synthetic Investment Contracts	—	130,167	—	—	48,688	—
Investment Loss Trust Fund Assets	—	—	—	—	—	—
Accounts Receivable - Net	135	—	14,976	33	—	4,845
Contributions Receivable	12,072	—	—	10,917	—	—
Securities Lending Collateral	12,394	—	11,417	6,802	—	4,278
Due from Other Funds	10,378	9,294	3,634	—	7,246	2,153
Other Assets	14	—	967	—	—	318
Total Assets	11,151,143	2,146,908	10,254,731	6,108,874	890,400	3,845,617
LIABILITIES						
Accounts Payable and Accrued Liabilities	1,260	644	9,244	715	158	2,994
Obligations Under Securities Lending	12,394	—	11,417	6,802	—	4,278
Forfeiture Payable to Employer	—	359	—	—	59	—
Claims Payable	—	—	45,690	—	—	13,957
Due to Other Funds	—	—	1,484	1,837	—	975
Total Liabilities	13,654	1,003	67,835	9,354	217	22,204
NET POSITION						
Restricted for:						
Pension Benefits	11,137,489	—	—	6,099,520	—	—
Other Postemployment Benefits	—	—	10,186,896	—	—	3,823,413
Individuals, Organizations, and Other Governments	—	2,145,905	—	—	890,183	—
Total Net Position	$ 11,137,489	$ 2,145,905	$ 10,186,896	$ 6,099,520	$ 890,183	$ 3,823,413

This statement continued on the next page.

STATE OF ALASKA **STATEMENT 5.01**

Combining Statement of Fiduciary Net Position

Pension and Other Employee Benefit Trust Funds

June 30, 2023

(Stated in Thousands)

	Judicial Retirement					
	Pension	Other Postemployment Benefits	Alaska National Guard and Alaska Naval Militia Retirement	Deferred Compensation	Supplemental Benefits	Total Pension and Other Employee Benefit Trust Funds
ASSETS						
Cash and Cash Equivalents	$ 2,266	$ 386	$ 1,756	$ 3,223	$ 11,999	$ 330,652
Investments:						
Fixed Income	43,351	7,868	18,009	—	—	5,771,535
Broad Domestic Equity	58,946	10,699	8,221	—	—	7,831,659
Global Equity ex-US	40,882	7,420	5,560	—	—	5,431,497
Multi-Asset	19,378	3,517	3,649	—	—	2,575,487
Private Equity Pool	38,676	7,020	4,161	—	—	5,137,343
Real Assets	34,140	6,185	3,214	—	—	4,530,754
Pooled Investment Funds	—	—	—	281,878	2,793,919	5,106,993
Collective Investment Funds	—	—	—	654,569	1,469,418	2,931,335
Synthetic Investment Contracts	—	—	—	193,773	488,587	861,215
Investment Loss Trust Fund Assets	—	—	—	—	2,123	2,123
Accounts Receivable - Net	—	61	—	—	—	20,050
Contributions Receivable	—	—	—	—	467	23,456
Securities Lending Collateral	265	48	87	—	—	35,291
Due from Other Funds	2,239	33	—	1,860	6,417	43,254
Other Assets	—	3	—	—	—	1,302
Total Assets	240,143	43,240	44,657	1,135,303	4,772,930	40,633,946
LIABILITIES						
Accounts Payable and Accrued Liabilities	135	28	45	79	364	15,666
Obligations Under Securities Lending	265	48	87	—	—	35,291
Forfeiture Payable to Employer	—	—	—	—	—	418
Claims Payable	—	125	—	—	2,381	62,153
Due to Other Funds	—	—	24	—	—	4,320
Total Liabilities	400	201	156	79	2,745	117,848
NET POSITION						
Restricted for:						
Pension Benefits	239,743	—	44,501	—	—	17,521,253
Other Postemployment Benefits	—	43,039	—	—	—	14,053,348
Individuals, Organizations, and Other Governments	—	—	—	1,135,224	4,770,185	8,941,497
Total Net Position	$ 239,743	$ 43,039	$ 44,501	$ 1,135,224	$ 4,770,185	$ 40,516,098

STATE OF ALASKA **STATEMENT 5.02**

Combining Statement of Changes in Fiduciary Net Position

Pension and Other Employee Benefit Trust Funds

For the Fiscal Year Ended June 30, 2023

(Stated in Thousands)

	Public Employees' Retirement			Teachers' Retirement		
	Defined Benefit Pension	Defined Contribution Pension	Other Postemployment Benefits	Defined Benefit Pension	Defined Contribution Pension	Other Postemployment Benefits
ADDITIONS						
Contributions:						
Employer	$ 438,011	$ 78,391	$ 76,904	$ 50,746	$ 33,768	$ 20,505
Member	79,968	137,925	—	31,835	41,278	—
Other	33,933	—	—	90,412	—	—
Total Contributions	551,912	216,316	76,904	172,993	75,046	20,505
Investment Income (Loss):						
Net Appreciation (Depreciation) in Fair Value of Investments	658,417	234,041	604,730	362,776	98,846	226,268
Interest	53,904	715	49,387	29,980	219	18,464
Dividends	116,691	—	108,182	64,893	—	40,448
Total Investment Income (Loss)	829,012	234,756	762,299	457,649	99,065	285,180
Less Investment Expense	29,490	2,608	26,665	16,437	1,083	9,994
Net Investment Income (Loss)	799,522	232,148	735,634	441,212	97,982	275,186
Securities Lending Income	480	—	441	266	—	163
Less Securities Lending Expense	96	—	89	53	—	33
Net Securities Lending Income	384	—	352	213	—	130
Other Additions:						
Other	168	130	119,744	31	25	38,759
Total Additions	1,351,986	448,594	932,634	614,449	173,053	334,580
DEDUCTIONS						
Benefits Paid	1,012,696	—	553,221	536,866	—	170,800
Refunds of Contributions	10,099	104,981	—	1,404	30,954	—
Administrative Expenses	7,842	6,040	20,735	3,310	2,121	7,532
Total Deductions	1,030,637	111,021	573,956	541,580	33,075	178,332
Net Increase (Decrease) in Net Position Restricted for:						
Pension Benefits	321,349	—	—	72,869	—	—
Other Postemployment Benefits	—	—	358,678	—	—	156,248
Individuals, Organizations, and Other Governments	—	337,573	—	—	139,978	—
Net Position - Beginning of the Year	10,816,140	1,808,332	9,828,218	6,026,651	750,205	3,667,165
Net Position - End of the Year	$ 11,137,489	$ 2,145,905	$ 10,186,896	$ 6,099,520	$ 890,183	$ 3,823,413

This statement continued on the next page.

STATE OF ALASKA **STATEMENT 5.02**

Combining Statement of Changes in Fiduciary Net Position

Pension and Other Employee Benefit Trust Funds

For the Fiscal Year Ended June 30, 2023

(Stated in Thousands)

	Judicial Retirement					
	Pension	Other Postemployment Benefit	Alaska National Guard and Alaska Naval Militia Retirement	Deferred Compensation	Supplemental Benefits	Total Pension and Other Employee Benefit Trust Funds
ADDITIONS						
Contributions:						
Employer	$ 7,518	$ 922	$ —	$ 238	$ 90,482	$ 797,485
Member	906	—	—	49,477	93,471	434,860
Other	3,225	—	—	—	—	127,570
Total Contributions	11,649	922	—	49,715	183,953	1,359,915
Investment Income (Loss):						
Net Appreciation (Depreciation) in Fair Value of Investments	14,067	2,526	1,709	112,280	430,026	2,745,686
Interest	1,149	205	483	743	2,466	157,715
Dividends	2,486	449	357	—	—	333,506
Total Investment Income (Loss)	17,702	3,180	2,549	113,023	432,492	3,236,907
Less Investment Expense	630	111	98	1,739	5,833	94,688
Net Investment Income (Loss)	17,072	3,069	2,451	111,284	426,659	3,142,219
Securities Lending Income	10	2	3	—	—	1,365
Less Securities Lending Expense	2	1	1	—	—	275
Net Securities Lending Income	8	1	2	—	—	1,090
Other Additions:						
Other	—	409	—	217	529	160,012
Total Additions	28,729	4,401	2,453	161,216	611,141	4,663,236
DEDUCTIONS						
Benefits Paid	16,032	1,554	1,745	83,397	263,505	2,639,816
Refunds of Contributions	39	—	—	—	—	147,477
Administrative Expenses	97	76	295	1,703	6,195	55,946
Total Deductions	16,168	1,630	2,040	85,100	269,700	2,843,239
Net Increase (Decrease) in Net Position Restricted for:						
Pension Benefits	12,561	—	413	—	—	407,192
Other Postemployment Benefits	—	2,771	—	—	—	517,697
Individuals, Organizations, and Other Governments	—	—	—	76,116	341,441	895,108
Net Position - Beginning of the Year	227,182	40,268	44,088	1,059,108	4,428,744	38,696,101
Net Position - End of the Year	$ 239,743	$ 43,039	$ 44,501	$ 1,135,224	$ 4,770,185	$ 40,516,098

STATE OF ALASKA **STATEMENT 5.11**

Combining Statement of Fiduciary Net Position

Custodial and Investment Trust Funds

For the Fiscal Year Ended June 30, 2023

(Stated in Thousands)

	Custodial Funds					Investment Trust Fund
	Deposits, Suspense, and Miscellaneous	Wage and Hour	Public Advocacy	Impact Aid PL 103-382	Total Custodial Funds	Exxon Valdez Oil Spill Investment
ASSETS						
Cash and Cash Equivalents	$ 111,767	$ 206	$ 49,125	$ 257	$ 161,355	$ 41,641
Investments:						
Fixed Income	—	—	—	—	—	75,057
Accounts Receivable - Net	178	—	—	—	178	—
Due from Other Funds	9,324	2	—	—	9,326	—
Total Assets	121,269	208	49,125	257	170,859	116,698
LIABILITIES						
Accounts Payable and Accrued Liabilities	5,071	3	—	—	5,074	—
Trust Deposits Payable	4,171	—	—	—	4,171	—
Due to Other Funds	29,524	—	150	—	29,674	29
Total Liabilities	38,766	3	150	—	38,919	29
NET POSITION						
Restricted for:						
Individuals, Organizations, and Other Governments	82,503	205	48,975	257	131,940	116,669
Total Net Position	$ 82,503	$ 205	$ 48,975	$ 257	$ 131,940	$ 116,669

STATE OF ALASKA **STATEMENT 5.12**

Combining Statement of Changes in Fiduciary Net Position
Custodial and Investment Trust Funds
June 30, 2023
(Stated in Thousands)

	Custodial Funds					Investment Trust Fund
	Deposits, Suspense, and Miscellaneous	Wage and Hour	Public Advocacy	Impact Aid PL 103-382	Total Custodial Funds	Exxon Valdez Oil Spill Investment
ADDITIONS						
Investment Income (Loss):						
Net Appreciation (Depreciation) in Fair Value of Investments	$ 949	$ —	$ 1,645	$ —	$ 2,594	$ 9,859
Interest	22	—	—	—	22	—
Dividends	—	—	—	—	—	19
Deposits	273,160	140	37,252	33,114	343,666	—
Total Additions	274,131	140	38,897	33,114	346,282	9,878
DEDUCTIONS						
Distributions	257,100	141	30,287	33,016	320,544	31,558
Administrative Expense	—	—	2,196	—	2,196	—
Transfers Out to Other Funds	9,000	—	—	—	9,000	—
Total Deductions	266,100	141	32,483	33,016	331,740	31,558
Net Increase (Decrease) in Net Position Restricted for:						
Individuals, Organizations, and Other Governments	8,031	(1)	6,414	98	14,542	(21,680)
Net Position - Beginning of the Year	74,472	206	42,561	159	117,398	138,349
Net Position - End of the Year	$ 82,503	$ 205	$ 48,975	$ 257	$ 131,940	$ 116,669



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Nonmajor Component Units

The nonmajor component units listed are significant separate legal entities that are discretely presented in the State's financial statements. The inclusion of component units in the State's financial statements reflects the State's financial accountability for these entities.

- **Alaska Aerospace Corporation (AAC)** - AS 26.27.010 - is a public corporation of the State located for administrative purposes within the Department of Military and Veterans Affairs. The purpose of AAC is to allow the State to take a lead role in the exploration and development of space, to enhance human and economic development, and to provide a unified direction for space-related economic growth, education and research development, and tourism related activities.
- **Alaska Gasline Development Corporation (AGDC)** - AS 31.25.010 - is a public corporation and government instrumentality located for administrative purposes in the Department of Commerce, Community, and Economic Development (DCCED), but having a legal existence independent of and separate from the state. Sec. 31.25.005. The purpose of AGDC is to develop natural gas pipelines, an Alaska liquefied natural gas project, and other transportation mechanisms to deliver natural gas in-state for the maximum benefit of the people of the state; and to assist the state departments to maximize the value of the state's royalty natural gas, natural gas delivered to the state as payment of tax, and other natural gas received by the state.
- **Alaska Mental Health Trust Authority (AMHTA)** - AS 47.30.011 - is established as a public corporation of the State within the Department of Revenue (DOR). The purpose of AMHTA is to ensure an integrated comprehensive mental health program, by administering the trust established under the Alaska Mental Health Enabling Act of 1956.
- **Alaska Municipal Bond Bank Authority (AMBBA)** - AS 44.85.020 - is a public corporation and an instrumentality of the State within the DOR, but with a legal existence independent of and separate from the State. AMBBA was created for the purpose of making available to municipalities within the State, monies to finance their capital projects or for other authorized purposes by means of issuance of bonds by AMBBA and use of proceeds from such bonds to purchase from the municipalities their general obligation and revenue bonds.
- **Alaska Railroad Corporation (ARRC)** - AS 42.40.010 - is a public corporation and an instrumentality of the State within the DCCED, but with a legal existence independent of and separate from the State. ARRC was created to own and operate the railroad and manage its rail, industrial, port, and other properties.
- **Alaska Seafood Marketing Institute (ASMI)** - AS 16.51.010 - is a public corporation and an instrumentality of the State within the DCCED, but with a legal existence independent of and separate from the State. The purpose of ASMI is to promote all species of seafood and their by-products harvested in Alaska for sale, and develop market-oriented quality specifications.
- **Alaska Student Loan Corporation (ASLC)** - AS 14.42.100 - is a public corporation and government instrumentality within the Department of Education and Early Development, but having a legal existence independent of and separate from the State. The purpose of ASLC is to improve higher educational opportunities for residents of the State.

STATE OF ALASKA **STATEMENT 6.01**

Combining Statement of Net Position

Nonmajor Component Units

June 30, 2023

(Stated in Thousands)

	Alaska Municipal Bond Bank Authority	Alaska Student Loan Corporation	Alaska Railroad Corporation	Alaska Aerospace Corporation	Alaska Mental Health Trust Authority	Alaska Seafood Marketing Institute	Alaska Gasline Development Corporation	Total Nonmajor Component Units
ASSETS								
Cash and Investments	$ 67,267	$ 116,696	$ 84,841	$ —	$ 854,272	$ 15,083	$ 3,840	$ 1,141,999
Accounts Receivable - Net	9	—	20,932	—	23	—	—	20,964
Interest and Dividends Receivable	7,664	4,088	—	—	6,656	—	—	18,408
Due from Primary Government	—	—	906	—	103	3,052	—	4,061
Due from Other Governments	—	84	15,607	—	—	—	—	15,691
Loans, Notes, Bonds and Leases Receivable	1,017,392	92,819	257,853	—	19,105	—	—	1,387,169
Inventories	—	—	11,964	—	—	—	—	11,964
Restricted Assets	—	—	28,294	—	—	—	—	28,294
Securities Lending Collateral	—	—	—	—	16,153	—	—	16,153
Net OPEB Asset	—	—	37,975	—	3,516	1,081	633	43,205
Other Assets	—	11	4,206	—	2,555	111	367	7,250
Capital Assets:								
Equipment, Net of Depreciation	—	—	158,417	—	—	—	3	158,420
Buildings, Net of Depreciation	—	—	1	—	7,344	—	—	7,345
Infrastructure, Net of Depreciation	—	—	562,765	—	—	—	—	562,765
Intangibles, Net of Amortization	—	—	3,834	—	—	735	—	4,569
Land / Right-of-Way	—	—	44,923	—	18,588	—	—	63,511
Construction in Progress	—	—	110,682	—	—	—	—	110,682
Total Assets	1,092,332	213,698	1,343,200	—	928,315	20,062	4,843	3,602,450
DEFERRED OUTFLOWS OF RESOURCES								
Total Deferred Outflows of Resources	—	—	34,391	—	1,319	405	354	36,469
LIABILITIES								
Accounts Payable and Accrued Liabilities	63	54	28,815	—	14,677	1,228	539	45,376
Obligations Under Securities Lending	—	—	—	—	16,153	—	—	16,153
Due to Primary Government	48	1,413	1,285	—	—	—	—	2,746
Due to Other Governments	—	—	—	—	—	—	—	—
Interest Payable	7,328	—	380	—	—	—	—	7,708
Other Current Liabilities	13,169	—	—	—	—	—	—	13,169
Long-term Liabilities:								
Portion Due or Payable Within One Year:								
Claims, Judgments, Compensated Absences, and Pollution Remediation	—	—	296	—	524	156	198	1,174
Unearned Revenue	—	—	2,475	—	958	—	200	3,633
Notes, Bonds, Leases, and SBITAs Payable	71,490	—	20,173	—	—	107	—	91,770
Portion Due or Payable After One Year:								
Claims, Judgments, Compensated Absences, and Pollution Remediation	—	—	2,078	—	354	181	—	2,613
Unearned Revenue	—	—	759	—	—	—	—	759
Notes, Bonds, Leases, and SBITAs Payable	945,225	—	16,253	—	—	628	—	962,106
Net Pension Liabilities	—	—	32,387	—	8,764	2,694	1,608	45,453
Total Liabilities	1,037,323	1,467	104,901	—	41,430	4,994	2,545	1,192,660

This statement continued on the next page.

STATE OF ALASKA **STATEMENT 6.01**

Combining Statement of Net Position

Nonmajor Component Units

June 30, 2023

(Stated in Thousands)

	Alaska Municipal Bond Bank Authority	Alaska Student Loan Corporation	Alaska Railroad Corporation	Alaska Aerospace Corporation	Alaska Mental Health Trust Authority	Alaska Seafood Marketing Institute	Alaska Gasline Development Corporation	Total Nonmajor Component Units
DEFERRED INFLOWS OF RESOURCES								
Total Deferred Inflows of Resources	—	—	832,128	—	9,450	85	65	841,728
NET POSITION								
Net Investment in Capital Assets	—	—	289,590	—	25,932	—	3	315,525
Restricted for:								
Permanent Funds:								
Nonexpendable	—	—	—	—	679,470	—	—	679,470
Expendable	—	—	—	—	173,352	—	—	173,352
Development	—	—	150,972	—	—	—	—	150,972
Debt Service	40,371	—	—	—	—	—	—	40,371
Other Purposes	—	—	—	—	—	15,388	—	15,388
Unrestricted	14,638	212,231	—	—	—	—	2,584	229,453
Total Net Position	$ 55,009	$ 212,231	$ 440,562	$ —	$ 878,754	$ 15,388	$ 2,587	$ 1,604,531

STATE OF ALASKA **STATEMENT 6.02**

Combining Statement of Activities

Nonmajor Component Units

For the Fiscal Year Ended June 30, 2023

(Stated in Thousands)

		Program Revenues		
	Expenses	Charges for Services, Royalties and Other Fees	Operating Grants and Contributions	Capital Grants and Contributions
FUNCTIONS/PROGRAMS				
Nonmajor Component Units:				
Alaska Municipal Bond Bank Authority	$ 41,788	$ 41,230	$ —	$ —
Alaska Student Loan Corporation	8,848	12,035	—	—
Alaska Railroad Corporation	211,661	181,339	67,589	—
Alaska Aerospace Corporation	—	—	—	—
Alaska Mental Health Trust Authority	32,103	16,627	35,514	—
Alaska Seafood Marketing Institute	20,585	—	6,687	—
Alaska Gasline Development Corporation	6,130	—	96	—
Total Nonmajor Component Units	$ 321,115	$ 251,231	$ 109,886	$ —

This statement continued on the next page.

STATE OF ALASKA **STATEMENT 6.02**

Combining Statement of Activities

Nonmajor Component Units

For the Fiscal Year Ended June 30, 2023

(Stated in Thousands)

	Net (Expense) Revenue and Changes in Net Position							
	Alaska Municipal Bond Bank Authority	Alaska Student Loan Corporation	Alaska Railroad Corporation	Alaska Aerospace Corporation	Alaska Mental Health Trust Authority	Alaska Seafood Marketing Institute	Alaska Gasline Development Corporation	Total Nonmajor Component Units
FUNCTIONS/ PROGRAMS								
Nonmajor Component Units:								
Alaska Municipal Bond Bank Authority	$ (558)	$ —	$ —	$ —	$ —	$ —	$ —	$ (558)
Alaska Student Loan Corporation	—	3,187	—	—	—	—	—	3,187
Alaska Railroad Corporation	—	—	37,267	—	—	—	—	37,267
Alaska Aerospace Corporation	—	—	—	—	—	—	—	—
Alaska Mental Health Trust Authority	—	—	—	—	20,038	—	—	20,038
Alaska Seafood Marketing Institute	—	—	—	—	—	(13,898)	—	(13,898)
Alaska Gasline Development Corporation	—	—	—	—	—	—	(6,034)	(6,034)
Total Nonmajor Component Units	(558)	3,187	37,267	—	20,038	(13,898)	(6,034)	40,002
General Revenues:								
Taxes:								
Interest and Investment Income (Loss)	83	6,575	1,850	—	—	—	131	8,639
Payments In from Primary Government	—	—	—	—	119	10,379	—	10,498
Other Revenues	—	—	72	—	404	80	—	556
Total General Revenues, Transfers, and Contributions	83	6,575	1,922	—	523	10,459	131	19,693
Change in Net Position	(475)	9,762	39,189	—	20,561	(3,439)	(5,903)	59,695
Net Position - Beginning of Year	55,484	202,469	401,373	—	858,193	18,827	8,490	1,544,836
Net Position - End of Year	$ 55,009	$ 212,231	$ 440,562	$ —	$ 878,754	$ 15,388	$ 2,587	$ 1,604,531



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Statistical Section



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STATE OF ALASKA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2023

STATISTICAL SECTION

This part of the State of Alaska's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the state's overall financial health.

	Page
Financial Trends (Schedules A-1 through A-5) These schedules contain trend information to help the reader understand how the state's financial performance and well-being have changed over time.	**295**
Revenue Capacity (Schedules B-1 through B-3) These schedules contain information to help the reader assess the state's most significant revenue sources: investment income, oil severance taxes, and oil royalties.	**303**
Debt Capacity (Schedules C-1 and C-2) These schedules present information to help the reader assess the affordability of the state's current levels of outstanding debt and the state's ability to issue additional debt in the future. The state has no statutory limit on the amount of general obligation debt that may be authorized.	**308**
Demographic and Economic Information (Schedules D-1 and D-2) These schedules offer demographic and economic indicators to help the reader understand the environment within which the state's financial activities take place.	**310**
Operating Information (Schedules E-1 through E-3) These schedules contain service and infrastructure data to help the reader understand how the information in the state's financial report relates to the services the state provides and the activities it performs.	**313**

SOURCES:

Unless otherwise noted, the information in these schedules is derived from the financial statements presented in the annual comprehensive financial reports for the relevant years.



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STATE OF ALASKA **SCHEDULE A-1**

Financial Trends - Net Position By Component

Last Ten Fiscal Years

(Stated in Thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Activities:										
Net Investment in Capital Assets	$ 8,156,691	$ 7,834,739	$ 7,425,480	$ 7,330,252	$ 7,247,754	$ 6,951,428	$ 6,786,011	$ 6,683,296	$ 6,205,097	$ 5,940,490
Restricted [a]	68,469,963	61,775,430	53,236,743	48,698,597	46,900,224	47,893,276	45,173,358	46,442,972	45,797,266	41,811,811
Unrestricted	13,419,927	19,179,494	12,087,646	17,876,681	17,387,310	14,558,125	14,020,197	18,358,463	28,015,987	26,270,988
Total Governmental Activities Net Position	90,046,581	88,789,663	72,749,869	73,905,530	71,535,288	69,402,829	65,979,566	71,484,731	80,018,350	74,023,289
Business-Type Activities:										
Net Investment in Capital Assets	845,973	833,325	863,218	878,911	846,649	831,268	813,876	817,436	868,403	847,214
Restricted	1,235,364	993,358	1,008,822	1,058,984	1,006,773	989,686	967,266	939,413	865,739	777,552
Unrestricted	1,180,764	1,150,235	988,368	900,133	814,160	773,238	316,963	298,017	350,713	357,143
Total Business-Type Activities Net Position	3,262,101	2,976,918	2,860,408	2,838,028	2,667,582	2,594,192	2,098,105	2,054,866	2,084,855	1,981,909
Primary Government:										
Net Investment in Capital Assets	9,002,664	8,668,064	8,288,698	8,209,163	8,094,403	7,782,696	7,599,887	7,500,732	7,073,500	6,787,704
Restricted	69,705,327	62,768,788	54,245,565	49,757,581	47,906,997	48,882,962	46,140,624	47,382,385	46,663,005	42,589,363
Unrestricted	14,600,691	20,329,729	13,076,014	18,776,814	18,201,470	15,331,363	14,337,160	18,656,480	28,366,700	26,628,131
Total Primary Government Net Position	$93,308,682	$91,766,581	$75,610,277	$76,743,558	$74,202,870	$71,997,021	$68,077,671	$73,539,597	$82,103,205	$76,005,198

NOTE:

This schedule is presented on the accrual basis of accounting.

[a] The majority of the amount reported as Restricted Net Position for Governmental Activities represents the Alaska Permanent Fund. Further discussion of this fund is included in Management's Discussion and Analysis.

STATE OF ALASKA **SCHEDULE A-2**

Financial Trends - Government-wide Expenses, Program Revenues, and Net (Expense)/Revenue
Last Ten Fiscal Years
(Stated in Thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Program Revenues										
Governmental Activities:										
Charges for Services										
General Government	$ 30,220	$ 30,665	$ 27,393	$ 21,011	$ 22,497	$ 23,183	$ 24,472	$ 15,917	$ 12,316	$ 12,442
Education	3,916	3,399	2,366	3,391	3,988	4,494	4,430	6,510	3,705	3,779
University	4	—	—	—	—	—	—	—	40	—
Health and Human Services	58,925	44,907	51,259	56,544	52,477	49,608	55,324	55,533	50,513	49,545
Law and Justice	4,645	4,851	4,911	4,018	5,770	12,432	11,802	12,656	17,140	12,771
Public Protection	193,693	175,634	175,677	172,855	187,916	169,139	185,091	170,302	174,986	170,439
Natural Resources	2,082,090	1,941,672	1,137,871	1,127,226	1,600,076	1,534,225	1,216,901	1,005,680	1,768,465	2,612,946
Development	(2,050)	240	290	(1,244)	948	2,796	180	2,030	3,224	2,723
Transportation	56,455	54,574	46,739	39,198	67,016	62,795	73,938	55,877	69,890	63,234
Operating Grants and Contributions	4,442,172	4,447,746	4,344,397	2,903,184	2,751,384	2,599,655	2,559,108	2,157,268	1,917,686	1,809,703
Capital Grants and Contributions	888,221	841,914	765,612	741,864	753,053	632,198	650,102	727,426	768,853	681,189
Total Governmental Activities Program Revenues	7,758,291	7,545,602	6,556,515	5,068,047	5,445,125	5,090,525	4,781,348	4,209,199	4,786,818	5,418,771
Business-Type Activities:										
Charges for Services										
Loans	12,098	11,395	10,544	125,967	11,268	10,295	10,279	9,969	11,062	10,144
Insurance	267,856	248,886	211,192	85,110	192,375	205,044	212,436	155,660	185,476	236,266
Airports	119,005	114,629	121,631	136,704	141,265	147,893	142,826	137,167	134,361	123,896
Development	—	—	—	—	—	—	1,076	1,455	1,602	1,851
Operating Grants and Contributions	35,928	52,630	560,281	399,026	383	407	407	430	521	25,558
Capital Grants and Contributions	45,389	76,881	66,214	49,271	103,550	58,988	71,401	59,837	68,976	80,351
Total Business-Type Activities Program Revenues	480,276	504,421	969,862	796,078	448,841	422,627	438,425	364,518	401,998	478,066
Total Primary Government Program Revenues	$ 8,238,567	$ 8,050,023	$ 7,526,377	$ 5,864,125	$ 5,893,966	$ 5,513,152	$ 5,219,773	$ 4,573,717	$ 5,188,816	$ 5,896,837
Expenses										
Governmental Activities:										
General Government	331,763	(109,395)	1,101,963	405,388	620,897	734,156	172,897	323,158	586,724	553,636
Alaska Permanent Fund Dividend [a]	2,070,825	709,490	631,807	1,024,587	1,014,677	698,016	652,746	1,330,027	1,203,234	570,590
Education	2,050,871	1,605,900	1,768,748	1,577,450	1,925,088	1,942,640	1,715,774	1,921,828	2,285,272	2,080,526
University	345,816	248,235	324,043	325,654	396,466	387,047	356,986	467,456	524,677	595,060
Health and Human Services	4,150,734	4,152,848	3,743,545	3,365,428	3,333,061	3,160,709	3,165,385	2,940,851	2,770,978	2,587,529
Law and Justice	259,072	232,785	231,503	230,361	221,526	221,818	262,401	291,706	259,017	270,022
Public Protection	1,010,214	911,560	762,166	855,946	721,990	718,987	854,667	842,739	791,136	804,823
Natural Resources	335,781	306,015	332,657	301,648	314,241	313,208	384,784	438,036	475,146	383,338
Development	180,869	158,332	1,500,666	128,179	129,888	192,045	176,934	447,510	409,528	1,123,531
Transportation	1,199,042	1,033,507	752,471	1,022,282	1,148,805	987,322	1,277,028	1,289,035	1,278,527	1,403,539
Intergovernmental Revenue Sharing	145,039	182,375	89,708	107,105	111,869	99,790	96,423	118,807	134,239	262,001
Debt Service	43,942	37,456	55,470	66,497	51,496	65,950	64,263	70,447	65,808	64,885
Total Governmental Activities Expenses	12,123,968	9,469,108	11,294,747	9,410,525	9,990,004	9,521,688	9,180,288	10,481,600	10,784,286	10,699,480

STATE OF ALASKA **SCHEDULE A-2**

Financial Trends - Government-wide Expenses, Program Revenues, and Net (Expense)/Revenue

Last Ten Fiscal Years

(Stated in Thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Business-Type Activities:										
Loans	7,781	1,866	8,933	594,255	8,656	5,348	9,860	15,905	10,518	10,197
Insurance	138,208	195,774	849,531	73,427	164,323	193,349	199,892	152,505	142,702	196,345
Airports	180,795	184,248	163,924	159,593	155,313	158,113	167,523	139,529	150,341	157,367
Development	—	—	—	—	—	—	1,063	1,570	61,220	5,149
Total Business-Type Activities Expenses	326,784	381,888	1,022,388	827,275	328,292	356,810	378,338	309,509	364,781	369,058
Total Primary Government Expenses	12,450,752	9,850,996	12,317,135	10,237,800	10,318,296	9,878,498	9,558,626	10,791,109	11,149,067	11,068,538
Net (Expense)/Revenue (To Schedule A-3)										
Governmental Activities	(4,365,677)	(1,923,506)	(4,738,232)	(4,342,478)	(4,544,879)	(4,431,163)	(4,398,940)	(6,272,401)	(5,997,468)	(5,280,709)
Business-Type Activities	153,492	122,533	(52,526)	(31,197)	120,549	65,817	60,087	55,009	37,217	109,008
Total Primary Government Net Expense	$ (4,212,185)	$ (1,800,973)	$ (4,790,758)	$ (4,373,675)	$ (4,424,330)	$(4,365,346)	$(4,338,853)	$ (6,217,392)	$ (5,960,251)	$ (5,171,701)

NOTES:

This schedule is presented on the accrual basis of accounting.

[a] The permanent fund dividend function represents the portion of the income earned by the Alaska Permanent Fund that is paid out to eligible Alaska residents.

STATE OF ALASKA **SCHEDULE A-3**

Financial Trends - Government-wide General Revenues and Other Changes in Net Position

Last Ten Fiscal Years

(Stated in Thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Net (Expense)/Revenue (From Schedule A-2)										
Governmental Activities	$(4,365,677)	$(1,923,506)	$(4,738,232)	$(4,342,478)	$(4,544,879)	$(4,431,163)	$(4,398,940)	$(6,272,401)	$(5,997,468)	$ (5,280,709)
Business-Type Activities	153,492	122,533	(52,526)	(31,197)	120,549	65,817	60,087	55,009	37,217	109,008
Total Primary Government Net Expense	$(4,212,185)	$(1,800,973)	$(4,790,758)	$(4,373,675)	$(4,424,330)	$(4,365,346)	$(4,338,853)	$(6,217,392)	$(5,960,251)	$ (5,171,701)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Severance Taxes	$ 1,903,439	$ 2,056,756	$ 525,976	$ 462,874	$ 792,016	$ 777,690	$ 232,999	$ (318,546)	$ (106,738)	$ 2,175,990
Selective Sales/Use	304,577	266,638	251,001	281,082	293,945	260,693	260,819	265,992	250,283	252,538
Income Taxes	438,897	417,817	83,869	153,093	333,828	195,387	62,402	65,795	239,379	414,613
Property Taxes	128,939	123,186	120,033	125,223	121,462	125,421	120,693	111,137	127,821	128,076
Other Taxes	2,995	908	2,620	2,545	2,577	2,483	2,643	2,576	2,592	2,631
Interest and Investment Earnings	4,748,432	(2,997,309)	19,716,055	2,040,436	4,198,869	5,829,716	7,049,727	706,296	2,832,768	8,236,307
Tobacco Settlement	23,180	21,912	21,406	20,037	19,740	51,117	30,175	30,479	29,175	32,261
Payments In from Component Units	42,778	32,192	44,044	66,709	1,101,258	13,229	31,178	174,722	14,106	22,578
Other Revenues	42,923	44,808	72,692	34,675	49,312	51,722	38,604	36,905	4,641	27,842
Transfers - Internal Activity	(5,170)	413	(65,670)	143	2,117	—	9,467	747	(10,544)	(627)
Prior Period Adjustments and Restatements	—	—	—	—	—	—	—	(308,867)	285,522	(11,230)
Total Governmental Activities General Revenues and Other Changes in Net Position	7,630,990	(32,679)	20,772,026	3,186,817	6,915,124	7,307,458	7,838,707	767,236	3,669,005	11,280,979
Business-Type Activities:										
Interest and Investment Earnings	84,212	(100,013)	102,821	53,336	51,665	20,915	21,381	(11,403)	(10,155)	(13,985)
Other Revenues	353	584	545	384	349	325	1,172	380	890	4,703
Payments In from Component Units	—	—	—	—	—	—	—	—	—	—
Transfers - Internal Activity	(30)	(413)	65,670	(143)	(2,117)	—	(9,467)	(747)	10,544	627
Prior Period Adjustments and Restatements	—	—	—	—	—	—	—	—	—	—
Total Business-Type Activities General Revenues and Other Changes in Net Position	84,535	(99,842)	169,036	53,577	49,897	21,240	13,086	(11,770)	1,279	(8,655)
Total Primary Government General Revenues and Other Changes in Net Position	7,715,525	(132,521)	20,941,062	3,240,394	6,965,021	7,328,698	7,851,793	755,466	3,670,284	11,272,324
Change in Net Position										
Governmental Activities	3,265,313	(1,956,185)	16,033,794	(1,155,661)	2,370,245	2,876,295	3,439,767	(5,505,165)	(2,328,463)	6,000,270
Business-Type Activities	238,027	22,691	116,510	22,380	170,446	87,057	73,173	43,239	38,496	100,353
Total Primary Government Changes in Net Position	3,503,340	(1,933,494)	$16,150,304	$(1,133,281)	$ 2,540,691	$ 2,963,352	$ 3,512,940	$(5,461,926)	$(2,289,967)	$ 6,100,623

NOTE:

This schedule is presented on the accrual basis of accounting.

STATE OF ALASKA **SCHEDULE A-4**

Financial Trends - Fund Balances, Governmental Funds

Last Ten Fiscal Years

(Stated in Thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Nonspendable	$ 85,371	$ 77,093	$ 113,780	$ 510,086	$ 63,323	$ 93,737	$ 138,773	$ 154,762	$ 219,190	$ 219,953
Restricted	43,890	31,615	28,973	43,762	49,963	49,849	47,530	50,065	83,969	58,953
Committed	2,964,356	2,157,738	1,451,351	1,518,225	1,590,474	1,975,195	2,363,884	3,470,237	4,995,744	6,577,052
Assigned	905	3,828	108,599	—	—	—	—	—	—	—
Unassigned	2,125,567	2,141,424	966,079	1,910,781	3,153,565	1,863,474	3,740,423	6,384,544	10,533,000	15,685,658
Total General Fund	$ 5,220,089	$ 4,411,698	$ 2,668,782	$ 3,982,854	$ 4,857,325	$ 3,982,255	$ 6,290,610	$10,059,608	$15,831,903	$22,541,616
All Other Governmental Funds										
Nonspendable	$68,284,981	$60,903,945	$61,597,990	$53,102,386	$48,509,513	$46,778,930	$47,598,764	$44,788,850	$46,263,114	$45,563,618
Restricted	176,448	176,231	205,722	115,322	206,931	287,694	293,811	336,081	163,147	172,275
Committed	3,632,535	3,430,185	7,128,904	50,054	5,980,240	4,754,276	47,981	68,094	74,218	129,391
Assigned	6,965,110	12,788,949	14,079,089	9,802,646	12,547,573	16,141,699	12,815,504	8,570,020	7,162,406	6,211,325
Unassigned	(35)	(270)	(215)	3,091,194	—	1,863,474	—	—	(92,534)	(18,377)
Total All Other Governmental Funds	$79,059,039	$77,299,040	$83,011,490	$66,161,602	$67,244,257	$69,826,073	$60,756,060	$53,763,045	$53,570,351	$52,058,232

NOTE:

This schedule is presented on the modified accrual basis of accounting.

STATE OF ALASKA **SCHEDULE A-5**

Financial Trends - Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(Stated in Thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Taxes	$2,778,847	$2,865,305	$ 983,498	$1,024,817	$1,573,800	$1,331,702	$ 679,556	$ 126,954	$ 513,337	$2,973,848
Licenses and Permits	180,950	175,280	171,773	170,932	178,653	167,556	148,707	166,523	163,089	154,991
Charges for Services	179,037	154,865	150,300	153,370	179,599	173,740	214,307	183,910	199,976	184,657
Fines and Forfeitures	30,170	17,319	23,363	20,837	32,076	19,041	40,416	32,680	15,564	17,017
Rents and Royalties	2,025,657	1,900,779	1,092,557	1,062,361	1,541,942	1,477,977	1,162,924	931,662	1,714,369	2,563,426
Premiums and Contributions	45,927	56,782	36,558	38,450	32,433	40,465	36,058	46,942	27,441	24,741
Interest and Investment Income	4,825,217	(3,108,368)	19,898,367	2,072,068	4,261,668	5,859,553	7,109,848	721,084	2,847,916	8,299,902
Federal Grants in Aid	5,110,373	5,359,734	4,894,733	3,616,328	3,446,564	3,125,376	3,198,108	2,706,153	2,544,252	2,459,581
Payments in from Component Units	44,516	30,543	43,328	66,687	1,101,223	12,765	31,180	174,720	14,106	22,578
Other Revenues	63,938	62,557	99,161	60,042	73,837	110,486	72,856	70,608	50,187	61,190
Total Revenues	15,284,632	7,514,796	27,393,638	8,285,892	12,421,795	12,318,661	12,693,960	5,161,236	8,090,237	16,761,931
Expenditures										
General Government	446,507	714,300	1,078,087	483,720	495,196	439,975	524,207	519,288	1,395,586	555,498
Alaska Permanent Fund Dividend	2,070,825	709,490	631,807	1,024,587	1,014,677	698,016	652,746	1,330,027	1,203,234	570,590
Education	2,059,869	2,198,710	1,825,851	1,877,665	1,854,765	1,852,716	1,823,237	1,872,621	3,770,244	2,118,884
University	337,736	316,255	322,785	345,779	385,237	370,313	379,156	481,268	653,543	594,777
Health and Human Services	4,142,622	4,173,943	3,727,013	3,410,469	3,343,891	3,186,022	3,075,982	2,920,002	2,803,944	2,599,796
Law and Justice	294,769	270,511	248,309	250,320	245,923	242,018	237,810	254,627	274,155	294,064
Public Protection	1,090,815	970,581	803,406	891,170	773,536	738,853	714,867	765,161	794,420	801,663
Natural Resources	364,404	347,173	328,817	328,672	341,100	340,418	332,946	371,231	427,988	401,217
Development	180,854	182,674	1,499,894	143,351	126,703	203,522	184,622	434,298	421,857	1,122,243
Transportation	1,442,363	1,261,550	1,181,492	1,227,603	1,310,898	1,179,903	1,289,670	1,465,843	1,548,227	1,520,690
Intergovernmental Revenue Sharing	145,039	182,375	89,708	106,977	109,666	107,852	97,454	125,351	134,686	263,408
Debt Service:										
Principal	116,378	98,925	78,102	97,233	85,762	116,031	93,752	91,349	85,126	84,365
Interest and Other Charges	53,131	54,020	59,306	60,813	61,712	68,514	67,558	63,025	67,155	69,208
Bond Issuance Costs	—	—	—	—	—	—	—	—	426	—
Total Expenditures	12,745,312	11,480,507	11,874,577	10,248,359	10,149,066	9,544,153	9,474,007	10,694,091	13,580,591	10,996,403
Excess (Deficiency) of Revenues Over Expenditures	2,539,320	(3,965,711)	15,519,061	(1,962,467)	2,272,729	2,774,508	3,219,953	(5,532,855)	(5,490,354)	5,765,528

STATE OF ALASKA **SCHEDULE A-5**

Financial Trends - Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(Stated in Thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Other Financing Sources (Uses)										
Bonds Issued	—	1,849	84,560	—	—	—	—	263,090	30,895	—
Refunding Bonds Issued	55,900	316,719	—	—	—	—	—	—	94,425	—
Bond Issue Premium	2,022	—	26,204	—	—	—	—	52,046	26,718	—
Payment to Refunded Bond Escrow Agent	(57,625)	(316,719)	—	—	—	—	—	—	(116,296)	—
Leases / SBITAs	39,515	13,193	3,561	13,811	8,140	12,093	2,894	12,170	5,148	13,842
Transfers In from Other Funds	3,491,311	3,230,748	3,252,748	3,037,039	2,843,168	865,589	123,905	798,139	1,532,769	1,387,386
Transfers (Out to) Other Funds	(3,502,053)	(3,249,613)	(3,350,318)	(3,045,509)	(2,848,528)	(872,787)	(122,735)	(812,405)	(1,566,421)	(1,404,040)
Total Other Financing Sources and Uses	29,070	(3,823)	16,755	5,341	2,780	4,895	4,064	313,040	7,238	(2,812)
Prior Period Adjustments and Restatements	—	—	—	—	—	—	—	—	285,522	(163,343)
Net Change in Fund Balances	$ 2,568,390	$(3,969,534)	$15,535,816	$(1,957,126)	$2,275,509	$2,779,403	$ 3,224,017	$(5,219,815)	$(5,197,594)	$5,599,373
Debt Service as a Percentage of Noncapital Expenditures	1.41 %	1.42 %	1.26 %	1.64 %	1.55 %	2.07 %	1.71 %	1.47 %	1.16 %	1.43 %

NOTE:

This schedule is presented on the modified accrual basis of accounting.



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STATE OF ALASKA **SCHEDULE B-1**

Revenue Capacity - Alaska Permanent Fund Investment Income

Last Ten Fiscal Years

(Stated in Millions)

Fiscal Value	Ending Fund Market Value [1]	Nonspendable Fund Assets	Committed Fund Assets [2]	Assigned Fund Assets [3]	Total Fund Return
2014	51,214	45,002	—	6,211	15.5 %
2015	52,801	45,638	—	7,163	4.9 %
2016	52,770	44,200	—	8,570	1.0 %
2017	59,785	46,970	—	12,815	12.6 %
2018	64,894	46,030	2,723	16,142	10.7 %
2019	66,300	47,820	5,933	12,548	6.3 %
2020	65,302	52,408	3,092	9,803	2.0 %
2021	81,896	60,748	7,069	14,079	29.7 %
2022	76,337	60,188	3,360	12,789	(1.3)%
2023	78,012	67,521	3,526	6,965	5.2 %

Annual Rate of Return by Asset Class [4]

Fiscal Year	Domestic Equities	International Equities	Global Equities	Domestic Bonds	Non-Dollar Bonds	Real Estate	Alternative Investments	Total Fund
2014	27.0 %	20.2 %	25.0 %	4.8 %	5.5 %	12.7 %	13.5 %	15.5 %
2015	7.2 %	(5.2)%	1.2 %	1.2 %	(2.4)%	9.8 %	39.8 %	4.9 %
2016	(0.1)%	(9.4)%	(4.0)%	5.3 %	7.3 %	12.6 %	4.9 %	1.0 %
2017	20.1 %	22.6 %	18.8 %	2.0 %	2.8 %	4.5 %	13.4 %	12.6 %
2018	14.8 %	8.4 %	11.5 %	(0.6)%	1.7 %	6.6 %	16.8 %	10.7 %
2019	4.8 %	(0.4)%	4.0 %	9.8 %	7.5 %	(1.3)%	13.1 %	6.3 %
2020	(0.9)%	(3.6)%	3.9 %	9.7 %	0.2 %	(0.8)%	1.9 %	2.0 %
2021	54.5 %	42.2 %	44.6 %	2.6 %	8.3 %	1.4 %	51.3 %	29.7 %
2022	(12.1)%	(19.0)%	(13.2)%	(11.3)%	(10.8)%	23.4 %	15.2 %	(1.3)%
2023	14.5 %	10.0 %	16.7 %	1.8 %	1.1 %	(2.5)%	0.6 %	5.2 %

SOURCE:

Alaska Permanent Fund Corporation

NOTES:

[1] The Alaska Permanent Fund is made up of two parts: nonexpendable and assigned assets. The nonexpendable portion of the fund is invested in perpetuity and cannot be spent without amending the state constitution through a majority vote of the people.

[2] Committed fund assets are realized earnings of the fund which have been designated by appropriation for a specific purpose and meet other criteria as defined by Generally Accepted Accounting Principles. During FY18, legislation was passed which provides for a transfer from the Earnings Reserve Account to the General Fund for payment of unrestricted General Fund expenditures, including dividend payments.

[3] Assigned fund assets are defined in Alaska statute as the accumulation of cash flow and net realized gains from investments and are subject to appropriation by the Legislature. The assigned fund assets are where all income available for appropriation is recorded, retained and reinvested until distributed in accordance with State of Alaska law. The assigned fund assets shown above have already been reduced by the General Fund and inflation proofing transfer each year. The nonexpendable and assigned fund assets are commingled for investment purposes.

[4] Returns are shown by major asset class only and are unaudited.

STATE OF ALASKA **SCHEDULE B-2**

Revenue Capacity - Oil Severance Taxes

REVENUE BASE (Last Ten Fiscal Years)

	Oil Severance Taxes	
Fiscal Year	Well-Head Value*	Weighted Average Severance Tax Rate **
2014	$97.15 per barrel	27.9%
2015	$63.83 per barrel	35.0%
2016	$33.30 per barrel	35.0%
2017	$39.73 per barrel	35.0%
2018	$54.09 per barrel	35.0%
2019	$61.44 per barrel	35.0%
2020	$43.96 per barrel	35.0%
2021	$44.95 per barrel	35.0%
2022	$81.65 per barrel	35.0%
2023***	$75.25 per barrel	35.0%

*Well-head Value is calculated as a simple average of the North Slope monthly well-head price across the fiscal year.
**Severance Tax is commonly called the production tax. The production tax rate is applied to production tax value.
***Fiscal Year 2023 information is preliminary and subject to change. For FY 2023, 35% was the statutory tax rate applied to to the production value.

REVENUE RATE: The method of calculating production tax revenue changed on January 1, 2014 with the implementation of the Senate Bill 21 (SB21) tax system.

Production tax revenue under SB21 is calculated as follows:

[(Petroleum Value[1] minus Costs[2]) times Tax Rate[3]] minus Credits[4]

[1] Petroleum Value = (Total number of barrels[a] produced minus royalty barrels[b]) multiplied by the well-head value [c]

[a] The total number of barrels of oil equivalent produced
See the Royalty Revenue Capacity Schedule B-3 for number of barrels produced

[b] Minus the number of royalty barrels
Barrels that are charged royalties are not taxed, therefore these barrels are subtracted from the total

[c] Multiplied by the well-head value
Destination value minus allowable marine and transportation costs of each barrel

[2] Costs = Allowable lease expenditures, including qualified operating and capital expenses

[3] Tax Rate = SB21: The production tax rate is 35% of the petroleum value minus costs which is the production tax value.

[4] Credits = SB21: Includes a per-taxable-barrel credit of $0 to $8 per barrel, depending on oil prices, and small producer depending on oil prices, and a small producer credit of up to $12 million per year for qualified companies.

NOTE:
An alternative gross tax, generally 4% of Petroleum Value, applies.

STATE OF ALASKA **SCHEDULE B-2**

Revenue Capacity - Oil Severance Taxes

REVENUE PAYERS (Current Reporting Period and Period Nine Years Prior)

	2023	2014
Alaska Statute 43.05.230 prohibits naming individual tax payers.	Five oil companies account for >99.9% of severance tax revenue.	Five oil companies account for 99.7% of severance tax revenue.
Amount of Revenue Base	Five oil companies account for 177,399 thousand barrels of oil production.	Five oil companies account for 184,037 thousand barrels of oil production.
Percent of top payers to total oil production	99.5%	91.6%
Percent of top payers to total production tax revenue	>99.9%	99.7%

SOURCE:
Alaska Department of Revenue, Tax Division

STATE OF ALASKA **SCHEDULE B-3**

Revenue Capacity - Oil Royalties

REVENUE BASE (Last Ten Fiscal Years)

Fiscal Year	Gross Number of Barrels (Restated)[b]	Number of Barrels for Which Royalties are Charged (Restated)[b]	Weighted Average[a] Royalty Rate (Restated)[2]
2014	193,568,700	24,360,922	12.59%
2015	179,624,794	22,653,101	12.61%
2016	181,107,772	22,586,285	12.47%
2017	181,955,466	23,095,454	12.69%
2018	179,601,064	22,273,189	12.40%
2019	173,728,441	21,958,525	12.64%
2020	166,883,243	20,954,951	12.56%
2021	170,735,627	21,503,253	12.59%
2022	164,755,188	21,069,007	12.79%
2023*	163,748,787	20,870,739	12.75%

* Fiscal year 23 information is preliminary and subject to change. For fiscal year 23, 35% was the statutory tax rate applied to net production tax value.

a. The royalty rate ranges from 5.00% to 33.33%, depending on lease terms. However, the majority of fields are charged at 12.50%. Per Article IX, Section 15 of the Alaska Constitution, "At least 25 percent of all mineral. . . royalties. . . received by the State shall be placed in a permanent fund…"

b. At the time of publication each year "Gross Number of Barrels", "Number of Barrels for Which Royalties are Charged" and various percentages are not final. These figures have been updated for the prior year with "final" figures.

REVENUE PAYERS (Current Reporting Period and Period Nine Years Prior)

	2023	2014
Top Payers	Royalties from ConocoPhillips, ExxonMobil, Hilcorp Alaska, Hilcorp North Slope, and Marathon/PetroStar corporations comprise almost 91% of oil royalty barrels this fiscal year.	Royalties from British Petroleum, ConocoPhillips, and Flint Hill Resources/TESORO corporations comprise about 84% of oil royalty barrels this fiscal year.
Amount of Revenue Base	ConocoPhillips, ExxonMobil, Hilcorp Alaska, Hilcorp North Slope, and Marathon/PetroStar corporations paid royalty on more than 19 million barrels of oil this fiscal year.	Flint Hill Resources/TESORO, British Petroleum, and ConocoPhillips corporations paid royalties on about 20.4 million barrels of oil this fiscal year.
Percent of top payers to number of royalty barrels:	91.28%	83.60%
Percent of top payers to total royalty revenue:	88.17%	74.01%

SOURCE:
Alaska Department of Natural Resources, Division of Oil and Gas



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STATE OF ALASKA **SCHEDULE C-1**

Debt Capacity - Ratios of Outstanding Debt By Type
Last Ten Fiscal Years
(Stated in Thousands, Except Per Capita Amount)

	General Bonded Debt			Other Governmental Activities Debt				Business-Type Activities			
Fiscal Year	General Obligation Bonds [b]	Percentage of Personal Income [a]	Per Capita [a]	Tobacco Revenue Bonds	Sport Fishing Revenue Bonds	Certificates of Participation	Leases / SBITAs / Transfer of Ownership	International Airports Revenue Bonds	Total Primary Government	Percentage of Personal Income [a]	Per Capita [a]
2014	691,720	1.88 %	939	353,680	37,441	3,345	329,417	513,685	1,929,288	5.23 %	2,620
2015	656,599	1.68 %	893	348,696	33,134	35,277	308,262	497,155	1,879,123	4.82 %	2,555
2016	921,144	2.24 %	1,245	342,410	29,360	31,919	293,769	474,477	2,093,079	5.10 %	2,829
2017	859,532	2.08 %	1,162	335,881	20,561	30,149	268,938	439,837	1,954,898	4.74 %	2,642
2018	793,697	1.88 %	1,077	311,842	17,461	28,214	254,324	402,048	1,807,586	4.27 %	2,452
2019	727,611	1.66 %	988	311,633	14,193	26,384	232,500	370,351	1,682,672	3.84 %	2,286
2020	672,105	1.46 %	919	311,121	1,810	24,341	229,730	355,082	1,594,189	3.47 %	2,181
2021	725,097	1.53 %	995	310,673	—	22,097	211,165	339,058	1,608,090	3.40 %	2,206
2022	673,803	1.37 %	918	304,772	—	19,870	420,782	243,805	1,663,032	3.38 %	2,265
2023	620,428	1.23 %	842	296,528	—	17,396	438,691	237,725	439,863,077	873.61 %	597,189

NOTES:

Details regarding the state's outstanding debt can be found in the Notes to the Basic Financial Statements.

[a] See Schedule D-1, Demographic and Economic Information - Statistics, for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

[b] General Obligation bonds do not have any external restrictions for the repayment of debt. Total and net bonded debt are the same.

[c] Sport Fishing Revenue Bonds were sold April 11, 2006. The coverage reflected is surcharge revenue only as required in the additional bonds test. Additional coverage is provided from the base license fee, king salmon stamp fee, and certain federal receipts, which are also pledged to repayment of the bonds. On July 10, 2020, the State of Alaska used $1.8 million to optionally redeem and pay accrued interest on 2011 Sport Fishing Revenue Bonds.

STATE OF ALASKA **SCHEDULE C-2**

Debt Capacity - Pledged-Revenue Coverage

Last Ten Fiscal Years

(Stated in Thousands)

Fiscal Year	Gross Revenue	Less: Operating Expenses	Net Available Revenues	Debt Service Principal	Debt Service Interest	Coverage
International Airports Revenue Bonds: [a]						
2014	118,826	84,691	34,135	14,350	26,862	0.83
2015	135,387	94,615	40,772	15,860	24,346	1.01
2016	137,849	71,433	66,416	16,725	23,578	1.65
2017	144,540	97,933	46,607	18,720	21,677	1.15
2018	150,349	85,158	65,191	11,365	19,902	2.08
2019	141,265	82,059	59,206	12,500	18,100	1.93
2020	142,392	85,015	57,377	13,175	16,534	1.93
2021	122,314	86,867	35,447	13,930	14,831	1.23
2022	126,124	101,565	24,559	14,640	13,784	0.86
2023	114,629	101,565	13,064	17,395	12,845	0.43
Northern Tobacco Securitization Corporation (NTSC) Tobacco Revenue Bonds: [b]						
2014	25,856	—	25,856	3,660	17,238	1.24
2015	23,386	—	23,386	5,325	16,835	1.06
2016	24,433	—	24,433	9,670	16,529	0.93
2017	24,380	—	24,380	13,480	16,159	0.82
2018	41,458	—	41,458	9,615	15,775	1.63
2019	16,625	—	16,625	2,035	14,559	1.00
2020	16,671	—	16,671	—	14,477	1.15
2021	17,151	—	17,151	—	14,367	1.19
2022	17,614	—	17,614	—	14,251	1.24
2023	19,168	—	19,168	2,855	14,251	1.12
Sport Fishing Revenue Bonds: [c]						
2014	6,334	—	6,334	4,540	1,902	0.98
2015	6,476	—	6,476	4,030	1,619	1.15
2016	6,712	—	6,712	3,355	1,538	1.37
2017	6,875	—	6,874	8,170	1,392	0.72
2018	6,536	—	6,536	2,830	986	1.71
2019	6,763	—	6,763	3,060	841	1.73
2020	6,129	—	6,129	12,055	691	0.48
2021	(263)	—	(263)	1,810	24	(0.14)
2022	6	—	6	—	—	—
2023	—	—	—	—	—	—

NOTES:

Details regarding the state's outstanding debt can be found in the Notes to the Basic Financial Statements. Gross revenues include nonoperating interest and investment income. Operating expenses do not include interest, depreciation or amortization expenses. Additional details regarding revenues and expenses can be found in the combining fund statements of this ACFR.

[a] The principal revenues of the International Airports are charges to customers for airfield operations, concession fees, rent, and user fees.

[b] Tobacco Revenue Bonds are debt of the Northern Tobacco Securitization Corporation (NTSC), which was incorporated on September 29, 2000. NTSC revenues include Tobacco Settlement Revenues (TSRs) and investment earnings, both of which are pledged as security under the revenue bond indentures.

[c] Sport Fishing Revenue Bonds were sold April 11, 2006. The coverage reflected is surcharge revenue only as required in the additional bonds test. Additional coverage is provided from the base license fee, king salmon stamp fee, and certain federal receipts which are also pledged to repayment of the bonds. On July 10, 2020, the State of Alaska used $1.8 million to optionally redeem and pay accrued interest on 2011 Sport Fishing Revenue Bonds.

STATE OF ALASKA **SCHEDULE D-1**

Demographic and Economic Information - Statistics

Last Ten Calendar Years

Year	Population [1]	Personal Income (Stated in Millions) [2]	Alaska Per Capita Personal Income [2]	United States Per Capita Personal Income [2]	Median Age [1]	Unemployment Rate [1]
2013	736,399	36,867	50,150	44,765	34.3	6.5 %
2014	735,601	38,974	52,901	46,129	34.4	6.8 %
2015	737,183	41,032	55,307	49,571	34.5	6.4 %
2016	739,828	41,283	55,646	49,246	34.7	6.6 %
2017	737,080	42,301	57,179	51,640	34.9	7.2 %
2018	736,239	43,818	59,420	54,446	35.2	6.6 %
2019	731,007	45,945	62,806	56,490	35.5	6.1 %
2020	728,903	47,365	64,780	59,729	35.7	7.8 %
2021	734,323	49,190	67,138	63,444	36.0	6.4 %
2022	736,556	50,350	68,635	65,470	36.5	4.0 %

SOURCES:

[1] Alaska Department of Labor and Workforce Development, Research and Analysis Section

[2] U.S. Department of Commerce, Bureau of Economic Analysis

NOTE:

At the time of preparation, data provided by the U.S. Department of Commerce, Bureau of Economic Analysis is preliminary.

STATE OF ALASKA **SCHEDULE D-2**

Demographic and Economic Information - Employment by Industry

Calendar Year 2022 and Period Nine Years Prior

	2022			2013		
Year	Employment	Rank	Percentage of Total State Employment	Employment	Rank	Percentage of Total State Employment
Health Care	38,900	1	11.4 %	33,200	2	9.3 %
Retail Trade	35,000	2	10.2 %	35,300	1	9.8 %
Military	22,700	3	6.6 %	22,200	4	6.2 %
Transportation, Warehousing, and Utilities	22,600	4	6.6 %	21,500	6	6.0 %
Food Service and Drinking Places	21,700	5	6.3 %	20,700	5	5.8 %
Local Government Education	20,800	6	6.1 %	22,900	3	6.4 %
Local Government (Non Education)	19,800	7	5.8 %	18,000	8	5.0 %
State Government (Non Education)	16,800	8	4.9 %	18,500	7	5.2 %
Construction	16,100	9	4.7 %	17,200	9	4.8 %
Federal Government (Non Military)	15,000	10	4.4 %	15,500	10	4.3 %
Total	229,400		67.0 %	225,000		62.7 %
Total Employment [a]	342,600			358,700		

SOURCE:

Alaska Department of Labor and Workforce Development, Research and Analysis Section

NOTE:

[a] Standard wage and salary employment totals supplemented by active-duty military totals.



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STATE OF ALASKA **SCHEDULE E-1**

Operating Information - Full-time Equivalent Government Employees by Function

Last Ten Fiscal Years

Function	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government*	2414	2,364	2,355	2,428	2,404	2,559	2,534	2,274	2,330	2,250
Education*	330	321	321	343	357	351	343	383	410	403
Health and Human Services	2668	2,779	2,889	2,748	2,760	2,674	2,708	2,968	3,183	3,035
Law and Justice	1603	1,568	1,577	1,550	1,537	1,517	1,523	1,616	1,717	1,670
Public Protection	3569	3,568	3,544	3,496	3,517	3,510	3,572	3,661	3,665	3,794
Natural Resources	1623	1,577	1,583	1,636	1,646	1,601	1,604	2,045	2,231	2,137
Development	511	566	583	541	539	577	583	631	694	709
Transportation	2356	2,421	2,495	2,460	2,686	2,641	2,704	2,979	3,042	2,961
Totals	15,074	15,164	15,347	15,202	15,446	15,430	15,571	16,557	17,272	16,959

NOTE:

Full-time equivalent employees are calculated using the total number of hours worked, divided by the number of hours worked during the year by a full-time employee.

*General Government includes AK PFD

*Education includes University

STATE OF ALASKA **SCHEDULE E-2**

Operating Information - Operating Indicators by Function

Last Ten Fiscal Years

Function	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Alaska Permanent Fund Dividend										
Number of Dividends Paid [a]	—	631,911	636,836	630,937	638,286	639,247	632,685	636,790	640,386	636,088
Education										
Student Enrollment in State Supported Schools (pre-elementary through grade 12)	131,212	130,442	130,394	132,577	132,554	133,381	133,223	132,966	131,882	131,577
University										
Student Enrollment in the State University System (average head count over both semesters)	20,295	20,530	21,825	24,943	26,641	27,339	28,480	30,298	31,587	32,363
Health and Human Services										
Medicaid Beneficiaries	199,590	201,788	191,508	186,465	189,776	189,361	178,365	187,097	151,591	156,595
Temporary Assistance Caseload	2,259	2,504	3,124	4,102	4,626	5,372	5,660	5,586	3,195	3,547
Protective Services Reports Regarding Children	20,022	19,176	18,513	4,397	23,145	22,253	18,339	16,889	15,958	15,859
Law and Justice										
Criminal Caseload - Misdemeanors	17,505	19,070	21,593	22,979	22,217	17,909	14,721	17,091	22,196	21,327
Criminal Caseload - Felonies and Appeals	7,400	7,807	8,175	7,941	7,850	7,672	6,335	5,418	7,441	8,500
Civil Caseload	5,017	5,599	5,600	5,692	5,929	6,097	5,491	5,960	6,201	6,065
Public Protection										
Adult Offenders in Correctional Facilities	4,902	5,140	4,986	5,145	5,738	4,862	5,150	5,904	6,288	6,304
Juvenile Offenders in Detention or Treatment Facilities	145	131	134	173	171	166	171	139	170	158
National Guard Assigned Strength in Alaska	3,723	3,865	3,896	3,679	3,924	3,834	3,787	3,940	3,847	3,968
Number of Homicides Investigated by State Troopers	26	25	23	35	20	18	19	25	28	18
Natural Resources										
Wholesale Value of Alaska Commercial Fish Harvests (stated in thousands of dollars) [a]	—	5,241,648	4,751,896	3,678,767	4,663,844	4,505,673	4,855,213	4,157,269	4,151,623	2,815,654
Recreation Acres State Owned or Maintained	12,616,232	12,616,232	12,616,232	12,669,712	12,669,705	12,652,683	12,652,603	12,652,523	12,626,004	12,622,086
State Timber Sold Annually (million board feet)	10	10	42	2	16	8	11	8	21	29
State Acreage Leased for Oil and Gas Development [c]	3,223,969	3,346,758	3,828,211	4,222,358	4,453,261	4,996,840	5,343,661	6,161,719	5,752,866	5,857,373
Placer Mines Permitted	678	635	586	552	541	295	313	292	403	430
Development										
Number of State Business Licenses	91,114	99,554	91,114	78,263	73,468	73,952	73,085	70,263	68,935	68,503
Transportation										
Annual Fatalities per 100 Million Miles of Vehicle Travel in AK [a]	—	1	1	1	1	1	1	2	1	2
State Ferry Route Miles [a]	—	3,290	3,290	3,290	3,290	3,290	3,290	3,290	3,290	3,290
Intergovernmental Revenue Sharing										
Number of Communities that Receive a Portion of Shared										
Taxes and Fees	118	139	134	133	143	141	145	142	150	144
Loans										
Number of Loans in Portfolio	1,342	1,356	1,428	1,414	1,462	1,537	1,563	1,534	1,515	1,643

STATE OF ALASKA **SCHEDULE E-2**

Operating Information - Operating Indicators by Function
Last Ten Fiscal Years

Function	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Unemployment Compensation										
Initial Claims Paid [a]	—	44,362	74,295	322,403	52,588	53,751	60,641	64,979	67,060	72,998
Airports [b]										
Landings:										
Jets	67,110	71,153	62,318	61,040	61,707	59,908	55,413	53,487	60,909	61,637
Other Aircraft	45,369	44,219	36,896	38,929	45,436	51,548	56,375	59,657	51,504	51,850
Passengers:										
In	3,217,924	3,068,577	1,793,212	2,648,606	3,408,876	3,317,932	3,298,767	3,311,305	3,178,340	3,043,991
Out	3,273,214	3,077,821	1,739,701	2,625,595	3,402,426	3,312,723	3,300,949	3,321,417	3,167,655	3,030,809
Through	64,447	51,442	44,508	38,750	68,540	53,246	50,173	42,358	90,291	105,266
Freight (in tons):										
In	969,021	925,931	931,358	709,413	674,190	672,129	313,317	325,244	350,231	387,142
Out	1,069,006	998,119	946,970	725,539	672,817	706,253	341,913	381,388	317,992	326,308

SOURCES:
Various state departments and the University of Alaska.

NOTES:
Indicators are not available for the general government function.
[a] Data is only provided on a calendar year basis.
[b] Data is for the Anchorage and Fairbanks International Airports.
[c] Includes both onshore and offshore acres.

STATE OF ALASKA **SCHEDULE E-3**

Operating Information - Capital Asset Statistics by Function

Last Ten Fiscal Years

Function	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Primary Government:										
General Government										
Buildings (square feet)	2,162,734	2,159,731	2,163,035	2,274,362	1,978,224	1,061,752	1,172,468	971,343	937,638	941,144
Education										
Buildings (square feet)	1,454,895	1,775,459	1,770,874	1,818,236	1,827,309	1,706,760	1,720,970	1,739,362	1,886,872	1,922,210
Schools	72	75	75	77	77	77	80	79	92	94
Schools Under Construction	11	11	10	10	14	10	8	11	16	29
Health and Human Services										
Buildings (square feet)	2,452,200	2,538,600	2,653,932	2,573,569	2,270,894	1,248,516	1,301,564	1,267,830	1,281,004	1,269,375
Pioneer Homes	6	6	6	6	6	6	6	6	6	6
Law and Justice										
Buildings (square feet)	1,472,887	1,432,848	1,448,512	1,451,585	1,264,566	708,302	732,146	690,114	691,178	698,420
Court Buildings	13	13	12	13	13	12	13	13	13	13
Public Protection										
Buildings (square feet)	3,280,247	3,259,958	3,255,154	3,274,466	2,893,852	1,638,852	1,716,920	1,564,052	1,475,111	1,586,955
Correctional Institutions	12	12	12	12	12	12	14	13	13	13
Aircraft	12	14	14	9	12	12	12	12	19	19
Motor Vessels	21	18	17	10	15	15	20	18	25	24
National Guard Armories	14	14	14	14	14	20	20	21	21	21
Natural Resources										
Buildings (square feet)	1,492,058	1,440,969	1,453,729	1,531,991	1,353,868	747,522	771,156	873,340	897,974	894,020
Parks Acreage	3,357,393	3,357,393	3,357,393	3,393,933	3,393,926	3,393,904	3,393,824	3,393,744	3,357,444	3,357,393
Forest Acreage	2,133,407	2,133,407	2,134,899	2,134,899	2,134,899	2,134,899	2,134,899	2,134,899	2,144,680	2,144,680
Other State Land Acreage	95,132,723	95,132,723	95,124,057	95,100,905	95,075,825	94,981,149	94,982,598	94,985,055	94,991,360	94,964,340
Aircraft	6	6	6	6	5	5	5	5	5	5
Motor Vessels	17	17	11	14	10	10	10	10	10	11
Development										
Buildings (square feet)	469,796	516,982	535,669	506,608	443,819	269,407	269,559	269,452	279,392	296,453
Transportation										
Buildings (square feet)	2,165,711	2,211,870	2,291,760	2,304,595	2,210,076	1,233,108	1,299,713	1,272,699	1,224,279	1,238,694
Light Duty Vehicles	3,739	3,467	3,467	3,508	3,403	3,324	3,527	3,623	3,730	3,686
Heavy Duty Utility Vehicles	3,054	2,928	2,928	2,940	2,917	2,842	2,233	2,219	2,238	2,236
Ferries	9	9	10	12	11	11	11	11	11	11
Building Projects Under Construction	120	112	119	106	155	153	135	115	151	173
Rural Airports	235	235	235	235	239	237	242	242	247	254
Rural Airport Projects Under Construction	522	535	562	500	550	283	311	407	381	372
Centerline Road Miles [a]	5,684	6,243	6200	6200	6225.96	5,634	5,629	5,629	5,612	5,592
Highway Projects Under Construction	814	767	790	745	1,005	842	1,040	874	832	897

STATE OF ALASKA **SCHEDULE E-3**

Operating Information - Capital Asset Statistics by Function

Last Ten Fiscal Years

Function	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Business-Type Activities:										
Airports (Anchorage and Fairbanks International)										
Terminals (square feet)	1,314,721	1,314,721	1,320,737	1,320,737	1,320,737	1,320,737	1,320,737	1,320,737	1,320,737	1,320,737
International Airport (acreage)	8,330	8,319	8,288	8,288	8,288	8,288	8,288	8,288	8,288	8,288
International Airport Projects Under Construction	87	17	146	148	136	121	121	99	94	83
Runways (miles)	13	18	10	10	10	10	10	10	10	10

NOTES:

[a] Centerline road miles are calculated on a calendar year basis.



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Index of Funds

STATE OF ALASKA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2023

INDEX OF FUNDS

Fund Description	Authority	Separately Reported?	Fund or Group	Statement Number
1 Cent Per Barrel of Oil Produced Surcharge	AS 46.08.020 AS 43.55.201	No	GF	3.01, 3.02
4 Cent Per Barrel of Oil Produced Surcharge	AS 46.08.020 AS 43.55.300	No	GF	3.01, 3.02
2008 Transportation Project (GO Bonds)	Ch 30, SLA 2008	Yes	CPF	3.51, 3.52
2010 Education Project (GO Bonds)	Ch 95, SLA 2010	Yes	CPF	3.51, 3.52
2012 Transportation Project (GO Bonds)	Ch 18, SLA 2012	Yes	CPF	3.51, 3.52
Abandoned Motor Vehicles	AS 28.11.110	No	GF	3.01, 3.02
Adak Airport Operations	PL 101-510	No	GF	3.01, 3.02
Agricultural Revolving Loan	AS 03.10.040	Yes	OAEF	4.21 - 4.23
Alaska Aerospace Corporation	AS 26.27.010	Yes	DPCU	6.01, 6.02
Alaska Capital Income	AS 37.05.565	No	GF	3.01, 3.02
Alaska Capstone Avionics Revolving Loan	AS 44.33.655	Yes	CAEF	4.11 - 4.13
Alaska Clean Water	AS 46.03.032	Yes	OAEF	4.21 - 4.23
Alaska Comprehensive Health Insurance Fund	AS 21.55.430	No	GF	3.01, 3.02
Alaska Debt Retirement	AS 37.15.011	No	GF	3.01, 3.02
Alaska Drinking Water	AS 46.03.036	Yes	OAEF	4.21 - 4.23
Alaska Energy Authority	AS 44.83.020	Yes	DPCU	1.41, 1.42
Alaska Gasline Development Corporation	AS 31.25.010	Yes	DPCU	6.01, 6.02
Alaska Gasline Inducement Act Reimbursement	AS 43.90.400	No	GF	3.01, 3.02
Alaska Higher Education Investment	AS 37.14.750	No	GF	3.01, 3.02
Alaska Historical Commission Receipts Account	AS 41.35.380	No	GF	3.01, 3.02
Alaska Housing Capital Corporation	AS 18.56.086	Yes	SRF	3.31 - 3.33
Alaska Housing Finance Corporation	AS 18.56.020	Yes	DPCU	1.41, 1.42
Alaska Industrial Development and Export Authority	AS 44.88.020 AS 44.88.600 Ch 42, SLA 1987	Yes	DPCU	1.41, 1.42
Alaska Marine Highway System	AS 19.65.060	No	GF	3.01, 3.02
Alaska Marine Highway System Vessel Replacement	AS 37.05.550	No	GF	3.01, 3.02
Alaska Mental Health Trust Authority	AS 47.30.011	Yes	DPCU	6.01, 6.02
Alaska Microloan Revolving Loan	AS 44.33.950	Yes	CAEF	4.11 - 4.13
Alaska Municipal Bond Bank Authority	AS 44.85.020	Yes	DPCU	6.01, 6.02
Alaska National Guard and Alaska Naval Militia Retirement System	AS 26.05.222	Yes	PTF	5.01, 5.02
Alaska Permanent Fund	Constitution, Art. IX, sec. 15	Yes	PF	1.11 - 1.14
Alaska Public Building	AS 37.05.570	Yes	ISF	4.31 - 4.33
Alaska Railroad Corporation	AS 42.40.010	Yes	DPCU	6.01, 6.02
Alaska Seafood Marketing Institute	AS 16.51.010	Yes	DPCU	6.01, 6.02
Alaska State Council on the Arts	AS 44.27.040	Yes	SRF	3.31 - 3.33

STATE OF ALASKA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2023

INDEX OF FUNDS

Fund Description	Authority	Separately Reported?	Fund or Group	Statement Number
Alaska Student Loan Corporation	AS 14.42.100	Yes	DPCU	6.01, 6.02
Alaska Technical and Vocational Education Program	AS 23.15.830	No	GF	3.01, 3.02
Alaska Transportation Infrastructure Bank	Section 350 of the NHSD Act of 1995 Federal Law	No	GF	3.01, 3.02
Alaska Veterans' Memorial Endowment	AS 37.14.700(a)	No	GF	3.01, 3.02
Alcohol and Other Drug Abuse Treatment and Prevention	AS 43.60.050	No	GF	3.01, 3.02
Alcoholism and Drug Abuse Revolving Loan	AS 44.29.210	Yes	OAEF	4.21 - 4.23
Alternative Energy Conservation Revolving Loan	AS 45.88.010	Yes	EAEF	4.11 - 4.13
Alyeska Settlement Trust	Consent decree between U.S., Alaska, and Alyeska Pipeline Service Company	Yes	SRF	3.31 - 3.33
Anatomical Gift Awareness	AS 13.50.160(a)	No	GF	3.01, 3.02
Art in Public Places	AS 44.27.060	No	GF	3.01, 3.02
Assistive Technology Loan Guarantee	AS 23.15.125	No	GF	3.01, 3.02
Aviation Fuel Tax Account	AS 43.40.010(e)	No	GF	3.01, 3.02
Building Safety Account	AS 44.31.025	No	GF	3.01, 3.02
Bulk Fuel Revolving Loan	AS 42.45.250	Yes	EAEF	4.11 - 4.13
Civil Legal Services	AS 37.05.590	No	GF	3.01, 3.02
Clean Air Protection	AS 46.14.260 Federal Clean Air Act	Yes	SRF	3.31 - 3.33
Commercial Charter Fisheries Revolving Loan	AS 16.10.801	Yes	CAEF	4.11 - 4.13
Commercial Fishing Revolving Loan	AS 16.10.340	Yes	CAEF	4.11 - 4.13
Commercial Passenger Vessel Environmental Compliance	AS 46.03.482	No	GF	3.01, 3.02
Commercial Vessel Passenger Tax	AS 43.35.220 AS 43.52.230(a)	No	GF	3.01, 3.02
Community Revenue Sharing	AS 29.60.850	No	GF	3.01, 3.02
Constitutional Budget Reserve	Constitution, Art. IX, sec. 17 AS 37.13	Yes	GF	3.01, 3.02
Crime Victims Compensation	AS 18.67.162	No	GF	3.01, 3.02
Deferred Compensation	AS 39.45.010	Yes	PTF	5.01, 5.02
Deposits, Suspense, and Miscellaneous		Yes	CF	5.11, 5.12
Derelict Vessel Prevention Program Fund	AS 30.30.096	No	GF	3.01, 3.02
Disaster Relief	AS 26.23.300	No	GF	3.01, 3.02
Dividend Raffle Fund	AS 43.23.230	No	GF	3.01, 3.02
Donated Commodity Fee	USC 7 CFR, Part 250	No	GF	3.01, 3.02
Education Endowment Fund	AS 43.23.220	No	GF	3.01, 3.02
Educational Facilities Maintenance and Construction	AS 37.05.560	No	GF	3.01, 3.02

STATE OF ALASKA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2023

INDEX OF FUNDS

Fund Description	Authority	Separately Reported?	Fund or Group	Statement Number
Election	Federal H.R. 3295	No	GF	3.01, 3.02
Employment Assistance and Training Program Account	AS 23.15.625	No	GF	3.01, 3.02
Exxon Valdez Oil Spill Investment Trust	PL 106-113	Yes	ITF	5.11, 5.12
Exxon Valdez Oil Spill Restoration	U.S. District Court Judgment	Yes	SRF	3.31 - 3.33
Exxon Valdez Settlement Trust	AS 37.14.400	Yes	SRF	3.31 - 3.33
Federal Highway Administration - Airspace Leases	Section 156 of the USSTURAA of 1987	No	GF	3.01, 3.02
Federal Insurance Contributions Act Administration	AS 39.30.050	No	GF	3.01, 3.02
Fish and Game	AS 16.05.100	Yes	SRF	3.31 - 3.33
Fisheries Disaster	PL 108-7, Sec. 2, Division N, Title V - Fisheries Disasters, Sec. 501(a)	No	GF	3.01, 3.02
Fisheries Enhancement Revolving Loan	AS 16.10.505	Yes	CAEF	4.11 - 4.13
Fishermen's	AS 23.35.060	Yes	SRF	3.31 - 3.33
Fuel Emergency	AS 26.23.400	No	GF	3.01, 3.02
Fund for the Improvement of School Performance	AS 14.03.125	No	GF	3.01, 3.02
General Fund	Operating fund of the State	Yes	GF	3.01, 3.02
General Obligation Bond Redemption	Various SLAs	Yes	DSF	3.41, 3.42
Group Health and Life Benefits	AS 39.30.095	Yes	ISF	4.31 - 4.33
Highways Equipment Working Capital	AS 44.68.210	Yes	ISF	4.31 - 4.33
Impact Aid	Federal PL 103-382	Yes	CF	5.11, 5.12
Information Services	AS 44.21.045	Yes	ISF	4.31 - 4.33
International Airports	AS 37.15.410-550	Yes	OAEF	1.21 - 1.23
Judicial Retirement System	AS 22.25.048	Yes	PTF	5.01, 5.02
Major Maintenance Grant	AS 14.11.007	No	GF	3.01, 3.02
Mariculture Revolving Loan	AS 16.10.900	Yes	CAEF	4.11 - 4.13
Marijuana Education and Treatment Fund	AS 43.61.010(f)	No	GF	3.01, 3.02
Memorial Education Revolving Loan	AS 14.43.255	No	GF	3.01, 3.02
Mine Reclamation Trust	AS 37.14.800	Yes	SRF	3.31 - 3.33
Mining Revolving Loan	AS 27.09.010	Yes	CAEF	4.11 - 4.13
Municipal Capital Project Matching Grant	AS 37.06.010	No	GF	3.01, 3.02
Municipal Harbor Facility Grant	AS 29.60.800	No	GF	3.01, 3.02
National Petroleum Reserve	AS 37.05.530	Yes	SRF	3.31 - 3.33
Northern Tobacco Securitization Corporation	AS 18.56.086	Yes	SRF	3.31 - 3.33
Northern Tobacco Securitization Corporation Bond Redemption	AS 18.56.086	Yes	DSF	3.41, 3.42
Oil and Gas Tax Credit	AS 43.55.028	No	GF	3.01, 3.02

STATE OF ALASKA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2023

INDEX OF FUNDS

Fund Description	Authority	Separately Reported?	Fund or Group	Statement Number
Oil and Hazardous Substance Release Prevention and Response	AS 46.08.010	No	GF	3.01, 3.02
Oil and Hazardous Substance Release Prevention Mitigation Account	AS 46.08.020(b)	No	GF	3.01, 3.02
Oil and Hazardous Substance Release Response Mitigation Account	AS 46.08.025(b)	No	GF	3.01, 3.02
Originator Surety	AS 06.60.500	No	GF	3.01, 3.02
Peace Officer and Firefighter Survivor's Fund	AS 39.60.010	No	GF	3.01, 3.02
Permanent Fund Dividend	AS 43.23.045	Yes	GF	3.01, 3.02
Public Advocacy Trust	AS 44.21.410	Yes	CF	5.11, 5.12
Public Education	AS 14.17.300	Yes	GF	3.01, 3.02
Public Employees' Retirement System	AS 39.35.095-680 AS 39.35.700-990	Yes	PTF	5.01, 5.02
Public School Trust	AS 37.14.110	Yes	PF	3.11, 3.12
Railbelt Energy	AS 37.05.520	No	GF	3.01, 3.02
Randolph-Sheppard Small Business	AS 23.15.130 20 USC 107-107(f)	No	GF	3.01, 3.02
Real Estate Recovery	AS 08.88.450	No	GF	3.01, 3.02
Recidivism Reduction Fund	AS 43.61.010(c)	No	GF	3.01, 3.02
Reclamation Bonding Pool	AS 27.19.040	Yes	SRF	3.31 - 3.33
Regional Educational Attendance Area School	AS 14.11.030	No	GF	3.01, 3.02
Retiree Health	AS 39.35.535, AS 14.25.168, AS 22.25.090	Yes	OAEF	4.21 - 4.23
School	AS 43.50.140	Yes	SRF	3.31 - 3.33
School Construction Grant	AS 14.11.005	No	GF	3.01, 3.02
School Trust Land Sales	Attorney General Opinion	No	GF	3.01, 3.02
Second Injury	AS 23.30.040	Yes	SRF	3.31 - 3.33
State Insurance Catastrophe Reserve Account	AS 37.05.289	No	GF	3.01, 3.02
State Land Disposal Income	AS 38.04.022(a)	No	GF	3.01, 3.02
State Land Reforestation	AS 41.17.300	No	GF	3.01, 3.02
Statutory Budget Reserve	AS 37.05.540	Yes	GF	3.01, 3.02
Supplemental Benefits System	AS 39.30.150	Yes	PTF	5.01, 5.02
Surplus Property Revolving	AS 37.05.500(a)(2) AS 44.68.130	No	GF	3.01, 3.02
Teachers' Retirement System	AS 14.25.009-220 AS 14.25.310-590	Yes	PTF	5.01, 5.02
Tobacco Use Education and Cessation	AS 37.05.580	No	GF	3.01, 3.02
Training and Building	AS 23.20.130(d)	No	GF	3.01, 3.02
Trans-Alaska Pipeline Liability (TAPS) Rebate	Federal PL 101-380	No	GF	3.01, 3.02
Trauma Care Fund	AS 18.08.085	No	GF	3.01, 3.02
Unemployment Compensation	AS 23.20.130	Yes	OAEF	1.21 - 1.23

STATE OF ALASKA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2023

INDEX OF FUNDS

Fund Description	Authority	Separately Reported?	Fund or Group	Statement Number
Unincorporated Community Capital Project Matching Grant	AS 37.06.020	No	GF	3.01, 3.02
University of Alaska	AS 14.40.040	Yes	DPCU	1.41, 1.42
Vaccine Assessment	AS 18.09.230	No	GF	3.01, 3.02
Vocational Rehabilitation Small Business Enterprise Revolving	AS 23.15.130	No	GF	3.01, 3.02
Wage and Hour	AS 23.05.220	Yes	CF	5.11, 5.12
Workers' Compensation Benefits Guaranty	AS 23.30.082	No	GF	3.01, 3.02
Workers' Safety and Compensation Administration Account	AS 23.05.067	No	GF	3.01, 3.02

Legend of Acronyms

STATE OF ALASKA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2023

LEGEND OF ACRONYMS

Acronym	Description
AAC	Alaska Aerospace Corporation
AAL	Actuarial Accrued Liabilities
ACFR	Annual Comprehensive Financial Report
ACPE	Alaska Commission on Postsecondary Education
ASCA	Alaska State Council on the Arts
AEA	Alaska Energy Authority
AGDC	Alaska Gasline Development Corporation
AHCC	Alaska Housing Capital Corporation
AHFC	Alaska Housing Finance Corporation
AIDEA	Alaska Industrial Development and Export Authority
AIGA	Alaska Insurance Guarantee Association
ALAE	Allocated Loss Adjustment Expense
AMBBA	Alaska Municipal Bond Bank Authority
AMHTA	Alaska Mental Health Trust Authority
APFC	Alaska Permanent Fund Corporation
ARHCT	Alaska Retiree Health Care Trust
ARMB	Alaska Retirement Management Board
ARRC	Alaska Railroad Corporation
AS	Alaska Statute
ASCA	Alaska State Council on the Arts
ASLC	Alaska Student Loan Corporation
ASMI	Alaska Seafood Marketing Institute
CAEF	Commercial Assistance Enterprise Fund
CBRF	Constitutional Budget Reserve Fund
CF	Custodial Fund
CFR	Code of Federal Regulations
CH	Chapter
COPs	Certificates of Participation
CPF	Capital Project Fund
CSED	Child Support Enforcement Division
DB	Defined Benefit
DCCED	Department of Commerce, Community, and Economic Development
DEC	Department of Environmental Conservation
DEED	Department of Education and Early Development
DF&G	Department of Fish and Game
DFCS	Department of Family and Community Services
DMVA	Department of Military and Veterans Affairs
DNR	Department of Natural Resources
DOA	Department of Administration
DOH	Department of Health
DOLWD	Department of Labor and Workforce Development
DOR	Department of Revenue
DOT&PF	Department of Transportation and Public Facilities
DPS	Department of Public Safety
DCP	Deferred Compensation Plan
DCR	Defined Contribution Retirement Plan
DPCU	Discretely Presented Component Unit
DSF	Debt Service Fund
DSMAF	Deposits, Suspense, and Miscellaneous Agency Funds
DVR	Division of Vocational Rehabilitation

STATE OF ALASKA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2023

LEGEND OF ACRONYMS

Acronym	Description
EAEF	Energy Assistance Enterprise Fund
EF	Enterprise Fund
EMGF	Emerging Markets Growth Fund
EPORS	Elected Public Officers Retirement System
EVOS	Exxon Valdez Oil Spill
FDIC	Federal Deposit Insurance Corporation
FHWA	Federal Highway Administration
FICA	Federal Insurance Contributions Act
FIFO	First In First Out
FNMA	Federal National Mortgage Association
FSSLA	First Special Session Laws of Alaska
FX	Foreign Currency
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GASBS	Governmental Accounting Standards Board Statement
GeFONSI	General Fund and Other Non-segregated Investments
GF	General Fund
GO	General Obligation
HRA	House Resolution
GF	General Fund
HRA	Health Reimbursement Arrangement
IAF	International Airport Fund
ISF	Internal Service Fund
ITF	Investment Trust Fund
JRS	Judicial Retirement System
MD&A	Management Discussion and Analysis
MEBA	Marine Engineers' Beneficial Association
MSA	Master Settlement Agreement
NGNMRS	National Guard and Alaska Naval Militia Retirement System
NHSD	National Highway System Designation
NMRT	Northwest Marine Retirement Trust
NPR	National Petroleum Reserve
NR	Not Reported in ACFR
NRSRO	Nationally Recognized Statistical Rating Organization
NTSC	Northern Tobacco Securitization Corporation
OAEF	Other Agencies Enterprise Fund
OAH	Office of Administrative Hearings
OD&D	Occupational Death and Disability
OPEB	Other Post-Employment Benefits
PERS	Public Employees' Retirement System
PERS-DB	Public Employees' Retirement System - Defined Benefit
PERS-DCR	Public Employees' Retirement System - Defined Contribution Retirement Plan
PF	Permanent Fund
PL	Public Law
PPA	Prior Period Adjustment
PSF	Public School Fund
PTF	Pension and Other Employee Benefit Trust Fund
RHF	Retiree Health Fund
RMP	Retiree Major Medical Insurance

STATE OF ALASKA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2023

LEGEND OF ACRONYMS

Acronym	Description
RSAs	Reimbursable Services Agreements
SBITA	Subscription-Based Information Technology Arrangement
SBJPA	Small Business Job Protection Act
SBPA	Standby Bond Purchase Agreement
SBS	Supplemental Benefits System
SF	Sport Fish
SIR	Self-Insured Retention
SLA	Session Laws of Alaska
SRF	Special Revenue Fund
SSOA	Shared Services of Alaska
SSSLA	Second Special Session Laws of Alaska
TAPS	Trans-Alaska Pipeline System
TIPS	Treasury Inflation Protected Securities
TRS	Teachers' Retirement System
TRS-DB	Teachers' Retirement System - Defined Benefit
TRS-DCR	Teachers' Retirement System - Defined Contribution Retirement
TSR	Tobacco Settlement Revenues
UAAL	Unfunded Actuarial Accrued Liabilities

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APPENDIX C

PROPOSED FORM OF BOND COUNSEL OPINION

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June [4], 2024

State of Alaska
State Bond Committee
Juneau, Alaska

State of Alaska General Obligation Refunding Bonds, Series 2024A
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the State Bond Committee (the "Committee") of the State of Alaska (the "State") in connection with its issuance of $[PAR] aggregate principal amount of State of Alaska General Obligation Refunding Bonds, Series 2024A (the "Bonds"), issued pursuant to Resolution No. 2024-01, adopted by the Committee on March 26, 2024 (the "Bond Resolution"). The State has appointed U.S. Bank Trust Company, National Association, as bond registrar (the "Bond Registrar") under the Bond Resolution. The Bonds are issued for the stated purposes of (i) providing funds to pay the costs of refunding the State's General Obligation Bonds, Series 2010A (Taxable Build America Bonds – Direct Payment) and (ii) paying costs of issuing the Bonds. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Bond Resolution.

In such connection, we have reviewed the Bond Resolution; the Tax Certificate, dated the date hereof (the "Tax Certificate"), of the State; a Certificate of No Litigation of the Attorney General of the State of Alaska, as counsel to the State; certificates of the State, the Bond Registrar and others; and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after original delivery of the Bonds on the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after original delivery of the Bonds on the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. We disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures provided to us and the due and legal execution and delivery thereof by, and validity against, any parties other than the State. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents and of the legal conclusions contained in the opinions, referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Bond Resolution and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Bonds, the Bond Resolution and the

Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against the State. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no view with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute the valid and binding general obligations of the State.

2. The Bond Resolution has been duly adopted by, and constitutes the valid and binding obligation of, the State. The Bond Resolution creates a valid pledge of the full faith, credit and resources of the State to secure the payment of the principal of and interest on the Bonds.

3. Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. Interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that interest on the Bonds included in financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Interest on the Bonds is not included in taxable income for purposes of the State of Alaska income tax imposed on corporations. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

per

APPENDIX D

PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING

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CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") constitutes the written undertaking of the State of Alaska (the "State") in connection with the issuance by the State of $[PAR] aggregate principal amount of General Obligation Refunding Bonds, Series 2024A (the "Bonds"). The execution and delivery by the State of this Disclosure Certificate were authorized by Resolution No. 2024-01 adopted by the State Bond Committee on March 26, 2024. The State agrees as follows.

SECTION 1. Purpose of the Disclosure Certificate. The State 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 Section (b)(5) of Securities and Exchange Commission ("SEC") Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, § 240.15c2-12) (as amended from time to time, the "Rule").

SECTION 2. Definitions: The following capitalized terms shall have the following meanings:

*"**Annual Report**"* means an Annual Report provided by the State pursuant to and as described in Section 3 of this Disclosure Certificate.

*"**Audited Financial Statements**"* means the State's annual financial statements, prepared in accordance with GAAP, which financial statements shall have been audited by a firm of independent certified public accountants or by the Legislative Auditor of the State.

*"**Beneficial Owner**"* means any person that has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or intermediaries).

*"**Disclosure Representative**"* means the Chairman of the State Bond Committee or his or her designee or such other officer or employee as the State shall designate in writing from time to time.

*"**Financial Obligation**"* shall mean, for purposes of the listed events set out in Section 4(a)(10) and Section 4(b)(8) hereof, 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 State (currently the 12-month period ending June 30), as such fiscal year may be changed from time to time as required by State law.

*"**Holder**"* means the person in whose name any Bond is registered.

*"**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.

*"**Notice of Significant Events**"* means the notice required to be given in accordance with Section 4 hereof.

*"**Official Statement**"* means the Official Statement dated May [16], 2024 relating to the Bonds.

*"**Participating Underwriter**"* means any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

*"**Report Date**"* has the meaning set forth in Section 3 hereof.

*"**Resolution**"* means Resolution No. 2024-01 of the State Bond Committee of the State, adopted on March 26, 2024, authorizing the issuance of the Bonds.

SECTION 3. Provision of Annual Reports and Financial Statements.

(a) The State shall, while any Bonds are outstanding, provide an Annual Report to the MSRB in an electronic format as provided by the MSRB, on or before March 31 of each year (the "Report Date"), commencing March 31, 2025. The State may adjust the Report Date if the State changes its Fiscal Year, by providing written notice of the change of Fiscal Year and the new Report Date to the MSRB; provided that the new Report Date shall be nine months after the end of the new Fiscal Year, and provided further that the period between the final Report Date relating to the former Fiscal Year and the initial Report Date relating to the new Fiscal Year shall not exceed one year in duration. The Annual Report may cross-reference other information as provided below, and the State's audited financial statements may be submitted separately from the balance of the Annual Report. If the audited financial statements are not available on the Report Date, unaudited financial statements will be provided with audited financial statements to follow when available. The Annual Report shall contain or include by reference:

(1) annual audited financial statements of the State; and

(2) historical operating data and financial information of the type included in the Official Statement under the heading "INFORMATION CONCERNING THE STATE OF ALASKA."

Any or all of these items may be included by specific reference to documents available to the public or on the internet website of the MSRB or filed with the SEC. The State 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) If the State is unable to provide to the MSRB the Annual Report by the Report Date, the State in a timely manner shall send a notice to the MSRB in substantially the form attached hereto as Exhibit A.

The State reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the State; provided that the State agrees that any such modification will be done in a manner consistent with the Rule as provided in Section 6 hereof.

SECTION 4. Reporting of Significant Events. (a) The State shall file with the MSRB a notice of any of the following events with respect to the Bonds, within ten (10) business days after 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 determinations 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 State.

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

Note: for the purposes of the event identified in subparagraph 4(a)(9), the event is considered to occur when any of the following occurs: the appointment of a receiver, fiscal agent or similar officer for the State 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 State, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject 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 State.

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

(1) Unless described in Section 4(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 State or the sale of all or substantially all of the assets of the State, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action, or a termination of a definitive agreement relating to any such actions, other than 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 State, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the State, any of which affect Holders of the Bonds.

SECTION 5. Termination of Reporting Obligation. The State's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 6. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the State 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 State;

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

(d) The State 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 Resolution.

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

SECTION 7. Filing. Any filing required under the terms of this Disclosure Certificate may be made solely by transmitting such filing to the Electronic Municipal Market Access as provided at http://www.emma.msrb.org, or in such other manner as may be permitted from time to time by the Securities Exchange Commission.

SECTION 8. Additional information. Nothing in this Disclosure Certificate shall be deemed to prevent the State from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or Notice of Significant Event, in addition to that which is required by this Disclosure Certificate. If the State chooses to include any information in any Annual Financial Information or Notice of Significant Event in addition to that which is specifically required by this Disclosure Certificate, the State shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Financial Information or Notice of Significant Event.

SECTION 9. Default. In the event of a failure of the State 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 State to comply with its obligations under this Disclosure Certificate; provided, however, that any such action may be instituted only in a State court in Juneau, Alaska. No failure to comply with any provision of this Disclosure Certificate shall be deemed an Event of Default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the State to comply with this Disclosure Certificate shall be an action to compel specific performance.

SECTION 10. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the State of Alaska, the Participating Underwriters and the Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

BY: _____

Ryan S. Williams
Debt Manager, State of Alaska,
For the State Bond Committee

Date: June [4], 2024

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	THE STATE OF ALASKA
Name of Obligated Person:	THE STATE OF ALASKA
Name of Bond Issue:	State of Alaska General Obligation Refunding Bonds, Series 2024A
Date of Issuance:	June [4], 2024

NOTICE IS HEREBY GIVEN that the State has not provided its Annual Report with respect to the above-named Bonds as required by Continuing Disclosure Certificate of the State dated June [4], 2024. The State anticipates that the Annual Report will be filed by_____.

Dated: _____

By: _____

Ryan S. Williams
Debt Manager, State of Alaska
For the State Bond Committee

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APPENDIX E

INFORMATION REGARDING THE DEPOSITORY TRUST COMPANY

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INFORMATION REGARDING THE DEPOSITORY TRUST COMPANY

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

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

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

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial

Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

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

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

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

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

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

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



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