

# State of Alaska

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year  
July 1, 1997 - June 30, 1998



Prepared by  
Department of Administration  
Division of Finance

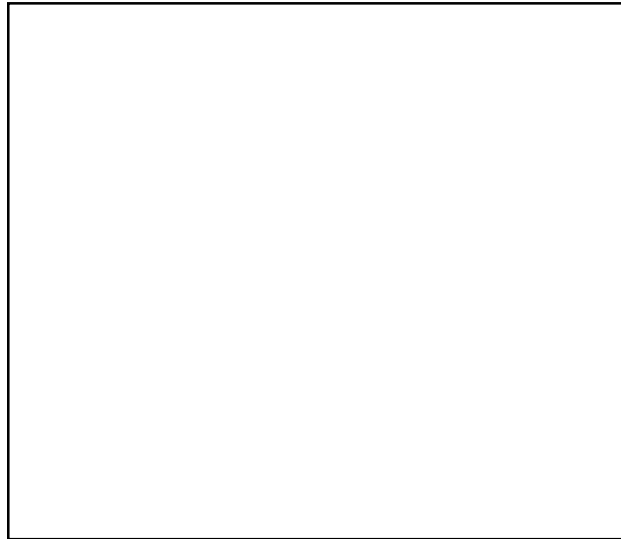
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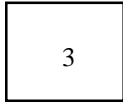

# GOLD RUSH TIME LINE

Indians agree to allow prospectors to use Chilkoot Pass	1880	Joe Juneau and Richard Harris make major gold strike on Gold Creek near Juneau
	1884	Congress passes the Organic Act of 1884, providing a civil government for Alaska
Howard Franklin strikes Gold on Fortymile River in Interior Alaska	1886	
	1888	Alexander King discovers gold on Kenai Peninsula
Gold discovered near Hope, Rampart and Circle	1893	
	1896	George Washington Carmack, Tagish Charlie and Skookum Jim make a discovery on Bonanza Creek, setting off the great Klondike Gold Rush
S.S. Excelsior and S.S. Portland arrive at San Francisco and Seattle loaded with Klondike Gold, the stampede begins	1897	U.S. Army establishes Fort St. Michael, first of six Gold Rush posts
Construction begins on White Pass & Yukon Railway, completed July 29, 1900 Notorius Soapy Smith shot and killed in Skagway	1898	Sixty five people die in Chilkoot Pass avalanche U.S. soldiers arrive in Skagway to maintain order The "Three Lucky Swedes" discover gold on Seward Peninsula
Mining begins on the beaches of Nome	1899	Construction begins on Valdez-Eagle Military Trail, later to become the Trans-Alaska Military Road
Congress authorizes construction of telegraph lines and submarine cables to connect Alaska's military posts with each other and the rest of the U.S. "Son of the Wolf", Jack London's first book on the Klondike, is published	1900	Alexander McKenzie and Judge Arthur H. Noyes arrive in Nome and start a fraudulent scheme to seize rich mining claims
	1902	Felix Pedro discovers gold on Pedro Creek, which leads to the founding of Fairbanks
Boundry Tribunal settles boundary dispute between Alaska and British Columbia	1903	
Nome Kennel Club organizes to promote sled dog racing Gold discovered in Chandalar District	1906	Robert Service writes his first two poems, "The Shooting of Dan McGrew" and "The Cremation of Sam McGee"
	1908	Alaska Road Commission surveys route from Seward to Nome, later called the Iditarod Trail
Iditarod discovery made	1909	
Stampede to Ruby	1910	The "Sourdoughs", four Kantishna miners, make first ascent of Mt. Mckinley
	1911	Kennicott copper mines begin production
Congress passes Organic Act of 1912, giving Alaska Territorial Status and a legislature	1912	



Two men holding large gold nuggets.  
 Alaska State Library, Alaska Purchase  
 Centennial Commission, PCA 20-41

Cover Photos and Citations.

<div style="text-align: center;">  <p>2</p> </div> <div style="display: flex; justify-content: space-around; margin-top: 20px;"> <div style="text-align: center;">  <p>3</p> </div> <div style="text-align: center;">  <p>4</p> </div> </div> <div style="text-align: center; margin-top: 20px;"> <p>5</p> </div>	<div style="text-align: center;"> <p>STATE OF ALASKA        Comprehensive Annual Financial Report</p>     <p>Fiscal Year Ended        June 30, 1998        Tony Knowles, Governor</p>     <p>1</p> </div>
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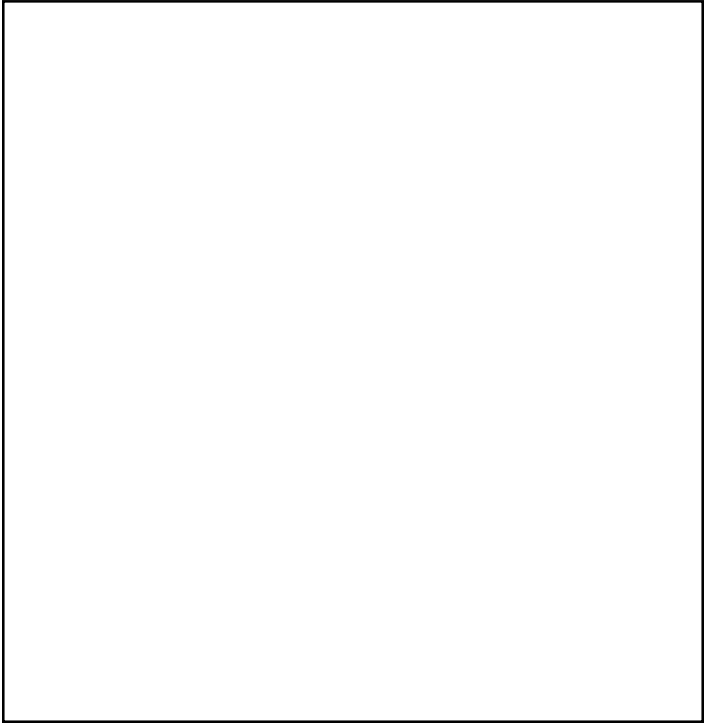
1. Bound for the Klondike Gold Fields, Chilkoot Pass Alaska (no. 9191), Copyright 1900 by B.L. Singley. Alaska State Library, Stereographs of Alaska Collection, PCA 225-7-7
2. Valley preceding Chilkoot Pass. Alaska State Library, J.M. Blankenberg Collection, PCA 125-22
3. Deadhorse Gulch, Alaska, 1901. (H.C. Barley Photo 1572). Alaska State Library, Ethel M. Montgomery Collection, PCA 107-20
4. Tunnel, White Pass & Yukon Route. Alaska State Library, Case & Draper Collection, PCA 39-373
5. The first Ebner Mill at Ebner Falls, Gold Creek. Formerly the Coulter Mill, 1911. Alaska State Library, Winter & Pond Collection, PCA 87.553

A special thanks to Kay Shelton and her staff at the Alaska State Library for the use of the historical pictures and their assistance in locating photographs and preparing citations. Thanks also to the Division of Tourism for the use of their Gold Rush Time Line.

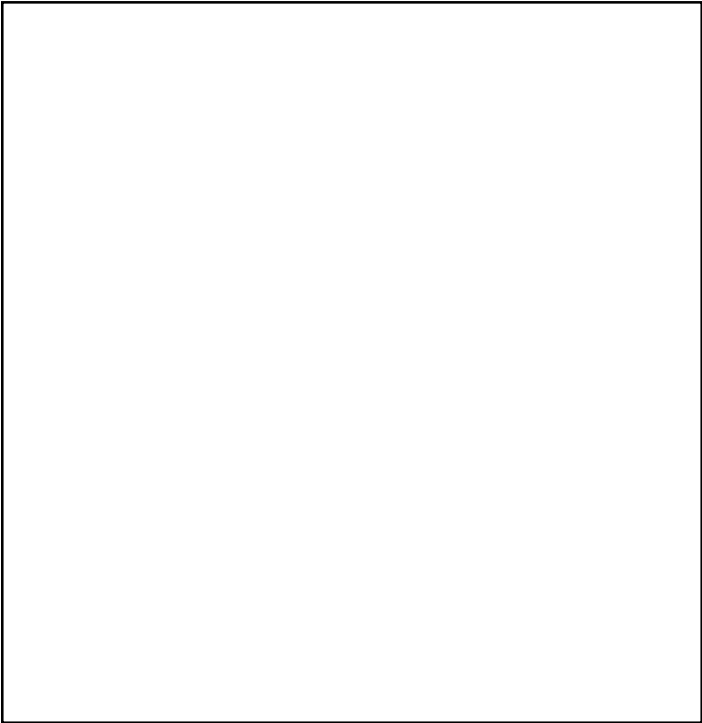
# Introductory Section

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Finger Chutes -- 440 Level, Treadwell.  
Alaska State Library,  
Winter & Pond Collection,  
PCA 87-360



Hydraulic Mining, Silver Bow Basin, Alaska.  
Alaska State Library,  
Winter & Pond Collection,  
PCA 87-570

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# STATE OF ALASKA

## DEPARTMENT OF ADMINISTRATION

### OFFICE OF THE COMMISSIONER

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December 15, 1998

The Honorable Tony Knowles, Governor  
Members of the Legislature  
Citizens of the State of Alaska

In accordance with Alaska Statute (AS) 37.05.210, it is my pleasure to present the Comprehensive Annual Financial Report (CAFR) of the State of Alaska for the fiscal year ending June 30, 1998. 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 are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the State. Statistical and demographic information are included to enable the reader to gain an understanding of the State's financial activities.

The report is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, exhibits of general fund financial information, an organization chart, a list of the Executive Branch functions by department, and a list of the State's legislators. The financial section includes: the independent auditor's report on the general purpose financial statements; the general purpose financial statements; the accompanying notes to the financial statements that outline pertinent accounting and reporting policies as well as explain significant financial matters that are essential to full disclosure of the State's financial operations and condition; and the supplemental financial data section which includes the combining and individual fund and account group financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

#### THE REPORTING ENTITY AND ITS SERVICES

The funds and entities included in this Comprehensive Annual Financial Report are those for which the State is accountable based on criteria for defining the financial reporting entity prescribed by the Governmental Accounting Standards Board. These criteria include financial accountability, fiscal dependency, and legal standing. Based on these criteria the various funds, account groups, and entities shown in this report are considered as part of the reporting entity (see Note 1 in the Notes to the Financial Statements).

Blended component units, although legally separate entities, are, in substance, part of the State's operations and are included as part of the primary government. Accordingly, the Alaska Permanent Fund Corporation is reported as a nonexpendable trust fund, and the Public Employees', Teachers', National Guard and Naval Militia, and Judicial retirement systems are reported as pension trust funds of the State.

Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the State and to differentiate their financial position, results of operations, and cash flows from the State. With the exception of the Alaska Seafood Marketing Institute and the Alaska Tourism Marketing Council (whose financial activities are currently accounted for and reported within the State's general fund), the various public corporations established by

State statute as well as the University of Alaska are reported as discretely presented component units (see Note 1 in the Notes to the Financial Statements for a list of the public corporations). Individual component unit financial reports may also be obtained from each of these organizations.

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

#### ACCOUNTING SYSTEM AND BUDGETARY CONTROL

The State's financial statements for governmental funds, expendable trust funds, and the agency funds have been prepared on a modified accrual basis of accounting, with revenues being recorded when measurable and available and expenditures being recorded when services or goods are received and the liabilities incurred. The proprietary, nonexpendable trust, and pension trust funds are reported on the accrual basis of accounting.

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 judgements by management.

In addition to internal controls, the State maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annually appropriated budget by the legislature. Annual operating budgets are required to be adopted 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 the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Purchase orders which result in an overrun of available balances are not released until budget revisions are approved or additional appropriations are made. Open encumbrances are reported as reservations of fund balance at June 30, 1998.

#### GENERAL FUND OPERATIONS

The well-being of the State of Alaska is best reflected in the operations of the general fund. General fund revenues for FY 98 were \$3,018.1 million, a decrease of \$709.1 million compared to revenues of \$3,727.2 million for FY 97. Revenues by source for FY 98 are presented graphically in Exhibit 1 (page ix) and are compared to FY 97 in the following schedule (in millions):

<u>Revenue Source</u>	<u>FY 98</u>	<u>Percent</u>	<u>FY 97</u>	<u>Percent</u>
Taxes	\$ 1,032.7	34.2	\$ 1,438.8	38.6
Rents and Royalties	738.8	24.5	1,077.9	28.9
Interest & Investment Income	60.0	2.0	69.0	1.9
Federal	957.3	31.7	942.6	25.3
Miscellaneous	229.3	7.6	198.9	5.3
Total Revenue	<u>\$ 3,018.1</u>	<u>100.0</u>	<u>\$ 3,727.2</u>	<u>100.0</u>

The State's major source of revenue is petroleum related. In FY 98, petroleum revenue was 75.7 percent of State unrestricted revenues (see Exhibit 5, page xiii), and as shown in the following schedule it makes up 51.7 percent of all general fund revenues. Over the last ten fiscal years, petroleum revenues have comprised a low of 75.7 percent (FY 98) of unrestricted revenues to a high of 87 percent (FY 93). The next largest source of unrestricted revenues (nonpetroleum), as shown in the following schedule, are corporate, fish, and other taxes which make up \$203.7 million, or 9.9 percent of unrestricted revenues.

The price of oil during FY 98 averaged \$15.86 per barrel at the West Coast, which is \$0.42 less than the Department of Revenue Spring 1998 projection of \$16.28 and \$5.04 less than the average price of \$20.90

for FY 97. In addition, the crude oil production for Alaska North Slope and Cook Inlet for FY 98 was 1.310 million barrels per day which is a 9.1 percent decrease compared to 1.441 for FY 97 and a 36.0 percent decrease when compared to a high of 2.048 in FY 88.

The following schedule (in millions) shows that FY 98 petroleum revenues were \$1,562.4 million, a decrease of \$752.6 million compared to FY97 petroleum revenues of \$2,315.0.

Unrestricted Revenue	FY 98	Percent	FY 97	Percent
<b>Petroleum Revenue</b>				
Property Tax	\$ 51.3	1.7	\$ 53.6	1.4
Corporate Petroleum	200.0	6.6	269.4	7.2
Severance Tax	577.8	19.1	921.5	24.7
Bonus Sale	19.7	0.7	3.3	0.1
Rents and Royalties	713.6	23.6	1,067.2	28.6
Total Petroleum Revenue	1,562.4	51.7	2,315.0	62.0
<b>Nonpetroleum Revenue</b>				
Taxes	203.7	6.7	194.3	5.2
Licenses and Permits	71.4	2.4	69.0	1.9
Intergovernmental Receipts	5.7	0.2	6.1	0.2
State Resources Revenue	186.0	6.2	162.8	4.4
Miscellaneous Revenue	35.5	1.2	41.5	1.1
Total Nonpetroleum Revenue	502.3	16.7	473.7	12.8
Total Unrestricted Revenue	2,064.7	68.4	2,788.7	74.8
Total Restricted Revenue	953.4	31.6	938.5	25.2
Total Revenues	\$ 3,018.1	100.0	\$ 3,727.2	100.0

The total expenditures charged against general fund appropriations during FY 98 amounted to \$3,295.8 million, a decrease of \$38.0 million from FY 97. In addition, residual equity transfers of \$237.9 million, operating transfers to other funds of \$10.7 million, and operating transfers to component units of \$171.4 million brings the total FY 98 disbursements from the general fund to \$3,715.8 million (FY 97 total disbursements, \$3,849.1). Expenditures by department are compared with the prior year in the following tabulation (in thousands):

Department	FY 98	Percent	FY 97	Percent
Office of the Governor	\$ 18,925	0.6	\$ 22,092	0.7
Administration	208,731	6.3	228,750	6.9
Law	32,696	1.0	35,142	1.1
Revenue	48,077	1.5	53,580	1.6
Education	849,027	25.8	846,608	25.4
Health & Social Services	858,820	26.0	860,942	25.8
Labor	50,202	1.5	46,615	1.4
Commerce & Economic Development	36,474	1.1	45,177	1.3
Military & Veterans' Affairs	25,535	0.8	28,521	0.9
Natural Resources	77,948	2.4	66,578	2.0
Fish & Game	69,296	2.1	70,462	2.1
Public Safety	83,157	2.5	85,127	2.6
Environmental Conservation	95,752	2.9	89,051	2.6
Corrections	140,538	4.3	134,877	4.0
Community & Regional Affairs	126,596	3.8	132,867	4.0
Transportation & Public Facilities	478,289	14.5	495,523	14.9
Legislature	32,171	1.0	30,642	0.9
Debt Service	10,266	0.3	9,518	0.3
Alaska Court System	53,281	1.6	51,680	1.5
Total Expenditures	\$ 3,295,781	100.0	\$ 3,333,752	100.0

Excluding general fund capital projects' expenditures, per capita general fund expenditures in current and constant dollars (1981 base year and revised population estimates) for the last five years were as follows:

	<u>Current Dollars</u>	<u>Constant Dollars</u>
1994	\$ 4,587	\$ 2,819
1995	4,771	2,846
1996	4,774	2,770
1997	4,777	2,710
1998	4,643	2,590

As noted in the above table, general fund expenditures have gone down roughly 8.1 percent (in constant dollars) over the last five years. During that same time period, expenditures for Health and Social Services have increased 15.8 percent (constant dollars) primarily due to Medicaid assistance spending.

In 1982, the voters of Alaska approved an amendment to the Alaska Constitution to control State spending. Article IX, Section 16, of the Alaska Constitution, establishes an annual appropriation limit of \$2.5 billion plus adjustments for changes in population and inflation since July 1, 1981. Within this limit, one-third is reserved for capital projects and loan appropriations. For FY 99, the Division of Budget Review estimates the limit to be approximately \$5.9 billion. The FY 99 budget passed by the legislature was less than \$2.4 billion (unrestricted general fund revenues only), or \$3.5 billion less than the constitutional spending limit.

The State ended FY 98 with a deficit general fund balance in the amount of \$1.6 billion, and a deficit fund balance available for appropriation in the amount of \$2.3 billion. This deficit is due to the general fund liability for the amounts appropriated from the Constitutional Budget Reserve Fund of \$2.4 billion (see Note 1.J.). Article IX, section 17(d), of the Alaska Constitution provides that amounts appropriated from the Constitutional Budget Reserve Fund are to be repaid.

The following shows the composition of the fund balance of the general fund for the fiscal years ending June 30, 1998, and June 30, 1997, as adjusted (in millions).

<u>Reserved</u>	<u>FY 98</u>	<u>FY 97</u>	<u>Change</u>
Encumbrances	\$ 167.6	\$ 170.9	\$ ( 3.3)
Nonliquid Assets	205.2	210.3	( 5.1)
Other	15.7	12.8	2.9
Total Reserved	<u>388.5</u>	<u>394.0</u>	<u>( 5.5)</u>
<u>Unreserved</u>			
Designated			
Continuing Appropriations	159.6	169.2	( 9.6)
Other	141.8	205.1	( 63.3)
Balance Available for Appropriation	<u>(2,292.9)</u>	<u>(1,792.5)</u>	<u>( 500.4)</u>
Total Unreserved	<u>(1,991.5)</u>	<u>(1,418.2)</u>	<u>( 573.3)</u>
Total Fund Balance	<u>\$ (1,603.0)</u>	<u>\$ (1,024.2)</u>	<u>\$ ( 578.8)</u>

#### DEBT ADMINISTRATION

The State of Alaska general obligation bond ratings are Aa2 from Moody's Investors Service and AA from Standard and Poor's Corporation and Fitch Investor Services.

In addition to direct appropriations from the general fund, the State has financed capital projects from the proceeds of general obligation bond sales. The schedule below is a summary of general bonded debt and debt service activities for the fiscal year ended June 30, 1998 (in millions).

Activity	Bonds Outstanding	Interest to Maturity on Outstanding Bonds	Total Debt Service to Maturity
Balance July 1, 1997	\$ 24.2	\$ 1.3	\$ 25.5
Less: debt service paid	13.3	0.9	14.2
Balance June 30, 1998	\$ 10.9	\$ 0.4	\$ 11.3

There were no new State of Alaska general obligation bonds authorized in FY 98. No authorized general obligation bonds remain unissued.

Other categories of debt are State-supported, guaranteed, moral obligation, revenue, agency, and agency collateralized debt. State-supported debt includes University of Alaska debt, lease-purchase financing obligations, and the share of municipal general obligation bonds issued for school construction which is reimbursable by the State. Guaranteed debt consists of revenue bonds issued by the Alaska Housing Finance Corporation for the purpose of purchasing mortgage loans made for residences of qualifying veterans. Moral obligation debt is State agency debt which is secured, in part, by a reserve fund to which is attached a discretionary replenishment provision. International Airports revenue bonds and some University debt constitute all State revenue debt. Agency debt has been issued by nine distinct State authorities or corporations and is secured by revenues generated from the use of bond proceeds or the assets for the agency issuing the bonds. Agency collateralized debt pledges, as security for the debt, loans or securities which are 100 percent insured or guaranteed by another party of superior credit standing.

#### CASH AND INVESTMENT MANAGEMENT

The State's cash is controlled 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 preserve principal while maximizing interest earnings. Cash in excess of the amount needed to meet current expenditures is invested pursuant to AS 37.10.070 and AS 37.10.071 which mandates that investments shall be made with the judgement and care exercised by an institutional investor of ordinary professional prudence, discretion, and intelligence under the circumstances then prevailing.

Treasury has established an array of investment pools and mutual fund-like common trusts with varying investment horizons and risk profiles. Equity and fixed income investments are managed in a pooled environment unless required to be held separately by statute or bond resolution. Commingled investment pools maximize earnings potential, provide economies-of-scale savings of time and dollars, 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 for manager's time and number of transactions. A fund's equity ownership in a pool is based on the number of shares held by the fund.

The State's investment objectives for the General Fund and Other Non-segregated Investments (GeFONSI) include minimal exposure to principal loss, maximum current income within low risk tolerance, minimal inflation protection, and high liquidity. Under the Department of Revenue, Treasury Division's current investment policy, holdings may include repurchase agreements collateralized only by U.S. Treasury obligations; commercial paper; certificates of deposit and bankers acceptances; U.S. Treasury obligations, including bills, notes and bonds; other full faith and credit obligations of the U.S. Government; securities issued or guaranteed by agencies and instrumentalities of the U.S. Government; obligations of foreign governments denominated in U.S. dollars; corporate debt meeting credit quality standards; and, asset-backed and mortgaged-backed securities.

The investment objectives established by the Alaska State Pension Investment Board for the retirement trust funds (Public Employees', Teachers', Judicial, and the Alaska National Guard and Naval Militia Retirement Systems) include raising the trust funds' funded status toward fully-funded levels. Once attained, the objective is to maintain a fully-funded status, and to preserve the trust funds' invested capital and realized competitive, total rates of return on the trust funds. The trust funds hold domestic and

international fixed income securities, domestic and international equity securities, real estate commingled equity funds, venture capital investments, and mortgages.

### CASH FLOW

From the time oil began flowing through the Trans-Alaska Pipeline in the late 1970's, the State has been in 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 revenues and the corresponding decrease in available cash has become more apparent. This has been reflected in more modest State operating and capital budgets. Also associated with declining revenues, though much less understood, is a cash flow situation that could lead to a cash deficiency for the State. The possibility of a cash flow deficiency grows with each passing year.

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 more than 30 cash pools either as subfunds of the general fund or other separate cash pools. In 1990 the legislature appropriated the entire general fund balance available for appropriation at the end of FY 91 to a statutory budget reserve fund (SBRF). By a vote of the people in 1990, the Alaska Constitution was amended to establish a separate constitutional budget reserve fund (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 which were not available to pay day-to-day State 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 tend to flow in at a generally consistent rate. Expenditures, however, are cyclic with high and low periods. The first quarter expenditures of each fiscal year are generally much 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.

In the past seven budget cycles, the legislature has addressed the possibility of a revenue shortfall. It has included language in the appropriation act permitting the executive branch to borrow cash from the statutory and constitutional budget reserve funds in the event expenditures exceeded revenues. In FY 93 and again in FY 96, funds were taken from the SBRF to balance FY 93 and FY 96 revenues and expenditures. Cash was borrowed from the CBRF in FY 94, FY95, FY 96, and FY98 to balance revenues and expenditures.

### CONSTITUTIONAL BUDGET RESERVE FUND

In 1990, the people of Alaska voted to amend the Alaska Constitution to establish a separate constitutional budget reserve fund (CBRF) into which oil tax settlement revenues are deposited. The CBRF is reported in the fiduciary fund types as an expendable trust fund. At June 30, 1998, assets of the CBRF were \$6.0 billion, of which \$3.6 billion is cash and investments, \$2.38 billion is due from the general fund (see Note 1.J.), and the balance is other receivables. The fund balance of the CBRF at June 30, 1998, was \$6.0 billion.

### PUBLIC EMPLOYEES' AND TEACHERS' RETIREMENT SYSTEMS PENSION FUNDS

Total assets at June 30, 1998, of the two largest pension funds, the Public Employees' (PERS) and Teachers' (TRS) Retirement Systems' funds, were \$7.4 billion and \$3.9 billion respectively. The Schedule of Funding Progress for PERS and TRS as of the June 30, 1997, actuarial valuations, indicated the actuarial accrued liabilities were funded at 106.3 percent and 94.0 percent respectively. Further information on these and other pension funds, including the Supplemental Benefits System and Deferred Compensation plans, can be found in notes 4, 5, and 6 to the financial statements.

### ALASKA PERMANENT FUND

The Alaska Permanent Fund is an asset of the State of Alaska which 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.

Subsequent legislation increased the Permanent Fund's share to 50 percent for rents and royalties on mineral leases issued after December 1, 1979, and for bonuses on mineral leases issued after February 15, 1980.

The Permanent Fund is made up of two parts, principal and earnings. Principal is the main body of the trust. At June 30, 1998, this amounted to \$18.5 billion. The sources of Fund principal were as follows: \$6.3 billion in constitutionally-dedicated oil revenues; \$5.5 billion of Fund earnings added to principal for inflation-proofing; and \$6.7 billion in additional deposits approved by special legislative appropriation.

Permanent Fund earnings, from inception through June 30, 1998, have amounted to \$18.8 billion. Of this amount, \$7.6 billion has been paid out for dividends, \$5.5 billion has been added to principal for inflation-proofing, \$4.0 billion has been added to principal by special appropriation, \$0.3 billion has been paid out to the general fund, and \$1.4 billion remains in the Fund in the earnings reserve account.

### RISK MANAGEMENT

As more fully detailed in Note 9.C., the State's risk management program provides a first level of self-insured retention supplemented by further insurance coverage. The State's risk management program covers all State agencies and component units, except for the Alaska Housing Finance Corporation, Alaska Railroad Corporation, and the University of Alaska who administer their own programs. Further, there is separate coverage provided by the individual component units such as the Alaska Industrial Development and Export Authority for certain individual projects.

### AUDITS

The principal auditor of the State's reporting entity is the Division of Legislative Audit. The audit of the CAFR was conducted in accordance with generally accepted auditing standards (GAAS), and their independent auditor's report precedes the General Purpose Financial Statements.

In addition to the annual audit of the State's CAFR, the State is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget's Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Information related to this single audit, including a schedule of federal financial assistance, 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.

ACKNOWLEDGMENTS

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,

A handwritten signature in black ink, appearing to read "Mark Boyer". The signature is fluid and cursive, with a long horizontal stroke at the end.

Mark Boyer  
Commissioner  
Department of Administration

A handwritten signature in black ink, appearing to read "David Essary". The signature is cursive and somewhat stylized, with a large initial "D" and "E".

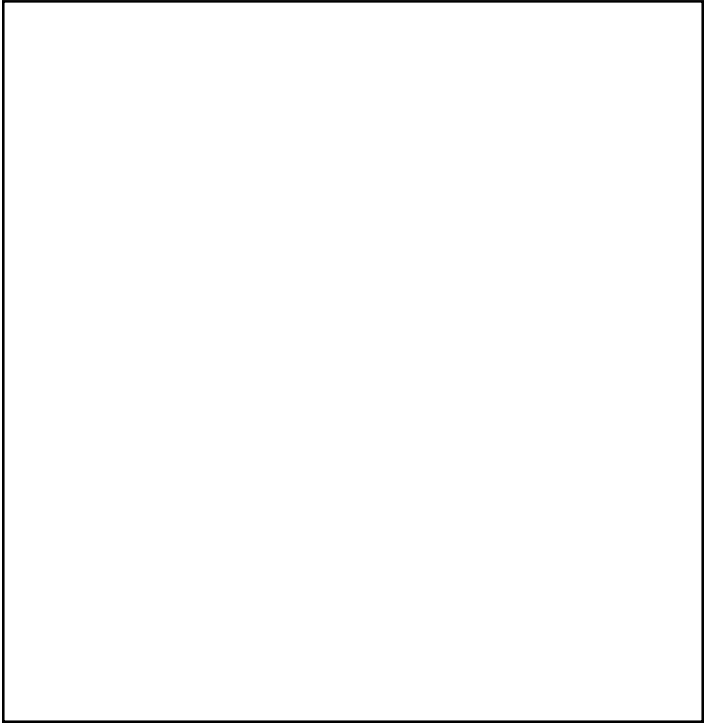
David Essary  
Director  
Division of Finance



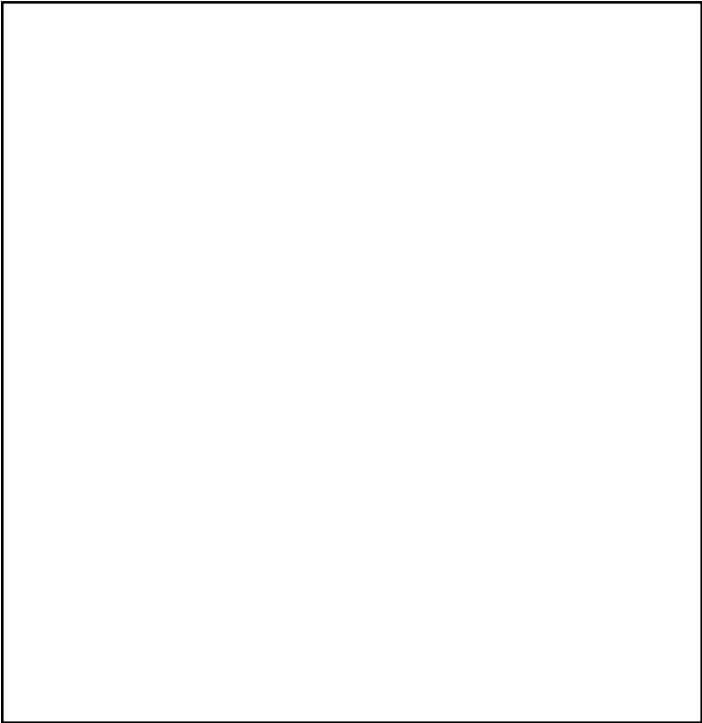
# Introductory Section

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Finger Chutes -- 440 Level, Treadwell.  
Alaska State Library,  
Winter & Pond Collection,  
PCA 87-360

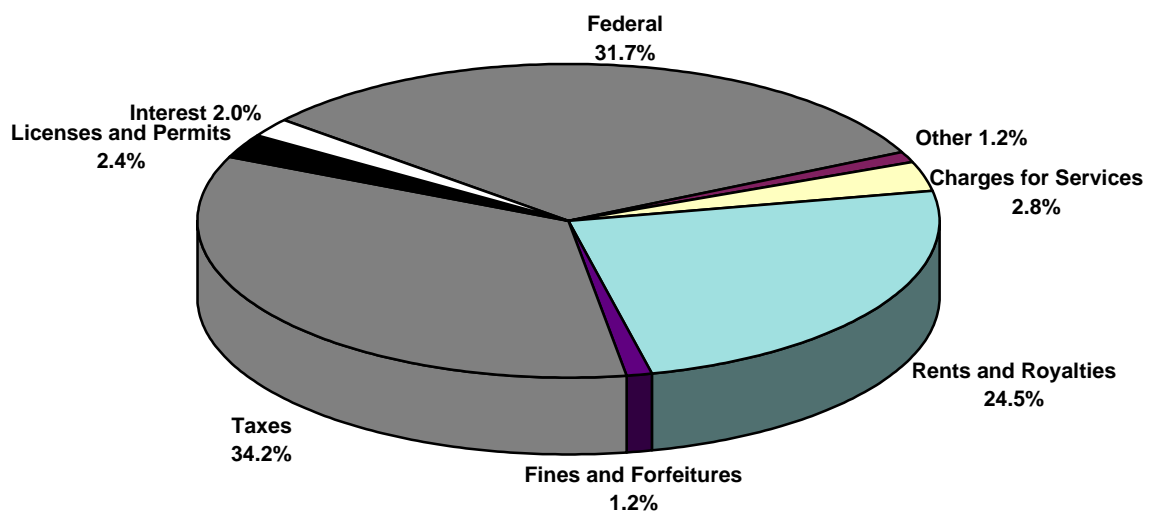


Hydraulic Mining, Silver Bow Basin, Alaska.  
Alaska State Library,  
Winter & Pond Collection,  
PCA 87-570

# STATE OF ALASKA GENERAL FUND REVENUE SOURCES

FOR THE FISCAL YEAR ENDED JUNE 30, 1998

\$3,018  
(Millions)

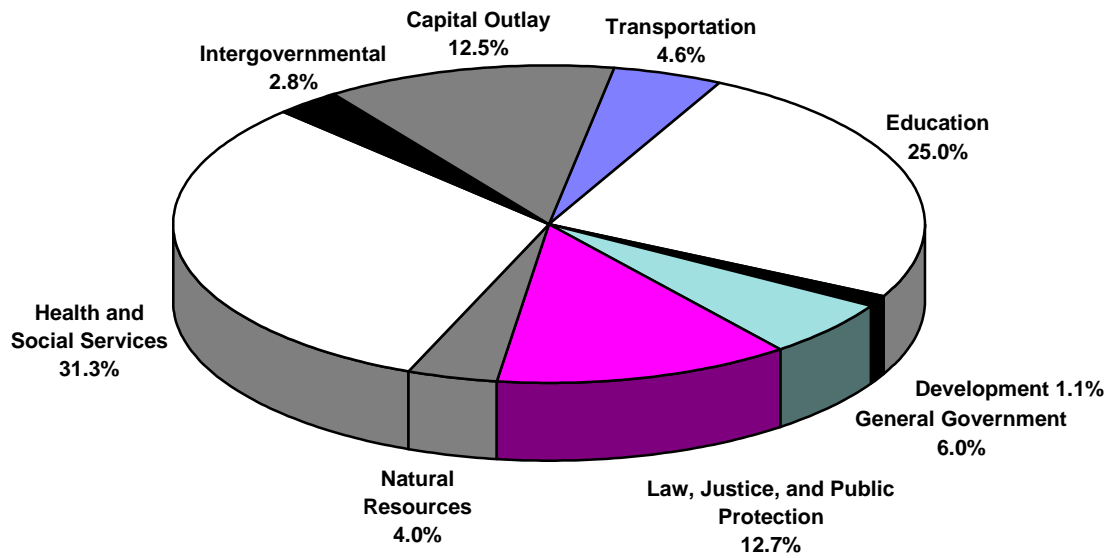


**EXHIBIT 2**

**STATE OF ALASKA  
GENERAL FUND  
EXPENDITURES BY FUNCTION**

FOR THE FISCAL YEAR ENDED JUNE 30, 1998

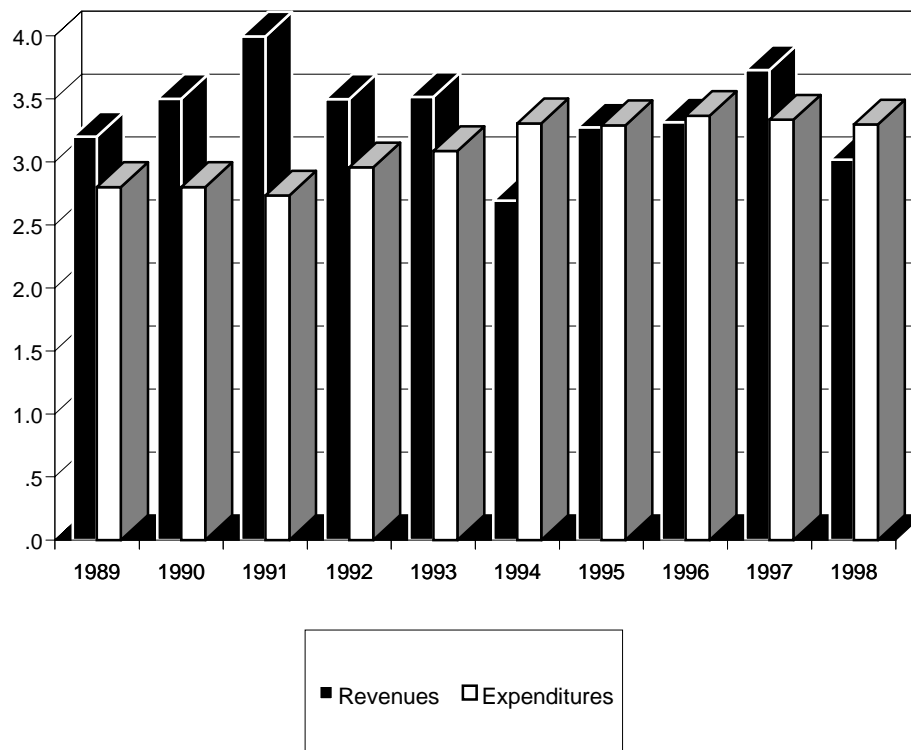
\$3,296  
(Millions)



# STATE OF ALASKA GENERAL FUND EXPENDITURES AND REVENUES

TEN YEAR COMPARISON  
FOR THE FISCAL YEARS 1989 THROUGH 1998

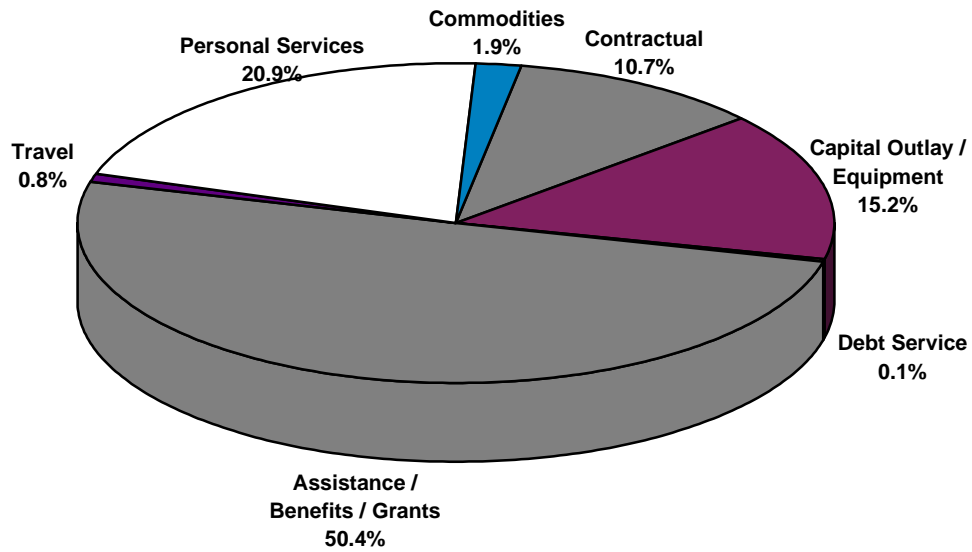
(Stated in Billions)



**EXHIBIT 4**

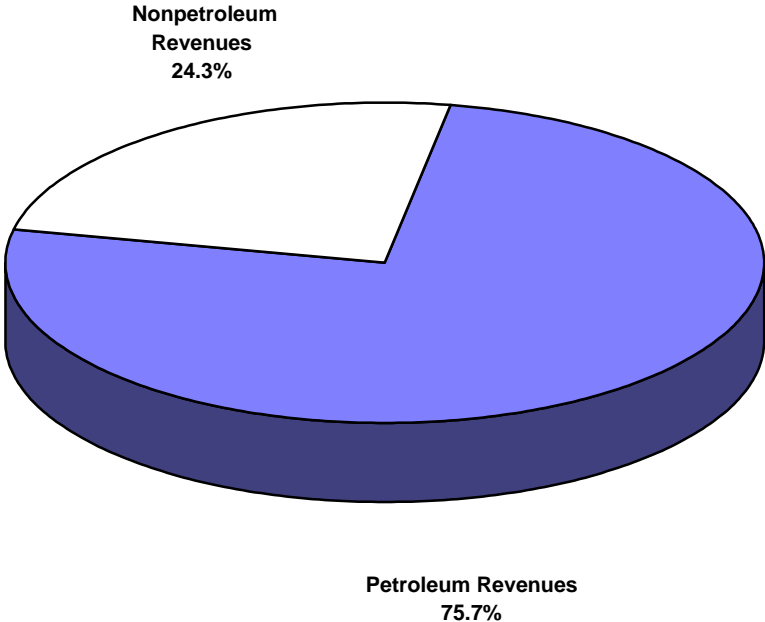
**STATE OF ALASKA  
GENERAL FUND  
EXPENDITURES BY ACCOUNT**

FOR THE FISCAL YEAR ENDED JUNE 30, 1998

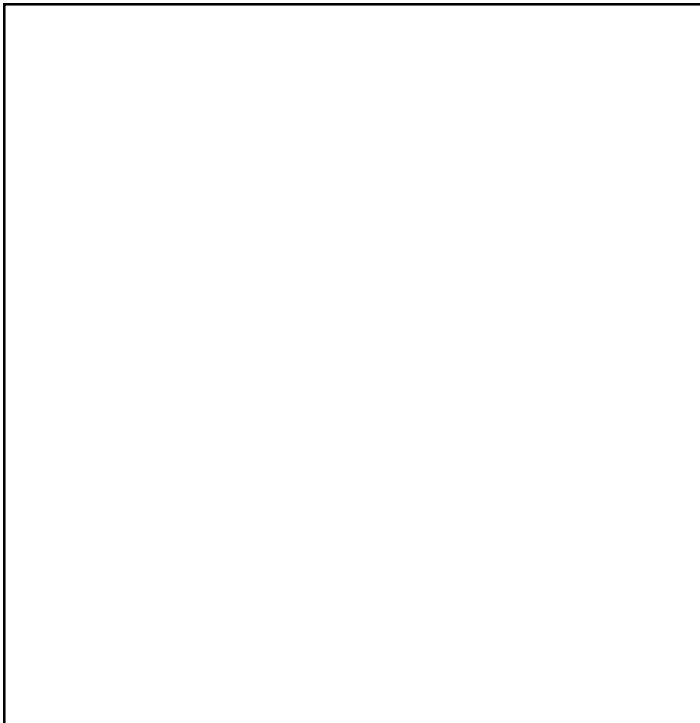
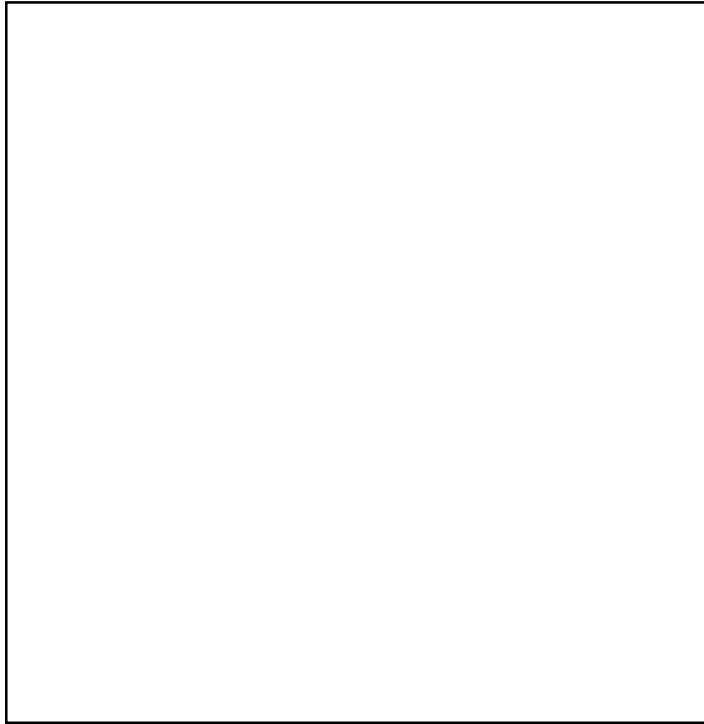


**STATE OF ALASKA  
GENERAL FUND  
PETROLEUM VS. NONPETROLEUM  
UNRESTRICTED REVENUES**

FOR THE FISCAL YEAR ENDED JUNE 30, 1998



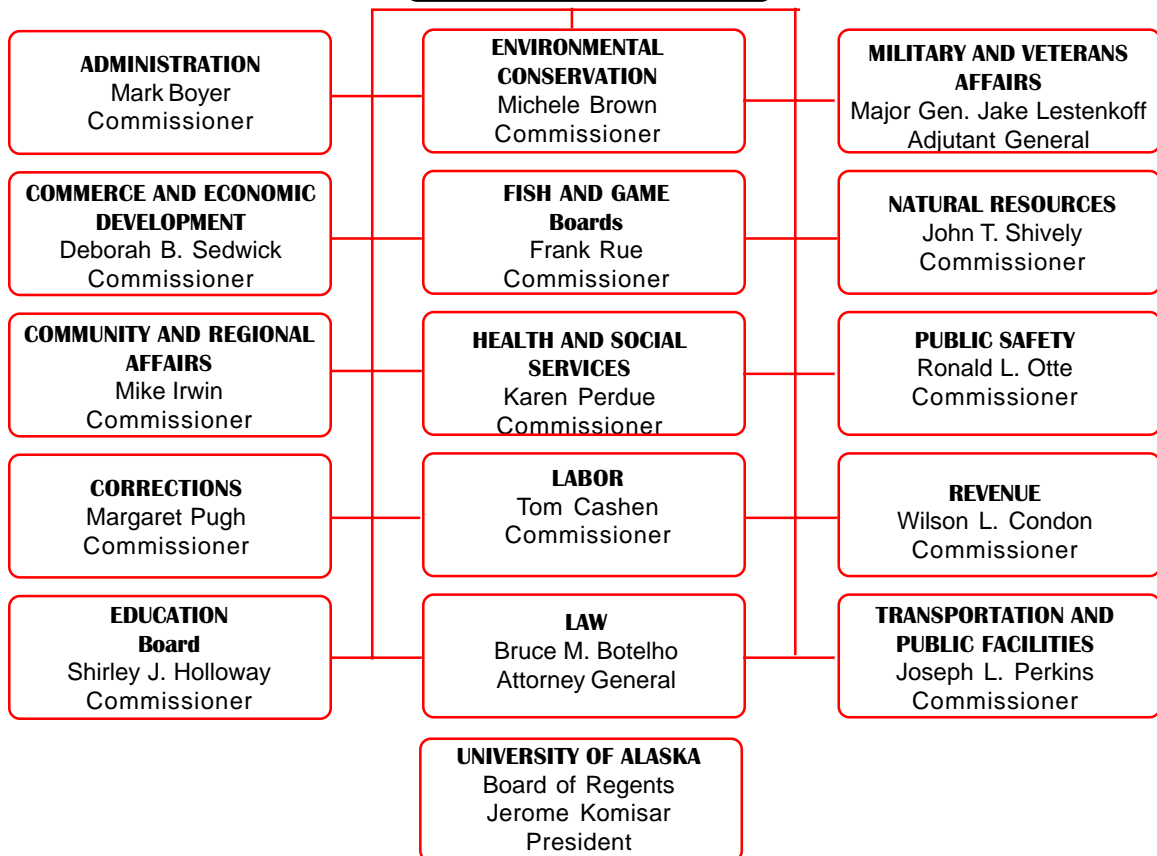
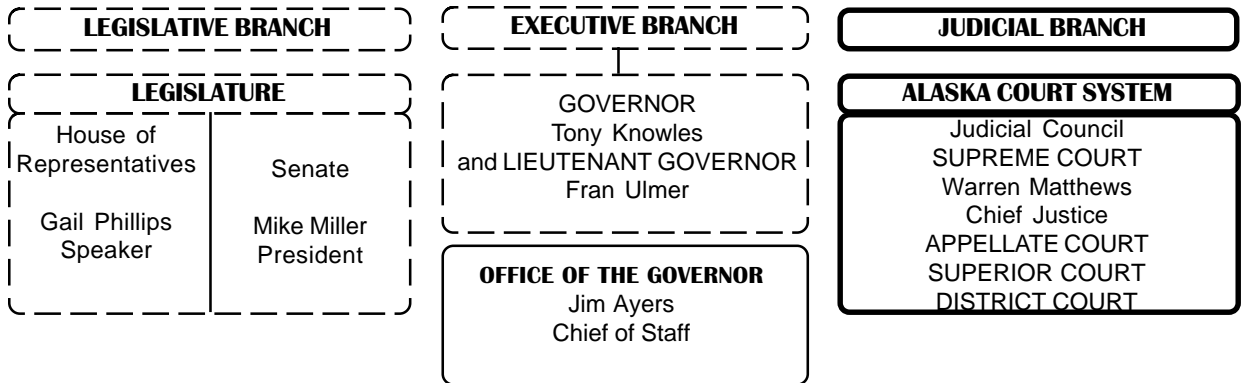
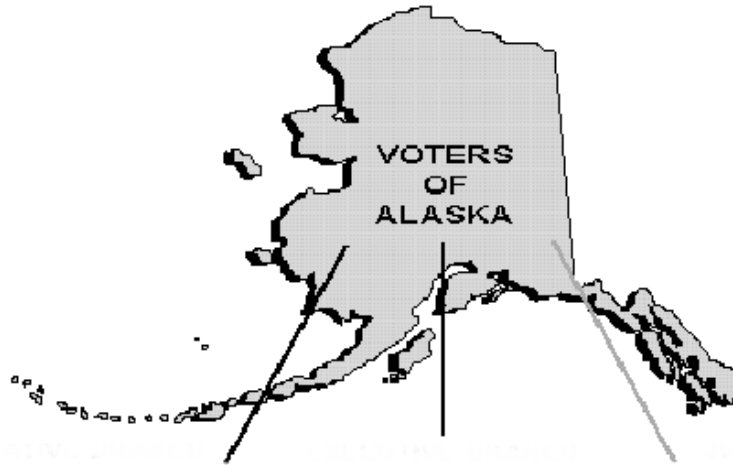
Street scene in Skagway, Alaska.  
Alaska State Library  
P.E. Larss Collection,  
PCA 41-222



Train pulling flatcar crowded with people.  
Alaska State Library,  
Case & Draper Collection,  
PCA 39-512



# Organizational Chart



- 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 the 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 coordinative responsibility for the activities of state agencies to ensure that all programs are consistent with Alaska's goals and objectives.

## ADMINISTRATION

Services to state agencies: Personnel, Labor Relations, Retirement and Benefits, Finance (payroll, accounts and disbursements), General Services (purchasing, supply, distribution and mail, space allotment), Risk Management, Information Services (telecommunications and computer services). Services to the Public: Senior Services (Alaska Commission on Aging), Longevity Bonus (Pioneer's Homes); Motor Vehicles; Office of Public Advocacy; Public Defender Agency; Alaska Public Offices Commission; Foster Care Review Panel; Oil and Gas Commission; Alaska Rural Communications System; Alaska Public Broadcasting Commission; and the Office of Tax Appeals.

## COMMERCE AND ECONOMIC DEVELOPMENT

Provides consumer protection through the regulation of banking, securities and corporations, insurance, professional occupations and business licensing.

Promotes economic development in the state through domestic and international promotion of tourism, Alaska seafood, timber, minerals, and other products, and encouragement of business and industrial development. Administers several loan programs.

Also includes: the Alaska Seafood Marketing Institute, Public Utilities Commission, Industrial Development and Export Authority, Tourism Marketing Council, Aerospace Development Corporation, Science and Technology Foundation, and Railroad Corporation.

## COMMUNITY AND REGIONAL AFFAIRS

Provides state and federal financial assistance to citizens and governments at the local and regional level to resolve problems associated with local government and community development. Provides technical assistance and administers programs in the following areas; reemployment, child care, Head Start community development, community planning, rural economic development, rural utility management and rural energy development. The department's mission is to assist in building and maintaining strong local governments, strong local economies, and strong families, while insuring fiscal accountability throughout the public process.

## CORRECTIONS

The department protects the public safety by minimizing the frequency of recidivistic crime committed by persons remanded to the department's custody. The department provides secure facilities with program

services and probation services for locally charged misdemeanants, state charged misdemeanants, state charged felony offenders and federal felony offenders. The department also is responsible for providing short-term protective custody to inebriated persons and mentally ill persons committed under civil law. The department manages state jails, state pre-trial facilities, state prisons, and state probation services. The department finances and regulates community jails, community rehabilitation centers, and alternative programs.

## EDUCATION

The State Board of Education is a policy-making body. Through the department, the Board administers public school funding programs and teacher certification; provides instructional and administrative leadership to school boards and school districts; provides adult, vocational education and correspondence study programs; operates the Alaska Vocational Technical School and Mt. Edgecumbe High School; administers state library, archive, records and museum services; provides vocational rehabilitation services; provides grants to the arts community; and provides loans to post-secondary students.

## ENVIRONMENTAL CONSERVATION

The Department of Environmental Conservation is a technical, regulatory, and grant agency. It protects the public health and the environment by preventing or responding to air, land, and water pollution; assures wholesome fish, meat, and dairy products for consumers; enforces basic standards for sanitation in public facilities; and provides technical and financial assistance to communities for water, sewer, and solid waste facilities.

## FISH AND GAME

The Department of Fish and Game is mandated to manage, protect, maintain, improve and extend the fish, game, and aquatic plant resources of Alaska in the interest of the economy and general well-being of the State. The Boards of Fisheries and Game adopt regulations to conserve and develop these resources. The commissioner and the department conduct management and research functions necessary to support these goals. Includes the Commercial Fisheries Entry Commission, a quasi-judicial agency which promotes resource conservation and sustained yield management by regulating entry into Alaska's commercial fisheries.

## HEALTH AND SOCIAL SERVICES

Responsible for a wide variety of health and social service programs which impact virtually every Alaskan. Health programs include medical assistance for Alaska's poor, and public health programs such as nursing services, vital statistics, emergency medical services, infectious disease control, and maternal and child health programs. Social services include programs for children and families, including temporary cash assistance, food stamps, child protection services, foster care, child residential care, preventative services, and youth corrections. The department also offers mental health programs and services to the developmentally disabled, and provides prevention and treatment services of substance abuse.

## LABOR

Administers programs to foster and promote the welfare of the wage earners of the state, to improve working conditions and advance the opportunities for profitable employment. Administers the employment service, unemployment insurance, workers' compensation programs, and the Fishermen's Fund; enforces laws and regulations dealing with job safety, hours of work, wages, and work conditions; inspects elevators and plumbing and electrical installations, amusement rides and ski lifts, and boiler and pressure vessels to assure compliance with recognized standards; serves as the labor relations agency for public employment in the state; and collects, analyzes, and releases labor market and population statistics.

## LAW

Legal services for all state agencies; opinions, legislative drafting and review, civil actions; all prosecutions of violations of state law; consumer protection; antitrust.

## MILITARY AND VETERANS AFFAIRS

The Department of Military and Veterans Affairs (DMVA) is responsible for the Alaska Army and Air National Guard, the Alaska Naval Militia and State Defense Force, and the Division of Emergency Services.

The Commissioner of DMVA is also the Adjutant General of the state and as such commands the Alaska National Guard. He administers federal funds for maintaining the Alaska National Guard in combat readiness in the event of a national emergency or war. The Alaska National Guard has over 4,500 personnel located in more than 90 communities. The Alaska National Guard is under the day-to-day command of the Governor and as such may be used in support of counter-narcotics operations, disaster assistance and to counter civil unrest. The Alaska Naval Militia is composed of individual U.S. Navy reservists that are available to the Governor in times of emergency. Likewise, the State Defense Force, made up of individuals with prior military training, is available to the Governor.

The Commissioner's office also serves as the focal point for issues affecting Alaska's veteran population. It administers veterans service officer programs that outreach to individual veterans to assist them in maximizing their federal veterans entitlements.

The Division of Emergency Services is responsible for state emergency preparedness and response. It seeks to minimize the loss of life and property in the event of natural or man-made disaster by planning and assisting as well as administering federal and state grants and loans and managing relief efforts. It maintains the State Emergency Operations Center in Anchorage that is the command, control and communications center for state and federal response to disasters and significant emergencies.

## NATURAL RESOURCES

Responsible for the utilization, development, and conservation of the surface and subsurface natural resources belonging to the state except for fish and game. This includes approximately 106 million acres of uplands and 69 million acres of tidelands, shorelands, and submerged lands and manages about 34,000 miles of coastline. The strategic missions include: manage the natural resources of the State of Alaska in a responsible manner; raise public awareness that Alaska's natural resources are the basic assets of our economy; stimulate and encourage resource-based, value-added economic activity, while conserving Alaska's wild and scenic values; implement efficiencies and economies in government; deliver essential services; and stimulate local initiative and personal responsibility. Operationally, the department manages eight divisions located in 22 Alaska communities that are responsible for the two largest oil and gas fields in North America; a park system that contains one-third of all the state park lands in the United States; 40 percent of the nation's fresh water; forests and fire suppression on over 134 million acres; minerals involving 31,000 mining claims; and an agricultural program that encompasses 560 farms with nearly \$30 million in marketing receipts.

## PUBLIC SAFETY

Responsible for enforcement of state law including criminal and fish and wildlife protection laws, fire prevention, search and rescue, highway safety, compensating victims of violent crime, certifying police proficiency, oversight of the Village Public Safety Officer Program, and assisting victims of domestic violence and sexual assault.

## REVENUE

Administration and enforcement of tax and charitable gaming laws; collection, investment, and management of state funds and employee pension trust funds; administration of the Permanent Fund Dividend Program, the Shared Taxes Program, and the Child Support Enforcement Program; administer licensing programs mandated by statute; issue state general obligation, revenue and lease debt, and authorize certain agency debt. Other state entities under the auspices of the Department of Revenue are: the Alaska Permanent Fund Corporation, the Alaska Housing Finance Corporation, the Alaska Municipal Bond Bank Authority, the Alaska Mental Health Trust Authority, and the Alaska State Pension Investment Board.

## TRANSPORTATION AND PUBLIC FACILITIES

Responsible for the planning, research, design, construction, maintenance, operation, and protection of all state transportation systems and public facilities. This includes approximately 270 state-owned airports and seaplane bases, 5,600 miles of state roads, 1,200 buildings ranging from maintenance shops to state office complexes, and 100 ports and harbors. In addition, the department owns and operates the Alaska Marine Highway System, serving 35 Alaskan communities with connections to Bellingham and Prince Rupert. The department also owns and operates the State Equipment Fleet which provides full maintenance support and replacement activities for all departments and state agencies, including 6,500 light and heavy duty vehicles and attachments.

# Alaska State Legislature

TWENTIETH LEGISLATURE - SECOND SESSION

1998

## HOUSE OF REPRESENTATIVES

NAME	PARTY	DISTRICT	NAME	PARTY	DISTRICT
Austerman, Alan	(R)	6	Kelly, Pete	(R)	31
Barnes, Ramona	(R)	22	Kemplen, J. Allen	(D)	16
Berkowitz, Ethan	(D)	13	Kohring, Vic	(R)	26
Brice, Tom	(D)	30	Kookesh, Albert	(D)	5
Bunde, Con	(R)	18	Kott, Pete	(R)	24
Cowdery, John	(R)	17	Kubina, Gene	(D)	35
Croft, Eric	(D)	15	Martin, Terry	(R)	14
Davies, John	(D)	29	Masek, Beverly	(R)	28
Davis, Gary	(R)	8	Moses, Carl	(D)	40
Dyson, Fred	(R)	25	Mulder, Eldon	(R)	23
Elton, Kim	(D)	3	Nicholia, Irene	(D)	36
Foster, Richard	(D)	38	Ogan, Scott	(R)	27
Green, Joe	(R)	10	Phillips, Gail SPEAKER	(R)	7
Grussendorf, Ben	(D)	2	Porter, Brian	(R)	20
Hanley, Mark	(R)	12	Rokeberg, Norman	(R)	11
Hodgins, Mark	(R)	9	Ryan, Joe	(R)	21
Hudson, Bill	(R)	4	Sanders, Jerry	(R)	19
Ivan, Ivan	(D)	39	Therriault, Gene	(R)	33
James, Jeannette	(R)	34	Vezey, Al	(R)	32
Joule, Reggie	(D)	37	Williams, Bill	(D)	1

### HOUSE FINANCE COMMITTEE

Hanley (Co-Chair)  
 Therriault (Co-Chair)  
 Mulder (Vice Chair)  
 Davis, Foster, Kelly, Kohring, Martin, Davies,  
 Grussendorf, Moses

### PRESIDING OFFICER

Gail Phillips

## SENATE

NAME	PARTY	DISTRICT	NAME	PARTY	DISTRICT
Adams, Al	(D)	S	Mackie, Jerry	(D)	C
Donley, Dave	(R)	J	Miller, Mike PRESIDENT	(R)	Q
Duncan, Jim	(D)	B	Parnell, Sean	(R)	I
Ellis, Johnny	(D)	H	Pearce, Drue	(R)	F
Green, Lyda	(R)	N	Phillips, Randy	(R)	L
Halford, Rick	(R)	M	Sharp, Bert	(R)	P
Hoffman, Lyman	(D)	T	Taylor, Robin	(R)	A
Kelly, Tim	(R)	K	Torgerson, John	(R)	D
Leman, Loren	(R)	G	Ward, Jerry	(R)	E
Lincoln, Georgianna	(D)	R	Wilken, Gary	(R)	O

### SENATE FINANCE COMMITTEE

Pearce (Co-Chair)  
 Sharp (Co-Chair)  
 Donley, Parnell, Phillips, Torgerson, Adams

### PRESIDING OFFICER

Mike Miller

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



Independent Auditor's Report

P.O. Box 113300  
Juneau, AK 99811-3300  
(907) 465-3830  
FAX (907) 465-2347  
Internet e-mail address:  
legaudit@legis.state.ak.us

Citizens of the State of Alaska:

We have audited the accompanying general-purpose financial statements of the State of Alaska, as of and for the fiscal year ended June 30, 1998, as listed in the table of contents. These general-purpose financial statements are the responsibility of the State of Alaska management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit. We did not audit the financial statements of certain entities, which represent the indicated percent of total assets and revenues, respectively, of the Trust and Agency Funds (83% and 85%), and the Component Unit Funds (100% and 100%). Those financial statements were audited by other auditors whose reports have been furnished to us. Our opinion on the general-purpose financial statements, insofar as it relates to the amounts included for those entities, is based on the reports of the other auditors.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards, *Government Auditing Standards* issued by the Comptroller General of the United States, and the provisions of the Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe our audit and the reports of the other auditors provide a reasonable basis for our opinion.

Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, requires disclosure of certain matters regarding the year 2000 issue. The State of Alaska has included such disclosures in Note 10. Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Accordingly, insufficient audit evidence exists to support the State of Alaska's disclosures with respect to the year 2000 issue made in Note 10. Further, we do not provide assurance that the State of Alaska is or will be year 2000 ready, that the State's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the State does business will be year 2000 ready.

As disclosed in Note 1H in the Notes to the Financial Statements, the General Fixed Asset Account Group is not reported in accordance with generally accepted accounting principles, primarily because most state owned buildings are reported at insured value rather than historical cost. The amount reported for buildings at June 30, 1998 is \$1.4 billion or 60% of total reported general fixed assets.

In our opinion, based on our audit and the reports of other auditors, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding the year 2000 disclosures, and for the effect of the departure from generally accepted accounting principles as discussed in the preceding paragraph, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the State of Alaska as of June 30, 1998, and the results of its operations and changes in cash flow of its proprietary and non-expendable trust funds for the fiscal year then ended in conformity with generally accepted accounting principles.

As discussed in Note 1N in the Notes to the Financial Statements, the State of Alaska has adopted the provisions of the Governmental Accounting Standards Board's Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

Our audit was conducted for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the general-purpose financial statements of the State of Alaska. Such information has been subject to the auditing procedures applied in the audit of the general-purpose financial statements and in our opinion, based on our audit and the reports of other auditors, except for the matters noted above, is fairly presented in all material respects in relation to the general-purpose financial statements taken as a whole.

The introduction section and the statistical section listed in the table of contents were not audited by us and, accordingly, we express no opinion on them.

Reports in accordance with *Government Audit Standards, and Audits of States, Local Governments, and Non-Profit Organizations* on the State's internal control structure and on compliance with state and federal laws and regulations will be issued in a separate report.



Pat Davidson, CPA  
Legislative Auditor

December 1, 1998

# General Purpose Financial Statements

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STATE OF ALASKA  
 COMBINED BALANCE SHEET

STATEMENT 1.01

ALL FUND TYPES AND ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS

June 30, 1998

(Stated in Thousands)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>ASSETS AND OTHER DEBITS</b>				
<b>ASSETS:</b>				
Cash and Investments	\$ 546,114	\$ 32,633	\$	\$ 670
Accounts Receivable - Net	222,420	1,269		100
Interest and Dividends Receivable	1,933			
Due from Other Funds	122,037	35		
Due from Component Units	197,044			
Due from Primary Government				
Loans, Notes, and Bonds Receivable	27,180	898		
Inventories	14,164			
Repossessed Property				
Fixed Assets (Net, where applicable, of accumulated depreciation)				
Net Investment in Direct Financing Leases				
Other Assets	13,575	942		
<b>OTHER DEBITS:</b>				
Amount to be Provided for Retirement of General Long-Term Debt				
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 1,144,467</b>	<b>\$ 35,777</b>	<b>\$ 0</b>	<b>\$ 770</b>
<b>LIABILITIES, EQUITY, AND OTHER CREDITS</b>				
<b>LIABILITIES:</b>				
Warrants Outstanding	\$ 47,011	\$ 88	\$	\$ 2
Accounts Payable	229,126	149		
Due to Other Funds	2,416,752	2,306		
Due to Component Units	2,353			
Due to Primary Government				
Interest Payable				
Deferred Revenues, Advances, and Prepayments	49,294			
Notes and Bonds Payable				
Revenue Bonds Payable				
Other Long-Term Debt				
Other Liabilities	3,059	331		
<b>TOTAL LIABILITIES</b>	<b>2,747,595</b>	<b>2,874</b>	<b>0</b>	<b>2</b>
<b>EQUITY AND OTHER CREDITS:</b>				
Investment in General Fixed Assets				
Contributed Capital				
Retained Earnings:				
Reserved				
Unreserved				
Fund Balances:				
Reserved for Encumbrances	167,643	3,470		94
Reserved for Nonexpendable Trust Corpus				
Reserved for Employees' Pension Benefits				
Reserved for Employees' Postemployment Healthcare Benefits				
Reserved for Other	220,877	898		
Unreserved, Designated	301,418	4,205		674
Unreserved, Undesignated (See Note 1.M.)	(2,293,066)	24,330		
<b>TOTAL EQUITY AND OTHER CREDITS</b>	<b>(1,603,128)</b>	<b>32,903</b>	<b>0</b>	<b>768</b>
<b>TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS</b>	<b>\$ 1,144,467</b>	<b>\$ 35,777</b>	<b>\$ 0</b>	<b>\$ 770</b>

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



Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals Primary Government (Memorandum Only)	Component Units
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt	June 30, 1998	
\$ 227,061	\$ 61,222	\$ 42,383,127	\$	\$	\$ 43,250,827	\$ 3,032,496
10,403	22,714	240,971			497,877	61,147
27,607		206,719			236,259	41,632
57	6,440	3,303,288			3,431,857	
					197,044	89,808
						450,039
227,837		21,462			277,377	2,947,439
	3,777				17,941	8,028
1,703					1,703	9,028
318,405	78,313		2,347,208		2,743,926	1,746,803
						307,195
6,407	795	10			21,729	642,621
				399,376	399,376	
<u>\$ 819,480</u>	<u>\$ 173,261</u>	<u>\$ 46,155,577</u>	<u>\$ 2,347,208</u>	<u>\$ 399,376</u>	<u>\$ 51,075,916</u>	<u>\$ 9,336,236</u>
\$ 694	\$ 414	\$ 7,691	\$	\$	\$ 55,900	\$ 2,568
957	38,520	279,808			548,560	286,587
14,908		994,106			3,428,072	
		434,158			436,511	89,809
						191,221
453	33				486	38,571
3,381		20,200			72,875	56,020
	3,881			10,891	14,772	2,703,259
33,397					33,397	645,843
211	4,754			388,485	393,450	37,358
703	2,925	41,770			48,788	316,925
54,704	50,527	1,777,733	0	399,376	5,032,811	4,368,161
			2,347,208		2,347,208	799,989
427,808	72,838				500,646	2,147,416
2,673	7,294				9,967	25
334,295	42,602				376,897	1,378,733
		18,728,984			171,207	
		10,124,270			18,728,984	322,800
		2,824,037			10,124,270	
		12,700,553			2,824,037	
					12,922,328	255,842
					306,297	54,199
					(2,268,736)	9,071
764,776	122,734	44,377,844	2,347,208	0	46,043,105	4,968,075
<u>\$ 819,480</u>	<u>\$ 173,261</u>	<u>\$ 46,155,577</u>	<u>\$ 2,347,208</u>	<u>\$ 399,376</u>	<u>\$ 51,075,916</u>	<u>\$ 9,336,236</u>

## COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

## ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND AND DISCRETELY PRESENTED COMPONENT UNITS

For the Fiscal Year Ended June 30, 1998

(Stated in Thousands)

	Governmental Fund Types	
	General	Special Revenue
<b>REVENUES:</b>		
Taxes	\$ 1,032,737	\$ 16,417
Licenses and Permits	71,419	22,401
Charges for Services	82,938	39
Fines and Forfeitures	37,646	153
Rents and Royalties		
General Fund	508,908	
Alaska Permanent Fund	229,883	
Constitutional Budget Reserve Fund		
Contributions		
Interest and Investment Income	60,025	1,250
Net Increase (Decrease) in the Fair Value of Investments		
Federal	957,272	2,565
Other	37,296	728
<b>TOTAL REVENUES</b>	<b>3,018,124</b>	<b>43,553</b>
<b>EXPENDITURES:</b>		
Current Operating		
General Government	198,137	2,255
Education	825,186	2,608
Health and Social Services	1,031,206	301
Law, Justice, and Public Protection	419,762	5,566
Natural Resources	130,616	19,931
Development	35,641	
Transportation	152,607	
Capital Outlay	410,926	5,733
Debt Service		
Intergovernmental	91,700	
<b>TOTAL EXPENDITURES</b>	<b>3,295,781</b>	<b>36,394</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(277,657)</b>	<b>7,159</b>
<b>OTHER FINANCING SOURCES (USES):</b>		
Operating Transfers (Out to) Other Funds	(10,717)	
Operating Transfers (Out to) Component Units	(171,416)	
Operating Transfers (Out to) Primary Government		
Operating Transfers In from Other Funds	7,722	1,027
Operating Transfers In from Component Units	16,720	
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(157,691)</b>	<b>1,027</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(435,348)</b>	<b>8,186</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>(1,024,192)</b>	<b>24,251</b>
Residual Equity Fund Transfers (to) Other Funds	(237,886)	
Residual Equity Fund Transfers from Other Funds	4,799	125
Residual Equity Fund Transfers from Component Units	88,544	
Prior Period Adjustment	955	341
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ (1,603,128)</b>	<b>\$ 32,903</b>

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

Governmental Fund Types		Fiduciary Fund Types	Totals Primary Government (Memorandum Only) Year Ended	Component Units
Debt Service	Capital Projects	Expendable Trust	June 30, 1998	
\$	\$	\$ 89,186	\$ 1,138,340	\$
		199	93,820	
		921	83,176	
			38,720	
			508,908	
			229,883	
		52,837	52,837	
		163,972	163,972	
		428,447	489,722	10,178
		211,452	211,452	
	5	6,856	966,698	
		7,376	45,400	
0	5	961,246	4,022,928	10,178
		5,642	206,034	819
			827,794	
		888,146	1,919,653	
		3,790	429,118	
		10,913	161,460	
			35,641	
	22	26,459	152,607	
14,220			443,140	
			14,220	7,289
			91,700	
14,220	22	934,950	4,281,367	8,108
(14,220)	(17)	26,296	(258,439)	2,070
			(10,717)	
			(171,416)	(2,116)
5,674		893,240	907,663	(720)
			16,720	2,116
5,674	0	893,240	742,250	(720)
(8,546)	(17)	919,536	483,811	1,350
7,700	1,630	6,377,172	5,386,561	33,060
	(845)		(238,731)	
846		306	6,076	
			88,544	
		(1,358)	(62)	
\$ 0	\$ 768	\$ 7,295,656	\$ 5,726,199	\$ 34,410

**STATE OF ALASKA  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL - BUDGETARY BASIS  
 GENERAL AND SPECIAL REVENUE FUND TYPES  
 For the Fiscal Year Ended June 30, 1998  
 (Stated in Thousands)**

**STATEMENT 1.03**

	General Fund		
	Final Revised Budget	Actual	Variance - Favorable (Unfavorable)
<b>REVENUES:</b>			
Unrestricted			
Taxes	\$ 1,161,561	\$ 1,054,310	\$ (107,251)
Licenses and Permits	98,121	71,419	(26,702)
Federal	1,000	5,696	4,696
Charges for Services	320,892	288,595	(32,297)
Fines and Forfeitures	9,712	37,646	27,934
Rents and Royalties			
General Fund	683,783	535,948	(147,835)
Alaska Permanent Fund	244,827	244,827	0
Interest and Investment Income	43,849	63,180	19,331
Other	<u>57,629</u>	<u>35,479</u>	<u>(22,150)</u>
<b>TOTAL UNRESTRICTED</b>	<u>2,621,374</u>	<u>2,337,100</u>	<u>(284,274)</u>
Restricted			
Federal	2,172,904	911,831	(1,261,073)
Interagency Receipts	386,089	251,003	(135,086)
Other	<u>8,918</u>	<u>1,817</u>	<u>(7,101)</u>
<b>TOTAL RESTRICTED</b>	<u>2,567,911</u>	<u>1,164,651</u>	<u>(1,403,260)</u>
<b>TOTAL REVENUES</b>	<u>5,189,285</u>	<u>3,501,751</u>	<u>(1,687,534)</u>
<b>EXPENDITURES:</b>			
Current Operating			
General Government	445,011	434,274	10,737
Education	901,703	874,699	27,004
Health and Social Services	1,111,859	1,053,338	58,521
Law, Justice, and Public Protection	481,723	456,206	25,517
Natural Resources	159,464	143,639	15,825
Development	46,818	38,891	7,927
Transportation	265,065	224,458	40,607
Capital Outlay	1,832,099	746,333	1,085,766
Intergovernmental	<u>193,456</u>	<u>147,863</u>	<u>45,593</u>
<b>TOTAL EXPENDITURES</b>	<u>5,437,198</u>	<u>4,119,701</u>	<u>1,317,497</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(247,913)</u>	<u>(617,950)</u>	<u>(370,037)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating Transfers (Out to) Other Funds	(162,551)	(153,989)	8,562
Operating Transfers (Out to) Component Units	(187,102)	(171,416)	15,686
Operating Transfers In from Other Funds	151,192	151,192	0
Operating Transfers In from Component Units	17,899	17,899	0
Residual Equity Fund Transfers (to) Other Funds	(251,905)	(251,905)	0
Residual Equity Fund Transfers from Other Funds	4,892	4,892	0
Residual Equity Fund Transfers from Component Units	<u>88,544</u>	<u>88,544</u>	<u>0</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES, BUDGETARY BASIS</b>	<u>\$ (586,944)</u>	<u>(932,733)</u>	<u>\$ (345,789)</u>
<b>RECONCILIATION OF BUDGETARY / GAAP REPORTING:</b>			
Adjust Expenditures for Encumbrances		436,029	
Basis Difference		(48,090)	
Perspective Difference		<u>(34,080)</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES, GAAP BASIS</b>		(578,874)	
<b>FUND BALANCES, BEGINNING OF YEAR</b>		(1,024,192)	
Prior Period Adjustment		<u>(62)</u>	
<b>FUND BALANCES, END OF YEAR</b>		<u>\$ (1,603,128)</u>	

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

STATEMENT 1.03

Special Revenue Funds		
Final Revised Budget	Actual	Variance - Favorable (Unfavorable)
\$ 2,608	\$ 16,417	\$ 13,809
27,062	22,401	(4,661)
425	375	(50)
35	39	4
400	153	(247)
1,000	1,250	250
575	700	125
32,105	41,335	9,230
9,000	2,190	(6,810)
200	28	(172)
9,200	2,218	(6,982)
41,305	43,553	2,248
2,254	2,255	(1)
2,608	2,608	0
575	317	258
35,985	11,454	24,531
21,049	20,211	838
9,587	7,233	2,354
50		50
72,108	44,078	28,030
(30,803)	(525)	30,278
1,027	1,027	0
125	125	0
<u>\$ (29,651)</u>	627	<u>\$ 30,278</u>
	7,684	
	8,311	
	24,251	
	341	
	<u>\$ 32,903</u>	

**COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS / FUND BALANCES**  
**ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS**  
**For the Fiscal Year Ended June 30, 1998**  
**(Stated in Thousands)**

	Proprietary Fund Types	
	Enterprise	Internal Service
<b>OPERATING REVENUES:</b>		
Charges for Goods and Services	\$ 54,239	\$ 57,171
Fines and Forfeitures	75	
Rents and Royalties		
Interest and Investment Income	15,385	
Net Increase (Decrease) in the Fair Value of Investments		
Premiums		205,658
Other	775	
<b>TOTAL OPERATING REVENUES</b>	<b>70,474</b>	<b>262,829</b>
<b>OPERATING EXPENSES:</b>		
Costs of Goods and Services		1,848
Operating	44,494	50,138
Interest and Service Fees		
Financing Costs		
Provision for Loan Losses and Forgiveness	151	1,028
Write-down and Net (Income) Expense of Real Estate Owned	45	
Depreciation	17,125	11,224
Benefits		166,226
Other		
<b>TOTAL OPERATING EXPENSES</b>	<b>61,815</b>	<b>230,464</b>
<b>OPERATING INCOME (LOSS)</b>	<b>8,659</b>	<b>32,365</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Net Increase (Decrease) in the Fair Value of Investments		
Revenues and Grants	7,564	3,187
Expenses	(2,648)	(626)
Gain (Loss) on Disposal of Fixed Assets	265	333
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>5,181</b>	<b>2,894</b>
<b>INCOME (LOSS) BEFORE OPERATING TRANSFERS</b>	<b>13,840</b>	<b>35,259</b>
<b>OPERATING TRANSFERS:</b>		
Operating Transfers (Out to) Other Funds	(1,437)	
Operating Transfers (Out to) Component Units		
Operating Transfers (Out to) Primary Government		
Operating Transfers In from Other Funds	2,339	1,148
Operating Transfers In from Component Units		
Operating Transfers In from Primary Government		
<b>NET INCOME (LOSS)</b>	<b>14,742</b>	<b>36,407</b>
Depreciation on Fixed Assets Acquired by Grants or Contribution	5,460	
<b>INCREASE (DECREASE) IN RETAINED EARNINGS/FUND BALANCES</b>	<b>20,202</b>	<b>36,407</b>
<b>RETAINED EARNINGS/FUND BALANCES, BEGINNING OF YEAR - AS PREVIOUSLY REPORTED</b>	<b>316,766</b>	<b>13,760</b>
Restatements (See Note 1.N.)		
<b>RETAINED EARNINGS/FUND BALANCES, BEGINNING OF YEAR - AS RESTATED</b>	<b>316,766</b>	<b>13,760</b>
Residual Equity Fund Transfers (to) Component Units		
Residual Equity Fund Transfers from Other Funds		
Residual Equity Fund Transfers from Component Units		
Residual Equity Fund Transfers from Primary Government		
Prior Period Adjustment		(271)
<b>RETAINED EARNINGS/FUND BALANCES, END OF YEAR</b>	<b>\$ 336,968</b>	<b>\$ 49,896</b>

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

## STATEMENT 1.04

Fiduciary Fund Types	Totals	
	Primary Government (Memorandum Only) Year Ended	
Nonexpendable Trust	June 30, 1998	Component Units
\$	\$ 111,410	\$ 98,111
	75	2
		1,031
946,997	962,382	372,065
2,527,575	2,527,575	5,394
	205,658	
	775	59,359
3,474,572	3,807,875	535,962
	1,848	
40,086	134,718	123,577
		181,021
		6,674
	1,179	13,866
	45	3,382
	28,349	35,751
	166,226	
		44,668
40,086	332,365	408,939
3,434,486	3,475,510	127,023
80,636	80,636	
20,220	30,971	18,750
	(3,274)	(22,982)
	598	
100,856	108,931	(4,232)
3,535,342	3,584,441	122,791
(893,205)	(894,642)	
(60,903)	(60,903)	(8,459)
	3,487	(16,000)
		508
		60,903
2,581,234	2,632,383	159,743
	5,460	293
2,581,234	2,637,843	160,036
18,150,032	18,480,558	1,620,321
3,172,090	3,172,090	30,782
21,322,122	21,652,648	1,651,103
		(5,000)
230,504	230,504	
		9,850
		1
21	(250)	
\$ 24,133,881	\$ 24,520,745	\$ 1,815,990

STATE OF ALASKA  
**COMBINED STATEMENT OF CASH FLOWS**  
**ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS**  
**For the Fiscal Year Ended June 30, 1998**  
**(Stated in Thousands)**

STATEMENT 1.05

	Proprietary Fund Types	
	Enterprise	Internal Service
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Operating Income (Loss)	\$ 8,659	\$ 32,365
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Depreciation and Amortization	17,125	11,224
Provision for Loan Losses and Forgiveness	156	1,028
Principal Collections on Loans and Notes	19,656	
Loans and Notes Originated	(30,254)	
Write-Down and Net (Gain) Loss of Owned Property	45	
Investment Income		
Net Change in Fair Value of Investments		
Interest Expense		
Other		
Nonoperating Activity	(237)	32
(Increase) Decrease in Assets:		
Accounts Receivable - Net	1,066	(23,225)
Interest and Dividends Receivable	(6,082)	
Due from Other Funds	112	(2,108)
Due from Primary Government		
Loans, Notes, and Bonds Receivable	59	
Inventories		629
Repossessed Property	341	
Other Assets		(45)
Increase (Decrease) in Liabilities:		
Warrants Outstanding	176	(29)
Accounts Payable	(348)	36,728
Due to Other Funds	1,589	
Due to Primary Government		
Interest Payable		
Deferred Revenues, Advances, and Prepayments	249	(48)
Other Liabilities	253	(130)
<b>NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>	<b>12,565</b>	<b>56,421</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Advances and Contributions	6,304	
Residual Equity Fund Transfers (to) Other Funds	(1,257)	
Residual Equity Fund Transfers (to) Component Units		
Residual Equity Fund Transfers (to) Primary Government		
Residual Equity Fund Transfers from Other Funds	6,679	
Residual Equity Fund Transfers from Component Units		
Operating Transfers (Out to) Other Funds	(2,003)	
Operating Transfers (Out to) Component Units		
Operating Transfers (Out to) Primary Government		
Operating Transfers In from Other Funds	2,339	1,148
Operating Transfers In from Component Units		
Operating Transfers In from Primary Government		
Proceeds from Issuance of Long-Term Debt		
Payments on Long-Term Debt		
Proceeds from Issuance of Short-Term Debt		
Payments on Short-Term Debt		
Interest and Fees Paid on Borrowings		
<b>NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES</b>	<b>12,062</b>	<b>1,148</b>

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



STATEMENT 1.05

Fiduciary Fund Types	Totals	
	Primary Government (Memorandum Only)	
	Year Ended	
Nonexpendable Trust	June 30, 1998	Component Units
\$ 3,434,486	\$ 3,475,510	\$ 127,023
	28,349	30,629
	1,184	14,001
	19,656	414,325
	(30,254)	(468,108)
	45	1,910
(3,474,572)	(3,474,572)	(114,318)
		(5,395)
		152,269
		(11,729)
3,532	3,327	6,417
187	(21,972)	(1,136)
1	(6,081)	2,062
29	(1,967)	
		6,519
444	503	(33,830)
	629	
	341	
104	59	(5,382)
4	151	702
(1,069)	35,311	2,077
82	1,671	
		177
		(37)
(493)	(292)	4,260
	123	129
(37,265)	31,721	122,565
	6,304	2,918
	(1,257)	(10,760)
		(90,346)
244,826	251,505	
		4,950
(748,528)	(750,531)	
(34,768)	(34,768)	(3,138)
		(16,000)
	3,487	
11,906	11,906	508
		22,862
		555,593
		(157,779)
		1,674,080
		(1,832,264)
		(155,177)
(526,564)	(513,354)	(4,553)

This statement continued on next page.

## COMBINED STATEMENT OF CASH FLOWS (CONTINUED)

## ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS

For the Fiscal Year Ended June 30, 1998

(Stated in Thousands)

	Proprietary Fund Types	
	Enterprise	Internal Service
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Capital Contributions and Advances	\$ 10,472	\$
Residual Equity Fund Transfers from Component Units		
Proceeds from Issuance of Long-Term Debt		
Payments on Long-Term Debt	(3,785)	(920)
Interest and Fees Paid on Borrowings	(1,897)	(626)
Acquisition and Construction of Fixed Assets and Deferred Costs	(21,193)	(10,606)
Proceeds from Sales of Fixed Assets	1,328	1,045
Investment in Direct Financing Leases		
Direct Financing Lease Receipts		
Payments on Capital Lease Obligations	(52)	(743)
NET CASH PROVIDED BY (USED FOR)		
CAPITAL AND RELATED FINANCING ACTIVITIES	(15,127)	(11,850)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from Sales/Maturities of Investments	184,048	
Purchase of Investments	(196,635)	
Net Change in Unsettled Trades		
Undistributed Real Estate Income		
Interest Received on Investments	7,612	3,155
Principal Collections on Loans and Notes and Reduction in Real Estate Owned		
Loans Originated or Purchased		
Investment in Development Projects		
Investment in Venture Capital Limited Partnership		
Change in Restricted Cash and Investments	(295)	
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	(5,270)	3,155
NET INCREASE (DECREASE) IN CASH	4,230	48,874
CASH, BEGINNING OF YEAR	127,662	12,348
CASH, END OF YEAR	\$ 131,892	\$ 61,222
<b>RECONCILIATION OF CASH TO THE BALANCE SHEET:</b>		
Total Cash and Investments per the Balance Sheet	\$ 227,061	\$ 61,222
Less: Investments not meeting the definition of cash or cash equivalents	(89,894)	
Restricted Cash and Investments	(5,275)	
CASH, END OF YEAR	\$ 131,892	\$ 61,222
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</b>		
Residual Equity Fund Transfers from (to) Other Funds	\$ (4,799)	\$
Operating Transfers In from (Out to) Other Funds	(486)	
Other Real Estate Owned Acquired Through Foreclosure		
Sales of Real Estate Owned		
Investment in Development Projects Acquired Through Contribution of Assets		
Bond Amortization		
Bond Issuance Cost Amortization		
Interest Capitalization		
Contributed Fixed Assets		561
Transfer of Land from General Fixed Assets Account Group		
Fixed Assets Transferred to General Fixed Assets Account Group		(132)
Net Income (Loss) on Investment	(299)	

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

STATEMENT 1.05

Fiduciary Fund Types	Totals	
	Primary Government (Memorandum Only)	
	Year Ended	
Nonexpendable Trust	June 30, 1998	Component Units
\$	\$ 10,472	\$ 18,093
		4,900
		85,000
	(4,705)	(99,145)
	(2,523)	(15,903)
	(31,799)	(10,378)
	2,373	143
		(93,921)
		12,455
	(795)	
0	(26,977)	(98,756)
	184,048	8,010,697
(3,703,488)	(3,900,123)	(8,103,039)
276,538	276,538	
(23,875)	(23,875)	
2,702,680	2,713,447	124,613
		46,843
		(40,129)
		(30,919)
		3,310
	(295)	5,360
(748,145)	(750,260)	16,736
(1,311,974)	(1,258,870)	35,992
2,086,128	2,226,138	65,749
\$ 774,154	\$ 967,268	\$ 101,741
\$ 25,324,962	\$ 25,613,245	\$ 2,846,789
(24,550,808)	(24,640,702)	(2,689,597)
	(5,275)	(55,451)
\$ 774,154	\$ 967,268	\$ 101,741
\$	\$ (4,799)	\$
	(486)	
		4,629
		2,997
		13,567
		125
		828
		2,175
	561	
		1
	(132)	
	(299)	

STATE OF ALASKA  
 COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS  
 PENSION TRUST FUNDS  
 For the Fiscal Year Ended June 30, 1998  
 (Stated in Thousands)

STATEMENT 1.06

	Public Employees' Retirement System		
	Pension	Postemployment Healthcare	Total
<b>ADDITIONS:</b>			
<b>CONTRIBUTIONS:</b>			
Employers	\$ 69,259	\$ 25,958	\$ 95,217
Employees	64,226	24,072	88,298
Retirement Incentive Program	13,184	4,941	18,125
Other			
TOTAL CONTRIBUTIONS	146,669	54,971	201,640
<b>INVESTMENT INCOME:</b>			
Net Appreciation (Depreciation) in the Fair Value of Investments	495,745	185,802	681,547
Interest	136,978	51,339	188,317
Dividends	60,658	22,734	83,392
Net Recognized Mortgage Loan Recovery (Loss)	230	86	316
	693,611	259,961	953,572
Less: Investment Expenses	11,485	4,305	15,790
NET INVESTMENT INCOME	682,126	255,656	937,782
Other	5	2	7
TOTAL ADDITIONS	828,800	310,629	1,139,429
<b>DEDUCTIONS:</b>			
Benefits Paid	195,544	55,165	250,709
Insurance Premiums			
Refunds to Terminated Employees	9,861	3,696	13,557
Administrative Expenses	2,124	796	2,920
TOTAL DEDUCTIONS	207,529	59,657	267,186
NET INCREASE (DECREASE)	621,271	250,972	872,243
<b>FUND BALANCES RESERVED FOR EMPLOYEES' PENSION AND POSTEMPLOYMENT HEALTHCARE BENEFITS:</b>			
FUND BALANCES, BEGINNING OF YEAR	4,737,708	1,828,447	6,566,155
FUND BALANCES, END OF YEAR	\$ 5,358,979	\$ 2,079,419	\$ 7,438,398

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

Teachers' Retirement System			Judicial Retirement System		
Pension	Postemployment Healthcare	Total	Pension	Postemployment Healthcare	Total
\$ 50,432	\$ 11,018	\$ 61,450	\$ 2,098	\$ 106	\$ 2,204
39,951	8,728	48,679	310	15	325
14,534	3,175	17,709			
<u>104,917</u>	<u>22,921</u>	<u>127,838</u>	<u>2,408</u>	<u>121</u>	<u>2,529</u>
298,475	65,208	363,683	4,640	234	4,874
79,154	17,293	96,447	2,190	110	2,300
37,145	8,115	45,260	491	24	515
103	23	126			
<u>414,877</u>	<u>90,639</u>	<u>505,516</u>	<u>7,321</u>	<u>368</u>	<u>7,689</u>
6,997	1,529	8,526	111	5	116
<u>407,880</u>	<u>89,110</u>	<u>496,990</u>	<u>7,210</u>	<u>363</u>	<u>7,573</u>
8	2	10			
<u>512,805</u>	<u>112,033</u>	<u>624,838</u>	<u>9,618</u>	<u>484</u>	<u>10,102</u>
169,831	26,123	195,954	3,217	255	3,472
2,864	625	3,489			
<u>1,831</u>	<u>400</u>	<u>2,231</u>	<u>35</u>	<u>2</u>	<u>37</u>
<u>174,526</u>	<u>27,148</u>	<u>201,674</u>	<u>3,252</u>	<u>257</u>	<u>3,509</u>
338,279	84,885	423,164	6,366	227	6,593
<u>2,834,976</u>	<u>657,095</u>	<u>3,492,071</u>	<u>55,686</u>	<u>2,411</u>	<u>58,097</u>
<u>\$ 3,173,255</u>	<u>\$ 741,980</u>	<u>\$ 3,915,235</u>	<u>\$ 62,052</u>	<u>\$ 2,638</u>	<u>\$ 64,690</u>

This statement continued on next page.

STATE OF ALASKA  
**COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS (CONTINUED)**  
**PENSION TRUST FUNDS**  
For the Fiscal Year Ended June 30, 1998  
(Stated in Thousands)

STATEMENT 1.06

	National Guard and Naval Militia	Supplemental Benefits System
	Pension	Pension
<b>ADDITIONS:</b>		
<b>CONTRIBUTIONS:</b>		
Employers	\$ 1,435	\$ 42,224
Employees		42,223
Retirement Incentive Program		
Other		7,447
<b>TOTAL CONTRIBUTIONS</b>	<b>1,435</b>	<b>91,894</b>
<b>INVESTMENT INCOME:</b>		
Net Appreciation (Depreciation) in the Fair Value of Investments	1,046	154,978
Interest	524	164
Dividends	82	62,985
Net Recognized Mortgage Loan Recovery (Loss)		
	1,652	218,127
Less: Investment Expenses	37	
<b>NET INVESTMENT INCOME</b>	<b>1,615</b>	<b>218,127</b>
Other		5
<b>TOTAL ADDITIONS</b>	<b>3,050</b>	<b>310,026</b>
<b>DEDUCTIONS:</b>		
Benefits Paid	1,417	119,848
Insurance Premiums		7,388
Refunds to Terminated Employees		
Administrative Expenses	32	2,238
<b>TOTAL DEDUCTIONS</b>	<b>1,449</b>	<b>129,474</b>
<b>NET INCREASE (DECREASE)</b>	<b>1,601</b>	<b>180,552</b>
<b>FUND BALANCES RESERVED FOR EMPLOYEES' PENSION AND POSTEMPLOYMENT HEALTHCARE BENEFITS:</b>		
FUND BALANCES, BEGINNING OF YEAR	11,070	1,336,761
FUND BALANCES, END OF YEAR	<u>\$ 12,671</u>	<u>\$ 1,517,313</u>

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

STATEMENT 1.06

Totals		
June 30, 1998		
Pension	Postemployment Healthcare	Total
\$ 165,448	\$ 37,082	\$ 202,530
146,710	32,815	179,525
27,718	8,116	35,834
7,447		7,447
347,323	78,013	425,336
954,884	251,244	1,206,128
219,010	68,742	287,752
161,361	30,873	192,234
333	109	442
1,335,588	350,968	1,686,556
18,630	5,839	24,469
1,316,958	345,129	1,662,087
18	4	22
1,664,299	423,146	2,087,445
489,857	81,543	571,400
7,388		7,388
12,725	4,321	17,046
6,260	1,198	7,458
516,230	87,062	603,292
1,148,069	336,084	1,484,153
8,976,201	2,487,953	11,464,154
\$ 10,124,270	\$ 2,824,037	\$ 12,948,307

STATE OF ALASKA  
**COMBINING STATEMENT OF CHANGES IN FUND BALANCES**  
**ALL COLLEGE AND UNIVERSITY FUNDS - DISCRETELY PRESENTED COMPONENT UNIT**  
**For the Fiscal Year Ended June 30, 1998**  
**(Stated in Thousands)**

STATEMENT 1.07

	Current		Student Loan	Endowment and Similar
	Unrestricted	Restricted		
<b>REVENUES AND OTHER ADDITIONS:</b>				
Unrestricted Current Funds Revenue	\$ 283,290	\$	\$	\$
State Appropriations, Restricted				
Federal Grants and Contracts, Restricted		52,910		
State Grants and Contracts, Restricted		9,103		
Local Grants and Contracts, Restricted		975		
Private Gifts, Grants and Contracts, Restricted		25,837		
Investment Income, Restricted		11		
Endowment Income, Restricted		9		12,371
Bond Proceeds				
Interest on Loans Receivable			14	
Sales and Services, Educational Departments, Restricted		1,066		
Other Income, Restricted		285	4	
Additions to Plant Facilities				
Retirement of Indebtedness				
<b>TOTAL REVENUES AND OTHER ADDITIONS</b>	<b>283,290</b>	<b>90,196</b>	<b>18</b>	<b>12,371</b>
<b>EXPENDITURES AND OTHER DEDUCTIONS:</b>				
Educational and General Expenditures	251,314	76,469		
Auxiliary Enterprises	23,834			
Indirect Cost Recovered		13,338		
Retirement of Indebtedness				
Interest on Indebtedness				
Expended for Plant Assets				
Other			18	255
Disposal of Plant Assets				
Future Lease Obligations				
Increase in Indebtedness				
<b>TOTAL EXPENDITURES AND OTHER DEDUCTIONS</b>	<b>275,148</b>	<b>89,807</b>	<b>18</b>	<b>255</b>
<b>TRANSFERS BETWEEN FUNDS:</b>				
Mandatory	(4,762)	(1)		194
Nonmandatory	(724)	(57)		250
<b>TOTAL TRANSFERS BETWEEN FUNDS</b>	<b>(5,486)</b>	<b>(58)</b>	<b>0</b>	<b>444</b>
<b>NET INCREASE (DECREASE) IN FUND BALANCES</b>	<b>2,656</b>	<b>331</b>	<b>0</b>	<b>12,560</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>32,329</b>	<b>1,731</b>	<b>908</b>	<b>92,413</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 34,985</b>	<b>\$ 2,062</b>	<b>\$ 908</b>	<b>\$ 104,973</b>

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



STATEMENT 1.07

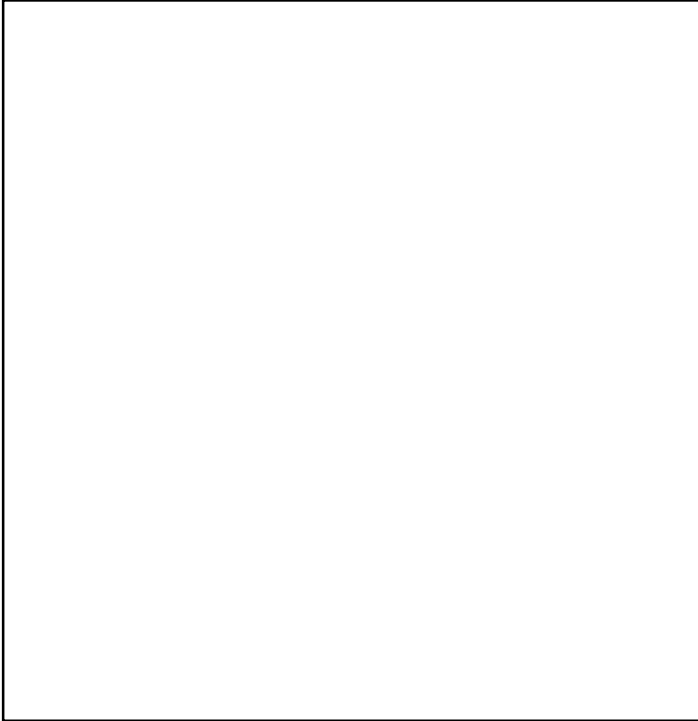
Plant				Totals
Unexpended	Retirement of Indebtedness	Renewals and Replacements	Investment In Plant	Year Ended June 30, 1998
\$	\$	\$	\$	\$ 283,290
7,000				7,000
31,343				84,253
				9,103
				975
				25,837
444	205	27		687
				12,380
9,997				9,997
				14
				1,066
				289
			61,175	61,175
			2,849	2,849
<u>48,784</u>	<u>205</u>	<u>27</u>	<u>64,024</u>	<u>498,915</u>
				327,783
				23,834
40				13,378
	2,849			2,849
	2,616			2,616
55,199				55,199
2,264	18			2,555
			11,270	11,270
			8,796	8,796
			36,119	36,119
<u>57,503</u>	<u>5,483</u>	<u>0</u>	<u>56,185</u>	<u>484,399</u>
(540)	5,106			(3)
653	(449)	327		0
<u>113</u>	<u>4,657</u>	<u>327</u>	<u>0</u>	<u>(3)</u>
(8,606)	(621)	354	7,839	14,513
<u>32,740</u>	<u>3,044</u>	<u>431</u>	<u>792,150</u>	<u>955,746</u>
<u>\$ 24,134</u>	<u>\$ 2,423</u>	<u>\$ 785</u>	<u>\$ 799,989</u>	<u>\$ 970,259</u>

STATE OF ALASKA  
**COMBINING STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES, AND OTHER CHANGES**  
**ALL COLLEGE AND UNIVERSITY CURRENT FUNDS - DISCRETELY PRESENTED COMPONENT UNIT**  
For the Fiscal Year Ended June 30, 1998  
(Stated in Thousands)

STATEMENT 1.08

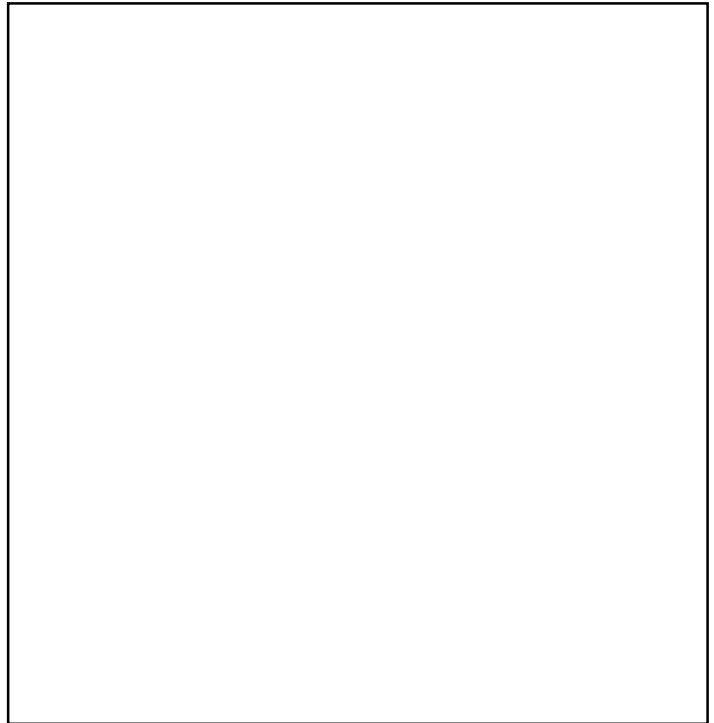
	Current		Totals
	Unrestricted	Restricted	Year Ended June 30, 1998
<b>REVENUES:</b>			
Tuition and Fees	\$ 49,358	\$ 25	\$ 49,383
State Appropriations	167,541		167,541
Federal Appropriations	1,315		1,315
Local Appropriations	690		690
Federal Grants and Contracts		43,636	43,636
State Grants and Contracts	175	7,944	8,119
Local Grants and Contracts		911	911
Private Gifts, Grants and Contracts	2,719	22,967	25,686
Investment Income	5,843		5,843
Endowment Income	4,318		4,318
Sales and Services, Educational Departments	3,920	748	4,668
Sales and Services, Auxiliary Enterprises	23,876		23,876
Recovery of Indirect Costs	13,378		13,378
Other	10,157	238	10,395
<b>TOTAL CURRENT FUNDS REVENUES</b>	<b>283,290</b>	<b>76,469</b>	<b>359,759</b>
<b>EXPENDITURES:</b>			
Instruction	92,751	6,094	98,845
Academic Support	23,320	1,033	24,353
Research	22,838	45,842	68,680
Public Service	9,219	9,634	18,853
Student Service	22,186	2,188	24,374
Operations and Maintenance	32,381	3,459	35,840
Institutional Support	45,404	648	46,052
Student Aid	3,215	7,571	10,786
Auxiliary Enterprises	23,834		23,834
<b>TOTAL CURRENT FUNDS EXPENDITURES</b>	<b>275,148</b>	<b>76,469</b>	<b>351,617</b>
<b>TRANSFERS AND OTHER CHANGES:</b>			
Mandatory Transfers			
Principal and Interest, Educational Plant	(4,002)		(4,002)
Principal and Interest, Auxiliary Enterprises	(760)		(760)
Endowment		(1)	(1)
Nonmandatory Transfers and Other Changes			
Restricted	57	(57)	0
Endowment	(462)		(462)
Retirement of Indebtedness Funds	8		8
Renewals and Replacements	(327)		(327)
Excess of Restricted Receipts over Transfers to Revenue		389	389
<b>TOTAL TRANSFERS AND OTHER CHANGES</b>	<b>(5,486)</b>	<b>331</b>	<b>(5,155)</b>
<b>NET INCREASE IN FUND BALANCES</b>	<b>\$ 2,656</b>	<b>\$ 331</b>	<b>\$ 2,987</b>

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



Rotary snow plow, White Pass and Yukon Route.  
C.L. Andrews, photographer,  
Alaska State Library,  
Case & Draper Collection,  
PCA 39-85

Ice motor leaving Bennett for Dawson, March 15, 1899.  
Alaska State Library,  
Eric A. Hegg Collection,  
PCA 124-43



STATE OF ALASKA  
COMBINING BALANCE SHEET  
ALL COMPONENT UNITS  
June 30, 1998  
(Stated in Thousands)

STATEMENT 1.09

	Special Revenue	Debt Service	Proprietary Fund Types	
			Alaska Industrial Development and Export Authority	
	Alaska Municipal Bond Bank Authority	Alaska Municipal Bond Bank Authority	Revolving Fund	Small Business Economic Development
<b>ASSETS:</b>				
Cash and Investments	\$ 41,304	\$ 98	\$ 466,630	\$ 730
Accounts and Notes Receivable - Net				
Interest Receivable	508	5,572	8,238	25
Due from Component Units	1,411	1		
Due from Primary Government				1
Loans Receivable - Net			237,253	2,062
Bonds and Notes Receivable	445	145,788		
Inventories				
Repossessed Property			7,961	
Land				
Fixed Assets (Net of Accumulated Depreciation)				
Construction in Progress				
Net Investment in Direct Financing Leases			269,761	
Investment in Development Projects			291,368	
Bond Issue Costs				
Venture Capital Limited Partnership			551	
Other Assets			22,102	
<b>TOTAL ASSETS</b>	<b><u>\$ 43,668</u></b>	<b><u>\$ 151,459</u></b>	<b><u>\$ 1,303,864</u></b>	<b><u>\$ 2,818</u></b>
<b>LIABILITIES, EQUITY, AND OTHER CREDITS:</b>				
<b>LIABILITIES:</b>				
Warrants Outstanding	\$	\$	\$	\$ 297
Accounts Payable	45	2	10,504	
Commercial Paper				
Due to Component Units	1,413			
Due to Primary Government	720			
Interest Payable	104	5,669	4,537	
Deferred Revenues and Advances				
Long-Term Notes and Bonds	5,315	95,820	312,940	
Revenue Bonds Payable	1,525	49,968		
Long-Term Debt	136			
Other Liabilities				
<b>TOTAL LIABILITIES</b>	<b><u>9,258</u></b>	<b><u>151,459</u></b>	<b><u>327,981</u></b>	<b><u>297</u></b>
<b>EQUITY AND OTHER CREDITS:</b>				
Investment in General Fixed Assets				
Contributed Capital			445,007	1,912
Retained Earnings:				
Reserved				25
Unreserved			530,876	584
Fund Balances:				
Reserved for Nonexpendable Trust Corpus				
Reserved for Other	19,437			
Unreserved, Designated	14,968			
Unreserved, Undesignated	5			
<b>TOTAL EQUITY AND OTHER CREDITS</b>	<b><u>34,410</u></b>	<b><u>0</u></b>	<b><u>975,883</u></b>	<b><u>2,521</u></b>
<b>TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS</b>	<b><u>\$ 43,668</u></b>	<b><u>\$ 151,459</u></b>	<b><u>\$ 1,303,864</u></b>	<b><u>\$ 2,818</u></b>

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

Proprietary Fund Types						Nonexpendable Trust
Alaska Student Loan Corporation	Alaska Housing Finance Corporation	Alaska Railroad Corporation	Alaska Energy Authority	Alaska Aerospace Development Corporation	Alaska Science and Technology Foundation	Alaska Mental Health Trust Authority
\$ 234,010	\$ 2,057,070	\$ 9,128	\$ 55,451	\$ 21,154	\$	\$ 2,616
4,703	21,424	11,536	6,061	238		10
	64,956		1,157			5
1,861				150		299,356
447,007	2,113,081				1,000	
						803
	1,067					
	12,503	13,850				996
	43,936	76,394	666,528	51		
	43,105	5,276		4,676		
	37,434					
5,071	21,616					
<u>23</u>	<u>15,496</u>	<u>18,371</u>		<u>267</u>		
<u>\$ 692,675</u>	<u>\$ 4,431,688</u>	<u>\$ 134,555</u>	<u>\$ 729,197</u>	<u>\$ 26,536</u>	<u>\$ 1,000</u>	<u>\$ 303,786</u>
\$ 2,232	\$	\$	\$	\$	\$	\$ 39
434		10,832	1,577	2,350		226
	208,736		189,917	159		425
	64,956		5,018			
11,222	12,021			16,278		241
8,690		30,811				
412,868	2,287,193	1,991	151,358			
			378			
	37,327	6,881	4,385	267		425
435,446	2,610,233	50,515	352,633	19,054	0	1,356
306,702	731,338	34,174	619,801	7,482	1,000	
(49,473)	1,090,117	49,866	(243,237)			
						216,737
						85,693
<u>257,229</u>	<u>1,821,455</u>	<u>84,040</u>	<u>376,564</u>	<u>7,482</u>	<u>1,000</u>	<u>302,430</u>
<u>\$ 692,675</u>	<u>\$ 4,431,688</u>	<u>\$ 134,555</u>	<u>\$ 729,197</u>	<u>\$ 26,536</u>	<u>\$ 1,000</u>	<u>\$ 303,786</u>

STATE OF ALASKA  
COMBINING BALANCE SHEET (CONTINUED)  
ALL COMPONENT UNITS  
June 30, 1998  
(Stated in Thousands)

STATEMENT 1.09

	Nonexpendable Trust Alaska Science and Technology Foundation		College and University	Totals
	Endowment Fund	International Trade & Business Endowment	University of Alaska	June 30, 1998
<b>ASSETS:</b>				
Cash and Investments	\$	\$	\$ 144,305	\$ 3,032,496
Accounts and Notes Receivable - Net			43,302	61,147
Interest Receivable				41,632
Due from Component Units			23,440	89,808
Due from Primary Government	129,092	5,710	13,869	450,039
Loans Receivable - Net				2,800,403
Bonds and Notes Receivable				147,036
Inventories			8,028	8,028
Reposessed Property				9,028
Land			23,507	50,856
Fixed Assets (Net of Accumulated Depreciation)			777,161	1,564,070
Construction in Progress			78,820	131,877
Net Investment in Direct Financing Leases				307,195
Investment in Development Projects				291,368
Bond Issue Costs				26,687
Venture Capital Limited Partnership				551
Other Assets			267,756	324,015
<b>TOTAL ASSETS</b>	<b>\$ 129,092</b>	<b>\$ 5,710</b>	<b>\$ 1,380,188</b>	<b>\$ 9,336,236</b>
<b>LIABILITIES, EQUITY, AND OTHER CREDITS:</b>				
<b>LIABILITIES:</b>				
Warrants Outstanding	\$	\$	\$	\$ 2,568
Accounts Payable			51,881	77,851
Commercial Paper				208,736
Due to Component Units			23,440	89,809
Due to Primary Government				191,221
Interest Payable				38,571
Deferred Revenues and Advances				56,020
Long-Term Notes and Bonds				2,703,259
Revenue Bonds Payable			30,124	645,843
Long-Term Debt			36,844	37,358
Other Liabilities			267,640	316,925
<b>TOTAL LIABILITIES</b>	<b>0</b>	<b>0</b>	<b>409,929</b>	<b>4,368,161</b>
<b>EQUITY AND OTHER CREDITS:</b>				
Investment in General Fixed Assets			799,989	799,989
Contributed Capital				2,147,416
Retained Earnings:				
Reserved				25
Unreserved				1,378,733
Fund Balances:				
Reserved for Nonexpendable Trust Corpus	101,113	4,950		322,800
Reserved for Other	27,979	760	121,973	255,842
Unreserved, Designated			39,231	54,199
Unreserved, Undesignated			9,066	9,071
<b>TOTAL EQUITY AND OTHER CREDITS</b>	<b>129,092</b>	<b>5,710</b>	<b>970,259</b>	<b>4,968,075</b>
<b>TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS</b>	<b>\$ 129,092</b>	<b>\$ 5,710</b>	<b>\$ 1,380,188</b>	<b>\$ 9,336,236</b>

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

STATE OF ALASKA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUND COMPONENT UNITS  
 For the Fiscal Year Ended June 30, 1998  
 (Stated in Thousands)

STATEMENT 1.10

	Special Revenue	Debt Service	Totals Year Ended
	Alaska Municipal Bond Bank Authority	Alaska Municipal Bond Bank Authority	June 30, 1998
<b>REVENUES:</b>			
Interest and Investment Income	\$ 2,891	\$ 7,287	\$ 10,178
<b>EXPENDITURES:</b>			
Current Operating			
General Government	819		819
Debt Service		7,289	7,289
<b>TOTAL EXPENDITURES</b>	<b>819</b>	<b>7,289</b>	<b>8,108</b>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,072</u>	<u>(2)</u>	<u>2,070</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating Transfers (Out to) Component Units	(2,116)		(2,116)
Operating Transfers (Out to) Primary Government	(720)		(720)
Operating Transfers In from Component Units	<u>2,114</u>	<u>2</u>	<u>2,116</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(722)</b>	<b>2</b>	<b>(720)</b>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	1,350	0	1,350
FUND BALANCES, BEGINNING OF YEAR	<u>33,060</u>	<u>0</u>	<u>33,060</u>
FUND BALANCES, END OF YEAR	<u>\$ 34,410</u>	<u>\$ 0</u>	<u>\$ 34,410</u>

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

## COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS / FUND BALANCES

## PROPRIETARY AND NONEXPENDABLE TRUST COMPONENT UNITS

For the Fiscal Year Ended June 30, 1998

(Stated in Thousands)

	Proprietary Fund Types			
	Alaska Industrial Development and Export Authority		Alaska Student Loan Corporation	Alaska Housing Finance Corporation
	Revolving Fund	Small Business Economic Development		
<b>OPERATING REVENUES:</b>				
Charges for Services	\$	\$	13	\$
Fines and Forfeitures			2	
Rents and Royalties				
Interest Income	22,551	97	28,666	163,842
Direct Financing Leases Interest Income	13,504			
Investment Income	24,070			116,126
Net Increase (Decrease) in the Fair Value of Investments				5,282
Other	15,140			42,732
<b>TOTAL OPERATING REVENUES</b>	<b>75,265</b>	<b>112</b>	<b>28,666</b>	<b>327,982</b>
<b>OPERATING EXPENSES:</b>				
Operating	4,107		7,473	21,530
Interest, Net Amortization and Fees	14,059			150,357
Financing Costs				6,674
Provision for Loan Losses and Forgiveness	1,550	139	9,459	2,718
Write-Down and Net (Income) Expense of Real Estate Owned	1,968	3		1,411
Depreciation	1,207			4,708
Other				44,668
<b>TOTAL OPERATING EXPENSES</b>	<b>22,891</b>	<b>142</b>	<b>16,932</b>	<b>232,066</b>
<b>OPERATING INCOME (LOSS)</b>	<b>52,374</b>	<b>(30)</b>	<b>11,734</b>	<b>95,916</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Interest Income			11,280	
Interest Expense			(22,714)	
Other Revenues				
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>0</b>	<b>0</b>	<b>(11,434)</b>	<b>0</b>
<b>INCOME (LOSS) BEFORE OPERATING TRANSFERS</b>	<b>52,374</b>	<b>(30)</b>	<b>300</b>	<b>95,916</b>
<b>OPERATING TRANSFERS:</b>				
Operating Transfers (Out to) Component Units				
Operating Transfers (Out to) Primary Government	(16,000)			
Operating Transfers In from Component Units				
Operating Transfers In from Primary Government				
<b>NET INCOME (LOSS)</b>	<b>36,374</b>	<b>(30)</b>	<b>300</b>	<b>95,916</b>
Depreciation on Fixed Assets Acquired by Grants or Contribution	270			
<b>Increase (Decrease) in Retained Earnings/Fund Balance</b>	<b>36,644</b>	<b>(30)</b>	<b>300</b>	<b>95,916</b>
<b>RETAINED EARNINGS/FUND BALANCE, BEGINNING OF YEAR - AS PREVIOUSLY REPORTED</b>	<b>495,321</b>	<b>639</b>	<b>(49,773)</b>	<b>981,807</b>
Restatements (See Note 1.N.)	(1,089)			12,394
<b>RETAINED EARNINGS/FUND BALANCE, BEGINNING OF YEAR - AS RESTATED</b>	<b>494,232</b>	<b>639</b>	<b>(49,773)</b>	<b>994,201</b>
Residual Equity Fund Transfers (to) Component Units				
Residual Equity Fund Transfers from Primary Government				
Residual Equity Fund Transfers from Component Units				
<b>RETAINED EARNINGS/FUND BALANCE, END OF YEAR</b>	<b>\$ 530,876</b>	<b>\$ 609</b>	<b>\$ (49,473)</b>	<b>\$ 1,090,117</b>

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



Proprietary Fund Types				Nonexpendable Trust			Totals Year Ended June 30, 1998
Alaska Railroad Corporation	Alaska Energy Authority	Alaska Aerospace Development Corporation	Alaska Science and Technology Foundation	Alaska Mental Health Trust Authority	Alaska Science and Technology Foundation Endowment Fund	International Trade & Business Endowment	
\$ 76,148	\$ 21,862	\$ 65	\$	\$ 23	\$	\$	\$ 98,111
				1,031			2
	3,058			19			1,031
				132			218,233
	112			9	10		13,504
1,468							140,328
							5,394
77,616	25,032	65	0	1,214	10	0	59,359
65,255	4,710	853		9,919	9,730		123,577
	16,605						181,021
							6,674
							13,866
6,758	23,055	23					3,382
							35,751
							44,668
72,013	44,370	876	0	9,919	9,730	0	408,939
5,603	(19,338)	(811)	0	(8,705)	(9,720)	0	127,023
352		701					12,333
(268)							(22,982)
4,903				1,468	46		6,417
4,987	0	701	0	1,468	46	0	(4,232)
10,590	(19,338)	(110)	0	(7,237)	(9,674)	0	122,791
		(5,321)				(3,138)	(8,459)
							(16,000)
		508					508
				41,804	18,339	760	60,903
10,590	(19,338)	(4,923)	0	34,567	5,527	760	159,743
		23					293
10,590	(19,338)	(4,900)	0	34,567	5,527	760	160,036
39,276	(223,899)	0	0	258,564	118,386		1,620,321
				9,298	10,179		30,782
39,276	(223,899)	0	0	267,862	128,565	0	1,651,103
						(5,000)	(5,000)
				1			1
		4,900				4,950	9,850
\$ 49,866	\$ (243,237)	\$ 0	\$ 0	\$ 302,430	\$ 129,092	\$ 5,710	\$ 1,815,990

STATE OF ALASKA  
**COMBINING STATEMENT OF CASH FLOWS**  
**PROPRIETARY AND NONEXPENDABLE TRUST COMPONENT UNITS**  
For the Fiscal Year Ended June 30, 1998  
(Stated in Thousands)

STATEMENT 1.12

	Proprietary Fund Types			
	Alaska Industrial Development and Export Authority		Alaska Student Loan Corporation	Alaska Housing Finance Corporation
	Revolving Fund	Small Business Economic Development		
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Operating Income (Loss)	\$ 52,374	\$ (30)	\$ 11,734	\$ 95,916
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation	1,207			4,708
Amortization of Bond Discount, Premium, and Other Costs				7,289
Amortization of Unearned Income on				
Direct Financing Leases	(13,504)			
Provision for Loan Losses and Forgiveness	1,550	139	9,459	2,853
Principal Collections on Loans and Notes		193		414,132
Loans and Notes Originated		(1,219)		(465,253)
Write-Down and Net (Gain) Loss of Owned Property	1,152	3		755
Investment Income				(111,128)
Net Change in the Fair Value of Investments				(5,283)
Interest Expense				136,860
Other	(11,847)			118
Nonoperating Activity				
(Increase) Decrease in Assets:				
Accounts Receivable - Net				
Interest Receivable	208	(8)	1,157	699
Due from Primary Government		99	6,420	
Loans Receivable - Net			(33,830)	
Other Assets	(2,137)		106	(2,484)
Increase (Decrease) in Liabilities:				
Warrants Outstanding		297	391	
Accounts Payable	427		(107)	
Due to Primary Government				
Interest Payable	(37)			
Deferred Revenues and Advances			3,844	
Other Liabilities			(128)	4,755
<b>NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>	<b>29,393</b>	<b>(526)</b>	<b>(954)</b>	<b>83,937</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Advances and Contributions		1,096		
Residual Equity Fund Transfer (to) Component Units				(5,760)
Residual Equity Fund Transfer (to) Primary Government				(90,346)
Residual Equity Fund Transfer from Component Units				
Operating Transfers (Out to) Component Units				
Operating Transfers (Out to) Primary Government	(16,000)			
Operating Transfers In from Component Units				
Operating Transfers In from Primary Government				
Proceeds from Issuance of Long-Term Debt			87,252	468,341
Payments on Long-Term Debt	(4,285)		(64,175)	(89,319)
Proceeds from Issuance of Short-Term Debt				1,674,080
Payments on Short-Term Debt				(1,832,264)
Interest and Fees Paid on Borrowings			(20,506)	(134,671)
<b>NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES</b>	<b>(20,285)</b>	<b>1,096</b>	<b>2,571</b>	<b>(9,939)</b>

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

Proprietary Fund Types				Nonexpendable Trust			Totals Year Ended June 30, 1998
Alaska Railroad Corporation	Alaska Energy Authority	Alaska Aerospace Development Corporation	Alaska Science and Technology Foundation	Alaska Mental Health Trust Authority	Alaska Science and Technology Foundation Endowment Fund	International Trade & Business Endowment	
\$ 5,603	\$ (19,338)	\$ (811)	\$	\$ (8,705)	\$ (9,720)	\$	\$ 127,023
6,758	23,055 1,093	23					35,751 8,382
							(13,504)
							14,001
							414,325
			(1,000)	(636)			(468,108)
							1,910
	(3,058)			(132)			(114,318)
	(112)						(5,395)
	15,409						152,269
							(11,729)
4,903				1,468	46		6,417
(376)	(538)	(219)		(3)			(1,136)
				6			2,062
		(103)		103			6,519
							(33,830)
(600)		(267)					(5,382)
				14			702
(182)	(332)	2,191		80			2,077
		159		18			177
							(37)
795				(379)			4,260
884	(6,069)	267		420			129
17,785	10,110	1,240	(1,000)	(7,746)	(9,674)	0	122,565
		1,822					2,918
					(5,000)		(10,760)
							(90,346)
						4,950	4,950
					(3,138)		(3,138)
							(16,000)
		508					508
				10,000	17,812	(4,950)	22,862
							555,593
							(157,779)
							1,674,080
							(1,832,264)
							(155,177)
0	0	2,330	0	10,000	9,674	0	(4,553)

This statement continued on next page.

STATE OF ALASKA  
**COMBINING STATEMENT OF CASH FLOWS (CONTINUED)**  
**PROPRIETARY AND NONEXPENDABLE TRUST COMPONENT UNITS**  
For the Fiscal Year Ended June 30, 1998  
(Stated in Thousands)

STATEMENT 1.12

	Proprietary Fund Types			
	Alaska Industrial Development and Export Authority		Alaska Student Loan Corporation	Alaska Housing Finance Corporation
	Revolving Fund	Small Business Economic Development		
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Capital Contributions and Advances	\$ 10,841	\$	\$	\$ 7,252
Residual Equity Fund Transfer from Component Units				
Proceeds from Issuance of Long-Term Debt	85,000			
Payments on Long-Term Debt	(90,420)			(404)
Interest and Fees Paid on Borrowings				(318)
Acquisition and Construction of Fixed Assets and Deferred Costs				(13,488)
Proceeds from Sales of Fixed Assets				143
Investment in Direct Financing Leases	(58,487)			(35,434)
Direct Financing Lease Receipts	12,455			
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	(40,611)	0	0	(42,249)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Proceeds from Sales/Maturities of Investments	479,691		461,607	7,069,399
Purchase of Investments	(431,935)		(467,700)	(7,200,194)
Income Received on Investments			12,305	108,157
Principal Collections on Loans and Notes and Reduction in Real Estate Owned	46,843			
Loans Originated or Purchased	(40,129)			
Investment in Development Projects	(30,919)			
Investment in Venture Capital Limited Partnership	3,310			
Change in Restricted Cash and Investments				
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	26,861	0	6,212	(22,638)
NET INCREASE (DECREASE) IN CASH	(4,642)	570	7,829	9,111
CASH, BEGINNING OF YEAR	25,735	160	23,318	9,972
CASH, END OF YEAR	\$ 21,093	\$ 730	\$ 31,147	\$ 19,083
<b>RECONCILIATION OF CASH TO THE BALANCE SHEET:</b>				
Total Cash and Investments per the Balance Sheet	\$ 466,630	\$ 730	\$ 234,010	\$ 2,057,070
Less: Investments not meeting the definition of cash or cash equivalents	(445,537)		(202,863)	(2,037,987)
Restricted Cash and Investments				
CASH, END OF YEAR	\$ 21,093	\$ 730	\$ 31,147	\$ 19,083
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</b>				
Other Real Estate Owned Acquired Through Foreclosure	\$ 4,629	\$	\$	\$
Sales of Real Estate Owned	2,997			
Investment in Development Projects Acquired Through Contribution of Assets	13,567			
Bond Amortization			125	
Bond Issuance Cost Amortization			828	
Interest Capitalization			2,175	
Transfer of Land from General Fixed Assets Account Group				

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

Proprietary Fund Types					Nonexpendable Trust		Totals Year Ended June 30, 1998
Alaska Railroad Corporation	Alaska Energy Authority	Alaska Aerospace Development Corporation	Alaska Science and Technology Foundation	Alaska Mental Health Trust Authority	Alaska Science and Technology Foundation Endowment Fund	International Trade & Business Endowment	
\$	\$	\$ 4,900	\$	\$	\$	\$	\$ 18,093
							4,900
(5,121)	(3,200)						85,000
(277)	(15,308)						(99,145)
(8,425)	(49)	11,584					(15,903)
							(10,378)
							143
							(93,921)
							12,455
(13,823)	(18,557)	16,484	0	0	0	0	(98,756)
							8,010,697
(3,210)							(8,103,039)
352	3,087	580		132			124,613
							46,843
							(40,129)
							(30,919)
							3,310
	5,360						5,360
(2,858)	8,447	580	0	132	0	0	16,736
1,104	0	20,634	(1,000)	2,386	0	0	35,992
4,814	0	520	1,000	230	0	0	65,749
\$ 5,918	\$ 0	\$ 21,154	\$ 0	\$ 2,616	\$ 0	\$ 0	\$ 101,741
\$ 9,128	\$ 55,451	\$ 21,154	\$ 0	\$ 2,616	\$ 0	\$ 0	\$ 2,846,789
(3,210)							(2,689,597)
	(55,451)						(55,451)
\$ 5,918	\$ 0	\$ 21,154	\$ 0	\$ 2,616	\$ 0	\$ 0	\$ 101,741
\$	\$	\$	\$	\$	\$	\$	\$ 4,629
							2,997
							13,567
							125
							828
							2,175
				1			1

STATE OF ALASKA  
 COMBINING BALANCE SHEET  
 ALL COMPONENT UNIT COLLEGE AND UNIVERSITY FUNDS  
 June 30, 1998  
 (Stated in Thousands)

STATEMENT 1.13

	Current		Student Loan
	Unrestricted	Restricted	
<b>ASSETS:</b>			
Cash and Investments	\$ 74,935	\$ 72	\$ 30
Accounts and Notes Receivable - Net	8,425	26,447	713
Due from Component Units	17,445		165
Due from Primary Government			
Inventories	8,024		
Investment in Plant			
Land			
Fixed Assets			
Construction in Progress			
Assets in Trust			
Other Assets	1,476	5	
<b>TOTAL ASSETS</b>	<b>\$ 110,305</b>	<b>\$ 26,524</b>	<b>\$ 908</b>
<b>LIABILITIES AND FUND BALANCES:</b>			
<b>LIABILITIES:</b>			
Accounts Payable and Accrued Expenses	\$ 46,768	\$ 832	\$
Due to Component Units		23,440	
Advanced College Tuition Program	17,570		
Accrued Annual Leave	5,911		
Future Lease Obligations			
Revenue Bonds Payable			
Long-Term Debt			
Deposits Held in Custody for Others	5,071	190	
<b>TOTAL LIABILITIES</b>	<b>75,320</b>	<b>24,462</b>	<b>0</b>
<b>FUND BALANCES:</b>			
Net Investment in Plant			
Reserved		2,062	908
Unreserved, Designated	25,919		
Unreserved, Undesignated	9,066		
<b>TOTAL FUND BALANCES</b>	<b>34,985</b>	<b>2,062</b>	<b>908</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 110,305</b>	<b>\$ 26,524</b>	<b>\$ 908</b>

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

STATEMENT 1.13

Endowment and Similar	Plant	Agency	Totals
			June 30, 1998
\$ 56,076	\$ 13,162	\$ 30	\$ 144,305
4,587	3,130		43,302
3,519	1,399	912	23,440
	13,869		13,869
		4	8,028
	23,507		23,507
	777,161		777,161
	78,820		78,820
		222,748	222,748
<u>43,519</u>	<u>8</u>		<u>45,008</u>
<u>\$ 107,701</u>	<u>\$ 911,056</u>	<u>\$ 223,694</u>	<u>\$ 1,380,188</u>
\$	\$ 4,226	\$ 55	\$ 51,881
			23,440
			17,570
			5,911
	15,218		15,218
	30,124		30,124
2,687	34,157		36,844
<u>41</u>		<u>223,639</u>	<u>228,941</u>
<u>2,728</u>	<u>83,725</u>	<u>223,694</u>	<u>409,929</u>
	799,989		799,989
91,661	27,342		121,973
13,312			39,231
			9,066
<u>104,973</u>	<u>827,331</u>	<u>0</u>	<u>970,259</u>
<u>\$ 107,701</u>	<u>\$ 911,056</u>	<u>\$ 223,694</u>	<u>\$ 1,380,188</u>

**STATE OF ALASKA  
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For the Fiscal Year Ended June 30, 1998**

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**STATE OF ALASKA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 1998

**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) as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the accepted standard-setting body for governmental accounting and financial reporting. The financial statements of the College and University Funds have been prepared in conformity with GAAP as prescribed by the American Institute of Certified Public Accountants. Except for the Alaska Railroad Corporation statements which are prepared under ICC rules and regulations (US CFR Title 49) that are generally consistent with GAAP as promulgated by the Financial Accounting Standards Board (FASB), under the auspices of GASB Statement No. 20, the State does not apply FASB pronouncements issued after November 30, 1989, for proprietary activities, unless GASB amends its pronouncements to specifically adopt FASB pronouncements issued after that date.

**A. THE FINANCIAL REPORTING ENTITY**

The State of Alaska was admitted to the Union in 1959 and is governed by an elected Governor and a sixty-member elected legislature. As required by GAAP, these financial statements present all the fund types and account groups 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. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize they are legally separate from the State. Individual component unit financial reports may also be obtained from each of these organizations.

**BLENDED COMPONENT UNITS**

The **Alaska Permanent Fund Corporation** (APFC) is a public corporation and government instrumentality in the Department of Revenue (AS 37.13.040). APFC is managed by a six-member board of trustees who are all appointed by the Governor. APFC's budget is approved by the legislature. The purpose of APFC is to provide a mechanism for the management and investment of Alaska Permanent Fund (Fund) assets. 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 Fund is established as an inviolate trust. This means the principal of the Fund is to be invested in perpetuity. The beneficiaries of the trust are all present and future generations of Alaskans. The Fund represents 58 percent of the total cash and investments and 55 percent of total fund equity of all funds excluding the general fixed asset account group and discretely presented component units. APFC is reported in the fiduciary fund types as a nonexpendable trust fund. APFC financial statements may be obtained from the Alaska Permanent Fund Corporation, P.O. Box 25500, Juneau, AK 99802-5500.

The **Public Employees' Retirement System** (PERS) was established by State statute (AS 39.35.010). The Commissioner of Administration is responsible for the administration of PERS. The majority of the PERS board (which prescribes policies and regulations, hears appeals, and approves employers' rates) members are appointed by the Governor. 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 trust fund. The Alaska State Pension Investment Board (ASPIB) is the fiduciary of PERS.

The **Teachers' Retirement System** (TRS) was established by State statute (AS 14.25.010). The Commissioner of Administration appoints the administrator of TRS. The administrator is responsible for the administration of TRS in accordance with State statutes. The majority of the TRS board (which prescribes policies and regulations, hears appeals, and approves employers' rates) is appointed by the Governor. 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 trust fund. ASPIB is the fiduciary of TRS.

The **Judicial Retirement System (JRS)** was established by State statute (AS 22.25.048). The Commissioner 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 trust fund. ASPIB is the fiduciary of JRS.

The **Alaska National Guard and Alaska Naval Militia Retirement System (NGNMRS)** was established by State statute (AS 26.05.222). The Commissioner 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 trust fund. ASPIB is the fiduciary of NGNMRS.

The **Supplemental Benefits System (SBS)** was established by State statute (AS 39.30.150). The Commissioner of Administration is responsible for the administration of SBS. SBS is reported in the fiduciary fund types as a pension trust fund. ASPIB is the fiduciary of SBS.

Copies of the audited financial statements for the retirement systems and for SBS may be obtained from the Division of Retirement and Benefits, P.O. Box 110203, Juneau, AK 99811-0203.

#### DISCRETELY PRESENTED COMPONENT UNITS

The **Alaska Aerospace Development Corporation (AADC)** is a public corporation of the State located for administrative purposes within the Department of Commerce and Economic Development (AS 14.40.821). The voting members of the AADC board of directors are appointed by the Governor and AADC's budget is approved by the legislature. AADC is also affiliated with the University of Alaska but with a separate and independent legal existence. The purpose of AADC 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. AADC 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, AADC is to promote and encourage the continued utilization of Poker Flat Research Range for the University of Alaska's polar research efforts. AADC financial statements may be obtained from the Alaska Aerospace Development Corporation, 4300 B St. Suite 101, Anchorage, AK 99503.

The **Alaska Energy Authority (AEA)** is a public corporation of the State in the Department of Commerce and Economic Development but with a separate and independent legal existence (AS 44.83.020). 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), a public corporation and a political subdivision of the State, is now the board of directors of AEA and the Executive Director of AIDEA is also the Executive Director 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. AEA financial statements may be obtained from the Alaska Industrial Development and Export Authority, 480 W. Tudor Rd., Anchorage, AK 99503-6690.

The **Alaska Housing Finance Corporation (AHFC)** is a public corporation and government instrumentality within the Department of Revenue, but having a legal existence independent of and separate from the State (AS 18.56.020). AHFC is governed by a board of directors appointed by the Governor. AHFC's budget is approved by the legislature. AHFC assists in providing decent, safe, and sanitary housing by providing mortgage loan financing. 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 and a political subdivision within the Department of Commerce and Economic Development (AS 44.88.020). All members of the AIDEA board of directors are appointed by the Governor and AIDEA's budget is approved by

the legislature. 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, 480 W. Tudor Rd., Anchorage, AK 99503-6690.

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). AMHTA is governed by a board of trustees appointed by the Governor. AMHTA's budget is approved by the legislature. 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, 3601 C St., Suite 742, Anchorage, AK 99503.

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). Members of the AMBBA board of directors are appointed by the Governor. AMBBA's budget is approved by the legislature. AMBBA was created for the purpose of making available to municipalities within the State moneys 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 99811-0405

The **Alaska Railroad Corporation (ARRC)** is a public corporation and instrumentality of the State within the Department of Commerce 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 appointed by the Governor. ARRC was created by the State of Alaska legislature to own and operate the railroad and manage the railroad's 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 995107500.

The **Alaska Science and Technology Foundation (ASTF)** is established as a public corporation in the Department of Commerce and Economic Development (AS 37.17.010). ASTF is governed and administered by a board of directors appointed by the Governor. ASTF's budget is approved by the legislature. The purpose of ASTF is to promote and enhance through basic and applied research: economic development and technological innovation in Alaska, public health, telecommunications, and sustained growth and development of Alaskan scientific and engineering capabilities. A BIDCO (AS 37.17.210) loan fund was created in ASTF in FY 95 to assist in the formation, capitalization, and operation of corporations that are licensed under AS 10.13. ASTF financial statements may be obtained from the Alaska Science and Technology Foundation, 4500 Diplomacy Dr., Suite 515, Anchorage, AK 99508-5918.

The **Alaska Student Loan Corporation (ASLC)** is a public corporation and government instrumentality within the Department of Education 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. ASLC's budget is approved by the legislature. The purpose of the corporation is to improve higher educational opportunities for residents of the State. ASLC financial statements may be obtained from the Postsecondary Education Commission, 3030 Vintage Blvd., Juneau, AK 99801-7109.

The **University of Alaska** is established as a corporation and is an instrumentality of the State of Alaska (AS 14.40.040). The university is governed by a board of regents appointed by the Governor and confirmed by the legislature. The university's budget is approved by the legislature. 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 university's financial statements may be obtained from the University of Alaska, Statewide Fund Accounting, 209 B Butrovich Building, P.O. Box 756540, Fairbanks, AK 99775-6540.

The following organizations have been determined to be component units required to be discretely presented. However, they are reported in the general fund within the Department of Commerce and Economic Development because their financial activities, which are immaterial, are currently accounted for in the State's general fund.

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. The ASMI 1998 budget was approximately \$11.5 million.

The **Alaska Tourism Marketing Council** (ATMC) is a public corporation of the State (AS 44.33.700). It is an instrumentality of the State with a legal existence independent of and separate from the State. ATMC is governed by a board of directors, of whom the majority are appointed by the Governor, and its budget is approved by the legislature. The purpose of ATMC is to support and expand the visitor industry of the State and to foster expansion of the market for Alaska as a destination throughout the nation and the world. Exercise of the powers conferred by statute to ATMC is an essential governmental function. The ATMC 1998 budget was approximately \$4.6 million.

The following organizations, which were created by State statute, have been determined not to be part of the reporting entity. Individual financial reports may also be obtained from each of these organizations:

The **Alaska Bar Association** (ABA) is an instrumentality of the State but is a separate and independent agency (AS 08.08.010). The powers and duties of the board are conferred by the Alaska Integrated Bar Act (AS 08.08) and the Alaska Bar Rules promulgated by the Supreme Court of Alaska. The main function of ABA is the admission and discipline of its members. Additional functions include providing for continuing legal education and certification of a continuing legal education program. ABA is excluded from the State's reporting entity primarily because the State does not appoint a voting majority of the board of directors, and ABA is not fiscally dependent on the State.

The **Alaska Commercial Fishing and Agriculture Bank** (CFAB) was created by State statute and was incorporated on May 4, 1979 (AS 44.81.010). Its purpose is to promote growth of Alaska agriculture and fishing by providing debt financing to resident-owned businesses engaged in harvesting, processing, or marketing, and to promote its own growth as a strong user-oriented institution through cooperative ownership and self-governance. CFAB is excluded from the State's reporting entity primarily because the State does not appoint a voting majority of the CFAB board of directors, and CFAB is not fiscally dependent on the State.

The legislature delegated authority to operate public schools in **regional educational attendance areas** (REAs) to local school boards (AS 14.08.021). The Department of Community and Regional Affairs in consultation with the Department of Education and local communities is to divide the unorganized borough into educational service areas using the boundaries or subboundaries of the regional corporations established under the Alaska Native Claims Settlement Act, unless by referendum a community votes to merge with another community contiguous to it but within the boundaries or subboundaries of another regional corporation. REAs are excluded from the State's reporting entity primarily because the State does not appoint a voting majority of the REAs' boards. The regional school boards have corporate powers: the right to sue and be sued, establish fiscal procedures, adopt regulations, establish personnel rules, etc. Unlike other school districts, no local contributions are required for funding the schools' operations.

## B. BASIS OF PRESENTATION

The accompanying financial statements of the State of Alaska have been prepared in conformity with generally accepted accounting principles (GAAP). The State of Alaska maintains its accounting in accordance with the principles of fund accounting. With the exception of financial activity separately accounted for by the component units referenced in Note 1.A, the financial transactions of the State are recorded in individual funds in the State's central accounting system. A fund is a fiscal and accounting entity established to segregate and to account for designated resources and activities. The transactions of each fund are recorded in a self-balancing group of accounts - an accounting entity - which stands separate from activities reported in other funds.

For financial statement presentation, like kinds of funds are combined and reported as a fund group. The accompanying financial statements are structured into three categories of funds and a fourth category of accounting entity, the account group.

### GOVERNMENTAL FUNDS

Governmental funds are used to account for the State's general government activities. The general fund is the State's primary operating fund, and also accounts for the majority of the State's capital project expenditures. It is used to account for all financial resources except those required to be accounted for in another fund. The special

revenue funds account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The debt service fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The capital projects funds primarily account for general obligation bond proceeds and other financial resources appropriated to the capital projects funds to be utilized for the acquisition, construction, or improvement of major capital facilities. However, capital projects are accounted for in each fund from which appropriations are made to finance the projects, with the majority of the capital projects being accounted for in the general fund.

#### PROPRIETARY FUNDS

Enterprise funds account for operations: (1) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Several component units of the State are reported in this fund group, as well as those funds accounted for on the State's accounting system.

Internal service funds account for the financing of goods and services provided by one department or agency to other departments or agencies of the State on a cost-reimbursement basis.

#### FIDUCIARY FUNDS

Fiduciary funds account for assets held by the State on behalf of others in a fiduciary capacity. Expendable trust funds account for assets held by the State in a trustee capacity where the principal and income may be expended in the course of the fund's designated operations. Nonexpendable trust funds account for assets held by the State in a trustee capacity where only income derived from the principal may be expended in the course of the fund's designated operations. The principal must be preserved intact. Pension trust funds account for transactions, assets, liabilities, and net assets available for plan benefits of the various public employees' retirement systems. Agency funds account for the receipt and disbursement of various taxes, deposits, deductions, and property collected by the State, acting in the capacity of an agent, for distribution to other governmental units, other organizations, or individuals.

#### ACCOUNT GROUPS

The general fixed assets account group is used to account for fixed assets (i.e., land, buildings, and equipment) owned by the State, except for those assets accounted for in proprietary and fiduciary funds. The general long-term debt account group accounts for all of the long-term obligations of the State except those accounted for in proprietary, trust, and college and university funds.

#### TOTALS PRIMARY GOVERNMENT (MEMORANDUM ONLY)

The "Totals Primary Government (Memorandum Only)" columns in the accompanying financial statements represent a summation of the combined financial statement line items of the fund types and account groups for the primary government only and are presented for analytical purposes. Amounts shown in this column are not comparable to a consolidation because fund types and account groups use different bases of accounting, interfund and intrafund transactions have not been eliminated, and the item captioned "Amount to be Provided for Retirement of General Long-Term Debt" is not an asset in the usual sense.

#### FISCAL YEAR-ENDS

All funds and component units of the State of Alaska are reported using fiscal years which end on June 30 except the Alaska Railroad Corporation and Deferred Compensation Fund fiscal years end on December 31, and the Alaska Supplemental Benefits System fiscal year ends on January 31.

### **C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

### GOVERNMENTAL FUND TYPES, EXPENDABLE TRUST, AND AGENCY FUNDS

All governmental and expendable trust funds are accounted for using a current financial resources measurement focus and are reported on the modified accrual basis. 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. Major revenues that are determined to be susceptible to accrual include federal, charges for services, investment income, and petroleum related taxes and royalties.

The major unrestricted revenue categories of Taxes and Rents & Royalties are based on self-assessed returns. These returns are initially based upon estimated values and are subsequently settled as the actual values become known. These revenues are recorded in the fiscal year of the settlement.

All receipts dedicated to the Alaska Permanent Fund by the State constitution are recognized as revenues of the general fund and are offset by a corresponding residual equity transfer to the Alaska Permanent Fund. All receipts dedicated to the Public School Fund by statute are recognized as revenues of the Public School Fund. All receipts dedicated to the Constitutional Budget Reserve Fund by the State constitution are recognized as revenues of the Constitutional Budget Reserve Fund.

Expenditures are recognized when the related fund liability is incurred. Exceptions to the general modified accrual recognition criteria include principal and interest on general long-term indebtedness which are recognized when due and compensated absences which are recognized when paid.

Agency funds are also accounted for on the modified accrual basis of accounting. However, agency funds are custodial in nature (i.e., assets equal liabilities) and do not measure the results of operations.

### PROPRIETARY FUND TYPES, NONEXPENDABLE, AND PENSION TRUST FUNDS

Proprietary funds and nonexpendable trust funds are accounted for on the flow of economic resources measurement focus and are reported on the accrual basis. Revenues are reported in the fiscal year in which they are earned and expenses are reported in the fiscal year in which the liabilities for goods and services are incurred.

Pension trust funds and the deferred compensation plan are reported on the accrual basis of accounting. Contributions are recognized in the period in which they become due. Benefits and refunds are recognized when due and payable.

## **D. BUDGETARY CONTROL**

Once money received is deposited in the State Treasury, no money may 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 projects 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 as reservations of fund balances and do not constitute expenditures or liabilities. Unencumbered 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. Transfers between appropriations are not authorized. Agencies faced with potential overexpenditure 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 98, supplemental appropriations of \$129.7 million were required of which \$31.8 million were appropriations from the general fund.

**E. CASH AND INVESTMENTS, CASH AND CASH EQUIVALENTS**

The amounts shown on the Combined Balance Sheet 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 of the State are stated at fair value in accordance with GASB Statement No. 31 (GASBS 31). In accordance with GASBS 31, all 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.

The fair value of the State's nonpooled marketable debt securities is determined daily by the custodial agent using pricing services or prices quoted by one or more independent brokers. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates, if applicable. Securities not traded on a national or international exchange are based on equivalent values of comparable securities with interest rates for similar instruments.

Fair value pricing of the State's pooled marketable debt securities is performed daily by the custodian utilizing an independent pricing service. Fair value has been established as the midpoint between the bid and asked prices.

The net asset value per share of the S&P 500 Common Trust Fund and S&P 500 Tobacco-free Common Trust Fund is determined by the custodian daily. Individual securities held by the commingled trust funds are priced daily using pricing services or prices quoted by one or more independent brokers.

Investments of the Alaska Permanent Fund Corporation (APFC) are valued as follows: marketable securities, excluding direct real estate investments, are reported at fair value. Real estate commingled funds and direct real estate investments are carried at historical cost plus the APFC's share of undistributed earnings. Investments held by other component units are stated at fair value.

Most entities that are included in the Combined Statement of Cash Flows for the enterprise and trust funds show 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. In addition, because the State's Short-term Fixed Income Pool operates as a demand deposit account, amounts invested in the pool are classified as cash and cash equivalents. At June 30, 1998, the assets of the pool were comprised of money market instruments, U.S. Treasuries, U.S. Government agency and sponsored securities, mortgage- and asset-backed securities, collateralized mortgage obligations, corporate debt, and other U.S. dollar-denominated bonds and cash.

**F. RECEIVABLES**

Receivables have been established and offset with proper provisions for estimated uncollectible accounts where applicable. The amount of noncurrent receivables is included in the fund balance reserve which indicates they do 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.

**G. INVENTORIES**

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; FIFO for other internal service funds and 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.

**H. FIXED ASSETS****GENERAL FIXED ASSETS**

Purchases of general fixed assets are charged as expenditures in the appropriate funds. These assets are then recorded for stewardship purposes in the general fixed asset account group and are not depreciated.

Fixed assets in the general fixed asset account group are presented at cost or estimated historical cost, except for Statehood entitlement land which is carried at estimated nominal value of \$1 per acre and State-owned buildings (other than State-owned schools) which are stated at estimated replacement value. The estimated cost of State-

owned school buildings included in buildings at June 30, 1998, is \$296,959,010. Donated fixed assets are stated at fair market value at the time of donation. Interest during construction has not been capitalized. Public domain infrastructure fixed assets, including highways, highway land and rights-of-way, bridges, and airports, are not capitalized.

Changes in general fixed assets for the fiscal year ending June 30, 1998 were (in thousands):

	Balance July 1, 1997	Increase (Decrease)	Balance June 30, 1998
Land	\$ 203,402	\$ 1,862	\$ 205,264
Buildings	1,401,127	17,944	1,419,071
Equipment	532,208	13,439	545,647
Construction in Progress	177,226	-	177,226
Total	<u>\$ 2,313,963</u>	<u>\$ 33,245</u>	<u>\$ 2,347,208</u>

The following relates to the land owned by the State:

- The total State entitlement amounts to approximately 105.7 million acres, 102.5 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), 90.0 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.

INTERNAL SERVICE FUNDS

Fixed assets of the internal service funds are carried at cost. Depreciation is based on cost, using the straight-line method applied to the estimated useful life of the assets. Following is a summary of property and equipment at June 30, 1998 (in thousands):

	Life	Amount
Land Improvements	10 to 14 years	\$ 114
Buildings	25 to 40 years	1,672
Equipment	4 to 20 years	178,550
		<u>180,336</u>
Accumulated depreciation		<u>(102,023)</u>
Total		<u>\$ 78,313</u>

ENTERPRISE FUNDS

ALASKA INTERNATIONAL AIRPORT SYSTEM

Property and equipment is carried at cost, except property originally received from the federal government which is valued at fair market value at the date contributed. Major additions and improvements to property and equipment are capitalized. Depreciation is provided over the estimated useful lives using the straight-line method. Repair and maintenance costs are expensed as incurred.

The cost and accumulated depreciation of assets retired or sold are removed from the accounts and any gain or loss is reflected in operations in the year of disposition.



Airport property was owned by the federal government prior to Statehood and contributed to the State after that date. Subsequent additions to property and equipment have been funded by governmental contributions, bond proceeds, and operating revenues. Following is a summary of property and equipment at June 30, 1998 (in thousands):

	Life	Amount
Land		\$ 25,129
Land improvements	5 to 40 years	255,467
Buildings	10 to 40 years	210,031
Equipment	5 to 10 years	29,266
Construction in progress		27,912
		<u>547,805</u>
Accumulated depreciation and amortization		(233,304)
Total		<u>\$ 314,501</u>

#### DISCRETELY PRESENTED COMPONENT UNITS

Property and equipment are stated at cost (fair market value for donated) and depreciated on the straight-line method over the estimated useful lives of the related assets, except for the University of Alaska (in conformity with accounting practices for governmental educational institutions, depreciation is not recorded). The estimated useful lives of the assets range from 4 to 50 years. Following is a summary of property and equipment (including estimated depreciation for the University) at June 30, 1998 (in thousands):

	Amount
Land	\$ 50,856
Utility Plant	930,699
Buildings	680,479
Improvements other than buildings	70,234
Equipment	190,316
Other Capitalizable assets	86,319
Construction in progress	131,877
	<u>2,140,780</u>
Accumulated depreciation and amortization	(666,477)
Total	<u>\$ 1,474,303</u>

#### **I. WARRANTS OUTSTANDING**

Warrants outstanding represent drafts issued against the State Treasury which have not yet cleared. These are somewhat similar to outstanding checks, however, cash is not reduced until the warrant is redeemed.

#### **J. INTERFUND LIABILITIES**

The general fund interfund liability is composed primarily of amounts appropriated from the Constitutional Budget Reserve Fund (CBRF). Because article IX, section 17(d), of the Alaska Constitution provides that amounts appropriated from the CBRF are to be repaid, these appropriations are recognized as a liability in the general fund.

The composition of the amount owed to the CBRF is as follows:

Long-term Portion	
Chapter 14, SLA 1994, section 7	\$ 1,006,038,474
Chapter 14, SLA 1994, section 8	49,608,135
Chapter 14, SLA 1994, section 9	368,581,990
Chapter 3, FSSLA 1994, section 39(c)	22,417,986
Chapter 3, FSSLA 1994, section 40	68,738,958
Chapter 3, FSSLA 1994, section 22(a)	11,250,000
Chapter 6, FSSLA 1994, section 1	130,300,000
Article IX, section 17(d) Alaska Constitution (FY95)	(95,506,853)
Chapter 94, SLA 1995, section 43(a)	95,506,853
Chapter 94, SLA 1995, miscellaneous operating appropriations	8,356,516
Chapter 94, SLA 1995, section 43(b)	284,873,567
Article IX, section 17(d) Alaska Constitution (FY 96)	(74,352,026)
Chapter 5, FSSLA 1996, section 1 (a)	74,352,026
Chapter 94, SLA 1995, miscellaneous operating appropriations	8,316,412
Article IX, section 17(d) Alaska Constitution (FY 97)	(166,019,445)
Chapter 98, SLA 1997, section 35(a)	166,019,445
Chapter 98, SLA 1997, page 47, line 3	529,258
Chapter 98, SLA 1997, section 35(b)	423,319,190
Article IX, section 17(d) Alaska Constitution (FY 98)	(89,264,067)
Total Long-term Portion	<u>2,293,066,419</u>
Short-term portion	
Article IX, section 17(d) Alaska Constitution (FY 98)	89,264,067
Total Due to the CBRF	<u>\$ 2,382,330,486</u>

The amounts appropriated in chapter 14, SLA 1994, sections 7 and 8 are equal to the amounts appropriated from the general fund to the CBRF to comply with court orders. In FY 91 through FY 94, the State deposited revenue into the general fund which several parties contended should have been deposited into the CBRF. The Alaska Superior Court and Supreme Court agreed that these monies should have been deposited in the CBRF and the State was ordered to restore the CBRF, including interest earnings, retroactive to July 1, 1990. Chapter 14, SLA 1994, was enacted into law to comply with the courts' orders and sections 2, 3, and 4 of the law appropriated \$1,006,038,474, plus \$49,608,135 in interest which would have been earned on the money after June 30, 1990, from the general fund to the CBRF effective April 5, 1994.

Chapter 14, SLA 1994, section 9, chapter 3, FSSLA 1994, section 39(c), Chapter 94, SLA 1995, section 43(b), and Chapter 98, SLA 1997, 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 fiscal years 1994, 1995, 1996, and 1998 respectively.

Chapter 3, FSSLA 1994, section 40, appropriated an amount to cover the share of the State's actual expenditures for oil and gas litigation from July 1, 1990, through February 15, 1994, that is attributable to the CBRF. The appropriation in section 22(a) of chapter 3 was to cover costs relating to legal proceedings and audit activity involving oil and gas revenue due or paid to the State or State title to oil and gas land, for the fiscal year ending June 30, 1995.

Chapter 6, FSSLA 1994, section 1, was passed by the Alaska legislature to resolve the long-standing issue of reconstitution of the Alaska Mental Health Trust (AMHT). CBRF funds were appropriated to capitalize the AMHT.

This schedule 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. As of June 30, 1995, 1996, 1997, and 1998, amounts in various subfunds and accounts of the general fund which were identified as available for appropriation were used to repay a part of the general fund liability to the CBRF. The amounts for FY 95, FY 96, and FY 97 were transferred to the CBRF during FY 96, FY 97, and FY 98 respectively. The amount for FY 98 will be transferred to the CBRF during FY99 and, therefore, is shown as a short-term portion of the liability to the CBRF.

The amounts transferred under article IX, section 17(d), were appropriated back to the funds from which transferred under Chapter 94, SLA 1995, section 43(a) for FY 95, Chapter 5, FSSLA 1996, section 1(a) for FY 96, and Chapter 98, SLA 1997, section 35(a) for FY97.

Chapter 94, SLA 1995, appropriated amounts from the CBRF to fund miscellaneous operating appropriations. Expenditures were incurred against these appropriations in both F96 and FY 97.

Chapter 98, SLA 1997, page 47, line 3, appropriated \$600,000 from the CBRF for Treasury Management of CBRF investments. Expenditures were incurred against this appropriation in F98.

**K. ANNUAL/PERSONAL 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. The one exception is 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.

Regulations governing annual/personal leave 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. Accumulated unpaid annual leave for college and university funds, internal service funds, and component units is reported as a current liability. The State's long-term liability at June 30, 1998, for all other accumulated unpaid annual or personal leave for the governmental funds is reported in the accompanying general long-term debt account group in the amount of \$91.2 million. The current liability for accumulated unpaid annual or personal leave is reported in general fund accounts payable in the amount of \$2.4 million. There is no liability in the accompanying financial statements for unpaid accumulated sick leave. See Note 9 for disclosure of the amount of the sick leave contingency.

**L. BUDGETARY REPORTING**

The legislature's legal authorization ("appropriations") to incur obligations is enacted on a basis inconsistent with GAAP. The reconciliation of the budgetary basis to GAAP is shown directly on the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Budgetary Basis. Both the annual operating budget and the net continuing total budget are included.

The types of differences are as follows:

- For the general fund and special revenue funds, encumbrances are included for total authorized expenditures although for GAAP purposes they are excluded.
- For the general fund only, there was certain financial activity related to reimbursable services agreements (RSA) and certain interfund transactions that were recorded both 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	\$ (48,613)
Terminal leave	2,861
Federal receipts for PL 81-874	(3,364)
Medical Assistance Program	1,026
Total general fund basis difference	\$ (48,090)

Perspective differences result from the structure of financial information for budgetary purposes. The Group Health and Life Benefits Fund (Group Health and Life and Retiree Health) is the only perspective difference. It is established by statute as an account within the General Fund, but must be reported as an internal service fund to conform to GAAP.

**M. EQUITY AND OTHER CREDITS****RESERVED or DESIGNATED**

Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. A summary of the nature and purpose of these reserves of fund balances at June 30, 1998, by fund type follows (in millions):

Reserved for Specific Purposes	General	Special Revenue	Capital Projects	Fiduciary	Component Units
Encumbrances	\$ 167.6	\$ 3.5	\$ 0.1	\$ -	\$ -
Four Dam Pool	184.6	-	-	-	-
Other nonliquid assets	20.6	-	-	-	-
Permanent Fund	-	-	-	23,876.3	-
Pension Benefits	-	-	-	10,124.3	-
Postemployment					
Healthcare Benefits	-	-	-	2,824.0	-
Budget Reserve	-	-	-	5,862.1	-
Mental Health Trust	-	-	-	-	302.4
Science & Technology	-	-	-	-	134.8
University Endowment	-	-	-	-	91.7
Other	15.7	0.9	-	1,691.1	49.7
<b>Total</b>	<b>\$ 388.5</b>	<b>\$ 4.4</b>	<b>\$ 0.1</b>	<b>\$ 44,377.8</b>	<b>\$ 578.6</b>

Designations of unreserved fund balances are established to reflect tentative plans for future utilization of current financial resources. A summary of the designations follows (in millions):

Designated for	General	Special Revenue	Capital Projects
Continuing appropriations	\$ 159.6	\$ 4.2	\$ 0.7
Tax & royalty revenue accruals	59.4	-	-
Oil & hazardous substance release response	49.9	-	-
Power cost equalization & rural electric capitalization	17.2	-	-
Other	15.3	-	-
<b>Total</b>	<b>\$ 301.4</b>	<b>\$ 4.2</b>	<b>\$ 0.7</b>

**DEFICIT FUND BALANCES**

At June 30, 1998, the unreserved, undesignated fund balance of the general fund was a deficit of \$2.3 billion. This deficit is due to the general fund liability for the amounts appropriated from the Constitutional Budget Reserve Fund of \$2.4 billion. Also, the unreserved, undesignated fund balance of the Disaster Relief Fund, a Special Revenue fund, was a deficit of \$862 thousand. However, the Disaster Relief Fund had sufficient reserved and designated fund balance to offset the deficit resulting in a positive total fund balance.

In addition to the general fund and the Disaster Relief Fund, the following funds had deficit retained earnings at year end (stated in thousands): Enterprise Funds - Mining Revolving Loan \$6,048, Rural Development Revolving Loan \$241, and Agriculture Revolving Loan \$31,795 Internal Service Fund - Correctional Industries \$233, Group Health and Life Fund \$3,534. However, each of these funds, except the Group Health and Life Fund, had sufficient contributed capital to offset the deficit resulting in a positive total fund equity.

The discretely presented component units with deficit fund balance/retained earnings were (stated in thousands): Alaska Student Loan Corporation, \$49,473, and Alaska Energy Authority, \$243,237. Each of these funds also had sufficient contributed capital to offset the deficit resulting in a positive total fund equity.

**N. RESTATEMENT OF RETAINED EARNINGS/FUND BALANCES**

Certain funds beginning retained earnings/fund balances have been restated in the accompanying financial statements.

- Nonexpendable trust fund, Alaska Permanent Fund, and component unit nonexpendable trust funds for Alaska Science and Technology Foundation and Alaska Mental Health Trust Authority, beginning fund balances have

been restated for the cumulative effect of applying Governmental Accounting Standards Board Statement No. 31 (GASBS 31) in FY98. GASBS 31 requires investments to be reported at fair market value.

- The beginning retained earnings of component unit, Alaska Industrial Development and Export Authority Revolving Fund, has also been restated for the cumulative effect of implementing GASBS 31 in FY 98. Component unit, Alaska Housing Finance Corporation, proprietary fund beginning retained earnings has been restated for the cumulative effect of a change in accounting for grants paid to the State and related entities as a return of capital. In prior fiscal years such grants were included in grant expense.

## **NOTE 2 - DEPOSITS AND INVESTMENTS**

The Governmental Accounting Standards Board (GASB) Statement No. 3 requires a disclosure regarding custodial credit risk to indicate the chance of loss in the event a financial institution or third party holding the deposits or securities fails. Deposits and those investments represented by specific, identifiable securities are classified into three categories of credit risk: Category 1 - Insured or registered, or securities held by the State or its custodian in the State's name; Category 2 - Uninsured or unregistered, with securities held by the counterparty's trust department or agent in the State's name; and Category 3 - Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not in the State's name.

### **A. DEPOSITS AND INVESTMENTS UNDER THE CONTROL OF THE COMMISSIONER OF REVENUE**

By law, all deposits and investments are under the control of the Commissioner of the Department of Revenue (Commissioner) except where the legislature has delegated that responsibility to other individuals or boards responsible for separate subdivisions or component units of the State. Those agencies and component units which 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 Mental Health Trust Authority, Alaska Science and Technology Foundation, Alaska Student Loan Corporation, and the University of Alaska.

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, Advance College Tuition Payment Fund, as well as the Public School, Alaska Children's, Investment Loss, and Supplemental Benefits System (SBS) trust funds (all collectively, Funds). During the 20th Legislature, 1st Session, the legislature transferred fiduciary responsibility for the University of Alaska Trust Fund from the Commissioner of Revenue to the University of Alaska Board of Regents effective July 1, 1997. In turn, the University of Alaska contracted with Treasury Division during FY 1998 to manage the Trust's investments. These invested assets are reported at fair value as a part of the University of Alaska component unit shown in the Combining Balance Sheet.

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 judgement and care under circumstances then prevailing that an institutional investor of ordinary professional prudence, discretion, and intelligence exercises in managing large investment portfolios.

Where possible, securities are managed in a pooled environment, unless required by statute or bond resolution to be held separately. The Short-term Fixed Income Pool contains assets of other participants outside the reporting entity and, as such, cannot be categorized into one of the three risk categories because the amounts reported represent interests in the pool rather than ownership of specific, identifiable securities. However, all of the underlying securities within the Short-term Fixed Income Pool are considered to be Category 1 and are held by the custodian in the State's name. Category 1 is the highest level of safekeeping security as defined by GASB.

Certain types of investments are not subject to the custodial credit risk disclosure requirements in GASB Statement No. 3. The common trust funds are open-ended mutual funds and are, therefore, not categorized with regard to credit risk. Mortgage assets are not transferable financial instruments (securities) and therefore are not categorized with regard to credit risk.

At June 30, 1998, except those not categorized with regard to credit risk as noted above, all of the Funds' deposits and investments are considered to be Category 1 with respect to safekeeping risk as defined by GASB Statement No. 3 and GASB Technical Bulletins No. 87-1 and No. 97-1. Category 1 is the highest level of safekeeping security as defined by GASB. Deposits and investments at June 30, 1998, are summarized as follows (in thousands):

Deposits	Category			Fair Value
	1	2	3	
Certificates of deposit	\$ 2,000	\$ -	\$ -	\$ 2,000
Non-interest bearing investments	3,361	-	-	3,361
Total	<u>\$ 5,361</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,361</u>

Investments	Category			Fair Value
	1	2	3	
Commercial paper	\$ 13,375	\$ -	\$ -	\$ 13,375
Short-term investment fund	2,056	-	-	2,056
Intermediate-term fixed income pool	2,472,273	-	-	2,472,273
No-constraint fixed income pool	1,239,965	-	-	1,239,965
U.S. Government and agency debt	77,008	-	-	77,008
Alaska Commercial Fishing and Agriculture Bank - net of allowance	674	-	-	674
Total categorized investments	<u>\$ 3,805,351</u>	<u>\$ -</u>	<u>\$ -</u>	<u>3,805,351</u>
Not categorized:				
Short-term fixed income pool (a)				567,996
Russell Special Small company common trust fund				92,533
S&P 500 tobacco-free common trust fund				4,761
S&P 500 common trust fund				332,044
Mortgage assets, net of allowance				15
Total				<u>\$ 4,802,700</u>

(a) Includes funds under the fiduciary responsibility of the Alaska State Pension Investment Board which also participate in the Short-term Fixed Income Pool.

Additional investment information on the various pools and investments, as well as the Funds, may be obtained from the Department of Revenue, Treasury Division, P.O. Box 110405, Juneau, Alaska 9980405.

## B. DEPOSITS AND INVESTMENTS UNDER THE CONTROL OF THE ALASKA STATE PENSION INVESTMENT BOARD

Assets of the pension funds (Public Employees', Teachers', Judicial, and the Alaska National Guard and Naval Militia Retirement Systems), the Supplemental Benefits System, and Deferred Compensation Plans are under the fiduciary responsibility of the Alaska State Pension Investment Board (ASPIB).

### PENSION FUNDS

ASPIB has statutory responsibility for the pension funds' investments and the authority to invest the funds' moneys. As the fiduciary, ASPIB has the statutory authority to invest the assets under the Prudent Investor Rule. Alaska Statute provides that investments shall be made with the judgement and care under circumstances then prevailing that an institutional investor of ordinary professional prudence, discretion, and intelligence exercises in managing large investment portfolios. Actual investing is performed by the investment officers of the Division of Treasury or by contracted external investment managers. Specifically, the International Fixed Income Pool, Domestic Equity Pool, International Equity Pool, Emerging Markets Equity Pool, Real Estate Equity Pool, and Private Equity Pool investments are managed by external management companies. In addition to acting as oversight manager for all externally managed investments, Treasury Division staff manage the pension funds' investments in domestic fixed income securities, mortgage-related assets, as well as cash holdings of external domestic equity managers.

Unless required by statute or bond resolution to be held separately, deposits and securities are managed in a pooled environment. Deposits and investments are recorded at fair value as defined by GASB No. 31. Mortgage-related assets are valued at their principal balance (cost) less an allowance for loan loss, the result of which approximates fair value.

The funds' cash and cash equivalents and investments other than mortgage-related assets are represented by participation in the investment pools rather than specific, identifiable securities. Although pooled deposits represent the funds' share of ownership in the pool rather than ownership of specific securities, all of the underlying securities

in the pool are considered to be Category 1 as defined by GASB Statement No. 3. Category 1 is the highest level of safekeeping security as defined by GASB.

The funds' pooled investments are considered to be Category 1 except those in the Emerging Markets Equity Pool which are considered to be Category 2, and shares in the Private Equity Pool and the Real Estate Equity Pool which, like the funds' mortgage-related assets, are not transferable financial instruments and therefore cannot be categorized with regard to custodial credit risk.

At June 30, 1998, except those not categorized with regard to credit risk as described above, the pension funds' investments are classified as follows (in thousands):

Investments	Category			Fair Value
	1	2	3	
Marketable debt securities:				
U.S. Government debt	\$ 1,129,676	\$ -	\$ -	\$ 1,129,676
Federal agency debt	1,006,327	-	-	1,006,327
Corporate debt	1,802,579	-	-	1,802,579
Commercial paper	272,065	-	-	272,065
Mortgage backed securities	312,938	-	-	312,938
International fixed income	578,343	-	-	578,343
Equity securities:				
Domestic equities	4,590,324	-	-	4,590,324
Emerging market equities	-	101,612	-	101,612
International equities	1,638,051	-	-	1,638,051
Total categorized investments	<u>\$11,330,303</u>	<u>\$ 101,612</u>	<u>\$ -</u>	11,431,915
Not categorized:				
Cash and cash equivalents				276,468
Venture capital limited partnerships				2,131
Real estate equities				318,456
Mortgage-related assets				1,906
Interest and dividends receivable				107,830
Total				<u>\$12,138,706</u>
<u>Participant's Ownership in Pooled Investments</u>				
Public Employees' Trust Fund				\$ 7,419,165
Teachers' Trust Fund				3,893,908
Judicial Trust Fund				64,581
Alaska National Guard and Alaska Naval Militia Retirement Fund				12,738
Other funds (a)				748,314
Total				<u>\$12,138,706</u>

(a) Includes funds under the fiduciary responsibility of the Alaska State Pension Investment Board which also participate in the Short-term Fixed Income Pool.

Additional investment information on the assets of the retirement systems may be obtained from the Department of Revenue, Treasury Division, P.O. Box 110405, Juneau, Alaska, 99811-0405.

### DEFERRED COMPENSATION

The State's Internal Revenue Code Section 457 deferred compensation plan investments in collective investment funds, held in trust, are stated at fair value based on the unit value as reported by the trustees multiplied by the number of units held. The unit value is determined by the trustees based on the fair market value of the underlying assets. Purchases and sales of assets within the collective investment pools are recorded on a trade-date basis.

Investments in fully benefit responsive synthetic investment contracts are stated at contract values which include contributions made under the contracts, plus earnings, less investment expenses and participant withdrawals paid to terminated members. The synthetic investment contracts (\$106.5 million), plus cash and cash equivalents (\$1.7 million), comprise the interest income fund.

As of December 31, 1997, deferred compensation plan investments totaled \$305.2 million (fair value). The investments were comprised of \$108.3 million in interest income fund (category 1), and \$196.9 million in collective investment funds which cannot be categorized into one of the three risk categories because they represent interests in funds rather than ownership of specific securities.

#### SUPPLEMENTAL BENEFITS SYSTEM

Supplemental Benefits System (SBS) investments at January 31, 1998, include the following collective investment funds: S&P 500 Stock Index Fund, Daily Government/Corporate Bond Fund, Money Market Fund, as well as shares in the State of Alaska Short-term Fixed Income Pool.

SBS investments in collective investment funds, held in trust, are stated at fair value based on the unit value as reported by the trustees multiplied by the number of units held by SBS. Unit value is determined by the trustees based on the fair value of the underlying assets. Purchases and sales of securities are recorded on a trade-date basis.

SBS has formed six pooled investment funds, five of which are participant-directed. The pooled investment funds are wholly owned by the five participant-directed funds. The pooled investment funds at January 31, 1998, are: GNMA Pool, Government/Corporate Pool, Cash Pool, Equity Pool, Small Cap Pool, and International Equity Pool. SBS ownership of pooled investment funds, held in trust, are stated at fair value based on the unit values as reported by the trustees multiplied by the number of units held by SBS. Unit value is determined by the trustees based on the fair market value of the underlying assets. Purchases and sales of securities are recorded on a trade-date basis.

SBS investments totaled \$1.5 billion (fair value) at January 31, 1998, all of which represents an undivided interest in commingled funds (pools) rather than specific, identifiable securities. Investments in collective investment funds cannot be categorized into one of the three risk categories because they represent interests in funds rather than ownership of specific securities. Although the pooled investments represent the Plan's ownership in the pools, rather than ownership of specific securities, all of the underlying securities in the pools in which the Plan participates are considered to be Category 1 and are held by the custodian in the Plan's name.

#### **C. DEPOSITS AND INVESTMENTS MAINTAINED BY COMPONENT UNITS WHOSE ACCOUNTS ARE OUTSIDE OF THE STATE TREASURY**

##### ALASKA PERMANENT FUND CORPORATION

All Alaska Permanent Fund Corporation deposits and investments are classified in GASB Statement No. 3 risk category 1, the lowest risk category, except as noted.

##### **CASH AND TEMPORARY INVESTMENTS**

All cash and temporary investments bear interest at competitive rates, and are summarized as follows at June 30, 1998 (in thousands):

Claims on cash (a)	\$ 168,213
U.S. agencies (b)	95,239
Treasury bills (b)	27,937
Commercial paper (c)	216,337
Total cash and temporary investments	<u>\$ 507,726</u>

- (a) Share ownership in a money market fund, payable on demand. Collateralized by underlying securities held by the custodian in the name of the Fund. Not considered an investment nor assigned a specific risk category.
- (b) Debt obligation guaranteed by the U.S. government.
- (c) Commercial paper rated A-1 by Standard & Poor's or P-1 by Moody's, or the foreign equivalent.

##### **MARKETABLE DEBT SECURITIES**

The Corporation is authorized by statute to invest Fund assets in (i) corporate bonds rated investment grade by Standard & Poor's or Moody's, or the foreign equivalent, (ii) obligations of the U.S. Treasury, its agencies and instrumentalities, and (iii) obligations of foreign governments. All marketable debt securities are held by custodian banks in the name of the Corporation on behalf of the Fund.



Marketable debt securities at June 30, 1998, are summarized as follows (in thousands):

	Cost	Market	Unrealized Gains/(Losses)
Treasury notes/bonds	\$ 5,011,511	\$ 5,208,205	\$ 196,694
Mortgage-backed securities	494,775	493,972	( 803)
Other federal agencies	1,401,941	1,418,739	16,798
Corporate bonds	2,989,350	3,084,841	95,491
Nondomestic bonds	379,930	389,584	9,654
Total marketable debt securities	<u>\$ 10,277,507</u>	<u>\$ 10,595,341</u>	<u>\$ 317,834</u>

#### PREFERRED AND COMMON STOCK

The Corporation is authorized by statute to invest Fund assets in the preferred and common stock of United States and nondomestic corporations. All preferred and common stock investments are held by custodial banks in the name of the Corporation on behalf of the Fund.

Preferred and common stock at June 30, 1998, are summarized as follows (in thousands):

	Cost	Market	Unrealized Gains
Domestic	\$ 5,968,362	\$ 9,097,809	\$ 3,129,447
Nondomestic	2,184,742	2,712,852	528,110
Total preferred & common stock	<u>\$ 8,153,104</u>	<u>\$ 11,810,661</u>	<u>\$ 3,657,557</u>

#### REAL ESTATE

The Corporation is authorized by statute to invest Fund assets in real estate improved by substantially rented buildings located in the U.S. Improved real estate investments may take the form of equity interests or debt obligations secured by a first lien on the real estate. By statute, the Fund may hold up to 100 percent of the beneficial ownership interest in real estate investments not exceeding \$150,000,000 and may hold up to 67 percent of the beneficial ownership interest in real estate investments exceeding \$150,000,000. All real estate investments are held by the Corporation in its own name on behalf of the Fund, and are managed by professional real estate management firms.

Carrying value of real estate at June 30, 1998, was \$1,590,966,000. Carrying value consists of the equity value of direct real estate investments and the market value of real estate investment trusts.

Real estate investments at June 30, 1998, are summarized as follows (in thousands):

	Equity Value	Market Value	Unrealized Gains/(Losses)
Commingled funds	\$ 36,006	\$ 34,845	\$ (1,161)
Real estate investment trusts	273,162	277,148	3,986
Alaska residential mortgages	216	216	-
Direct investments -			
Retail	369,337	395,513	26,176
Office	449,589	449,591	2
Industrial	169,368	179,298	9,930
Residential	289,302	314,461	25,159
Total marketable debt securities	<u>\$ 1,586,980</u>	<u>\$ 1,651,072</u>	<u>\$ 64,092</u>

#### ALASKA CERTIFICATES OF DEPOSIT

The Corporation is authorized by statute to invest Fund assets in certificates of deposit or the equivalent instruments of banks, savings and loan associations, mutual savings banks, and credit unions doing business in Alaska. These investments are secured by letters of credit issued by the Federal Home Loan Bank. The market value of these certificates of deposit approximates cost.

DISCRETELY PRESENTED COMPONENT UNITS

At June 30, 1998, the discretely presented component units investments by risk category were (in thousands):

<u>Investments</u>	<u>Category</u>			<u>Fair Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>	
U.S. Treasury securities	\$ 339,083	\$ 204	\$ -	\$ 339,287
U.S. Government agency securities:	426,271	185,448	-	611,719
Corporate securities	614,896	201,526	525,224	1,341,646
Total categorized investments	<u>\$ 1,380,250</u>	<u>\$ 387,178</u>	<u>\$ 525,224</u>	2,292,652
Not categorized				
Equity in State treasury				35,619
Equity in Permanent Fund Corporation Investments				434,158
Guaranteed Investment Contracts				9,340
Other				657,279
Total				<u>\$ 3,429,048</u>

**NOTE 3 - BONDS PAYABLE AND OTHER LONG-TERM OBLIGATIONS**SUMMARY OF CHANGES

A summary of changes in general long-term debt for the fiscal year ended June 30, 1998, (in thousands) is as follows:

	<u>Balance July 1, 1997</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 1998</u>
Serial Bonds Payable	\$ 24,206	\$ -	\$ 13,315	\$ 10,891
Capital Leases Payable	52,143	127,249	9,779	169,613
Expendable Trust Fund	31,806	-	4,000	27,806
Accrued Vacation Leave	92,284	34,329	35,394	91,219
Claims and Judgements	109,012	3,851	13,016	99,847
Total	<u>\$ 309,451</u>	<u>\$ 165,429</u>	<u>\$ 75,504</u>	<u>\$ 399,376</u>

GENERAL OBLIGATION AND INTERNATIONAL AIRPORTS REVENUE BONDS

The full faith, credit, and resources of the State are pledged to secure payment of general obligation bonds. Gross revenues derived from the operation of the two international airports at Anchorage and Fairbanks are pledged to secure the payment of principal and interest on International Airports revenue bonds.

All general obligation bonds and International Airports revenue bonds authorized by the Alaska legislature have been issued. Debt service requirements for the next five years and thereafter are as follows (in thousands):

<u>Year Ending June 30</u>	<u>General Obligation Bonds</u>		<u>Airport Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
1999	\$ 8,515	\$ 324	\$ 3,970	\$ 1,735
2000	2,376	57	3,210	1,578
2001	-	-	1,135	1,479
2002	-	-	1,190	1,423
2003	-	-	1,255	1,363
Thereafter	-	-	24,460	9,779
Total	<u>\$ 10,891</u>	<u>\$ 381</u>	<u>\$ 35,220</u>	<u>\$ 17,357</u>

**CAPITAL LEASES PAYABLE**

Debt service requirements for capital leases are (in thousands):

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1999	\$ 14,783	\$ 5,317	\$ 20,100
2000	11,893	4,392	16,285
2001	12,568	3,859	16,427
2002	12,602	3,410	16,012
2003	13,086	2,946	16,032
Thereafter	104,681	10,154	114,835
Total	<u>\$ 169,613</u>	<u>\$ 30,078</u>	<u>\$ 199,691</u>

**EXPENDABLE TRUST FUND LIABILITIES**

Debt service requirements for expendable trust fund liabilities are \$4.0 million in 1999, \$4.0 million for the next three years, with a final payment in fiscal year 2003 of \$11.8 million.

**DISCRETELY PRESENTED COMPONENT UNITS**

Debt service requirements are (in thousands):

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1999	\$ 82,689	\$ 205,534	\$ 288,223
2000	76,997	205,386	282,383
2001	75,314	201,327	276,641
2002	87,053	196,805	283,858
2003	89,339	191,837	281,176
Thereafter	3,011,185	3,143,809	6,154,994
Total debt service requirements	<u>3,422,577</u>	<u>\$ 4,144,698</u>	<u>\$ 7,567,275</u>
Unamortized discounts, unexpended bond proceeds, accreted interest, and deferred amount on refunding	(36,631)		
Total principal outstanding	<u>\$ 3,385,946</u>		

The above table does not include \$377,731 of Alaska Energy Authority arbitrage interest payable.

**NOTE 4 - DEFINED BENEFIT PENSION PLANS****STATE ADMINISTERED PLANS****DESCRIPTION OF PLANS****THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)**

PERS is a defined benefit, agent, multiple-employer public employee retirement system established and administered by the State to provide pension benefits for eligible State employees and employees of its local governments.

At June 30, 1998, the number of participating employers was:

State of Alaska	1
Municipalities	70
School Districts	50
Other	27
Total employers	<u>148</u>

PERS is considered a component unit of the State financial reporting entity. PERS issues a separate stand-alone financial report that includes financial statements and required supplementary information, and PERS is also reported as a pension 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.

Benefit and contribution provisions are established by Chapter 35 of Alaska Statute Title 39, and may be amended only by the State legislature. PERS provides for normal pension benefits, as well as death, disability, and postemployment healthcare benefits.

Current employee contribution rates are 6.75 percent of compensation (7.5 percent for peace officers and firefighters). The employee contributions are deducted before federal income tax is withheld. The PERS funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual-covered payroll, are adequate to accumulate sufficient assets to pay both pension and postemployment health care benefits when due. Employer contribution rates are level percentages of payroll and are determined using the projected unit credit actuarial funding method. The employer rate for the State of Alaska for the year ended June 30, 1998, was 9.32 percent of compensation (10.01 for peace officers and firefighters).

The Schedule of Funding Progress for the State of Alaska for pension benefits follows (in thousands):

Actuarial Valuation Year Ended June 30	Actuarial Value of Plan Assets	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a percentage of covered payroll
1995	\$2,148,829	\$2,283,056	\$134,227	94.1%	\$691,442	19.4%
1996	2,343,123	2,252,437	(90,686)	104.0%	708,180	(12.8%)
1997	2,681,121	2,558,428	(122,693)	104.8%	704,573	(17.4%)

Postemployment healthcare benefits are provided without cost to all employees first hired before July 1, 1986, and employees who are disabled or age sixty-five or older, regardless of initial hire dates. Employees first hired after June 30, 1986, but before July 1, 1996, and who have five years of credited service may receive postemployment healthcare benefits prior to age sixty-five by paying premiums. Employees first hired after June 30, 1996, who have at least ten years of credited service may receive postemployment healthcare benefits prior to age sixty-five by paying premiums.

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 internal service fund of the State, was established. The RHF is self-funded and provides major medical coverage to retirees. Retirees of three other State plans also participate in the RHF. The retirement plans retain the risk of loss of allowable claims.

The Schedule of Funding Progress for the State of Alaska for postemployment healthcare benefits follows (in thousands):

Actuarial Valuation Year Ended June 30	Actuarial Value of Plan Assets	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a percentage of covered payroll
1995	\$807,551	\$857,994	\$50,443	94.1%	\$691,442	7.3%
1996	902,943	867,997	(34,946)	104.0%	708,180	(4.9%)
1997	999,283	953,554	(45,729)	104.8%	704,573	(6.5%)

The State's annual required contributions for pension and postemployment healthcare benefits for the fiscal years ended June 30, 1998, 1997, and 1996 were \$63.4 million, \$93.6 million, and \$96.8 million respectively. The State contributed 100 percent for each of those years resulting in no net pension obligation (NPO).

The total State payroll, including all component units, was approximately \$714 million for the year ended June 30, 1998.

#### THE TEACHERS' RETIREMENT SYSTEM (TRS)

TRS is a defined benefit, cost-sharing, multiple-employer public employee retirement plan established to provide pension benefits for teachers and other eligible participants.

At June 30, 1998, the number of participating employers was:

State of Alaska	1
School Districts	53
Other	9
Total employers	<u>63</u>

TRS is considered a component unit of the State financial reporting entity. TRS issues a separate stand-alone financial report that includes financial statements and required supplementary information, and TRS is also reported as a pension 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.

Benefit and contribution provisions are established by Chapter 25 of Alaska Statute Title 14 and may be amended only by the State legislature. TRS provides for normal pension benefits, as well as death, disability, and postemployment healthcare benefits.

Current employee contribution rate is 8.65 percent of their base salary. The employee contributions are deducted before federal income tax is withheld. Eligible employees contribute an additional 1 percent of their salary under the supplemental contribution provision. The TRS funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual-covered payroll, are adequate to accumulate sufficient assets to pay benefits when due. Employer contribution rates are level percentages of payroll and are determined using the projected unit credit actuarial funding method. The employer rate for the State of Alaska for the year ended June 30, 1998, was 12 percent of compensation.

Postemployment healthcare benefits are provided without cost to all employees first hired before July 1, 1990, and employees who are disabled or age sixty-five or older, regardless of initial hire dates. Employees first hired after June 30, 1990, may receive postemployment healthcare benefits prior to age sixty-five by paying premiums.

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 internal service fund of the State, was established. The RHF is self-funded and provides major medical coverage to retirees. Retirees of three other State plans also participate in the RHF. The retirement plans retain the risk of loss of allowable claims.

The State's contributions to TRS for the fiscal years ended June 30, 1998, 1997, and 1996, were \$658,035, \$701,285, and \$731,790, respectively, equal to the required contributions for each year.

**THE JUDICIAL RETIREMENT SYSTEM (JRS)**

JRS is a defined benefit, single-employer retirement system established to provide pension benefits for eligible State judges and justices.

JRS is considered a component unit of the State financial reporting entity. JRS issues a separate stand-alone financial report that includes financial statements and required supplementary information, and JRS is also reported as a pension 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.

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 contribute 7 percent of their compensation to JRS. The contributions are deducted after federal income tax is withheld. Contributions are not required after members have made contributions for fifteen 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, are adequate to accumulate sufficient assets to pay benefits when due. Employer contribution rates are level percentages of payroll and are determined using the projected unit credit actuarial funding method. The employer rate for the State of Alaska for the year ended June 30, 1998, was 38.82 percent of compensation.

The Schedule of Funding Progress for pension benefits follows (in thousands):

Actuarial Valuation Year Ended June 30	Actuarial Value of Plan Assets	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a percentage of covered payroll
1992	\$34,579	\$44,324	\$9,745	78.0%	\$4,965	196.3%
1994	40,238	49,771	9,533	80.8%	5,310	179.5%
1996	49,303	52,374	3,071	94.1%	5,289	58.1%

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 internal service fund of the State, was established. The RHF is self-funded and provides major medical coverage to retirees. Retirees of three other State plans also participate in the RHF. The retirement plans retain the risk of loss of allowable claims.

Postemployment healthcare benefits are provided without cost to retired JRS members. The Schedule of Funding Progress for postemployment healthcare benefits follows (in thousands):

Actuarial Valuation Year Ended June 30	Actuarial Value of Plan Assets	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a percentage of covered payroll
1992	\$2,299	\$2,947	\$ 648	78.0%	\$4,965	13.1%
1994	1,817	2,247	430	80.9%	5,310	8.1%
1996	2,479	2,634	155	94.1%	5,289	2.9%

The annual required contributions for pension and postemployment healthcare benefits for the fiscal years ended June 30, 1998, 1997, and 1996 were \$2,204,026, \$2,056,204, and \$2,044,190. The State contributed 100 percent for each of those years resulting in no net pension obligation (NPO).

#### THE ALASKA NATIONAL GUARD AND ALASKA NAVAL MILITIA RETIREMENT SYSTEM (NGNMRS)

NGNMRS is a defined benefit, single-employer retirement system 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 component unit of the State financial reporting entity. NGNMRS issues a separate stand-alone financial report that includes financial statements and required supplementary information, and the plan is also reported as a pension 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.

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.

No contributions are required from plan members. NGNMRS's funding policy provides for periodic contributions by Alaska Department of Military and Veterans' Affairs at actuarially determined amounts that are adequate to accumulate sufficient assets to pay benefits when due. State contributions are determined using the projected unit credit actuarial funding method. The unfunded liability is amortized over a rolling twenty-five year period. Beginning in fiscal year 1997, this assumption was revised to twenty years reduced by ten years average military service which increased past service cost by approximately \$600 thousand. The FY 98 cost to the State for contributions was \$1.4 million.

The Schedule of Funding Progress for pension benefits follows (in thousands):

Actuarial Valuation Year Ended June 30	Actuarial Value of Plan Assets	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio
1992	\$3,406	\$11,780	\$8,374	28.9%
1994	2,414	14,031	11,617	17.2%
1996	9,948	12,512	2,564	79.5%

The annual required contributions for the fiscal years ended June 30, 1998, 1997, and 1996 were \$1,626,000, \$1,626,000, and \$1,359,862. The percentage contributed for those years was 88, 88, and 81 percent respectively.

**THE UNLICENSED VESSEL PERSONNEL ANNUITY RETIREMENT FUND (UVPARF)**

UVPARF is an employer-funded plan with defined benefits. The purpose of UVPARF is to provide retirement benefits to employees of the Alaska Marine Highway System on whose behalf the State made contributions to UVPARF for service during the period July 1, 1981, through October 1, 1983, and who retire under the terms of either the Northwest Marine Retirement Trust (NMRT) or the PERS.

As of June 30, 1998, UVPARF is fully funded and no State contributions were required in FY 98. The majority of UVPARF membership was merged into the Public Employees' Retirement System in FY 93. However, those not merged into PERS will remain in UVPARF.

**THE ELECTED PUBLIC OFFICERS RETIREMENT SYSTEM (EPORS)**

EPORS is a defined benefit retirement plan covering the Governor, the Lieutenant Governor, and all Legislators that participated in the System between January 1, 1976, and October 14, 1976. EPORS is funded by both employee contributions and an annual appropriation from the State general fund. Retirement benefits are based on the member's years of service and the current salary for the position from which they retired or an average of the three highest consecutive years' salaries. The pension benefit is equal to 5 percent for each year of service as governor, lieutenant governor, or a legislator, plus 2 percent for other covered service. The plan also provides death and disability benefits.

Plan members contribute 7 percent of their compensation to EPORS. Employee contributions earn interest at 4.5 percent per annum, compounded semiannually. The remaining amount required to pay EPORS benefits is funded by legislative appropriation. The FY 98 cost to the State for EPORS was \$1.1 million.

**PLAN MEMBERSHIPS**

Plan membership consisted of:

<u>Plan Membership</u>	<u>PERS</u>	<u>TRS</u>	<u>JRS</u>	<u>NGNMRS</u>	<u>UVPARF</u>	<u>EPORS</u>
As of	6/30/97	6/30/97	6/30/98	6/30/96	6/30/98	6/30/96
Retirees & beneficiaries receiving benefits & terminated members with future benefits	16,544	6,622	70	524	17	37
Current active employees:						
Vested	19,582	5,366	42	*	-	6
Nonvested	12,272	3,798	16	3,949	-	-
Total	<u>48,398</u>	<u>15,786</u>	<u>128</u>	<u>4,473</u>	<u>17</u>	<u>43</u>

\* A breakdown of active employees between vested and nonvested was not available for NGNMRS.

**ASSET VALUATION**

See Note 2 for information on pension funds' deposits and investments risk categories. The table below discloses the fair value of each pension plan's cash and investments. All amounts are in thousands.

<u>Systems</u>	<u>Fair Value</u>
Public Employees' Retirement System	\$ 7,419,165
Teachers' Retirement System	3,893,908
Judicial Retirement System	64,581
Alaska National Guard and Alaska Naval Militia Retirement System	12,738

**FUNDING STATUS AND PROGRESS**

**ACTUARIAL METHOD AND ASSUMPTIONS**

All systems use the "projected unit credit" method. The unfunded accrued benefit liability or funding surplus is amortized over a rolling 25 years (NGNMRS is 20 years).

The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, each participant's total pension projected to retirement with salary scale is broken down into units, each associated with a

year of past or future service. The principle underlying the method is that each unit is funded in the year for which it is credited. Typically, when the method is introduced there will be an initial liability for benefits credited for service prior to that date, and to the extent that this liability is not covered by assets of the plan there is an unfunded liability to be funded over a chosen period in accordance with an amortization schedule.

The following main assumptions were used in the actuarial valuation.

System	Investment Return Compounded Annually	Salary Scale Increase	Health Cost Inflation	Consumer Price Index Inflation	Valuation Date
PERS	8.25%	5.5% first 5 years 4.5% thereafter	7.5% - 1997; 6.5% - 1998 5.5 % thereafter	4%	6/30/97
TRS	8.25%	5.5% first 5 years 4.5% thereafter	7.5% - 1997; 6.5% - 1998 5.5 % thereafter	4%	6/30/97
JRS	8.25%	5.0% per year	7.5% - 1997; 6.5% - 1998 5.5 % thereafter	4%	6/30/96
NGNMRS	8.25%	-	-	-	6/30/96
UVPARF	8.0%	-	-	-	6/30/90
EPORS	9.0%	6.0% per year	9.0% per year	-	6/30/86

All assets are at fair value, with 20 percent of the investment gains or losses recognized in each of the current and preceding four years. Valuation assets cannot be outside a range of 80 percent to 120 percent of the fair value of assets.

**RETIREMENT INCENTIVE PROGRAM**

House Bill 354 was passed on June 18, 1996, and provides for a retirement incentive program (RIP) for members of school district employers and employees of Mt. Edgecumbe and the Alaska Vocational Technical Center. Senate Bill 1003 was passed on June 28, 1996, and provides for a RIP for employees of the State, the University of Alaska, and all employers other than school districts. The RIP encourages eligible employees to retire up to three years earlier than they had planned as a cost savings to the employer.

Employers who participate in either of the RIP programs are required to reimburse the retirement system for the actuarial equivalent of the difference between the benefits each employee receives after the addition of the retirement incentive under the program and the amount the employee would have received without the incentive, less any amount the employee was indebted as a result of retiring under the program. During fiscal year 1998, PERS recognized \$17.2 million of additions to net plan assets for contributions from employers for required reimbursements under RIP, and TRS recognized \$16.3million.

When employees terminate employment to participate in RIP, PERS eligible employees are indebted for 20.25 percent of their annual compensation for the calendar year in which they terminate (22.5 percent for peace officers and firefighters) and TRS eligible employees are indebted for 25.95 percent. During fiscal year 1998, PERS recognized \$1.0 million of additions to plan net assets from employees and TRS recognized \$1.4 million.

Additional information is available in the PERS and TRS annual reports for the fiscal year ended June 30, 1998.

**NON-STATE ADMINISTERED PLANS**

**THE MARINE ENGINEERS' BENEFICIAL ASSOCIATION (MEBA) PENSION PLAN**

The MEBA plan is a defined benefit pension plan administered by MEBA for its members. Engineer Officers of the Alaska Marine Highway System participate in this program and the State contributes an amount (set by union contract) for each employee. The State assumes no liability for this pension plan or its participants other than the payment of required contributions. The State contributed \$438.7 thousand in FY98.

**NOTE 5 - DEFINED CONTRIBUTION PENSION PLANS**

**STATE ADMINISTERED PLANS**

**SUPPLEMENTAL BENEFITS SYSTEM**

In addition to the above pension plans and the deferred compensation plan (Note 6), 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 Plans. 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. The Division of Retirement and Benefits is responsible for administration and record keeping. The Alaska State Pension Investment Board is responsible for the specific investment of moneys in SBS.

As of January 31, 1998, there were fourteen other employers participating in SBS. There were 28,627 individual SBS accounts comprised of 23,334 State accounts, 5,067 political subdivision accounts, 39 beneficiary accounts, and 187 qualified domestic relations order (QDRO) accounts.

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 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.

Mandatory contributions may be made to the Supplemental Annuity Plan and voluntary contributions to the Supplemental Benefits Plan. Participating employees are vested at all times. Supplemental Annuity Plan contributions are made in lieu of contributions to Social Security. The State is 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 ending January 31, 1998, were \$79.2 million. The State's covered payroll was approximately \$646 million.

Supplemental Benefit 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 on the employee's behalf. State employee voluntary contributions for the year ending January 31, 1998, were approximately \$7.4 million.

Employees are eligible to withdraw from the Supplemental Annuity Plan ninety days after termination. Benefits are payable in the form of a lump sum annuity or one of various continuing annuities purchased from an insurance carrier. The SBS administrator issues lumpsum payments through its contracted record keeper.

Supplemental benefits are provided through insurance policies with various insurance carriers. Benefits available include supplemental health, death, disability, and survivor benefits. In addition, a dependent care reimbursement plan is available. 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 by employee change in status. SBS remits the voluntary contributions received from the employers to the insurance carriers and, through June 30, 1996, reimbursed the dependent care plan administrator. Effective July 1, 1996, the State began to directly administer the dependent care reimbursement plan.

Supplemental annuity contributions were deposited with investment managers under contract with SBS for the year ended January 31, 1998. The amounts credited to each participant account include the increase or decrease in the unit value of the investment funds, in addition to participant contributions received during the year.

Effective February 1, 1996, the Supplemental Annuity Plan became participant directed. Under participant direction, each participant designates how his or her contribution is to be allocated among the investment options. Each participant's account is credited with the participant's contributions and the increase or decrease in unit value for the investment funds.

## **NON-STATE ADMINISTERED PLANS**

### **THE NORTHWEST MARINE RETIREMENT TRUST (NMRT)**

NMRT is an agent multiple-employer pension plan with defined contributions and is administered by the Pacific Northwest Marine Retirement Trust. The State assumes no liability for this pension plan or its participants other than the payment of required contributions. The State contributed \$301.5 thousand in 1998.

## **NOTE 6 - DEFERRED COMPENSATION PLAN**

The State of Alaska Deferred Compensation Plan (Plan) was created by Alaska statutes. It is a deferred compensation plan under Section 457 of the Internal Revenue Code and is available to all permanent employees or elected officials of the State who have completed a full pay period of employment. Participants authorize the State to reduce their current salary so that they can receive the amount deferred at a later date. The deferred

compensation is not available to employees until termination, retirement, death, or unforeseeable emergency, within the definition allowed by the applicable Internal Revenue Code. As of December 31, 1997, the Plan had approximately 6,300 participants.

As a result of the passage of The Small Business Job Protection Act of 1996 (SBJPA - a Federal law change), all amounts deferred, including amounts deferred before the effective date of the new law, under an eligible 457 plan must be held in a trust for the exclusive benefit of employees and beneficiaries. This new law repealed the requirement that a section 457 plan sponsored by a government be solely the property of the employer, subject only to the claims of the employer's general creditors. The trust requirement generally applies to assets and income held by a plan on and after the date of enactment of the SBJPA. For any plan in existence on the date of enactment of the SBJPA, a trust need not be established before January 1, 1999.

As to the State of Alaska Deferred Compensation Plan, the Plan Document was amended effective January 1, 1997, to recognize and establish the Trust requirement for the Plan. The formal trust documents are expected to be complete on or before December 31, 1998.

The Division of Retirement and Benefits is responsible for Plan administration and record keeping. The Alaska State Pension Investment Board is responsible for the specific investment of moneys in the plan.

Participant accounts are self-directed with respect to investment options. Each participant designates how his or her contribution is to be allocated among the investment options. Each participant's account is credited with the participant's contributions and the increase or decrease in unit value for the investment funds.

In FY 98, the State implemented GASB Statement No. 32 which requires deferred compensation plans which comply with subsection (g) of IRC Section 457 to be reported as an expendable trust fund. In prior fiscal years the Plan was reported as an agency fund. The balance of deferred compensation as of December 31, 1997, was \$306.1 million.

**NOTE 7 - INTERFUND TRANSACTIONS**

The following schedules summarize individual interfund and component unit receivable and payable balances at June 30, 1998, and fund transfers for the year then ended (in thousands):

Fund or Component Unit	RECEIVABLES			Total
	Interfund	Primary Government	Component Units	
Primary Government				
General Fund	\$ 122,037	\$ -	\$ 197,044	\$ 319,081
Special Revenue Fund				
Disaster Relief	3	-	-	3
Training & Building	3	-	-	3
Fish & Game	29	-	-	29
Enterprise Funds				
Energy Assistance	20	-	-	20
Other Agencies	37	-	-	37
Internal Service Funds				
Highway Equipment Working Capital	4,106	-	-	4,106
Correctional Industries	473	-	-	473
Information Services	1,861	-	-	1,861
Trust and Agency Funds:				
Expendable Trust	3,275,410	-	-	3,275,410
Nonexpendable Trust	24,351	-	-	24,351
Agency Trust	3,527	-	-	3,527
Component Units:				
Alaska Aerospace Development Corporation	-	150	-	150
Municipal Bond Bank - Special Revenue	-	-	1,411	1,411
Municipal Bond Bank - Debt Service	-	-	1	1
Industrial Development & Export Authority - Small Business Economic Development	-	1	-	1
Alaska Housing Finance Corporation	-	-	64,956	64,956
Alaska Student Loan Corporation	-	1,861	-	1,861
Alaska Science & Technology Foundation Nonexpendable Trust	-	134,802	-	134,802
Alaska Mental Health Trust Authority	-	299,356	-	299,356
University of Alaska	-	13,869	23,440	37,309
Other*	496	1	1	498
<b>TOTAL</b>	<b>\$ 3,432,353</b>	<b>\$ 450,040</b>	<b>\$ 286,853</b>	<b>\$ 4,169,246</b>

Fund or Component Unit	PAYABLES			
	Interfund	Primary Government	Component Units	Total
Primary Government				
General Fund	\$ 2,416,752	\$ -	\$ 2,353	\$ 2,419,105
Special Revenue Fund				
Disaster Relief	920	-	-	920
Training & Building	48	-	-	48
Fish & Game	1,338	-	-	1,338
Enterprise Funds				
Commercial Assistance	1,475	-	-	1,475
Energy Assistance	3,993	-	-	3,993
Other Agencies	9,440	-	-	9,440
Trust and Agency Funds:				
Expendable Trust	100,167	-	-	100,167
Nonexpendable Trust	893,452	-	434,158	1,327,610
Pension Trust	473	-	-	473
Agency Trust	14	-	-	14
Component Units:				
Alaska Aerospace Development Corporation	-	159	-	159
Municipal Bond Bank - Special Revenue	-	720	1,413	2,133
Alaska Housing Finance Corporation	-	-	64,956	64,956
Alaska Energy Authority	-	189,917	-	189,917
Alaska Mental Health Trust Authority	-	425	-	425
University of Alaska	-	-	23,440	23,440
Other*	4,281	5,483	13,869	23,633
<b>TOTAL</b>	<b>\$ 3,432,353</b>	<b>\$ 196,704</b>	<b>\$ 540,189</b>	<b>\$ 4,169,246</b>

Fund or Component Unit	OPERATING TRANSFERS IN			
	Interfund	Primary Government	Component Units	Total
Primary Government				
General Fund	\$ 7,722	\$ -	\$ 16,720	\$ 24,442
Special Revenue Funds				
Fish & Game	1,027	-	-	1,027
Debt Service	5,674	-	-	5,674
Enterprise Funds				
Energy Assistance	1,036	-	-	1,036
Other Agencies	1,303	-	-	1,303
Internal Service Funds				
Correctional Industries	1,148	-	-	1,148
Trust and Agency Funds:				
Expendable Trust	893,240	-	-	893,240
Component Units:				
Municipal Bond Bank - Special Revenue	-	-	2,114	2,114
Municipal Bond Bank - Debt Service	-	-	2	2
Alaska Aerospace Development Corporation	-	-	508	508
Alaska Mental Health Trust Authority - Nonexpendable Trust	-	41,804	-	41,804
Alaska Science & Technology Foundation - Endowment Fund - Nonexpendable Trust	-	18,339	-	18,339
Alaska Science & Technology Foundation - International Trade & Business Endowment - Nonexpendable Trust	-	760	-	760
University of Alaska	-	171,911	2,630	174,541
Other*	2	-	5,321	5,323

TOTAL	<u>\$ 911,152</u>	<u>\$ 232,814</u>	<u>\$ 27,295</u>	<u>\$ 1,171,261</u>
<b>OPERATING TRANSFERS OUT</b>				
Fund or Component Unit	Interfund	Primary Government	Component Units	Total
Primary Government				
General Fund	\$ 10,717	\$ -	\$ 171,416	\$ 182,133
Enterprise Funds				
Commercial Assistance	439	-	-	439
Energy Assistance	47	-	-	47
Other Agencies	951	-	-	951
Trust and Agency Funds:				
Nonexpendable Trust	893,205	-	60,903	954,108
Component Units:				
Municipal Bond Bank - Special Revenue	-	720	2,116	2,836
Alaska Aerospace Development Corporation	-	-	5,321	5,321
Industrial Development & Export Authority - Revolving Fund	-	16,000	-	16,000
Alaska Science & Technology Foundation - Endowment Fund - Nonexpendable Trust	-	-	3,138	3,138
Other*	5,793	-	495	6,288
<b>TOTAL</b>	<u>\$ 911,152</u>	<u>\$ 16,720</u>	<u>\$ 243,389</u>	<u>\$ 1,171,261</u>
<b>RESIDUAL EQUITY TRANSFERS IN</b>				
Fund or Component Unit	Interfund	Primary Government	Component Units	Total
Primary Government				
General Fund	\$ 4,799	\$ -	\$ 88,544	\$ 93,343
Special Revenue Funds				
Disaster Relief	125	-	-	125
Debt Service	846	-	-	846
Enterprise Funds				
Other Agencies	6,679	-	-	6,679
Trust and Agency Funds:				
Expendable Trust	306	-	-	306
Nonexpendable Trust	230,504	-	-	230,504
Component Units:				
Alaska Aerospace Development Corporation	-	-	4,900	4,900
Alaska Mental Health Trust Authority - Nonexpendable Trust	-	1	-	1
Alaska Science & Technology Foundation - International Trade & Business Endowment - Nonexpendable Trust	-	-	4,950	4,950
Other*	398	1,802	5,860	8,060
<b>TOTAL</b>	<u>\$ 243,657</u>	<u>\$ 1,803</u>	<u>\$ 104,254</u>	<u>\$ 349,714</u>

Fund or Component Unit	RESIDUAL EQUITY TRANSFERS OUT			
	Interfund	Primary Government	Component Units	Total
Primary Government				
General Fund	\$ 237,886	\$ -	\$ -	\$ 237,886
Capital Projects Funds				
Highways & Ferries Group	844	-	-	844
Flood & Harbor Group	1	-	-	1
Enterprise Funds				
Commercial Assistance	1,132	-	-	1,132
Energy Assistance	3,792	-	-	3,792
Component Units:				
Alaska Housing Finance Corporation	-	90,346	5,760	96,106
Alaska Science and Technology Foundation - Endowment Fund - Nonexpendable Trust	-	-	5,000	5,000
Other*	2	-	4,951	4,953
<b>TOTAL</b>	<b>\$ 243,657</b>	<b>\$ 90,346</b>	<b>\$ 15,711</b>	<b>\$ 349,714</b>

\* The "Other" category is a combination (net) of various items that are not consistently reported in the three classifications identified above. This inconsistency results from: (1) a difference in the basis of accounting such as College and Universities are not on the same basis as the general fund and enterprise funds; enterprise funds are on the full accrual accounting basis while the governmental funds are on the modified accrual basis, (2) timing differences due to differing fiscal year ends, and (3) some inconsistent classifications as a result of the nature of the operation.

#### **NOTE 8 - SEGMENT INFORMATION - ENTERPRISE FUNDS**

The following schedule presents financial segment information for State-run enterprise funds (stated in millions) for the fiscal year ended June 30, 1998.

The State of Alaska International Airport System (AIAS) was created to equip, finance, maintain, and operate the two international airports located at Anchorage and Fairbanks, Alaska. The airports are under the administration of the Alaska Department of Transportation and Public Facilities.

The Commercial Fishing Revolving Loan Fund (CFRLF) was established to promote the development and continued maintenance of commercial fishing gear and vessels by means of long-term, low interest loans.

The Fisheries Enhancement Revolving Loan Fund (FERLF) was created to promote the enhancement of the State's fisheries by means of long-term, low interest loans for salmon hatchery planning, construction, and operation.

The Power Project Fund (PPF) was created for the purpose of making loans for power projects.

	AIAS	CFRLF	FERLF	PPF	All Other State Funds	Total State Operated
Operating Revenues	\$ 54.2	\$ 7.5	\$ 4.9	\$ 0.8	\$ 3.0	\$ 70.4
Operating Expenses:						
Depreciation	17.1	-	-	-	-	17.1
All Other	39.3	2.7	1.4	0.6	0.7	44.7
Total Expenses	56.4	2.7	1.4	0.6	0.7	61.8
Operating Income (Loss)	(2.2)	4.8	3.5	0.2	2.3	8.6
Nonoperating Revenue	5.8	-	-	-	1.7	7.5
Nonoperating Expenses	(2.3)	-	-	-	(0.3)	( 2.6)
Gain (Loss) on Disposal of						
Fixed Assets	-	-	-	-	0.3	0.3
Operating Transfer In (Out) - net	-	-	-	1.0	(0.1)	0.9
Net Income (Loss)	\$ 1.3	\$ 4.8	\$ 3.5	\$ 1.2	\$ 3.9	\$ 14.7
Net Working Capital	\$ 93.6	\$ 13.2	\$ 3.9	\$ 69.8	\$ 46.8	\$ 227.3
Notes & Loans Receivable	-	80.9	74.6	18.5	53.8	227.8
Repossessed Property	-	0.5	-	-	1.2	1.7
Property, Plant, & Equipment - net	286.6	-	-	-	3.9	290.5
Construction in Progress	27.9	-	-	-	-	27.9
Total Assets	422.0	99.4	91.3	91.4	115.4	819.5
Revenue Bonds Payable	33.4	-	-	-	-	33.4
Capital Lease	0.2	-	-	-	-	0.2
Fund Equity	374.5	98.9	90.9	88.2	112.2	764.7
Additions to Fixed Assets:						
Net Outlays (Abatements), Purchases, Bond Proceeds, or Appropriations	21.1	-	-	-	0.1	21.2
Equity Transfers In (Out)	-	(0.1)	-	(3.0)	4.9	1.8

## **NOTE 9 - COMMITMENTS AND CONTINGENCIES**

### **A. SICK LEAVE**

The cost of sick leave for State employees 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.

Accumulated sick leave may be used only for actual illness. When an employee separates from State service, any sick leave balance to their credit is reduced to zero without additional compensation to the employee.

The estimated amount of unused accumulated sick leave as of June 30, 1998, is \$74 million. This amount was calculated using the base pay on file for each employee as of June 30, 1998. It does not include an estimate of the cost of fringe benefits (supplemental benefits, retirement, group insurance, etc.) which can vary from 5 percent to 28 percent of gross pay 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 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 80 percent limitation, enacted in 1985, applies to fiscal years after June 30, 1983. The higher percentages apply to earlier years.

Although the statute provides that the State may reimburse school districts 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 98 expended for school debt was \$61.6 million which was 100 percent of the entitlement. The total debt requirement assuming the State makes full payment of its share of school debt service would be approximately

\$475.9 million. The State has in the past and may in the future appropriate less than the full amount to which the municipalities are entitled under statute.

### C. RISK MANAGEMENT AND SELF-INSURANCE

The State maintains a risk management program which 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 seek 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 fewer public funds than would be paid to private insurance companies 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, watercraft (Alaska Marine Highway System ferries and other agency vessels), large highway bridges, and hydroelectric power dams.

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 (crew and passenger injuries).

Additional specialty coverages - blanket public employee faithful performance and custom bonding, 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. There has been no significant reduction in insurance coverage from previous years and the State has not incurred a loss in excess of its insurance program.

In FY 98, the State completely self-insured all statutory workers' compensation claims, the first \$5 million per occurrence for general (premises and operations) and professional liability, \$2 million per loss in automobile liability, \$1 million per claim for property and marine risks, and \$250,000 per incident for airport and aviation liability exposures. Limits of excess insurance vary by risk, reaching up to \$200 million per occurrence for marine and \$300 million for aviation. Additional information concerning specific areas of coverage are available from the Division of Risk Management on request. The policies extend to cover all State agencies.

Approximately 50 insurance companies and various Lloyd's of London underwriting syndicates participate in the State of Alaska's excess insurance program. Marketing is provided by independent brokers. The State obtains an annual independent actuarial assessment of the State insurance program as required by AS 7.05.287 (b).

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 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 Services 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.

Total payments made for insurance premiums and self-insured claims for FY 98 amounted to \$26,279,765. This amount compares with FY96 and FY 97 as follows:

FY 96	\$ 24,589,830
FY 97	\$ 24,786,861
FY 98	\$ 26,279,765

The actuarial estimate of total outstanding loss liability arising from self-insured claims made in prior years through June 30, 1998, is \$87,578,291. This amount has been reported as long-term debt obligations. This amount compares with the actuarial estimate for FY96 and FY 97 as follows:

FY 96	\$ 96,353,000
FY 97	\$ 100,594,071
FY 98	\$ 87,578,291

**D. LITIGATION**

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 \$12.3 million, with an additional possible liability of \$74.9 million. The probable loss amount has been reported as long-term debt obligations.

**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. DISCRETELY PRESENTED COMPONENT UNITS**

The Alaska Railroad Corporation has entered into an agreement to purchase eight locomotives for approximately \$15.7 million. The locomotives are scheduled for delivery in the last half of calendar year 1999.

**NOTE 10 - YEAR 2000 ISSUE**

The year 2000 (Y2K) issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the State's operations as early as fiscal year 1999.

Of its 199 mission-critical business functions determined to be crucial for providing essential State government services to Alaskans, the State of Alaska has identified 89 whose supporting automation systems and interfaces, embedded systems, and critical supply chain dependencies could potentially be affected by the Y2K issue.

Departments' inventories have been completed for all of the automation systems supporting these business functions, with assessment and planning similarly almost completed. Remediation of affected systems is under way in all departments, with selected major systems already in the testing and validation stages. Testing and certification of all affected automation systems is required.

A contractor has been engaged for assessing and remediating State buildings and facilities, and work is under way. Additionally, a special manager has been hired in the Department of Military and Veterans Affairs' Division of Emergency Services to facilitate planning, assessment, remediation, and coordination regarding the State's Y2K emergency preparedness systems and potential disaster recovery requirements. All departments are in the process of preparing mandatory Y2K contingency plans, currently scheduled for completion by December 15, 1998.

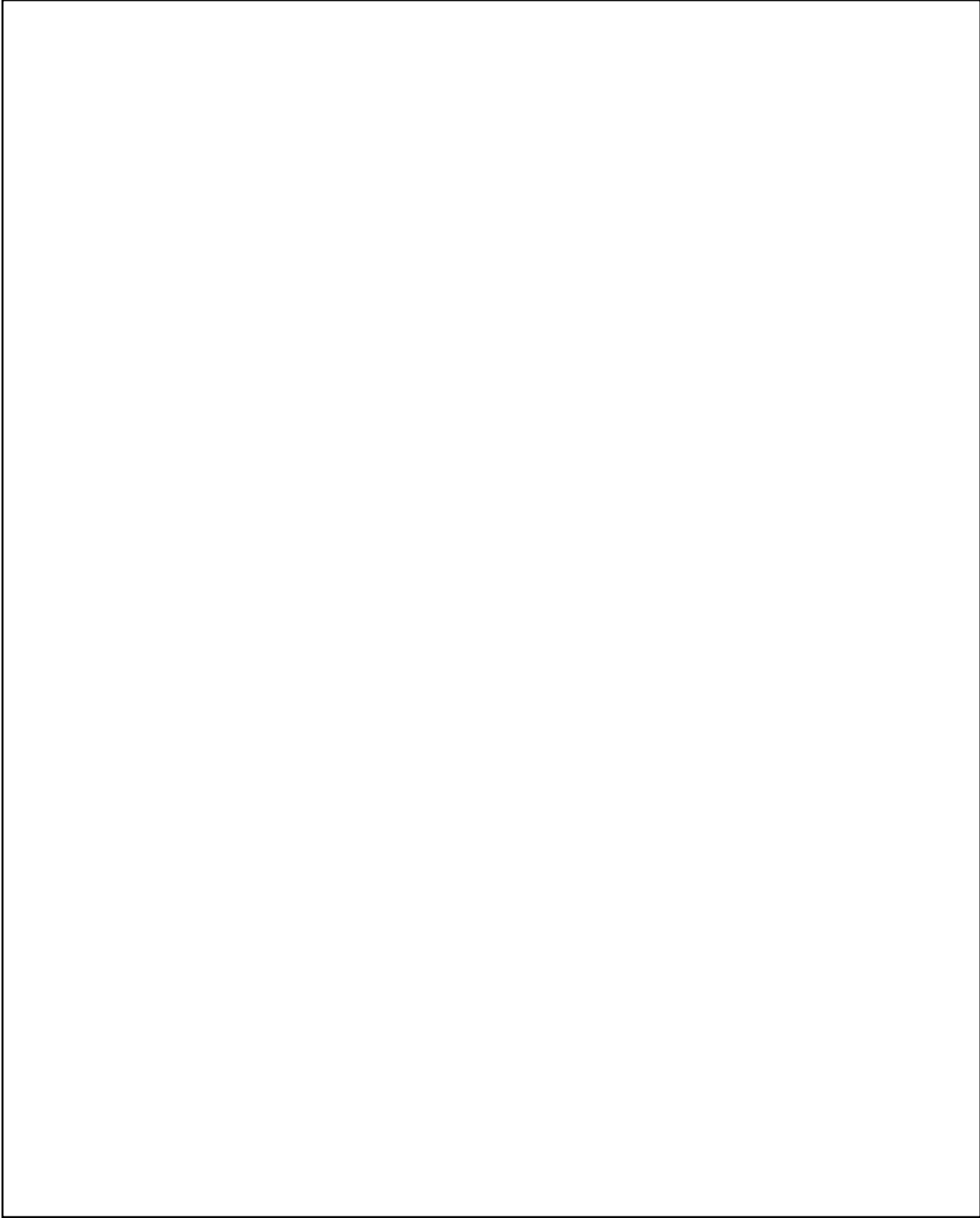
A Year 2000 Project Office has been established in the Office of the Governor to oversee, assist, and coordinate Y2K activities.

Because of the unprecedented nature and scope of the Y2K issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the State of Alaska is or will be year 2000 ready, that the State's remediation efforts will be successful in whole or in part, or that parties with whom the State does business will be year 2000 ready.

# Combining and Individual Fund Financial Statements

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Alaska Musher. B.B. Dobbs, photographer, Alaska State Library,  
James Wickersham State Historic Site Collection, PCA 277-9-53

# General Fund

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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.

Alaska Debt Retirement Fund - AS 37.15.011 - 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 Historical Commission Receipts Account - AS 41.35.380 - Administered by Department of Natural Resources. 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 - AS 19.65.060 - Administered by Department of Transportation and Public Facilities, Alaska Marine Highway System. The fund is to enable the system to manage and operate in a manner that will enhance performance and accountability by allowing the system to account for and spend its generated revenue.

Alaska Marine Highway System Vessel Replacement Fund - AS 37.05.550 - Managed by Department of Revenue. 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 Surplus Property Fund - AS 37.05.500(a)(2), AS 44.68.130 - Administered by Department of Administration. 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.

Art in Public Places Fund - AS 44.27.060 - Administered by 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 - AS 23.15.125 - Administered by Department of Education, 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.

Donated Commodity Fee Fund - USC 7 CFR, Part 250 - Administered by Department of Education. 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, child care institutions, nonprofit camps for children, charitable institutions for minors, nutrition programs for the elderly, and assistance to needy persons.

Educational Facilities Maintenance and Construction Fund - AS 37.05.560 - 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.

Electrical Service Extension Fund - AS 42.45.200 - Administered by Department of Community and Regional Affairs. The fund consists only of money appropriated to it by the legislature. The fund is used to make grants to eligible electric utilities to pay for costs of site preparation and construction for the extension of electrical service and for making improvements to electric utilities.

Employment Assistance and Training Program Account - AS 23.15.625 - Administered by Department of Labor. 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 - 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 - AS 39.30.050 - Administered by Department of Administration. Consists of amounts collected from participating political subdivisions, together with money appropriated by the State for covering the State's share of administrative costs.

Fishermen's Fund - AS 23.35.060 - Administered by Department of Labor. This fund is composed of 60 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 commercial fishermen.

Four Dam Pool Transfer Fund - AS 42.45.050 - Administered by Department of Community and Regional Affairs. The fund consists of repayments of principal and income that would have been deposited in the former power development revolving loan fund. Subject to appropriation, the balance of this fund is transferred monthly as follows: 40 percent to power Cost Equalization and Rural Electric Capitalization Fund and 40 percent to Southeast Energy Fund (subfunds of the general fund); and 20 percent to Power Project Fund (enterprise fund).

Fuel Emergency Fund - AS 26.23.400 - Administered by 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 - AS 14.03.125 - Administered by Department of Education. It is used to make grants to a district located in the State for the purpose of improving school performance.

Major Maintenance Grant Fund - AS 14.11.007 - Administered by Department of Education. The fund is used to make grants for the cost of school major maintenance.

Municipal Capital Project Matching Grant Fund - AS 37.06.010 - Administered by Department of Administration. 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.

Oil and Hazardous Substance Release Prevention Mitigation Account - AS 46.08.020(b) - Administered by the Department of Environmental Conservation. 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 - AS 46.08.025(b) - Administered by the Department of Environmental Conservation. 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 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.

Oil and Hazardous Substance Release Prevention and Response Fund - AS 46.08.010 - Administered by the Department of Environmental Conservation. 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.

Power Cost Equalization and Rural Electric Capitalization Fund - AS 42.45.100 - Administered by Department of Community and Regional Affairs. The fund is used for power cost equalization and rural electric projects.

Railbelt Energy Fund - AS 37.05.520 - Managed by Department of Revenue. 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 - AS 23.15.130; 20 USC 107-107(f) - Administered by Department of Education. 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 Surety Fund - AS 08.88.450 - Administered by Department of Commerce and Economic Development. This fund is composed of payments made by real estate licensees under AS 08.88.455 and filing fees under AS 08.88.460 and may be appropriated for real estate educational purposes as provided in AS 08.88.091. The real estate surety fund is established in the general fund to carry out the purposes of real estate licensees.

School Construction Grant Fund - AS 14.11.005 - Administered by Department of Education. 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.

Second Injury Fund - AS 23.30.040 - Administered by Department of Labor. The second injury fund consists of all amounts collected under AS 23.30.040(b) and (c), and as civil penalties 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

Southeast Energy Fund - AS 42.45.040 - Administered by Department of Community and Regional Affairs. The department may make grants from the Southeast Energy Fund to utilities participating in the power transmission intertie between the Swan Lake and Tyee Lake hydroelectric projects for power projects, for repayment of loans, and for payment on bonds.

State Insurance Catastrophe Reserve Account - AS 37.05.289 - Administered by Department of Administration. Assets of the account may be used to obtain insurance, to establish reserves for the self-insurance program, and to satisfy claims or judgements arising under the program.

Storage Tank Assistance Fund - AS 46.03.410 - Administered by Department of Environmental Conservation. The fund consists of money appropriated to it by the legislature. The receipts of the fund may be used for tank tightness tests, site assessments, grants, and loans.

Unincorporated Community Capital Project Matching Grant Fund - AS 37.06.020 - Administered by Department of Community and Regional Affairs. 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.

Vocational Rehabilitation Small Business Enterprise Revolving Fund - AS 23.15.130 - Administered by Department of Education, Division of Vocational Rehabilitation. 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.

**STATE OF ALASKA  
BALANCE SHEET  
GENERAL FUND  
June 30, 1998  
(Stated in Thousands)**

**STATEMENT 2.01**

	June 30, 1998
<b>ASSETS:</b>	
<b>CASH AND INVESTMENTS:</b>	
Cash in Transit	\$ 1,978
Imprest Cash	232
Deposits with State Treasurer	543,904
<b>TOTAL CASH AND INVESTMENTS</b>	<b>546,114</b>
<b>RECEIVABLES:</b>	
Accounts Receivable	75,572
Due from Federal Government	146,848
Interest Receivable	1,933
Due from Other Funds	122,037
Due from Component Units	197,044
Loans and Notes Receivable	27,180
<b>TOTAL RECEIVABLES</b>	<b>570,614</b>
Inventories, at Cost	14,164
Other Assets	13,575
<b>TOTAL ASSETS</b>	<b>\$ 1,144,467</b>
<b>LIABILITIES AND FUND BALANCE:</b>	
<b>LIABILITIES:</b>	
Warrants Outstanding	\$ 47,011
Accounts Payable	133,925
Payroll and Taxes Withheld	49,251
Due to Federal Government	45,950
Due to Other Funds	2,416,752
Due to Component Units	2,353
Deferred Revenues	49,294
Other Liabilities	3,059
<b>TOTAL LIABILITIES</b>	<b>2,747,595</b>
<b>FUND BALANCE:</b>	
Reserved:	
Reserved for Encumbrances	167,643
Reserved for Nonliquid Assets	205,184
Reserved for Other	15,693
<b>TOTAL RESERVED</b>	<b>388,520</b>
Unreserved, Designated:	
Designated for Continuing Appropriations	159,560
Designated for Other	141,858
<b>TOTAL UNRESERVED, DESIGNATED</b>	<b>301,418</b>
Unreserved, Undesignated (See Note 1.M.)	(2,293,066)
<b>TOTAL FUND BALANCE</b>	<b>(1,603,128)</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 1,144,467</b>



STATE OF ALASKA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GENERAL FUND  
For the Fiscal Year Ended June 30, 1998  
(Stated in Thousands)

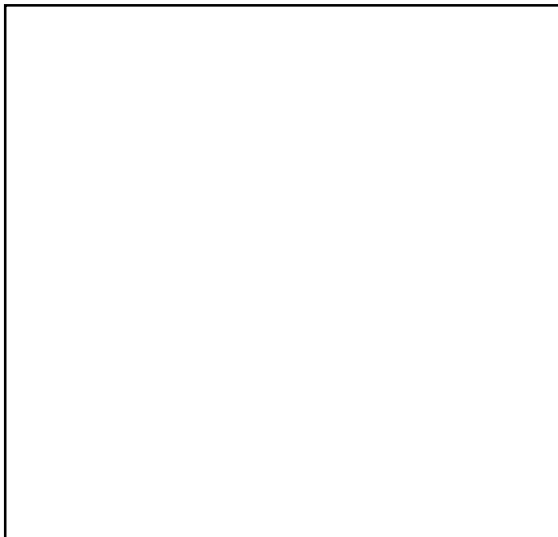
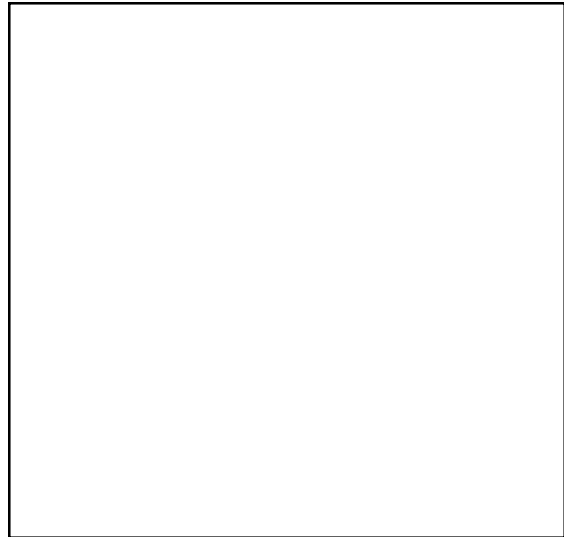
STATEMENT 2.02

	Totals Year Ended
	June 30, 1998
<b>REVENUES:</b>	
Taxes	\$ 1,032,737
Licenses and Permits	71,419
Charges for Services	82,938
Fines and Forfeitures	37,646
Rents and Royalties	
General Fund	508,908
Alaska Permanent Fund	229,883
Interest and Investment Income	60,025
Federal	957,272
Other	37,296
<b>TOTAL REVENUES</b>	<b>3,018,124</b>
<b>EXPENDITURES:</b>	
Current Operating	
General Government	198,137
Education	825,186
Health and Social Services	1,031,206
Law, Justice, and Public Protection	419,762
Natural Resources	130,616
Development	35,641
Transportation	152,607
Capital Outlay	410,926
Intergovernmental	91,700
<b>TOTAL EXPENDITURES</b>	<b>3,295,781</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(277,657)</b>
<b>OTHER FINANCING SOURCES (USES):</b>	
Operating Transfers (Out to) Other Funds	(10,717)
Operating Transfers (Out to) Component Units	(171,416)
Operating Transfers In from Other Funds	7,722
Operating Transfers In from Component Units	16,720
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(157,691)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(435,348)</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>(1,024,192)</b>
Residual Equity Fund Transfers (to) Other Funds	(237,886)
Residual Equity Fund Transfers from Other Funds	4,799
Residual Equity Fund Transfers from Component Units	88,544
Prior Period Adjustment	955
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ (1,603,128)</b>



Thirty mile river.  
E.A. Hegg, photographer (no. 2182),  
Alaska State Library,  
James Wickersham State Historic Site Collection,  
PCA 277-1-23

Barnette's store, Fairbanks April 1903.  
Alaska State Library,  
James Wickersham State Historic Site Collection,  
PCA 277-11-3



Panning for gold.  
Alaska State Library,  
Lorain Roberts Zacharias Collection,  
PCA 178-227

# Enterprise Funds

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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 enterprise funds.

## Commercial Assistance Enterprise Funds

- Alaska World War II Veteran's Revolving Fund - AS 26.15.090 - Administered by Department of Commerce and Economic Development (DOCED). The fund was created for the purpose of making home, education, or personal loans to eligible veterans. However, no loans are currently being made from the fund.
- Small Business Revolving Loan Fund - AS 45.95.060 - Administered by DOCED. AS 45.95 authorizes the Commissioner of DOCED to make small business loans. Loans may be used to acquire, finance, or refinance or equip businesses, which includes mining, fishing, and farming equipment.
- Commercial Fishing Revolving Loan Fund - AS 16.10.340 - Administered by DOCED. The purpose of the fund is to promote the development and continued maintenance of commercial fishing gear and vessels by means of long-term, low interest loans.
- Child Care Facility Revolving Loan Fund - AS 44.33.240 - Administered by DOCED. The purpose of this fund is to make loans for the construction, renovation, and equipping of child care facilities in order to enable such facilities to comply with the requirements for certification by the Department of Education or for licensing by the Department of Health and Social Services.
- Historical District Revolving Loan Fund - AS 45.98.010 - Administered by DOCED. The purpose of this fund is to make loans for the restoration or rehabilitation of structures within the boundaries of an historical district. These structures are identified as important to State or national history and are suitable for superficial modification to conform to the period or motif of the surrounding area.
- Fisheries Enhancement Revolving Loan Fund - AS 16.10.505 - Administered by DOCED. The purpose of this fund is to promote the enhancement of the State's fisheries by means of long-term, low interest loans for salmon hatchery planning, construction, and operation.
- Mining Loan Fund - AS 27.09.010 - Administered by DOCED. This fund consists of money appropriated by the legislature for loans to underwrite advanced mineral exploration, development, or mining.

## Energy Assistance Enterprise Funds

- Alternative Energy Revolving Loan Fund - AS 45.88.010 - Administered by DOCED. This fund consists of monies appropriated by the legislature for the purpose of developing energy production from sources other than fossil or nuclear fuel.
- Residential Energy Conservation Fund - AS 45.89.010 - Administered by DOCED. This fund consists of money appropriated by the legislature for refunds, grants, and loans to purchase, construct, or install energy conservation improvements.
- Power Project Fund - AS 42.45.010 - Administered by Department of Community and Regional Affairs (DOCRA). This fund consists of money appropriated by the legislature that may be used for planning, design, and construction of new power project facilities, expansion of existing small scale power production facilities, and expansion of potable water supplies. Power project facilities include energy production, storage, conservation, transmission, and distribution.
- Rural Electrification Revolving Loan Fund - AS 42.45.020 - Administered by DOCRA. This fund consists of appropriations made to the fund and repayments of principal and interest on loans. Subject to AS 42.45.060, the department may make loans to electric utilities for extending new electric service under a certificate of public convenience and necessity issued by the Alaska Public Utilities Commission.
- Bulk Fuel Revolving Loan Fund - AS 42.45.250 - Administered by DOCRA. The fund is established to assist communities in purchasing bulk fuel.

## Other Agencies Enterprise Funds

- Alcoholism and Drug Abuse Revolving Loan Fund - AS 44.29.210 - Administered by Department of Health and Social Services. This fund is required under 42 U.S.C. 300x-4a 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 – 2. 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 groups.
- Rural Development Initiative Fund - AS 44.47.810 - Administered by Department of Community and Regional Affairs. The purpose of the fund is to provide loans of up to \$100,000 to communities with a population of 5,000 or less. The loans may be used for working capital, equipment, construction, or other commercial purposes.
- International Airports Fund - AS 37.15.410-550 - 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 airports.
- Agricultural Revolving Loan Fund - AS 03.10.040 - Administered by the Department of Natural Resources. The Alaska Agricultural Loan Act is a declaration of policy to promote the development of agriculture as an industry throughout the State by means of long-term low interest loans. The Agricultural Revolving Loan Fund was created to fulfill this purpose.
- Alaska Clean Water Fund - AS 46.03.032 - Administered by Department of Environmental Conservation. This fund consists of money appropriated by the legislature to meet federal matching requirements for public water and sewage treatment facilities.
- Alaska Drinking Water Fund - AS 46.03.036 - Administered by Department of Environmental Conservation. The fund consists of federal capitalization grant. The capitalization grant is divided between two purposes: part of each capitalization grant is to be deposited into the DWF for providing loans for drinking water infrastructure projects; the other part is to be used for set-side or nonproject activities. Set aside funds must be maintained in a separate account from the project fund.

STATE OF ALASKA  
 COMBINING BALANCE SHEET  
 ALL ENTERPRISE FUNDS BY FUND GROUP  
 June 30, 1998  
 (Stated in Thousands)

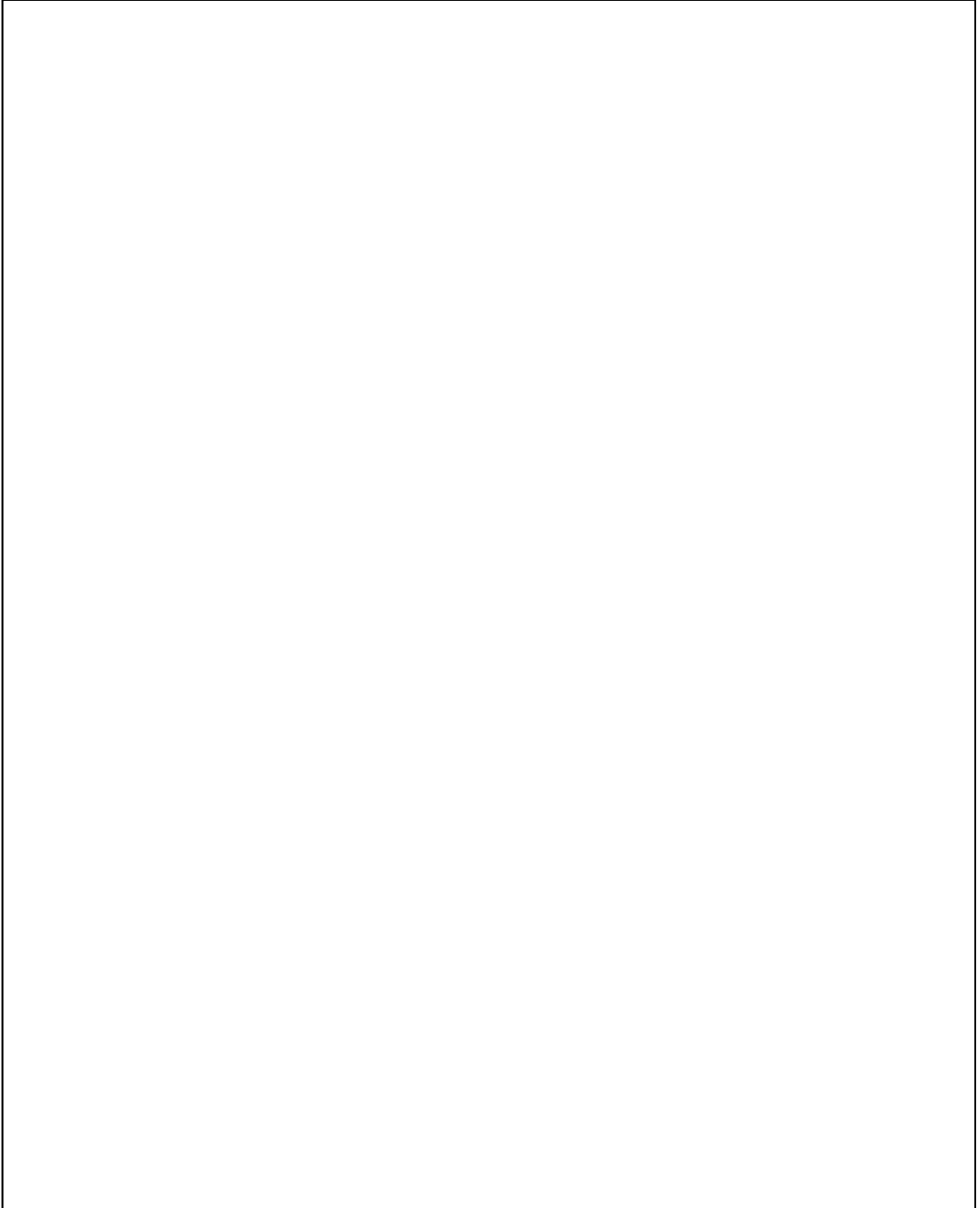
STATEMENT 6.01

	Commercial Assistance	Energy Assistance	Other Agencies	Totals June 30, 1998
<b>ASSETS:</b>				
Cash and Investments	\$ 12,922	\$ 74,997	\$ 139,142	\$ 227,061
Accounts Receivable - Net	256		7,007	7,263
Federal Grants Receivable			3,140	3,140
Interest Receivable	24,658	467	2,482	27,607
Due from Other Funds		20	37	57
Loans Receivable - Net	156,713	23,553	46,984	227,250
Notes Receivable			371	371
Judgements	201	3	12	216
Repossessed Property	562		1,141	1,703
Land			25,129	25,129
Fixed Assets (Net of Accumulated Depreciation)			265,364	265,364
Construction in Progress			27,912	27,912
Investments in Partnership or Corporations			6,407	6,407
<b>TOTAL ASSETS</b>	<b>\$ 195,312</b>	<b>\$ 99,040</b>	<b>\$ 525,128</b>	<b>\$ 819,480</b>
<b>LIABILITIES AND FUND EQUITY:</b>				
<b>LIABILITIES:</b>				
Warrants Outstanding	\$ 373	\$ 100	\$ 221	\$ 694
Accounts Payable	31		926	957
Due to Other Funds	1,475	3,993	9,440	14,908
Interest Payable			453	453
Deferred Revenues			3,381	3,381
Revenue Bonds Payable			33,397	33,397
Capital Lease Obligations			211	211
Undistributed Receipts	621	1		622
Other Liabilities			81	81
<b>TOTAL LIABILITIES</b>	<b>2,500</b>	<b>4,094</b>	<b>48,110</b>	<b>54,704</b>
<b>FUND EQUITY:</b>				
Contributed Capital	113,257	83,912	230,639	427,808
Retained Earnings:				
Reserved	1,625	300	748	2,673
Unreserved	77,930	10,734	245,631	334,295
<b>TOTAL RETAINED EARNINGS</b>	<b>79,555</b>	<b>11,034</b>	<b>246,379</b>	<b>336,968</b>
<b>TOTAL FUND EQUITY</b>	<b>192,812</b>	<b>94,946</b>	<b>477,018</b>	<b>764,776</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 195,312</b>	<b>\$ 99,040</b>	<b>\$ 525,128</b>	<b>\$ 819,480</b>

STATE OF ALASKA  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS**  
**ALL ENTERPRISE FUNDS BY FUND GROUP**  
For the Fiscal Year Ended June 30, 1998  
(Stated in Thousands)

STATEMENT 6.02

	Commercial Assistance	Energy Assistance	Other Agencies	Totals Year Ended June 30, 1998
<b>OPERATING REVENUES:</b>				
Charges for Services	\$ 305	\$ 11	\$ 53,923	\$ 54,239
Fines and Forfeitures	73	2		75
Interest Income	12,406	1,013	1,966	15,385
Other	43	4	728	775
<b>TOTAL OPERATING REVENUES</b>	<b>12,827</b>	<b>1,030</b>	<b>56,617</b>	<b>70,474</b>
<b>OPERATING EXPENSES:</b>				
Operating	3,155	822	40,517	44,494
Provision for Loan Losses and Forgiveness	783	(155)	(477)	151
Write-Down and Net (Income) Expense of Real Estate Owned	6	39		45
Depreciation			17,125	17,125
<b>TOTAL OPERATING EXPENSES</b>	<b>3,944</b>	<b>706</b>	<b>57,165</b>	<b>61,815</b>
<b>OPERATING INCOME (LOSS)</b>	<b>8,883</b>	<b>324</b>	<b>(548)</b>	<b>8,659</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Revenues			7,564	7,564
Expenses			(2,648)	(2,648)
Gain (Loss) on Disposal of Fixed Assets			265	265
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>0</b>	<b>0</b>	<b>5,181</b>	<b>5,181</b>
<b>INCOME (LOSS) BEFORE OPERATING TRANSFERS</b>	<b>8,883</b>	<b>324</b>	<b>4,633</b>	<b>13,840</b>
<b>OPERATING TRANSFERS:</b>				
Operating Transfers (Out to) Other Funds	(439)	(47)	(951)	(1,437)
Operating Transfers In From Other Funds		1,036	1,303	2,339
<b>NET INCOME (LOSS)</b>	<b>8,444</b>	<b>1,313</b>	<b>4,985</b>	<b>14,742</b>
Depreciation on Fixed Assets Acquired by Grants or Contribution			5,460	5,460
<b>INCREASE (DECREASE) IN RETAINED EARNINGS</b>	<b>8,444</b>	<b>1,313</b>	<b>10,445</b>	<b>20,202</b>
<b>RETAINED EARNINGS, BEGINNING OF YEAR</b>	<b>71,111</b>	<b>9,721</b>	<b>235,934</b>	<b>316,766</b>
<b>RETAINED EARNINGS, END OF YEAR</b>	<b>\$ 79,555</b>	<b>\$ 11,034</b>	<b>\$ 246,379</b>	<b>\$ 336,968</b>



Mining with long toms on Nome Beach, 1908. Alaska State Library  
James Wickersham State Historic Site Collection, PCA 277-9-26

STATE OF ALASKA  
**COMBINING STATEMENT OF CASH FLOWS**  
**ALL ENTERPRISE FUNDS BY FUND GROUP**  
For the Fiscal Year Ended June 30, 1998  
(Stated in Thousands)

STATEMENT 6.03

	Commercial Assistance	Energy Assistance	Other Agencies	Totals Year Ended June 30, 1998
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Operating Income (Loss)	\$ 8,883	\$ 324	\$ (548)	\$ 8,659
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation and Amortization			17,125	17,125
Provision for Loan Losses and Forgiveness	783	(155)	(472)	156
Principal Collections on Loans and Notes	11,209	3,220	5,227	19,656
Loans Originated	(15,241)	(4,572)	(10,441)	(30,254)
Write-Down and Net (Gain) Loss of Owned Property	6	39		45
Nonoperating Activity			(237)	(237)
(Increase) Decrease in Assets:				
Accounts Receivable - Net	(6)		1,072	1,066
Interest Receivable	(5,872)	12	(222)	(6,082)
Due from Other Funds	88	(15)	39	112
Notes Receivable			46	46
Judgements		5	8	13
Reposessed Property	4		337	341
Increase (Decrease) in Liabilities:				
Warrants Outstanding	2	12	162	176
Accounts Payable	(77)	(5)	(266)	(348)
Due to Other Funds	39	23	1,527	1,589
Deferred Revenues			249	249
Undistributed Receipts	322	(5)		317
Other Liabilities			(64)	(64)
<b>NET CASH PROVIDED BY (USED FOR)</b>				
OPERATING ACTIVITIES	140	(1,117)	13,542	12,565
<b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Advances and Contributions			6,304	6,304
Residual Equity Fund Transfers (to) Other Funds	(552)	(705)		(1,257)
Residual Equity Fund Transfers from Other Funds			6,679	6,679
Operating Transfers (Out to) Other Funds	(1,051)	(1)	(951)	(2,003)
Operating Transfers In From Other Funds		1,036	1,303	2,339
<b>NET CASH PROVIDED BY (USED FOR)</b>				
NONCAPITAL FINANCING ACTIVITIES	(1,603)	330	13,335	12,062

This statement continued on next page.



STATE OF ALASKA  
**COMBINING STATEMENT OF CASH FLOWS (CONTINUED)**  
**ALL ENTERPRISE FUNDS BY FUND GROUP**  
For the Fiscal Year Ended June 30, 1998  
(Stated in Thousands)

STATEMENT 6.03

	Commercial Assistance	Energy Assistance	Other Agencies	Totals Year Ended June 30, 1998
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Capital Contributions and Advances	\$	\$	\$ 10,472	\$ 10,472
Payments on Long-Term Debt			(3,785)	(3,785)
Interest and Fees Paid on Borrowings			(1,897)	(1,897)
Acquisition and Construction of Fixed Assets and Deferred Costs			(21,193)	(21,193)
Proceeds from Sale of Fixed Assets			1,328	1,328
Payments on Capital Lease Obligations			(52)	(52)
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	0	0	(15,127)	(15,127)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Proceeds from Sales/Maturities of Investments			184,048	184,048
Purchase of Investments			(196,635)	(196,635)
Income Received on Investments			7,612	7,612
Change in Restricted Cash and Investments			(295)	(295)
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	0	0	(5,270)	(5,270)
NET INCREASE (DECREASE) IN CASH	(1,463)	(787)	6,480	4,230
CASH, BEGINNING OF YEAR	14,385	75,784	37,493	127,662
CASH, END OF YEAR	\$ 12,922	\$ 74,997	\$ 43,973	\$ 131,892
<b>RECONCILIATION OF CASH TO THE BALANCE SHEET:</b>				
Total Cash and Investments per the Balance Sheet	\$ 12,922	\$ 74,997	\$ 139,142	\$ 227,061
Less: Investments not meeting the definition of cash or cash equivalents			(89,894)	(89,894)
Restricted Cash and Investments			(5,275)	(5,275)
CASH, END OF YEAR	\$ 12,922	\$ 74,997	\$ 43,973	\$ 131,892
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</b>				
Residual Equity Fund Transfer (to) Other Funds	\$ (1,007)	\$ (3,792)	\$	\$ (4,799)
Operating Transfers (Out to) Other Funds	(439)	(47)		(486)
Net Income (Loss) on Investment			(299)	(299)

STATE OF ALASKA  
 COMBINING BALANCE SHEET  
 COMMERCIAL ASSISTANCE ENTERPRISE FUNDS  
 June 30, 1998  
 (Stated in Thousands)

STATEMENT 6.04

	World War II Veterans' Revolving Loan	Small Business Revolving Loan	Commerical Fishing Revolving Loan	Child Care Facilities Loan
<b>ASSETS:</b>				
Cash and Investments	\$ 415	\$ 611	\$ 8,834	\$ 215
Accounts Receivable - Net	256			
Interest Receivable		1	4,777	1
Deferred Interest Receivable			4,355	
Loans Receivable - Net	212	347	80,730	171
Judgements			201	
Repossessed Property			488	
<b>TOTAL ASSETS</b>	<b>\$ 883</b>	<b>\$ 959</b>	<b>\$ 99,385</b>	<b>\$ 387</b>
<b>LIABILITIES AND FUND EQUITY:</b>				
<b>LIABILITIES:</b>				
Warrants Outstanding	\$ 39	\$	\$ 294	\$
Accounts Payable	31			
Due to Other Funds	35	345	10	115
Undistributed Receipts	85		155	
<b>TOTAL LIABILITIES</b>	<b>190</b>	<b>345</b>	<b>459</b>	<b>115</b>
<b>FUND EQUITY:</b>				
Contributed Capital, Unrestricted			23,196	124
Retained Earnings:				
Reserved	225	250	500	100
Unreserved, Undesignated	468	364	75,230	48
<b>TOTAL RETAINED EARNINGS</b>	<b>693</b>	<b>614</b>	<b>75,730</b>	<b>148</b>
<b>TOTAL FUND EQUITY</b>	<b>693</b>	<b>614</b>	<b>98,926</b>	<b>272</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 883</b>	<b>\$ 959</b>	<b>\$ 99,385</b>	<b>\$ 387</b>

STATEMENT 6.04

Historical Districts Revolving Loan	Fisheries Enhancement Revolving Loan	Mining Revolving Loan	Totals June 30, 1998
\$ 162	\$ 1,543	\$ 1,142	\$ 12,922
2	2,755	325	256
	12,442		7,861
486	74,587	180	16,797
			156,713
		74	201
			562
<u>\$ 650</u>	<u>\$ 91,327</u>	<u>\$ 1,721</u>	<u>\$ 195,312</u>
\$	\$ 40	\$	\$ 373
61	17	892	31
<u>1</u>	<u>380</u>		<u>1,475</u>
			621
<u>62</u>	<u>437</u>	<u>892</u>	<u>2,500</u>
	83,310	6,627	113,257
100	200	250	1,625
<u>488</u>	<u>7,380</u>	<u>(6,048)</u>	<u>77,930</u>
<u>588</u>	<u>7,580</u>	<u>(5,798)</u>	<u>79,555</u>
<u>588</u>	<u>90,890</u>	<u>829</u>	<u>192,812</u>
<u>\$ 650</u>	<u>\$ 91,327</u>	<u>\$ 1,721</u>	<u>\$ 195,312</u>

STATE OF ALASKA  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS**  
**COMMERCIAL ASSISTANCE ENTERPRISE FUNDS**  
For the Fiscal Year Ended June 30, 1998  
(Stated in Thousands)

STATEMENT 6.05

	World War II Veterans' Revolving Loan	Small Business Revolving Loan	Commerical Fishing Revolving Loan	Child Care Facilities Loan
<b>OPERATING REVENUES:</b>				
Charges for Services	\$ 68	\$	\$ 199	\$
Fines and Forfeitures	12		57	
Interest Income	25	38	7,181	19
Other	<u>          </u>	<u>1</u>	<u>42</u>	<u>          </u>
TOTAL OPERATING REVENUES	<u>105</u>	<u>39</u>	<u>7,479</u>	<u>19</u>
<b>OPERATING EXPENSES:</b>				
Operating	236	2	2,542	5
Provision for Loan Losses and Forgiveness	(9)	(7)	129	(3)
Write-down and Net (Income) Expense of Real Estate Owned	<u>          </u>	<u>          </u>	<u>4</u>	<u>          </u>
TOTAL OPERATING EXPENSES	<u>227</u>	<u>(5)</u>	<u>2,675</u>	<u>2</u>
OPERATING INCOME (LOSS) BEFORE OPERATING TRANSFERS	(122)	44	4,804	17
<b>OPERATING TRANSFERS:</b>				
Operating Transfers (Out to) Other Funds	<u>(18)</u>	<u>(360)</u>	<u>          </u>	<u>          </u>
NET INCOME (LOSS)	(140)	(316)	4,804	17
RETAINED EARNINGS, BEGINNING OF YEAR	<u>833</u>	<u>930</u>	<u>70,926</u>	<u>131</u>
RETAINED EARNINGS, END OF YEAR	<u>\$ 693</u>	<u>\$ 614</u>	<u>\$ 75,730</u>	<u>\$ 148</u>

STATEMENT 6.05

Historical Districts Revolving Loan	Fisheries Enhancement Revolving Loan	Mining Revolving Loan	Totals Year Ended June 30, 1998
\$	\$ 38	\$	\$ 305
	4		73
38	4,895	210	12,406
			43
38	4,937	210	12,827
3	360	7	3,155
	1,075	(402)	783
	2		6
3	1,437	(395)	3,944
35	3,500	605	8,883
(61)			(439)
(26)	3,500	605	8,444
614	4,080	(6,403)	71,111
\$ 588	\$ 7,580	\$ (5,798)	\$ 79,555

STATE OF ALASKA  
 COMBINING STATEMENT OF CASH FLOWS  
 COMMERCIAL ASSISTANCE ENTERPRISE FUNDS  
 For the Fiscal Year Ended June 30, 1998  
 (Stated in Thousands)

STATEMENT 6.06

	World War II Veterans' Revolving Loan	Small Business Revolving Loan	Commerical Fishing Revolving Loan	Child Care Facilities Loan
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Operating Income (Loss)	\$ (122)	\$ 44	\$ 4,804	\$ 17
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Provision for Loan Losses and Forgiveness	(9)	(7)	129	(3)
Principal Collections on Loans	89	80	7,816	51
Loans Originated			(12,076)	
Write-Down and Net (Gain) Loss of Owned Property			4	
(Increase) Decrease in Assets:				
Accounts Receivable - Net	24	7	(17)	
Interest Receivable		2	(442)	1
Deferred Interest Receivable			(2,025)	(1)
Due from Other Funds			87	
Repossessed Property				
Increase (Decrease) in Liabilities:				
Warrants Outstanding	(28)		(10)	
Accounts Payable	(76)			
Due to Other Funds	27	(15)	10	
Undistributed Receipts	53	(1)	(2)	
<b>NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>	<b>(42)</b>	<b>110</b>	<b>(1,722)</b>	<b>65</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Residual Equity Fund Transfers (to) Other Funds			(125)	(90)
Operating Transfers (Out to) Other Funds	(857)	(75)		
<b>NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES</b>	<b>(857)</b>	<b>(75)</b>	<b>(125)</b>	<b>(90)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(899)</b>	<b>35</b>	<b>(1,847)</b>	<b>(25)</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>1,314</b>	<b>576</b>	<b>10,681</b>	<b>240</b>
<b>CASH, END OF YEAR</b>	<b>\$ 415</b>	<b>\$ 611</b>	<b>\$ 8,834</b>	<b>\$ 215</b>
<b>RECONCILIATION OF CASH TO THE BALANCE SHEET:</b>				
Total Cash and Investments per the Balance Sheet	\$ 415	\$ 611	\$ 8,834	\$ 215
Less: Investments not meeting the definition of cash and cash equivalents				
<b>CASH, END OF YEAR</b>	<b>\$ 415</b>	<b>\$ 611</b>	<b>\$ 8,834</b>	<b>\$ 215</b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</b>				
Residual Equity Fund Transfers (to) Other Funds	\$	\$	\$	\$ (115)
Operating Transfers (Out to) Other Funds	(18)	(360)		

STATEMENT 6.06

Historical Districts Revolving Loan	Fisheries Enhancement Revolving Loan	Mining Revolving Loan	Totals Year Ended June 30, 1998
\$ 35	\$ 3,500	\$ 605	\$ 8,883
	1,075	(402)	783
25	2,627	521	11,209
	(3,165)		(15,241)
	2		6
	(19)	(1)	(6)
	207	(91)	(323)
	(3,529)	6	(5,549)
	1		88
		4	4
	40		2
	(1)		(77)
	17		39
1	380	(109)	322
61	1,135	533	140
(207)		(130)	(552)
(119)			(1,051)
(326)	0	(130)	(1,603)
(265)	1,135	403	(1,463)
427	408	739	14,385
\$ 162	\$ 1,543	\$ 1,142	\$ 12,922
\$ 162	\$ 1,543	\$ 1,142	\$ 12,922
			0
\$ 162	\$ 1,543	\$ 1,142	\$ 12,922
\$ (61)		\$ (892)	\$ (1,007)
			(439)

STATE OF ALASKA  
 COMBINING BALANCE SHEET  
 ENERGY ASSISTANCE ENTERPRISE FUNDS  
 June 30, 1998  
 (Stated in Thousands)

STATEMENT 6.07

	Alternative Technology and Power Resources Revolving Loan	Residential Energy Conservation
<b>ASSETS:</b>		
Cash and Investments	\$ 704	\$ 47
Interest Receivable	2	
Due from Other Funds		
Loans Receivable - Net	807	44
Judgements	<u>3</u>	
<b>TOTAL ASSETS</b>	<u>\$ 1,516</u>	<u>\$ 91</u>
<b>LIABILITIES AND FUND EQUITY:</b>		
<b>LIABILITIES:</b>		
Warrants Outstanding	\$	\$
Due to Other Funds	403	47
Undistributed Receipts	<u>1</u>	
<b>TOTAL LIABILITIES</b>	<u>404</u>	<u>47</u>
<b>FUND EQUITY:</b>		
Contributed Capital	<u>44</u>	
Retained Earnings:		
Reserved	300	
Unreserved	<u>768</u>	44
<b>TOTAL RETAINED EARNINGS</b>	<u>1,068</u>	<u>44</u>
<b>TOTAL FUND EQUITY</b>	<u>1,112</u>	<u>44</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 1,516</u>	<u>\$ 91</u>



STATEMENT 6.07

Power Project	Rural Electrification Revolving Loan	Bulk Fuel Revolving Loan	Totals  June 30, 1998
\$ 72,506	\$ 394	\$ 1,346	\$ 74,997
428	33	4	467
		20	20
18,455	3,315	932	23,553
			3
<u>\$ 91,389</u>	<u>\$ 3,742</u>	<u>\$ 2,302</u>	<u>\$ 99,040</u>
\$ 3,149	\$ 394	\$ 100	\$ 3,993
			1
3,149	394	100	4,094
78,790	2,891	2,187	83,912
			300
9,450	457	15	10,734
9,450	457	15	11,034
88,240	3,348	2,202	94,946
<u>\$ 91,389</u>	<u>\$ 3,742</u>	<u>\$ 2,302</u>	<u>\$ 99,040</u>

STATE OF ALASKA  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS  
 ENERGY ASSISTANCE ENTERPRISE FUNDS  
 For the Fiscal Year Ended June 30, 1998  
 (Stated in Thousands)

STATEMENT 6.08

	Alternative Technology and Power Resources Revolving Loan	Residential Energy Conservation
<b>OPERATING REVENUES:</b>		
Charges for Services	\$	\$
Fines and Forfeitures	2	
Interest Income	92	5
Other	3	1
TOTAL OPERATING REVENUES	97	6
<b>OPERATING EXPENSES:</b>		
Operating	150	
Provision for Loan Losses and Forgiveness	(128)	(27)
Write-Down and Net (Income) Expense of Real Estate Owned	38	1
TOTAL OPERATING EXPENSES	60	(26)
OPERATING INCOME (LOSS) BEFORE OPERATING TRANSFERS	37	32
<b>OPERATING TRANSFERS:</b>		
Operating Transfers (Out to) Other Funds		(47)
Operating Transfers In From Other Funds		
NET INCOME (LOSS)	37	(15)
RETAINED EARNINGS, BEGINNING OF YEAR	1,031	59
RETAINED EARNINGS, END OF YEAR	\$ 1,068	\$ 44

STATEMENT 6.08

Power Project	Rural Electrification Revolving Loan	Bulk Fuel Revolving Loan	Totals Year Ended June 30, 1998
\$	\$	\$	\$
804	71	11	11
		41	2
			1,013
			4
804	71	52	1,030
625		47	822
			(155)
			39
625	0	47	706
179	71	5	324
			(47)
1,036			1,036
1,215	71	5	1,313
8,235	386	10	9,721
\$ 9,450	\$ 457	\$ 15	\$ 11,034

STATE OF ALASKA  
**COMBINING STATEMENT OF CASH FLOWS**  
**ENERGY ASSISTANCE ENTERPRISE FUNDS**  
For the Fiscal Year Ended June 30, 1998  
(Stated in Thousands)

STATEMENT 6.09

	Alternative Technology and Power Resources Revolving Loan	Residential Energy Conservation
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Operating Income (Loss)	\$ 37	\$ 32
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Provision for Loan Losses and Forgiveness	(128)	(27)
Principal Collections on Loans	439	15
Loans Originated		
Write-Down and Net (Gain) Loss of Owned Property	38	1
(Increase) Decrease in Assets:		
Interest Receivable		
Deferred Interest Receivable	(1)	
Due from Other Funds		
Judgements	4	1
Increase (Decrease) in Liabilities:		
Warrants Outstanding		
Accounts Payable		
Due to Other Funds	14	
Undistributed Receipts	(5)	
<b>NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>	<b>398</b>	<b>22</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Residual Equity Fund Transfers (to) Other Funds	(330)	
Operating Transfers (Out to) Other Funds		(1)
Operating Transfers In From Other Funds		
<b>NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES</b>	<b>(330)</b>	<b>(1)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>68</b>	<b>21</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>636</b>	<b>26</b>
<b>CASH, END OF YEAR</b>	<b>\$ 704</b>	<b>\$ 47</b>
<b>RECONCILIATION OF CASH TO THE BALANCE SHEET:</b>		
Total Cash and Investments per the Balance Sheet	\$ 704	\$ 47
Less: Investments not meeting the definition of cash or cash equivalents		
<b>CASH, END OF YEAR</b>	<b>\$ 704</b>	<b>\$ 47</b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</b>		
Residual Equity Fund Transfers (to) Other Funds	\$ (398)	\$
Operating Transfers (Out to) Other Funds		(47)

STATEMENT 6.09

Power Project	Rural Electrification Revolving Loan	Bulk Fuel Revolving Loan	Totals Year Ended June 30, 1998
\$ 179	\$ 71	\$ 5	\$ 324
			(155)
601	317	1,848	3,220
(2,728)		(1,844)	(4,572)
			39
2	5	6	13
			(1)
		(15)	(15)
			5
		12	12
(5)			(5)
9			23
			(5)
(1,942)	393	12	(1,117)
			(705)
			(1)
1,036			1,036
1,036	(375)	0	330
(906)	18	12	(787)
73,412	376	1,334	75,784
\$ 72,506	\$ 394	\$ 1,346	\$ 74,997
\$ 72,506	\$ 394	\$ 1,346	\$ 74,997
			0
\$ 72,506	\$ 394	\$ 1,346	\$ 74,997
\$ (3,000)	\$ (394)	\$	\$ (3,792)
			(47)

STATE OF ALASKA  
 COMBINING BALANCE SHEET  
 OTHER AGENCIES ENTERPRISE FUNDS  
 June 30, 1998  
 (Stated in Thousands)

STATEMENT 6.10

	Department of Health and Social Services	Department of Community and Regional Affairs	Department of Transportation and Public Facilities
	Alcoholism and Drug Abuse	Rural Development	International Airports
<b>ASSETS:</b>			
Cash and Investments	\$ 149	\$ 879	\$ 97,224
Accounts Receivable - Net			5,798
Federal Grants Receivable			3,128
Interest Receivable		1	1,335
Due from Other Funds			
Loans Receivable - Net		123	
Notes Receivable			
Judgements			
Repossessed Property			
Land			25,129
Fixed Assets (Net of Accumulated Depreciation)			261,460
Construction in Progress			27,912
Investment in Corporations			
<b>TOTAL ASSETS</b>	<b>\$ 149</b>	<b>\$ 1,003</b>	<b>\$ 421,986</b>
<b>LIABILITIES AND FUND EQUITY:</b>			
<b>LIABILITIES:</b>			
Warrants Outstanding	\$	\$	\$
Accounts Payable			799
Due to Other Funds		94	9,205
Interest Payable			453
Deferred Revenues			3,381
Revenue Bonds Payable			33,397
Capital Lease Obligations			211
Other Liabilities			
<b>TOTAL LIABILITIES</b>	<b>0</b>	<b>94</b>	<b>47,446</b>
<b>FUND EQUITY:</b>			
Contributed Capital	100	1,150	110,157
Retained Earnings:			
Reserved			748
Unreserved	49	(241)	263,635
<b>TOTAL RETAINED EARNINGS</b>	<b>49</b>	<b>(241)</b>	<b>264,383</b>
<b>TOTAL FUND EQUITY</b>	<b>149</b>	<b>909</b>	<b>374,540</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 149</b>	<b>\$ 1,003</b>	<b>\$ 421,986</b>

STATEMENT 6.10

Department of Natural Resources	Department of Environmental Conservation		Totals
Agriculture	Alaska Clean Water	Alaska Drinking Water	June 30, 1998
\$ 6,903	\$ 28,581	\$ 5,406	\$ 139,142
854	355		7,007
		12	3,140
183	963		2,482
	37		37
8,855	36,748	1,258	46,984
371			371
12			12
1,141			1,141
			25,129
3,904			265,364
			27,912
6,407			6,407
<u>\$ 28,630</u>	<u>\$ 66,684</u>	<u>\$ 6,676</u>	<u>\$ 525,128</u>
\$ 221	\$	\$	\$ 221
127			926
141			9,440
			453
			3,381
			33,397
			211
81			81
570	0	0	48,110
59,855	54,268	5,109	230,639
			748
(31,795)	12,416	1,567	245,631
(31,795)	12,416	1,567	246,379
28,060	66,684	6,676	477,018
<u>\$ 28,630</u>	<u>\$ 66,684</u>	<u>\$ 6,676</u>	<u>\$ 525,128</u>

STATE OF ALASKA  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS**  
**OTHER AGENCIES ENTERPRISE FUNDS**  
For the Fiscal Year Ended June 30, 1998  
(Stated in Thousands)

STATEMENT 6.11

	Department of Health and Social Services	Department of Community and Regional Affairs	Department of Transportation and Public Facilities
	Alcoholism and Drug Abuse	Rural Development	International Airports
<b>OPERATING REVENUES:</b>			
Charges for Services	\$	\$	\$ 53,869
Interest Income		10	
Other			352
TOTAL OPERATING REVENUES	<u>0</u>	<u>10</u>	<u>54,221</u>
<b>OPERATING EXPENSES:</b>			
Operating	2	94	39,278
Provision for Loan Losses and Forgiveness			
Depreciation			17,113
TOTAL OPERATING EXPENSES	<u>2</u>	<u>94</u>	<u>56,391</u>
OPERATING INCOME (LOSS)	<u>(2)</u>	<u>(84)</u>	<u>(2,170)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Interest Income	9		5,811
Interest Expense			(2,349)
Rents and Royalties			
Income (Loss) from Investment			
Gain (Loss) on Disposal of Fixed Assets			
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>9</u>	<u>0</u>	<u>3,462</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	7	(84)	1,292
<b>OPERATING TRANSFERS:</b>			
Operating Transfers (Out to) Other Funds			
Operating Transfers In from Other Funds			
NET INCOME (LOSS)	7	(84)	1,292
Depreciation on Fixed Assets Acquired by Grants or Contribution			5,460
INCREASE (DECREASE) IN RETAINED EARNINGS	7	(84)	6,752
RETAINED EARNINGS, BEGINNING OF YEAR	<u>42</u>	<u>(157)</u>	<u>257,631</u>
RETAINED EARNINGS, END OF YEAR	<u>\$ 49</u>	<u>\$ (241)</u>	<u>\$ 264,383</u>



## STATEMENT 6.11

Department of Natural Resources	Department of Environmental Conservation		Totals Year Ended
Agriculture	Alaska Clean Water	Alaska Drinking Water	June 30, 1998
\$ 54	\$	\$	\$ 53,923
554	1,402		1,966
(8)		384	728
<u>600</u>	<u>1,402</u>	<u>384</u>	<u>56,617</u>
275	408	460	40,517
(477)			(477)
12			17,125
(190)	408	460	57,165
790	994	(76)	(548)
	1,641	340	7,801
			(2,349)
(237)			(237)
(299)			(299)
265			265
(271)	1,641	340	5,181
519	2,635	264	4,633
(951)			(951)
		1,303	1,303
(432)	2,635	1,567	4,985
			5,460
(432)	2,635	1,567	10,445
(31,363)	9,781		235,934
<u>\$ (31,795)</u>	<u>\$ 12,416</u>	<u>\$ 1,567</u>	<u>\$ 246,379</u>

STATE OF ALASKA  
**COMBINING STATEMENT OF CASH FLOWS**  
**OTHER AGENCIES ENTERPRISE FUNDS**  
For the Fiscal Year Ended June 30, 1998  
(Stated in Thousands)

STATEMENT 6.12

	Department of Health and Social Services	Department of Community and Regional Affairs	Department of Transportation and Public Facilities
	Alcoholism and Drug Abuse	Rural Development	International Airports
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Operating Income (Loss)	\$ (2)	\$ (84)	\$ (2,170)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation and Amortization			17,113
Provision for Loan Losses and Forgiveness			
Principal Collections on Loans and Notes		25	
Loans Originated		(20)	
Nonoperating Activity			
(Increase) Decrease in Assets:			
Accounts Receivable - Net			1,350
Interest Receivable		(1)	
Due from Other Funds			
Notes Receivable			
Judgements			
Reposessed Property			
Increase (Decrease) in Liabilities:			
Warrants Outstanding			
Accounts Payable			(108)
Due to Other Funds	(2)	94	2,181
Deferred Revenues			249
Other Liabilities			
<b>NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>	<b>(4)</b>	<b>14</b>	<b>18,615</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Advances and Contributions			
Residual Equity Fund Transfers from Other Funds			
Operating Transfers (Out to) Other Funds			
Operating Transfers In from Other Funds			
<b>NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Advances and Contributions			10,472
Payments on Long-Term Debt			(3,785)
Interest and Fees Paid on Borrowings			(1,897)
Acquisition and Construction of Fixed Assets			(21,130)
Proceeds from Sales of Fixed Assets			
Payments on Capital Lease Obligations			(52)
<b>NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>0</b>	<b>0</b>	<b>(16,392)</b>

## STATEMENT 6.12

Department of Natural Resources	Department of Environmental Conservation		Totals Year Ended
Agriculture	Alaska Clean Water	Alaska Drinking Water	June 30, 1998
\$ 790	\$ 994	\$ (76)	\$ (548)
12			17,125
(472)			(472)
3,774	1,428		5,227
(3,474)	(5,689)	(1,258)	(10,441)
(237)			(237)
(278)			1,072
	(209)	(12)	(222)
76	(37)		39
46			46
8			8
337			337
162			162
(158)			(266)
(548)	(198)		1,527
			249
(64)			(64)
(26)	(3,711)	(1,346)	13,542
			6,304
	5,256	1,048	6,679
	2,618	4,061	(951)
(951)			(951)
		1,303	1,303
(951)	7,874	6,412	13,335
			10,472
			(3,785)
			(1,897)
(63)			(21,193)
1,328			1,328
			(52)
1,265	0	0	(15,127)

This statement continued on next page.

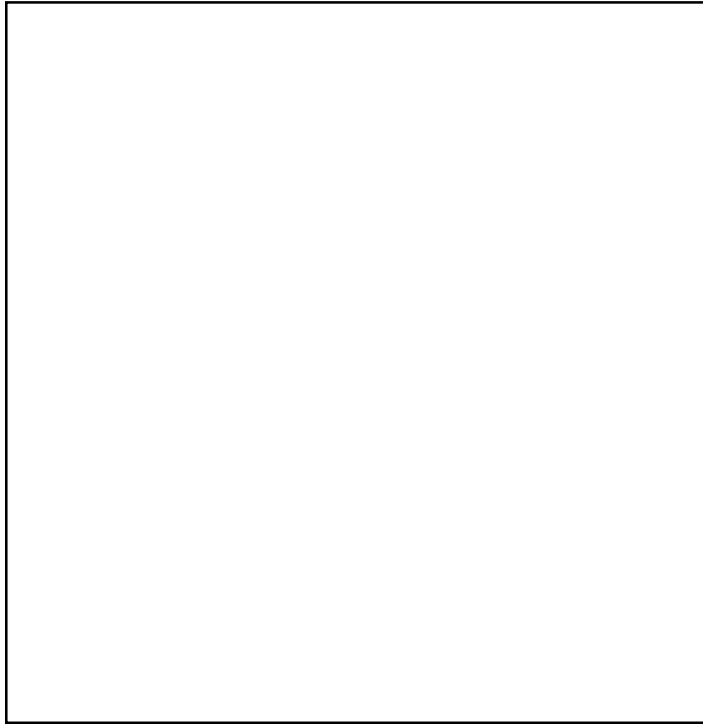
STATE OF ALASKA  
**COMBINING STATEMENT OF CASH FLOWS (CONTINUED)**  
**OTHER AGENCIES ENTERPRISE FUNDS**  
For the Fiscal Year Ended June 30, 1998  
(Stated in Thousands)

STATEMENT 6.12

	Department of Health and Social Services	Department of Community and Regional Affairs	Department of Transportation and Public Facilities
	Alcoholism and Drug Abuse	Rural Development	International Airports
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Proceeds from Sales/Maturities of Investments	\$	\$	\$ 184,048
Purchase of Investments			(196,635)
Income Received on Investments	9		5,622
Change in Restricted Cash and Investments			(295)
NET CASH PROVIDED BY (USED FOR)			
INVESTING ACTIVITIES	9	0	(7,260)
NET INCREASE (DECREASE) IN CASH	5	14	(5,037)
CASH, BEGINNING OF YEAR	144	865	7,092
CASH, END OF YEAR	\$ 149	\$ 879	\$ 2,055
<b>RECONCILIATION OF CASH TO THE BALANCE SHEET:</b>			
Total Cash and Investments per the Balance Sheet	\$ 149	\$ 879	\$ 97,224
Less: Investments not meeting the definition of cash or cash equivalents			(89,894)
Restricted Cash and Investments			(5,275)
CASH, END OF YEAR	\$ 149	\$ 879	\$ 2,055
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</b>			
Net Income (Loss) from Investment in Matanuska Maid	\$	\$	\$

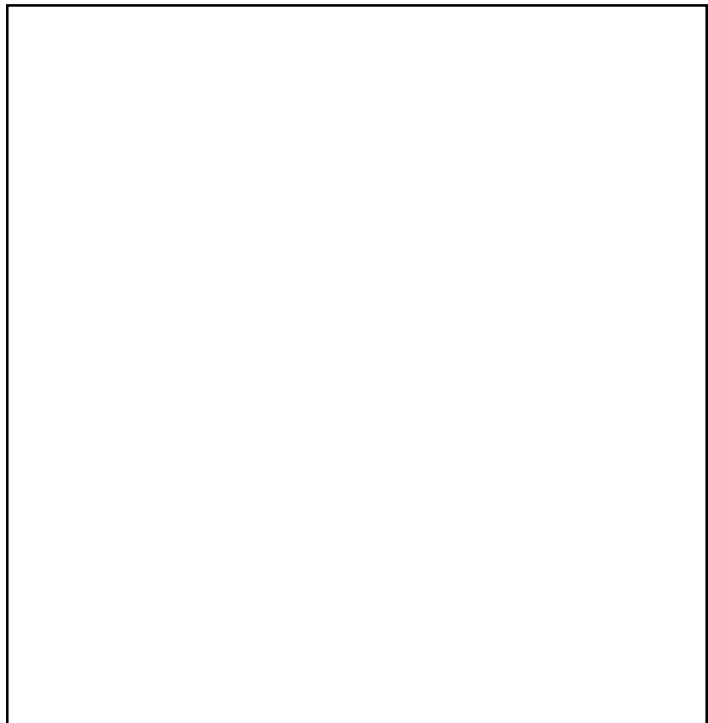
STATEMENT 6.12

Department of Natural Resources	Department of Environmental Conservation		Totals Year Ended
Agriculture	Alaska Clean Water	Alaska Drinking Water	June 30, 1998
\$	\$	\$	\$ 184,048
	1,641	340	(196,635)
			7,612
			(295)
0	1,641	340	(5,270)
288	5,804	5,406	6,480
6,615	22,777	0	37,493
\$ 6,903	\$ 28,581	\$ 5,406	\$ 43,973
\$ 6,903	\$ 28,581	\$ 5,406	\$ 139,142
			(89,894)
			(5,275)
\$ 6,903	\$ 28,581	\$ 5,406	\$ 43,973
\$ (299)	\$	\$	\$ (299)



Hydraulic Mining, Pioneer Mining Co., Nome.  
Alaska State Library,  
Clarence Leroy Andrews Collection,  
PCA 45-252

Alaska's largest nugget found by Pioneer Mining Co.  
on No. 5 Bench off Discovery Anvil,  
wgt. 182 oz., value, \$3,276.  
Nome, September 8, 1903.  
Alaska State Library,  
B.B. Dobbs Collection,  
PCA 12-214



# Internal Service Funds

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Internal service funds account for the operations of State agencies which 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.

Highways Equipment Working Capital Fund - 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.

Correctional Industries Fund - AS 33.32.020 - Administered by the Department of Corrections. The fund accounts for correctional industries program activity (which includes, among others, a commercial laundry service and a furniture manufacturing enterprise). The correctional industries program provides employment for inmates at several of the State's correctional institutions. All expenses of the correctional industries program, except salaries and benefits of State employees, are financed from the correctional industries program and budgeted in accordance with the Executive Budget. Salary and benefits of State employees of the program are financed by other funding sources.

Information Services Fund - AS 44.21.045 - During the 1990 Legislative Session, the Legislature established the Information Services Fund (ISF) in the Department of Administration 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.

Group Health and Life Benefits Fund - AS 39.30.095 - Administered by the Department of Administration. Effective July 1, 1997, the State began a self-insurance program to provide health care coverage for State employees and 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 employees and retirees and to account for transactions pertaining to the self-insurance program.

STATE OF ALASKA  
 COMBINING BALANCE SHEET  
 ALL INTERNAL SERVICE FUNDS  
 June 30, 1998  
 (Stated in Thousands)

STATEMENT 7.01

	Highway Equipment Working Capital	Correctional Industries
<b>ASSETS:</b>		
Cash and Investments	\$ 5,251	\$ 165
Accounts Receivable - Net		
Intergovernmental Receivable	15	246
Due from Other Funds	4,106	473
Inventories	2,942	592
Fixed Assets	133,359	2,586
Less: Accumulated Depreciation	(69,630)	(1,571)
Other Assets	10	
<b>TOTAL ASSETS</b>	<b>\$ 76,053</b>	<b>\$ 2,491</b>
<b>LIABILITIES AND FUND EQUITY:</b>		
<b>LIABILITIES:</b>		
Warrants Outstanding	\$ 127	\$ 93
Accounts Payable	707	201
Interest Payable	33	
Notes Payable	3,881	
Capital Lease Obligations		
Other Liabilities	1,638	138
<b>TOTAL LIABILITIES</b>	<b>6,386</b>	<b>432</b>
<b>FUND EQUITY:</b>		
Contributed Capital	58,957	2,292
Retained Earnings:		
Reserved	6,575	
Unreserved	4,135	(233)
<b>TOTAL RETAINED EARNINGS</b>	<b>10,710</b>	<b>(233)</b>
<b>TOTAL FUND EQUITY</b>	<b>69,667</b>	<b>2,059</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 76,053</b>	<b>\$ 2,491</b>
LEGAL REFERENCE: Alaska Statute	44.68.210	33.32.020



STATEMENT 7.01

Information Services	Group Health and Life Benefits		Totals
	Group Health and Life	Retiree Health	June 30, 1998
\$ 7,309	\$ 12,141	\$ 36,356	\$ 61,222
453		22,000	22,000
1,861			714
243			6,440
44,391			3,777
(30,822)			180,336
785			(102,023)
<u>\$ 24,220</u>	<u>\$ 12,141</u>	<u>\$ 58,356</u>	<u>\$ 173,261</u>
\$ 194	\$ 15,675	\$ 20,742	\$ 414
1,195			38,520
			33
			3,881
4,754			4,754
1,149			2,925
<u>7,292</u>	<u>15,675</u>	<u>20,742</u>	<u>50,527</u>
<u>11,589</u>			<u>72,838</u>
719			7,294
4,620	(3,534)	37,614	42,602
5,339	(3,534)	37,614	49,896
16,928	(3,534)	37,614	122,734
<u>\$ 24,220</u>	<u>\$ 12,141</u>	<u>\$ 58,356</u>	<u>\$ 173,261</u>
44.21.045	39.30.095		

STATE OF ALASKA  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS**  
**ALL INTERNAL SERVICE FUNDS**  
For the Fiscal Year Ended June 30, 1998  
(Stated in Thousands)

STATEMENT 7.02

	Highway Equipment Working Capital	Correctional Industries
<b>OPERATING REVENUES:</b>		
Charges for Goods and Services	\$ 32,019	\$ 2,995
Premiums		
<b>TOTAL OPERATING REVENUES</b>	<b>32,019</b>	<b>2,995</b>
<b>OPERATING EXPENSES:</b>		
Costs of Goods and Services		1,848
Operating	21,753	1,964
Provision for Loan Losses and Forgiveness	1,028	
Depreciation	8,216	81
Benefits		
<b>TOTAL OPERATING EXPENSES</b>	<b>30,997</b>	<b>3,893</b>
<b>OPERATING INCOME (LOSS)</b>	<b>1,022</b>	<b>(898)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Interest Income		
Interest Expense	(219)	
Gain (Loss) on Disposal of Fixed Assets	379	
Other Revenues	32	
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>192</b>	<b>0</b>
<b>INCOME (LOSS) BEFORE OPERATING TRANSFERS</b>	<b>1,214</b>	<b>(898)</b>
<b>OPERATING TRANSFERS:</b>		
Operating Transfers In from Other Funds		1,148
<b>NET INCOME (LOSS)</b>	<b>1,214</b>	<b>250</b>
<b>RETAINED EARNINGS, BEGINNING OF YEAR</b>	<b>9,513</b>	<b>(414)</b>
Prior Period Adjustment	(17)	(69)
<b>RETAINED EARNINGS, END OF YEAR</b>	<b>\$ 10,710</b>	<b>\$ (233)</b>

STATEMENT 7.02

Information Services	Group Health and Life Benefits		Totals
	Group Health and Life	Retiree Health	Year Ended
			June 30, 1998
\$ 22,157	\$ 74,005	\$ 131,653	\$ 57,171
			205,658
<u>22,157</u>	<u>74,005</u>	<u>131,653</u>	<u>262,829</u>
			1,848
17,914	4,604	3,903	50,138
			1,028
2,927			11,224
	<u>74,037</u>	<u>92,189</u>	<u>166,226</u>
<u>20,841</u>	<u>78,641</u>	<u>96,092</u>	<u>230,464</u>
<u>1,316</u>	<u>(4,636)</u>	<u>35,561</u>	<u>32,365</u>
	1,102	2,053	3,155
(407)			(626)
(46)			333
			32
<u>(453)</u>	<u>1,102</u>	<u>2,053</u>	<u>2,894</u>
863	(3,534)	37,614	35,259
			1,148
863	(3,534)	37,614	36,407
4,661			13,760
<u>(185)</u>			<u>(271)</u>
<u>\$ 5,339</u>	<u>\$ (3,534)</u>	<u>\$ 37,614</u>	<u>\$ 49,896</u>

STATE OF ALASKA  
**COMBINING STATEMENT OF CASH FLOWS**  
**ALL INTERNAL SERVICE FUNDS**  
**For the Fiscal Year Ended June 30, 1998**  
**(Stated in Thousands)**

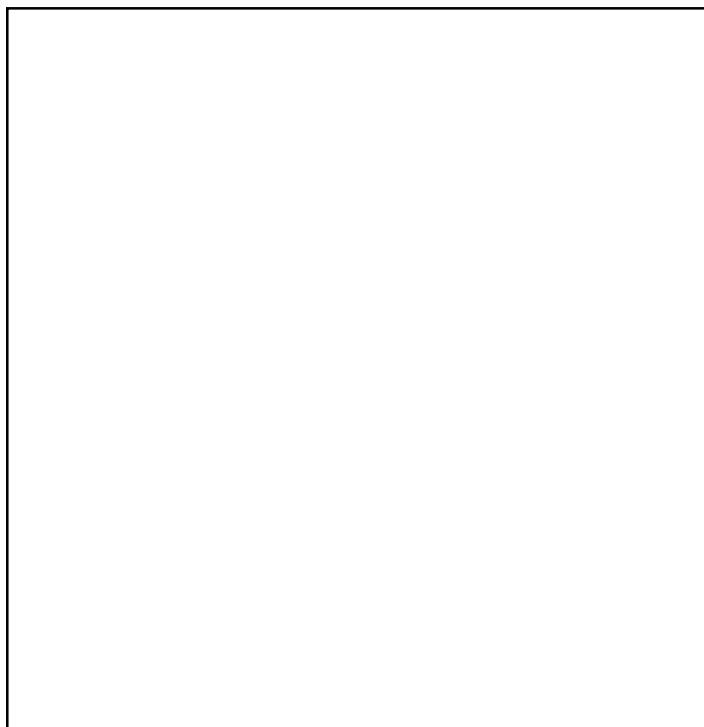
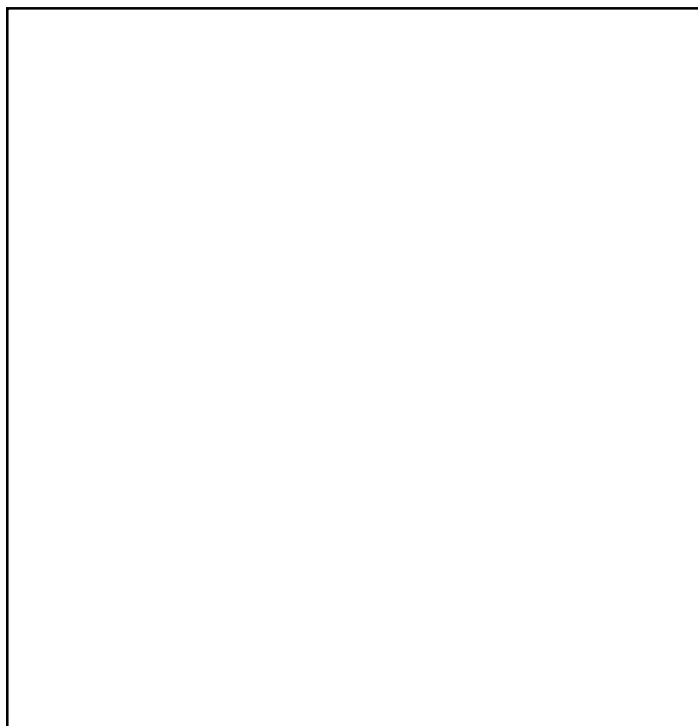
STATEMENT 7.03

	Highway Equipment Working Capital	Correctional Industries
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Operating Income (Loss)	\$ 1,022	\$ (898)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Depreciation	8,216	81
Provisions for Loan Losses and Forgiveness	1,028	
Nonoperating Activity	32	
(Increase) Decrease in Assets:		
Accounts Receivable - Net	20	
Intergovernmental Receivable	(1,028)	(6)
Due from Other Funds	(1,401)	(297)
Inventories	380	(11)
Other Assets	(10)	
Increase (Decrease) in Liabilities:		
Warrants Outstanding	51	38
Accounts Payable	49	(47)
Deferred Revenues		
Other Liabilities	(33)	(23)
<b>NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>	<b>8,326</b>	<b>(1,163)</b>
<b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Operating Transfers In from Other Funds		1,148
<b>NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES</b>	<b>0</b>	<b>1,148</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Payments on Long-Term Debt	(920)	
Interest and Fees Paid on Borrowings	(219)	
Acquisition and Construction of Fixed Assets	(8,408)	(56)
Proceeds from Sale of Fixed Assets	1,045	
Payments on Capital Lease Obligations	(140)	
<b>NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(8,642)</b>	<b>(56)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest Received on Investments		
<b>NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES</b>	<b>0</b>	<b>0</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(316)</b>	<b>(71)</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>5,567</b>	<b>236</b>
<b>CASH, END OF YEAR</b>	<b>\$ 5,251</b>	<b>\$ 165</b>
<b>RECONCILIATION OF CASH TO THE BALANCE SHEET:</b>		
Total Cash and Investments per the Balance Sheet	\$ 5,251	\$ 165
Less: Investments not meeting the definition of cash or cash equivalents		
<b>CASH, END OF YEAR</b>	<b>\$ 5,251</b>	<b>\$ 165</b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</b>		
Contributed Fixed Assets	\$ 561	\$
Fixed Assets Transferred to General Fixed Assets Account Group	(132)	

STATEMENT 7.03

Information Services	Group Health and Life Benefits		Totals
	Group Health and Life	Retiree Health	Year Ended
			June 30, 1998
\$ 1,316	\$ (4,636)	\$ 35,561	\$ 32,365
2,927			11,224
			1,028
			32
		(22,000)	(21,980)
(211)			(1,245)
(410)			(2,108)
260			629
(35)			(45)
(118)			(29)
309	15,675	20,742	36,728
(48)			(48)
(74)			(130)
<u>3,916</u>	<u>11,039</u>	<u>34,303</u>	<u>56,421</u>
			1,148
<u>0</u>	<u>0</u>	<u>0</u>	<u>1,148</u>
			(920)
(407)			(626)
(2,142)			(10,606)
			1,045
(603)			(743)
<u>(3,152)</u>	<u>0</u>	<u>0</u>	<u>(11,850)</u>
	1,102	2,053	3,155
<u>0</u>	<u>1,102</u>	<u>2,053</u>	<u>3,155</u>
764	12,141	36,356	48,874
6,545			12,348
<u>\$ 7,309</u>	<u>\$ 12,141</u>	<u>\$ 36,356</u>	<u>\$ 61,222</u>
\$ 7,309	\$ 12,141	\$ 36,356	\$ 61,222
			0
<u>\$ 7,309</u>	<u>\$ 12,141</u>	<u>\$ 36,356</u>	<u>\$ 61,222</u>
\$	\$	\$	561
			(132)

Watson & Co., 13B Cleary Creek.  
Albert J. Johnson, photographer,  
Alaska State Library,  
James Wickersham State Historic Site Collection,  
PCA 277-11-164



Men working on mining dredge.  
Alaska State Library,  
James Wickersham State Historic Site Collection,  
PCA 277-9-51

# Trust and Agency Funds

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Trust and agency funds are fiduciary in nature and are maintained to account for assets held by the State acting in the capacity as a trustee or agent. The following are the State's trust and agency funds.

## **Expendable Trust Funds**

- Memorial Scholarship Revolving Loan Fund - AS 14.43.255 – Administered by the Department of Education. The fund was created to honor Alaskans who, by example of their lives, or by their distinguished contribution and service to the State, their community, or their profession, have exemplified the best that is the challenge of “The Great Land.” By creation of memorial scholarships the fund pays tribute to these distinguished Alaskans.
- Permanent Fund Dividend Fund - AS 43.23.045 – Administered by Department of Revenue. This fund consists of 50 percent of the income of the Alaska permanent fund earned during the fiscal year ending on June 30 and is paid out to Alaska residents.
- Unemployment Compensation Fund – AS 23.20.130 - Administered by the Department of Labor. This fund is a federal trust fund held for the State of Alaska. It is used to account for the collection of unemployment insurance premiums from employers, and the payment of unemployment benefits to eligible claimants.
- Constitutional Budget Reserve Fund - Alaska Constitution, article IX, section 17; AS 37.13 - Administered by Department of Revenue. It is comprised of all proceeds resulting from termination 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 except for the share of those proceeds which are deposited into the Alaska Permanent Fund.
- Public Advocacy Trust Fund - AS 44.21.410 – Administered by the Department of Administration. The Public Advocacy Trust Fund holds in trust the funds for individuals under the guardianship of the Office of Public Advocacy.
- Exxon Valdez Settlement Trust Fund - 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 civil settlement funds received are held in a joint trust fund established in the Registry of the U.S. District Court. This joint trust fund is 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 Departments of Environmental Conservation and Fish & Game 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.
- Alyeska Settlement Trust Fund - Consent Decree between the U.S., Alaska, and Alyeska – Administered by the Department of Revenue. 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 described in the Consent Decree.
- Exxon Valdez Oil Spill Restoration Fund - U.S. District Court judgement 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 relating to the Exxon Valdez oil spill. Administered by the Department of Revenue.
- Deferred Compensation - AS 39.45.010 – Administered by the Department of Administration. This fund consists of compensation deferred by employees under the State's deferred compensation plan allowed under Section 457 of the Internal Revenue Code.

## **Nonexpendable Trust Funds**

- Alaska Children's Trust Fund - AS 37.14.200 – Administered by the Department of Health and Social Services, and the Alaska Children's Trust Board which is created in the Office of the Governor. The income from this endowment is used to provide a continuing source of revenue for grants to community-based programs for the prevention of child abuse and neglect.
- Public School Trust Fund - AS 37.14.110 – Administered by the Department of Revenue and the Department of Natural Resources. The principal consists of the July 1, 1978 balance from the public school permanent fund and one-half of one percent of the receipts derived from the management of State lands. The income from the trust is used exclusively for the support of the State public school program.
- Alaska Permanent Fund - Alaska Constitution, article IX, section 15 - Administered by the Alaska Permanent Fund Corporation. The Alaska Constitution 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 the Permanent Fund. Subsequent legislation increased the Permanent Fund's share to fifty percent for rents and royalties on mineral leases issued after December 1, 1979, and for bonuses on mineral leases issued after February 15, 1980.

## **Pension Trust Funds**

- Public Employees' Retirement System - AS 39.35.020 – Administered by the Department of Administration. This fund consists of accumulated assets held for the purpose of paying benefits provided by the Public Employees' Retirement System.
- Teachers' Retirement System - AS 14.25.010 – Administered by the Department of Administration. This fund consists of accumulated assets held for the purpose of paying benefits provided by the Teachers' Retirement System.
- Judicial Retirement System - AS 22.25.048 – Administered by the Department of Administration. This fund consists of accumulated assets held for the purpose of paying benefits provided by the Judicial Retirement System.
- Alaska National Guard and Alaska Naval Militia Retirement System - AS 26.05.222 – Administered by the Department of Administration. 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.
- Supplemental Benefits System - AS 39.30.150 – Administered by the Department of Administration. This fund consists of accumulated assets held for the purpose of paying benefits provided by the Supplemental Benefits System.

## **Agency Funds**

- Impact Aid PL 81-874 – Administered by the Department of Education. These monies are received from the federal government and are distributed to the local school districts. The funds are to provide financial assistance to local school districts where enrollment or availability of revenue is adversely affected by federal activities.
- Wage and Hour - Administered by the Department of Labor. This fund was established to account for receipts and disbursements for wage and hour violations.
- Deposits, Suspense, and Miscellaneous - Administered by the Department of Administration. 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.



STATE OF ALASKA  
 COMBINING BALANCE SHEET  
 ALL TRUST AND AGENCY FUNDS  
 June 30, 1998  
 (Stated in Thousands)

STATEMENT 8.01

	Expendable Trust	Nonexpendable Trust	Pension Trust	Agency	Totals June 30, 1998
<b>ASSETS:</b>					
Cash and Investments	\$ 4,103,747	\$ 25,324,962	\$ 12,910,199	\$ 44,219	\$ 42,383,127
Accounts Receivable - Net	20,832	164,548	55,591		240,971
Interest and Dividends Receivable	8,138	198,581			206,719
Due from Other Funds	3,275,410	24,351		3,527	3,303,288
Loans Receivable - Net	1,332				1,332
Notes Receivable - Net	19,899	231			20,130
Prepaid Expenses	8	2			10
<b>TOTAL ASSETS</b>	<b><u>\$ 7,429,366</u></b>	<b><u>\$ 25,712,675</u></b>	<b><u>\$ 12,965,790</u></b>	<b><u>\$ 47,746</u></b>	<b><u>\$ 46,155,577</u></b>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>LIABILITIES:</b>					
Warrants Outstanding	\$ 4,922	\$ 6		\$ 2,763	\$ 7,691
Accounts Payable	8,655	250,905	16,983	3,265	279,808
Due to Other Funds	100,167	893,452	473	14	994,106
Due to Component Units		434,158			434,158
Deferred Revenues	19,927	273			20,200
Amounts Held in Custody for Others	39			41,704	41,743
Other Liabilities			27		27
<b>TOTAL LIABILITIES</b>	<b><u>133,710</u></b>	<b><u>1,578,794</u></b>	<b><u>17,483</u></b>	<b><u>47,746</u></b>	<b><u>1,777,733</u></b>
<b>FUND BALANCES:</b>					
Reserved for Nonexpendable Trust Corpus		18,728,984			18,728,984
Reserved for Employees' Pension Benefits			10,124,270		10,124,270
Reserved for Employees' Postemployment Healthcare Benefits			2,824,037		2,824,037
Reserved for Other Specific Trust Purposes	7,295,656	5,404,897			12,700,553
<b>TOTAL FUND BALANCES</b>	<b><u>7,295,656</u></b>	<b><u>24,133,881</u></b>	<b><u>12,948,307</u></b>	<b><u>0</u></b>	<b><u>44,377,844</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 7,429,366</u></b>	<b><u>\$ 25,712,675</u></b>	<b><u>\$ 12,965,790</u></b>	<b><u>\$ 47,746</u></b>	<b><u>\$ 46,155,577</u></b>

STATE OF ALASKA  
 COMBINING BALANCE SHEET  
 EXPENDABLE TRUST FUNDS  
 June 30, 1998  
 (Stated in Thousands)

STATEMENT 8.02

	Memorial Scholarship	Alaska Permanent Fund Dividend	Unemployment Compensation	Constitutional Budget Reserve
<b>ASSETS:</b>				
Cash and Investments	\$ 1,717	\$ 14,516	\$ 636	\$ 3,559,137
Cash in U.S. Treasury			189,719	
Accounts Receivable - Net		17	8,952	10,912
Contributions Receivable				
Interest and Dividends Receivable	42			8,096
Due from Alaska Permanent Fund		892,711		
Due from General Fund	1			2,382,330
Due from Employment Assistance and Training Fund			306	
Loans Receivable - Net	1,332			
Notes Receivable - Net				19,899
Prepaid Expenses				
<b>TOTAL ASSETS</b>	<u>\$ 3,092</u>	<u>\$ 907,244</u>	<u>\$ 199,613</u>	<u>\$ 5,980,374</u>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>LIABILITIES:</b>				
Warrants and Checks Outstanding	\$ 2	\$ 1,380	\$ 3,128	\$ 27
Accounts Payable		2,189	5,505	29
Due to General Fund		358	105	98,369
Due to Training and Building Fund			2	
Deferred Revenues	28			19,899
Trust Deposits Payable		3	36	
<b>TOTAL LIABILITIES</b>	<u>30</u>	<u>3,930</u>	<u>8,776</u>	<u>118,324</u>
<b>FUND BALANCES:</b>				
Reserved for Memorial Scholarship Loans	3,062			
Reserved for Alaska Permanent Fund Dividends		903,314		
Reserved for Unemployment Compensation Benefits			190,837	
Reserved for Constitutional Budget Reserve				5,862,050
Reserved for Public Advocacy Trust				
Reserved for Exxon Valdez Settlement Trust				
Reserved for Alyeska Settlement Trust				
Reserved for Oil Restoration				
Reserved for Deferred Compensation Plan Benefits				
<b>TOTAL FUND BALANCES</b>	<u>3,062</u>	<u>903,314</u>	<u>190,837</u>	<u>5,862,050</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 3,092</u>	<u>\$ 907,244</u>	<u>\$ 199,613</u>	<u>\$ 5,980,374</u>

STATEMENT 8.02

<u>Public Advocacy Trust</u>	<u>Exxon Valdez Settlement Trust</u>	<u>Alyeska Settlement Trust</u>	<u>Oil Restoration</u>	<u>Deferred Compensation</u>	<u>Totals June 30, 1998</u>
\$ 2,910	\$ 8,480	\$ 6,954	\$ 14,505	\$ 305,173	\$ 3,914,028
	1				189,719
				950	19,882
					950
					8,138
					892,711
62					2,382,393
					306
					1,332
					19,899
	8				8
<u>\$ 2,972</u>	<u>\$ 8,489</u>	<u>\$ 6,954</u>	<u>\$ 14,505</u>	<u>\$ 306,123</u>	<u>\$ 7,429,366</u>
\$	\$ 320	\$ 8	\$ 57	\$	\$ 4,922
	549	1	382		8,655
	168	3	1,162		100,165
					2
					19,927
					39
0	1,037	12	1,601	0	133,710
					3,062
					903,314
					190,837
2,972					5,862,050
	7,452				2,972
		6,942			7,452
					6,942
			12,904		12,904
				306,123	306,123
<u>2,972</u>	<u>7,452</u>	<u>6,942</u>	<u>12,904</u>	<u>306,123</u>	<u>7,295,656</u>
<u>\$ 2,972</u>	<u>\$ 8,489</u>	<u>\$ 6,954</u>	<u>\$ 14,505</u>	<u>\$ 306,123</u>	<u>\$ 7,429,366</u>

STATE OF ALASKA  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**EXPENDABLE TRUST FUNDS**  
For the Fiscal Year Ended June 30, 1998  
(Stated in Thousands)

STATEMENT 8.03

	Memorial Scholarship	Alaska Permanent Fund Dividend	Unemployment Compensation	Constitutional Budget Reserve
<b>REVENUES:</b>				
Taxes	\$	\$	\$	\$ 89,186
Charges for Services		199		
Fines and Forfeitures				921
Rents and Royalties				52,837
Contributions	279		130,352	
Interest and Investment Income	26		13,167	405,206
Net Increase (Decrease) in the Fair Value of Investments				176,669
Federal		223		6,633
Other		490		
<b>TOTAL REVENUES</b>	<b>305</b>	<b>912</b>	<b>143,519</b>	<b>731,452</b>
<b>EXPENDITURES:</b>				
Current Operating				
General Government	1	4,579		529
Health and Social Services		735,205	131,670	
Law, Justice, and Public Protection		3,378		
Natural Resources				
Capital Outlay		144		
<b>TOTAL EXPENDITURES</b>	<b>1</b>	<b>743,306</b>	<b>131,670</b>	<b>529</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	304	(742,394)	11,849	730,923
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In from Other Funds		892,711		529
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>0</b>	<b>892,711</b>	<b>0</b>	<b>529</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
	304	150,317	11,849	731,452
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>2,758</b>	<b>752,997</b>	<b>180,040</b>	<b>5,130,598</b>
Residual Equity Fund Transfers from Other Funds			306	
Prior Period Adjustment			(1,358)	
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 3,062</b>	<b>\$ 903,314</b>	<b>\$ 190,837</b>	<b>\$ 5,862,050</b>

## STATEMENT 8.03

Public Advocacy Trust	Exxon Valdez Settlement Trust	Alyeska Settlement Trust	Oil Restoration	Deferred Compensation	Totals
					Year Ended June 30, 1998
\$	\$	\$	\$	\$	\$ 89,186
					199
					921
					52,837
	11,340			22,001	163,972
171	1,057	438	1,219	7,163	428,447
				34,783	211,452
					6,856
<u>6,883</u>	<u>3</u>				<u>7,376</u>
<u>7,054</u>	<u>12,400</u>	<u>438</u>	<u>1,219</u>	<u>63,947</u>	<u>961,246</u>
				533	5,642
6,702				14,569	888,146
412					3,790
	10,913				10,913
	<u>12,933</u>	<u>300</u>	<u>13,082</u>		<u>26,459</u>
<u>7,114</u>	<u>23,846</u>	<u>300</u>	<u>13,082</u>	<u>15,102</u>	<u>934,950</u>
(60)	(11,446)	138	(11,863)	48,845	26,296
					893,240
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>893,240</u>
(60)	(11,446)	138	(11,863)	48,845	919,536
3,032	18,898	6,804	24,767	257,278	6,377,172
					306
					(1,358)
<u>\$ 2,972</u>	<u>\$ 7,452</u>	<u>\$ 6,942</u>	<u>\$ 12,904</u>	<u>\$ 306,123</u>	<u>\$ 7,295,656</u>

STATE OF ALASKA  
 COMBINING BALANCE SHEET  
 NONEXPENDABLE TRUST FUNDS  
 June 30, 1998  
 (Stated in Thousands)

STATEMENT 8.04

	Alaska Children's Trust	Public School	Alaska Permanent	Totals June 30, 1998
<b>ASSETS:</b>				
Cash and Investments	\$ 8,240	\$ 248,424	\$ 25,068,298	\$ 25,324,962
Accounts Receivable - Net		176	164,372	164,548
Interest and Dividends Receivable	17	610	197,954	198,581
Due from General Fund	12	453	23,886	24,351
Notes Receivable - Net		231		231
Prepaid Expenses			2	2
<b>TOTAL ASSETS</b>	<b><u>\$ 8,269</u></b>	<b><u>\$ 249,894</u></b>	<b><u>\$ 25,454,512</u></b>	<b><u>\$ 25,712,675</u></b>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>LIABILITIES:</b>				
Warrants Outstanding	\$	\$ 6	\$	\$ 6
Accounts Payable	59	12	250,834	250,905
Due to Alaska Permanent Fund Dividend Fund			892,711	892,711
Due to General Fund	17	230	494	741
Due to Mental Health Trust Fund			299,356	299,356
Due to Alaska Science and Technology Endowment Fund			129,092	129,092
Due to International Trade and Business Endowment Fund			5,710	5,710
Deferred Revenues		273		273
<b>TOTAL LIABILITIES</b>	<b><u>76</u></b>	<b><u>521</u></b>	<b><u>1,578,197</u></b>	<b><u>1,578,794</u></b>
<b>FUND BALANCES:</b>				
Reserved for Nonexpendable Trust Corpus	7,999	241,954	18,479,031	18,728,984
Reserved for Other Specific Trust Purposes	194	7,419	5,397,284	5,404,897
<b>TOTAL FUND BALANCES</b>	<b><u>8,193</u></b>	<b><u>249,373</u></b>	<b><u>23,876,315</u></b>	<b><u>24,133,881</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 8,269</u></b>	<b><u>\$ 249,894</u></b>	<b><u>\$ 25,454,512</u></b>	<b><u>\$ 25,712,675</u></b>

STATE OF ALASKA  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES  
 NONEXPENDABLE TRUST FUNDS  
 For the Fiscal Year Ended June 30, 1998  
 (Stated in Thousands)

STATEMENT 8.05

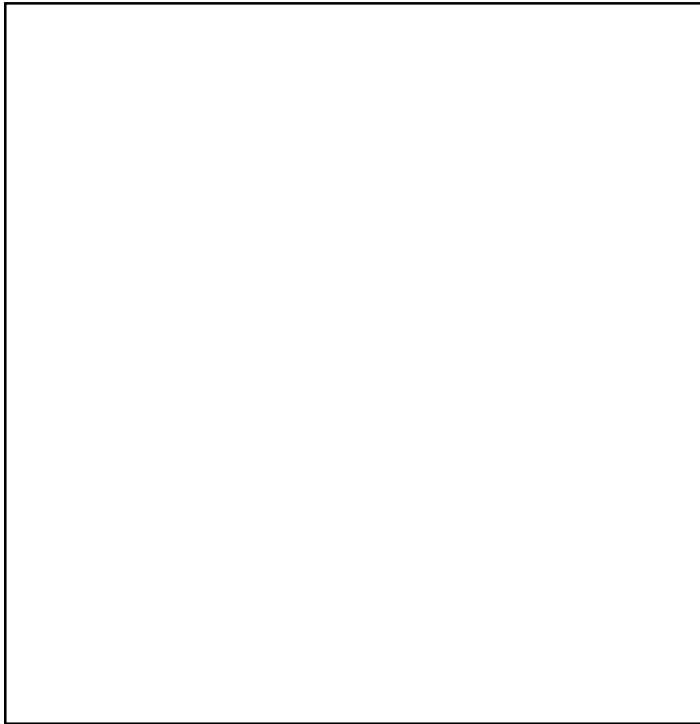
	Alaska Children's Trust	Public School	Alaska Permanent	Totals Year Ended June 30, 1998
<b>OPERATING REVENUES:</b>				
Interest and Investment Income	\$ 272	\$ 8,497	\$ 938,228	\$ 946,997
Net Increase (Decrease) in the Fair Value of Investments			2,527,575	2,527,575
<b>TOTAL OPERATING REVENUES</b>	<b>272</b>	<b>8,497</b>	<b>3,465,803</b>	<b>3,474,572</b>
<b>OPERATING EXPENSES:</b>				
Operating	345	9,297	30,444	40,086
<b>TOTAL OPERATING EXPENSES</b>	<b>345</b>	<b>9,297</b>	<b>30,444</b>	<b>40,086</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(73)</b>	<b>(800)</b>	<b>3,435,359</b>	<b>3,434,486</b>
<b>NONOPERATING REVENUES:</b>				
Net Increase (Decrease) in the Fair Value of Investments	1,280	34,590		35,870
Net Increase in Fair Value of Investments Held for Component Units			44,766	44,766
Earnings of Investments held for Component Units			16,137	16,137
Other Revenue	57	4,026		4,083
<b>INCOME (LOSS) BEFORE OPERATING TRANSFERS</b>	<b>1,264</b>	<b>37,816</b>	<b>3,496,262</b>	<b>3,535,342</b>
<b>OPERATING TRANSFERS:</b>				
Operating Transfers (Out to) Other Funds			(893,205)	(893,205)
Operating Transfers (Out to) Component Units			(60,903)	(60,903)
<b>NET INCOME (LOSS)</b>	<b>1,264</b>	<b>37,816</b>	<b>2,542,154</b>	<b>2,581,234</b>
<b>FUND BALANCES, BEGINNING OF YEAR - AS PREVIOUSLY REPORTED</b>				
	6,929	211,536	17,931,567	18,150,032
Restatements (See Note 1.N.)			3,172,090	3,172,090
<b>FUND BALANCES, BEGINNING OF YEAR - AS RESTATED</b>				
	6,929	211,536	21,103,657	21,322,122
Residual Equity Fund Transfers from Other Funds			230,504	230,504
Prior Period Adjustment		21		21
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 8,193</b>	<b>\$ 249,373</b>	<b>\$ 23,876,315</b>	<b>\$ 24,133,881</b>

STATE OF ALASKA  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONEXPENDABLE TRUST FUNDS**  
For the Fiscal Year Ended June 30, 1998  
(Stated in Thousands)

STATEMENT 8.06

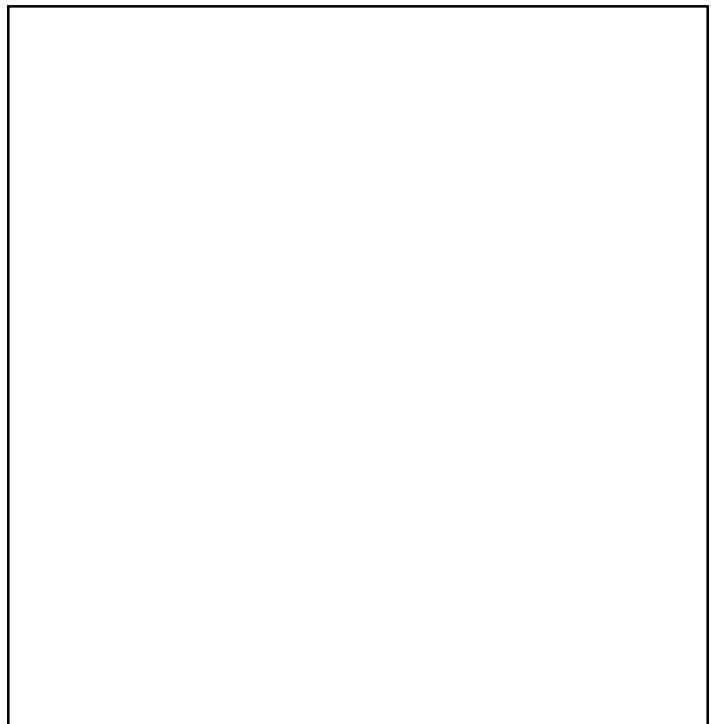
	Alaska Children's Trust	Public School	Alaska Permanent	Totals Year Ended June 30, 1998
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Operating Income (Loss)	\$ (73)	\$ (800)	\$ 3,435,359	\$ 3,434,486
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Investment Activity	(272)	(8,497)	(3,465,803)	(3,474,572)
Nonoperating Activity	57	4,047	(572)	3,532
(Increase) Decrease in Assets:				
Accounts Receivable - Net		187		187
Interest and Dividends Receivable		1		1
Due from General Fund	5	21		26
Due from Agriculture Revolving Loan Fund		3		3
Notes Receivable - Net		444		444
Prepaid Expenses			104	104
Increase (Decrease) in Liabilities:				
Warrants Outstanding		4		4
Accounts Payable	59	2	(1,130)	(1,069)
Due to General Fund		82		82
Deferred Revenues		(493)		(493)
<b>NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>	<u>(224)</u>	<u>(4,999)</u>	<u>(32,042)</u>	<u>(37,265)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Residual Equity Fund Transfers from Other Funds			244,826	244,826
Operating Transfers (Out to) Other Funds			(748,528)	(748,528)
Operating Transfers (Out to) Component Units			(34,768)	(34,768)
Operating Transfers In from Component Units			11,906	11,906
<b>NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES</b>	<u>0</u>	<u>0</u>	<u>(526,564)</u>	<u>(526,564)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Purchase of Investments			(3,703,488)	(3,703,488)
Net Change in Unsettled Trades			276,538	276,538
Undistributed Real Estate Income			(23,875)	(23,875)
Income Received on Investments	1,544	43,035	2,658,101	2,702,680
<b>NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES</b>	<u>1,544</u>	<u>43,035</u>	<u>(792,724)</u>	<u>(748,145)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	1,320	38,036	(1,351,330)	(1,311,974)
<b>CASH, BEGINNING OF YEAR</b>	<u>6,920</u>	<u>210,388</u>	<u>1,868,820</u>	<u>2,086,128</u>
<b>CASH, END OF YEAR</b>	<u>\$ 8,240</u>	<u>\$ 248,424</u>	<u>\$ 517,490</u>	<u>\$ 774,154</u>
<b>RECONCILIATION OF CASH TO THE BALANCE SHEET:</b>				
Total Cash and Investments per the Balance Sheet	\$ 8,240	\$ 248,424	\$ 25,068,298	\$ 25,324,962
Less: Investments not meeting the definition of cash or cash equivalents			(24,550,808)	(24,550,808)
<b>CASH, END OF YEAR</b>	<u>\$ 8,240</u>	<u>\$ 248,424</u>	<u>\$ 517,490</u>	<u>\$ 774,154</u>





McGillis Collins & Russian. Tamarac Cr.,  
Ruby Gold Mining District, Alaska, June 10, 1915.  
Basil Clemons, photographer,  
Alaska State Library,  
James Wickersham State Historic Site Collection,  
PCA 277-4-104

Three men near flume.  
Basil Clemons, photographer,  
Alaska State Library,  
PCA 236-40



STATE OF ALASKA  
 COMBINING STATEMENT OF PLAN NET ASSETS  
 PENSION TRUST FUNDS  
 June 30, 1998  
 (Stated in Thousands)

STATEMENT 8.07

	Public Employees' Retirement System		
	Pension	Postemployment Healthcare	Total
<b>ASSETS:</b>			
Cash and Investments	\$ 5,344,989	\$ 2,074,176	\$ 7,419,165
Contributions Receivable	19,019	7,128	26,147
Other Receivables	5	2	7
Investment Loss Trust Fund Assets			
<b>TOTAL ASSETS</b>	<b>5,364,013</b>	<b>2,081,306</b>	<b>7,445,319</b>
<b>LIABILITIES:</b>			
Accounts Payable	4,715	1,767	6,482
Payable to Plan Participants			
Due to General Fund	309	116	425
Other Liabilities	10	4	14
<b>TOTAL LIABILITIES</b>	<b>5,034</b>	<b>1,887</b>	<b>6,921</b>
<b>FUND BALANCES:</b>			
Reserved for Employees' Pension Benefits and Postemployment Healthcare Benefits	<u>\$ 5,358,979</u>	<u>\$ 2,079,419</u>	<u>\$ 7,438,398</u>

Teachers' Retirement System			Judicial Retirement System		
Pension	Postemployment Healthcare	Total	Pension	Postemployment Healthcare	Total
\$ 3,155,751	\$ 738,157	\$ 3,893,908	\$ 61,949	\$ 2,632	\$ 64,581
20,335	4,443	24,778	166	9	175
<u>3,176,086</u>	<u>742,600</u>	<u>3,918,686</u>	<u>62,115</u>	<u>2,641</u>	<u>64,756</u>
2,792	610	3,402	58	3	61
29	7	36	5		5
<u>10</u>	<u>3</u>	<u>13</u>			
<u>2,831</u>	<u>620</u>	<u>3,451</u>	<u>63</u>	<u>3</u>	<u>66</u>
<u>\$ 3,173,255</u>	<u>\$ 741,980</u>	<u>\$ 3,915,235</u>	<u>\$ 62,052</u>	<u>\$ 2,638</u>	<u>\$ 64,690</u>

This statement continued on next page.

STATE OF ALASKA  
 COMBINING STATEMENT OF PLAN NET ASSETS (CONTINUED)  
 PENSION TRUST FUNDS  
 June 30, 1998  
 (Stated in Thousands)

STATEMENT 8.07

	National Guard and Naval Militia	Supplemental Benefits System
	Pension	Pension
<b>ASSETS:</b>		
Cash and Investments	\$ 12,738	\$ 1,515,770
Contributions Receivable		4,484
Other Receivables		
Investment Loss Trust Fund Assets		4,037
<b>TOTAL ASSETS</b>	<b>12,738</b>	<b>1,524,291</b>
<b>LIABILITIES:</b>		
Accounts Payable	60	2,941
Payable to Plan Participants		4,037
Due to General Fund	7	
Other Liabilities		
<b>TOTAL LIABILITIES</b>	<b>67</b>	<b>6,978</b>
<b>FUND BALANCES:</b>		
Reserved for Employees' Pension Benefits and Postemployment Healthcare Benefits	<u>\$ 12,671</u>	<u>\$ 1,517,313</u>

STATEMENT 8.07

Totals		
June 30, 1998		
Pension	Postemployment Healthcare	Total
\$ 10,091,197	\$ 2,814,965	\$ 12,906,162
44,004	11,580	55,584
5	2	7
<u>4,037</u>		<u>4,037</u>
<u>10,139,243</u>	<u>2,826,547</u>	<u>12,965,790</u>
10,566	2,380	12,946
4,037		4,037
350	123	473
<u>20</u>	<u>7</u>	<u>27</u>
<u>14,973</u>	<u>2,510</u>	<u>17,483</u>
<u>\$ 10,124,270</u>	<u>\$ 2,824,037</u>	<u>\$ 12,948,307</u>

STATE OF ALASKA  
 COMBINING BALANCE SHEET  
 ALL AGENCY FUNDS  
 June 30, 1998  
 (Stated in Thousands)

STATEMENT 8.08

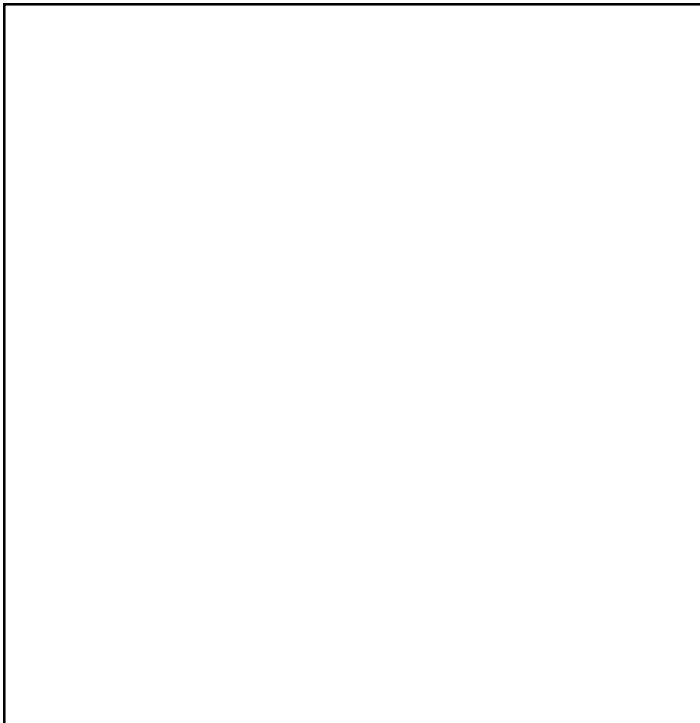
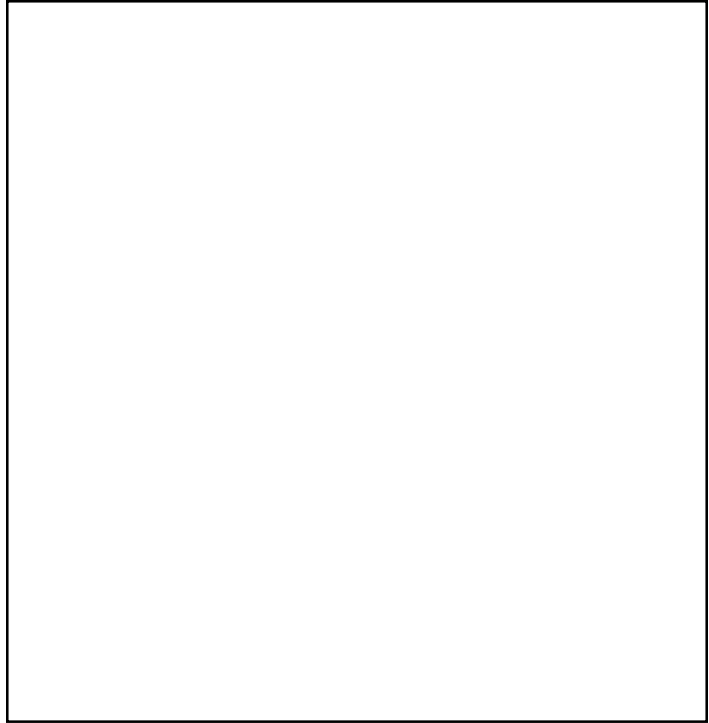
	Impact Aid PL81-874	Wage and Hour	Deposits, Suspense, and Miscellaneous	Totals  June 30, 1998
<b>ASSETS:</b>				
Cash and Investments	\$ 1,529	\$ 84	\$ 42,606	\$ 44,219
Due from General Fund			3,527	3,527
<b>TOTAL ASSETS</b>	<b><u>\$ 1,529</u></b>	<b><u>\$ 84</u></b>	<b><u>\$ 46,133</u></b>	<b><u>\$ 47,746</u></b>
<b>LIABILITIES:</b>				
Warrants Outstanding	\$	\$ 3	\$ 2,760	\$ 2,763
Accounts Payable			3,265	3,265
Due to General Fund			14	14
Amounts Held in Custody for Others	<u>1,529</u>	<u>81</u>	<u>40,094</u>	<u>41,704</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 1,529</u></b>	<b><u>\$ 84</u></b>	<b><u>\$ 46,133</u></b>	<b><u>\$ 47,746</u></b>

STATE OF ALASKA  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
For the Fiscal Year Ended June 30, 1998  
(Stated in Thousands)

STATEMENT 8.09

	Balance July 1, 1997	Additions	Deductions	Balance June 30, 1998
<b>IMPACT AID PL81-874</b>				
<b>ASSETS:</b>				
Cash and Investments	\$ 0	\$ 17,367	\$ 15,838	\$ 1,529
Due from General Fund	2,206		2,206	0
<b>TOTAL ASSETS</b>	<b>\$ 2,206</b>	<b>\$ 17,367</b>	<b>\$ 18,044</b>	<b>\$ 1,529</b>
<b>LIABILITIES:</b>				
Warrants Outstanding	\$ 0	\$ 15,838	\$ 15,838	\$ 0
Amounts Held in Custody for Others	2,206	15,161	15,838	1,529
<b>TOTAL LIABILITIES</b>	<b>\$ 2,206</b>	<b>\$ 30,999</b>	<b>\$ 31,676</b>	<b>\$ 1,529</b>
<b>WAGE AND HOUR</b>				
<b>ASSETS:</b>				
Cash and Investments	\$ 85	\$ 305	\$ 306	\$ 84
Due from General Fund	1		1	0
<b>TOTAL ASSETS</b>	<b>\$ 86</b>	<b>\$ 305</b>	<b>\$ 307</b>	<b>\$ 84</b>
<b>LIABILITIES:</b>				
Warrants Outstanding	\$ 9	\$ 309	\$ 315	\$ 3
Amounts Held in Custody for Others	77	297	293	81
<b>TOTAL LIABILITIES</b>	<b>\$ 86</b>	<b>\$ 606</b>	<b>\$ 608</b>	<b>\$ 84</b>
<b>DEPOSITS, SUSPENSE, AND MISCELLANEOUS</b>				
<b>ASSETS:</b>				
Cash and Investments	\$ 50,835	\$ 47,511	\$ 55,740	\$ 42,606
Due from General Fund	0	3,527		3,527
<b>TOTAL ASSETS</b>	<b>\$ 50,835</b>	<b>\$ 51,038</b>	<b>\$ 55,740</b>	<b>\$ 46,133</b>
<b>LIABILITIES:</b>				
Warrants Outstanding	\$ 1,087	\$ 21,286	\$ 19,613	\$ 2,760
Accounts Payable	1,991	3,265	1,991	3,265
Due to General Fund	1,000	14	1,000	14
Amounts Held in Custody for Others	46,757	47,871	54,534	40,094
<b>TOTAL LIABILITIES</b>	<b>\$ 50,835</b>	<b>\$ 72,436</b>	<b>\$ 77,138</b>	<b>\$ 46,133</b>
<b>TOTALS - ALL AGENCY FUNDS</b>				
<b>ASSETS:</b>				
Cash and Investments	\$ 50,920	\$ 65,183	\$ 71,884	\$ 44,219
Due from General Fund	2,207	3,527	2,207	3,527
<b>TOTAL ASSETS</b>	<b>\$ 53,127</b>	<b>\$ 68,710</b>	<b>\$ 74,091</b>	<b>\$ 47,746</b>
<b>LIABILITIES:</b>				
Warrants Outstanding	\$ 1,096	\$ 37,433	\$ 35,766	\$ 2,763
Accounts Payable	1,991	3,265	1,991	3,265
Due to General Fund	1,000	14	1,000	14
Amounts Held in Custody for Others	49,040	63,329	70,665	41,704
<b>TOTAL LIABILITIES</b>	<b>\$ 53,127</b>	<b>\$ 104,041</b>	<b>\$ 109,422</b>	<b>\$ 47,746</b>

Dog team pulling loaded sled down Main Street  
in Ruby, Alaska, (ca 1913-1921).  
Alaska State Library,  
PCA 236-58



Sport Smith bringing first mail ashore from S.S. Corwin  
5 miles out on Bering Sea, Nome. June 2, 1907.  
B.B. Dobbs, photographer, (no.997).  
Alaska State Library,  
James Wickersham State Historic Site Collection,  
PCA 277-9-27



# General Fixed Assets Account Group

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The general fixed assets account group accounts for the land, buildings and improvements, and machinery and equipment of the governmental funds.

STATE OF ALASKA  
 STATEMENT OF GENERAL FIXED ASSETS BY SOURCE  
 June 30, 1998  
 (Stated in Thousands)

STATEMENT 9.01

	<u>June 30, 1998</u>
<b>GENERAL FIXED ASSETS:</b>	
Land	\$ 205,264
Buildings	1,419,071
Equipment	545,647
Construction in Progress	<u>177,226</u>
 TOTAL GENERAL FIXED ASSETS	 \$ <u><u>2,347,208</u></u>
<b>INVESTMENT IN GENERAL FIXED ASSETS BY SOURCE:</b>	
General Obligation Bonds	\$ 1,173,137
Alaska State Housing Authority Bonds	106,150
Federal Grants	89,476
General Fund Revenues	755,314
Federal Land Grants (See Note 1.H.)	88,810
Exxon Valdez Oil Spill Funds	130,321
Other	<u>4,000</u>
 TOTAL INVESTMENT IN GENERAL FIXED ASSETS	 \$ <u><u>2,347,208</u></u>

# General Long-Term Debt Account Group

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The general long-term debt account group accounts for the long-term obligations of the governmental funds.

STATE OF ALASKA  
**STATEMENT OF CHANGES IN GENERAL LONG-TERM DEBT**  
For the Fiscal Year Ended June 30, 1998  
(Stated in Thousands)

STATEMENT 10.01

	Balance July 1, 1997	Issuances and Other Increases	Retirements and Other Decreases	Balance June 30, 1998
<b>AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE PAYMENT OF GENERAL LONG-TERM DEBT:</b>				
Amount Available in Debt Service Fund	\$ 7,700	\$	\$ 7,700	\$ 0
Amount to be Provided for Retirement of General Long-Term Debt	<u>301,751</u>	<u>165,429</u>	<u>67,804</u>	<u>399,376</u>
<b>TOTAL AMOUNT AVAILABLE AND TO BE PROVIDED</b>	<b><u>\$ 309,451</u></b>	<b><u>\$ 165,429</u></b>	<b><u>\$ 75,504</u></b>	<b><u>\$ 399,376</u></b>
<b>GENERAL LONG-TERM DEBT:</b>				
Serial Bonds Payable	\$ 24,206	\$	\$ 13,315	\$ 10,891
Capital Leases Payable	52,143	127,249	9,779	169,613
Expendable Trust Fund Liabilities	31,806		4,000	27,806
Accrued Vacation Leave	92,284	34,329	35,394	91,219
Claims and Judgements	<u>109,012</u>	<u>3,851</u>	<u>13,016</u>	<u>99,847</u>
<b>TOTAL GENERAL LONG-TERM DEBT</b>	<b><u>\$ 309,451</u></b>	<b><u>\$ 165,429</u></b>	<b><u>\$ 75,504</u></b>	<b><u>\$ 399,376</u></b>

STATE OF ALASKA  
STATEMENT OF BONDED INDEBTEDNESS  
GENERAL OBLIGATION BONDS  
June 30, 1998  
(Stated in Thousands)

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STATEMENT 10.02

	<u>June 30, 1998</u>
<b>AMOUNT AVAILABLE AND TO BE PROVIDED:</b>	
Amount Available in Debt Service Fund	\$ 0
Amount to be Provided	<u>10,891</u>
<b>TOTAL AMOUNT AVAILABLE AND TO BE PROVIDED</b>	<u><u>\$ 10,891</u></u>
 <b>BOND PRINCIPAL LIABILITY:</b>	
Serial Bonds Payable	<u><u>\$ 10,891</u></u>

STATE OF ALASKA  
SCHEDULE OF DEBT SERVICE BY FISCAL YEAR  
GENERAL OBLIGATION BONDS  
June 30, 1998  
(Stated in Thousands)

STATEMENT 10.03

Year	Principal	Interest	Total Debt Service to Maturity	Redemption Reserve	Required By Fiscal Year
1959	\$ 0	\$ 66	\$ 66	\$	\$ 66
1960	30	99	129		129
1961	93	91	184		184
1962	311	738	1,049		1,049
1963	566	857	1,423		1,423
1964	587	1,299	1,886		1,886
1965	877	1,353	2,230		2,230
1966	1,202	1,307	2,509		2,509
1967	1,248	1,478	2,726		2,726
1968	1,778	2,877	4,655		4,655
1969	3,761	4,058	7,819	9	7,810
1970	3,770	5,536	9,306		9,306
1971	7,971	7,331	15,302		15,302
1972	9,705	9,793	19,498		19,498
1973	11,365	12,147	23,512		23,512
1974	12,352	14,030	26,382		26,382
1975	13,018	17,126	30,144		30,144
1976	12,500	22,615	35,115	11	35,104
1977	12,915	28,969	41,884	25	41,859
1978	18,795	31,233	50,028	93	49,935
1979	25,710	34,314	60,024	228	59,796
1980	38,780	36,292	75,072	1,276	73,796
1981	55,545	42,087	97,632		97,632
1982	58,765	38,694	97,459		97,459
1983	81,230	62,394	143,624	1,136	142,488
1984	100,175	66,162	166,337	390	165,947
1985	107,860	61,664	169,524		169,524
1986	109,265	53,979	163,244		163,244
1987	108,380	46,512	154,892	9	154,883
1988	108,685	39,221	147,906	67	147,839
1989	103,727	31,785	135,512		135,512
1990	95,560	24,746	120,306		120,306
1991	77,499	17,984	95,483		95,483
1992	56,149	12,052	68,201		68,201
1993	51,363	8,325	59,688		59,688
1994	28,398	5,421	33,819		33,819
1995	20,221	2,696	22,917		22,917
1996	18,870	2,435	21,305		21,305
1997	14,895	1,601	16,496		16,496
1998	13,315	904	14,219		14,219
1999	8,515	324	8,839		8,839
2000	2,376	57	2,433		2,433
TOTAL	1,398,127	752,652	2,150,779	3,244	2,147,535
PAID AS OF END OF YEAR	1,387,236	752,271	2,139,507	3,244	2,136,263
REMAINING LIABILITY AT END OF YEAR	\$ 10,891	\$ 381	\$ 11,272	\$ 0	\$ 11,272

# Statistical Section

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STATE OF ALASKA  
 GOVERNMENTAL EXPENDITURES BY FUNCTION  
 Last Ten Fiscal Years  
 June 30, 1998  
 (Stated in Thousands)

TABLE 1

Fiscal Year	General Government	Education	Health and Social Services	Law, Justice, and Public Protection	Natural Resources
1989	178,972	695,091	543,537	293,976	175,509
1990	168,574	742,255	586,323	316,359	240,668
1991	137,608	771,450	594,996	335,568	233,096
1992	199,034	813,584	637,313	350,259	184,794
1993	197,504	868,915	707,275	359,012	166,150
1994	207,096	827,888	780,790	387,798	156,971
1995	214,945	843,547	896,398	447,738	155,698
1996	216,672	832,363	980,166	433,336	157,787
1997	209,207	821,375	1,012,349	431,166	152,231
1998	200,392	827,794	1,031,507	425,328	150,547

NOTE: Expenditures include all governmental funds.



**TABLE 1**

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<u>Development</u>	<u>Transportation</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Intergovernmental</u>	<u>Totals</u>
72,877	222,940	344,533	280,353	187,533	2,995,321
63,715	179,550	291,241	129,123	159,951	2,877,759
47,935	174,207	298,462	104,867	168,034	2,866,223
39,529	165,958	401,779	76,954	190,248	3,059,452
30,155	158,753	447,752	68,157	178,308	3,181,981
33,189	155,728	603,028	33,819	178,889	3,365,196
48,674	154,609	470,847	22,917	134,314	3,389,687
52,229	153,373	477,696	21,305	114,994	3,439,921
39,566	163,569	430,677	16,496	108,634	3,385,270
35,641	152,607	416,681	14,220	91,700	3,346,417

STATE OF ALASKA  
 AVAILABLE FUND BALANCE  
 GENERAL FUND  
 Fiscal Years 1959 - 1998  
 June 30, 1998  
 (Stated in Thousands)

TABLE 2

Fiscal Year	Available Fund Balance
1959	\$ 4,211
1960	10,804
1961	9,761
1962	24,372
1963	36,987
1964	20,244
1965	28,408
1966	29,292
1967	23,762
1968	22,585
1969	7,410
1970	789,994
1971	836,535
1972	761,270
1973	644,461
1974	516,940
1975	379,306
1976	504,851
1977	668,165
1978	651,093
1979	684,281
1980	1,549,357
1981	821,117
1982	(1,777,400)
1983	(520,095)
1984	(133,471)
1985	(213,941)
1986	(196,033)
1987	13,694
1988	224,012
1989	162,715
1990	300,133
1991	696,257
1992	0
1993	(56,711)
1994	(1,418,774)
1995	(1,561,428)
1996	(1,875,814)
1997	(1,792,463)
1998	(2,293,066)

**STATE OF ALASKA  
REVENUES BY SOURCE  
GENERAL FUND  
Last Ten Fiscal Years  
June 30, 1998  
(Stated in Thousands)**

**TABLE 3**

<u>Fiscal Year</u>	<u>Taxes</u>	<u>Licenses and Permits</u>	<u>Federal</u>	<u>Charges for Services</u>	<u>Rents and Royalties</u>	<u>Other</u>	<u>Totals</u>
1989	\$ 1,367,877	\$ 28,464	\$ 992,363	\$ 46,011	\$ 622,999	\$ 110,837	\$ 3,168,551
1990	1,506,685	27,834	733,739	47,951	1,025,356	120,596	3,462,161
1991	1,764,155	29,089	588,066	86,755	1,421,822	104,312	3,994,199
1992	1,458,741	32,436	657,082	137,805	1,053,320	158,382	3,497,766
1993	1,376,052	49,843	776,877	72,332	1,094,793	145,435	3,515,332
1994	954,119	59,632	774,467	72,258	741,402	90,292	2,692,170
1995	1,205,072	60,546	814,251	76,672	966,129	150,824	3,273,494
1996	1,228,102	61,172	926,980	75,121	909,514	112,674	3,313,563
1997	1,438,838	69,020	942,567	78,116	1,077,892	120,766	3,727,199
1998	1,032,737	71,419	957,272	82,938	738,791	134,967	3,018,124

**STATE OF ALASKA  
TAX REVENUES BY SOURCE  
GENERAL FUND  
Last Ten Fiscal Years  
June 30, 1998  
(Stated in Thousands)**

**TABLE 4**

<u>Fiscal Year</u>	<u>Income Tax</u>	<u>Fuel Tax</u>	<u>Severance Tax</u>	<u>Cigarette Tax</u>	<u>Property Tax</u>	<u>Other Taxes</u>	<u>Totals</u>
1989	\$ 460,035	\$ 37,255	\$ 738,895	\$ 6,360	\$ 89,713	\$ 35,619	\$ 1,367,877
1990	185,317	41,500	1,139,558	10,950	89,841	39,519	1,506,685
1991	256,030	39,917	1,325,898	13,993	85,007	43,310	1,764,155
1992	199,396	43,247	1,090,704	14,251	69,048	42,095	1,458,741
1993	192,563	40,743	1,019,082	14,043	66,918	42,703	1,376,052
1994	62,066	40,507	731,787	14,133	61,466	44,160	954,119
1995	195,482	39,601	852,833	14,396	57,250	45,510	1,205,072
1996	227,062	37,740	846,873	14,158	55,993	46,276	1,228,102
1997	317,846	35,318	972,124	13,652	53,567	46,331	1,438,838
1998	253,480	35,645	621,495	15,400	51,254	55,463	1,032,737

STATE OF ALASKA  
STATE AID AND SHARED REVENUE TO DISTRICT SCHOOLS  
Last Ten Fiscal Years  
June 30, 1998  
(Stated in Thousands)

TABLE 5

Fiscal Year	Education Foundation Program	Cigarette Tax	Transportation Aid	Debt Retirement	Non-Resident Pupil Tuition
1989	\$ 456,496	\$ 3,500	\$ 25,121	\$ 109,034	\$ 2,604
1990	494,018	2,700	24,737	110,675	2,222
1991	526,467	2,600	24,737	116,689	2,407
1992	561,096	2,500	28,572	127,672	2,529
1993	613,072	2,700	28,317	124,948	2,371
1994	617,354	2,721	29,360	98,649	1,743
1995	627,468	2,668	31,564	93,742	1,825
1996	639,464	2,655	32,842	80,322	1,732
1997	648,175	2,690	32,842	62,476	2,100
1998	653,155	2,608	35,195	61,640	2,068

(a) Other Aids include:

1. Instructional services in handicapped schools	\$ 3,802
2. Instructional programs for youth in detention	800
3. Support of children attending school in Canada	<u>148</u>
	<u>\$ 4,750</u>

(b) Data for 1994 through 1998 includes State Correspondence School and Mt. Edgecumbe Boarding School.

(c) Not stated in thousands.

**TABLE 5**

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<u>Other Aids (a)</u>	<u>Totals</u>	<u>Average Daily Membership (1st Qtr) (b)(c)</u>	<u>State Aid Cost Ratio Per Pupil (b) (c)</u>
\$ 3,524	\$ 600,279	103,040	\$ 5,826
3,423	637,775	105,662	6,036
3,691	676,591	110,365	6,130
3,929	726,298	113,348	6,408
4,014	775,422	116,653	6,647
3,989	753,816	121,429	6,208
4,143	761,410	122,511	6,215
4,539	761,554	124,753	6,104
4,651	752,934	126,464	5,954
4,750	759,416	129,425	5,868

STATE OF ALASKA  
 ASSESSED AND FULL VALUE OF TAXABLE PROPERTY  
 Last Ten Fiscal Years  
 June 30, 1998  
 (Stated in Thousands)

TABLE 6

Calendar Year	Values Within Cities & Boroughs			
	Real Property		Personal Property	
	Assessed Value	Full Value	Assessed Value	Full Value
1988	\$ 18,181,773	\$ 20,187,200	\$ 1,954,106	\$ 4,353,725
1989	16,415,505	18,090,133	1,995,631	4,326,279
1990	16,503,285	18,091,094	2,263,406	4,671,988
1991	17,297,540	18,219,506	2,434,417	4,215,680
1992	18,725,444	19,667,968	2,560,998	4,370,161
1993	19,263,773	20,411,013	2,621,355	4,418,487
1994	20,147,234	21,476,740	2,679,371	4,694,996
1995	21,274,993	22,622,971	2,560,465	4,602,147
1996	22,285,757	23,653,953	2,599,057	4,756,612
1997	23,820,717	25,691,808	2,666,315	4,852,884

NOTE: Information obtained from Alaska Taxable 1997, published by Department of Community and Regional Affairs, Municipal and Regional Assistance Division, Office of the State Assessor.

TABLE 6

Total		All Areas	Ratio of Total Assessed to Total Full Value	
Assessed Value	Full Value	Full Value	Cities & Boroughs	All Areas
\$ 20,135,879	\$ 24,540,925	\$ 42,250,309	82.1%	47.7%
18,411,136	22,416,412	39,563,980	82.1%	46.5%
18,766,691	22,763,082	39,668,486	82.4%	47.3%
19,731,957	22,435,186	40,933,544	88.0%	48.2%
21,286,442	24,038,129	42,278,195	88.6%	50.3%
21,885,128	24,829,500	42,357,481	88.1%	51.7%
22,826,605	26,171,736	43,829,908	87.2%	52.1%
23,835,458	27,225,118	44,394,000	87.5%	53.7%
24,884,814	28,410,565	45,265,505	87.6%	55.0%
26,487,032	30,544,692	47,013,312	86.7%	56.3%

STATE OF ALASKA  
 SCHEDULE OF NET GENERAL BONDED DEBT / PROPERTY VALUE RATIOS AND PER CAPITA  
 Last Ten Fiscal Years  
 June 30, 1998  
 (Stated in Thousands)

TABLE 7

Calendar Year	Population (a) (c)	Assessed Value Cities & Boroughs (b)	Full Value All Areas (b)	Gross General Bonded Debt
1988	535,000	\$ 20,135,879	\$ 42,250,309	\$ 489,818
1989	538,900	18,411,136	39,563,980	386,091
1990	553,124	18,766,691	39,668,486	290,531
1991	569,300	19,731,957	40,933,544	213,032
1992	587,129	21,286,442	42,278,195	156,883
1993	597,669	21,885,128	42,357,481	105,520
1994	601,555	22,826,605	43,829,908	78,192
1995	602,897	23,835,458	44,394,000	39,101
1996	607,314	24,884,814	45,265,505	24,206
1997	611,300	26,487,032	47,013,312	10,891

- (a) Population figures are taken from the Alaska Population Overview - 1997 Estimates, published by the Department of Labor, Research and Analysis Section, Demographics Unit. Population figures have been revised from 1991 through 1996.
- (b) Information obtained from Alaska Taxable 1997, published by the Department of Community & Regional Affairs, Municipal and Regional Assistance Division, Office of the State Assessor.
- (c) Not stated in thousands.



TABLE 7

Less Debt Service Funds	Net General Bonded Debt	Ratio of Net General Bonded Debt to Assessed Value: Cities & Boroughs	Ratio of Net General Bonded Debt to Full Value: All Areas	Net General Bonded Debt Per Capita (c)
\$ 4,661	\$ 485,157	2.4%	1.1%	\$ 907
0	386,091	2.1%	1.0%	716
1,337	289,194	1.5%	0.7%	523
0	213,032	1.1%	0.5%	374
343	156,540	0.7%	0.4%	267
343	105,177	0.5%	0.2%	176
148	78,044	0.3%	0.2%	130
0	39,101	0.2%	0.1%	65
7,700	16,506	0.1%	0.0%	27
0	10,891	0.0%	0.0%	18

STATE OF ALASKA  
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT  
TO TOTAL GENERAL FUND EXPENDITURES AND UNRESTRICTED REVENUES  
Last Ten Fiscal Years  
June 30, 1998  
(Stated in Thousands)

TABLE 8

Fiscal Year	Principal	Interest	Total Debt Service	Total General Fund		Ratio of Debt Service to General Fund	
				Expenditures	Unrestricted Revenues	Expenditures	Unrestricted Revenues
1989	\$ 103,727	\$ 31,785	\$ 135,512	\$ 3,185,524	\$ 2,186,217	4.3%	6.2%
1990	95,560	24,746	120,306	2,843,470	2,741,787	4.2%	4.4%
1991	77,499	17,984	95,483	2,804,676	3,393,059	3.4%	2.8%
1992	56,149	12,052	68,201	3,023,658	2,801,092	2.3%	2.4%
1993	51,363	8,325	59,688	3,145,310	2,742,032	1.9%	2.2%
1994	28,398	5,421	33,819	3,338,553	1,919,787	1.0%	1.8%
1995	20,221	2,696	22,917	3,312,357	2,458,698	0.7%	0.9%
1996	18,870	2,435	21,305	3,385,929	2,383,671	0.6%	0.9%
1997	14,895	1,601	16,496	3,350,248	2,788,733	0.5%	0.6%
1998	13,315	904	14,219	3,301,455	2,064,732	0.4%	0.7%

NOTE: Expenditures include operating transfers for debt service.

STATE OF ALASKA  
SCHEDULE OF REVENUE BOND COVERAGE  
INTERNATIONAL AIRPORT FUND  
Last Ten Fiscal Years  
June 30, 1998  
(Stated in Thousands)

TABLE 9

Fiscal Year	Revenue	Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Ratio of Net Revenue to Debt Service Requirements
				Principal	Interest	Total	
1989	\$ 60,300	\$ 29,422	\$ 30,878	\$ 2,715	\$ 5,959	\$ 8,674	3.6
1990	55,266	33,855	21,411	2,890	5,729	8,619	2.5
1991	53,300	35,242	18,058	3,140	5,478	8,618	2.1
1992	47,944	35,933	12,011	7,535	5,219	12,754	0.9
1993	46,664	36,177	10,487	2,920	4,671	7,591	1.4
1994	44,914	35,937	8,977	6,860	2,377	9,237	1.0
1995	48,959	36,291	12,668	3,390	2,276	5,666	2.2
1996	50,825	37,310	13,515	3,505	2,168	5,673	2.4
1997	55,799	40,510	15,289	3,640	2,041	5,681	2.7
1998	54,221	39,278	14,943	3,785	1,896	5,681	2.6

NOTE: The revenue and expense figures are from the statement contained within the State of Alaska Annual Financial Report titled Other Agencies Enterprise Funds, Statement of Revenues, Expenses and Changes in Retained Earnings. The revenue figures are from the operating revenue accounts titled Charges for Services, Interest Income, and Other. The figures for expenses include Personal Services, Travel and Per Diem, Contractual Services, and Materials and Supplies.

**GENERAL:**

<u>Date of Incorporation:</u>	January 3, 1959	<u>Area - Square Miles:</u>	586,412
<u>Date of Constitution Adopted:</u>	April 24, 1956 (Referendum Date)	<u>Coast-line Miles:</u>	33,904
<u>Form of Government:</u>	State		

Employees Paid as of June 30, 1997:

	<u>Regular Full-Time</u>	<u>Regular Part-Time</u>	<u>Seasonal Full-Time</u>	<u>Seasonal Part-time</u>	<u>1998 Total</u>	<u>1997 Total</u>
Public Safety/Security Officers	390				390	370
Marine (Ferry)	724				724	719
General Government, Confidential, LTC	8,563	248	1,172	9	9,992	9,933
Supervisors	1,198		6		1,204	1,119
Firefighters	11	426			437	303
Teachers	64	3			67	64
National Guard	2	35			37	34
Exempt, Partially Exempt, and Excluded	1,325	213	12	1	1,551	1,425
Judicial Workers	592	48			640	642
Legislative Employees	<u>308</u>	<u>7</u>		<u>28</u>	<u>343</u>	<u>358</u>
Total Employees	<u>13,177</u>	<u>980</u>	<u>1,190</u>	<u>38</u>	<u>15,385</u>	<u>14,967</u>

Number of Votes Cast Compared to Number of Registered Voters:

	<u>Voted</u>	<u>Registered</u>	<u>Percentage Voting</u>
Last General Election - November 5, 1996	245,212	414,815	59.1
Last Primary Election - August 27, 1996	122,866	405,397	30.3

**FIRE PROTECTION:**

	<u>1998</u>	<u>1997</u>
Number of Fire Departments Registered with Fire Marshall	138	128
Number of Full-Time Firefighters	1,007	734
Number of Volunteer Firefighters	3,429	3,185

**EDUCATION:**

	<u>Number of Schools</u>	<u>Number of Administrative Personnel</u>	<u>Number of Certified Teachers</u>	<u>Initial Enrollment Students</u>
Regional Education Attendance Areas (REAA):	19	493	1,288	14,660
Elementary			890	11,342
Secondary			398	3,318
Cities/Boroughs:	34	2,416	8,207	115,259
Elementary			5,023	82,324
Secondary			3,184	32,935
Private and Denominational Schools:	45	413	171	3,383

NOTES: Central Correspondence Study and Mt. Edgecumbe High School data are not included.  
 Elementary includes Pre-elementary through grade 8. Secondary includes grades 9 through 12.  
 Home schools are not included as they are no longer required to register with Alaska Department of Education.  
 In past years, the home school numbers were included with the Private and Denominational Schools.

Information obtained from Alaska Department of Education, Education Support Services, School Finance Section.

**EDUCATION:**

Enrollment of Alaska Students - Last Ten Fiscal Years						
Fiscal Year	City and Borough	REAA'S	Private and Denominational Schools	Central Correspondence Study	Mount Edgecumbe	Enrollment All Schools
1989	91,260	12,700	5,383	581	193	110,117
1990	95,472	13,150	5,588	470	189	114,869
1991	99,724	13,091	5,041	877	211	118,944
1992	104,286	13,425	4,509	781	213	123,214
1993	107,567	13,611	4,802	1,046	264	127,290
1994	110,180	14,061	4,581	1,425	282	130,529
1995	111,490	13,954	4,417	1,357	266	131,484
1996	111,700	14,429	3,981	1,351	282	131,743
1997	113,762	14,381	3,835	1,489	287	133,754
1998	115,484	13,942	3,383	1,569	308	134,685

Alaska Colleges, Universities, and Community Colleges - Closing Enrollment - Last Ten Academic Years					
Fall Semester	University of Alaska Main Campuses (a)	University of Alaska Community Colleges (a)	Alaska Pacific University	Sheldon Jackson College	Alaska Bible College
1988	29,081	503	1,652	246	90
1989	29,963	494	1,832	280	69
1990	31,967	461	1,717	268	111
1991	32,840	352	1,827	308	93
1992	32,624	1,193	2,051	299	61
1993	31,883	1,220	1,665	280	53
1994	31,496	1,388	1,560	271	43
1995	31,032	1,477	1,464	223	54
1996	30,303	1,614	1,261	202	48
1997	29,521	1,663	863	185	43

Spring Semester	University of Alaska Main Campuses (a)	University of Alaska Community Colleges (a)	Alaska Pacific University	Sheldon Jackson College	Alaska Bible College
1989	29,960	386	2,077	226	98
1990	31,724	472	2,101	251	87
1991	31,672	401	2,001	272	87
1992	32,335	577	1,837	299	73
1993	33,674	1,309	2,250	290	69
1994	32,088	1,744	2,000	277	52
1995	31,522	1,801	2,028	254	53
1996	31,427	1,570	1,762	257	43
1997	31,162	1,915	1,176	196	44
1998	30,115	2,017	1,034	169	39

(a) Starting with the fall semester of 1987, figures reflect the restructuring which has taken place at the University of Alaska. Formerly, there were eleven community colleges, three four-year institutions, rural education and cooperative extension programs. Now, there are three multi-campus institutions and one community college. Previous figures counted students taking courses for audit which are no longer included in the count. Beginning with Fall 1993, data from Arctic Sivuunmun Iilisagvik (North Slope) is not reported.

NOTE: Enrollment figures are head count enrollments.

**TRANSPORTATION:**

Miles of Public Highways:	<u>1998</u>	<u>1997</u>
Land Miles:		
State (DOT/PF) Maintained:		
Interstate	1,087	1,087
Other Principal Arterials	867	861
Minor Arterials	622	619
Collectors	2,463	2,432
Local	<u>608</u>	<u>591</u>
State (DOT/PF) Maintained Subtotal	<u>5,647</u>	<u>5,590</u>
Other State (DNR) Maintained:	<u>398</u>	<u>389</u>
Borough/Municipal/Community:		
Arterials	25	25
Collectors	228	383
Local	<u>5,246</u>	<u>5,017</u>
Borough/Municipal/Community Subtotal	<u>5,499</u>	<u>5,425</u>
Federal Agency Maintained:		
U.S. Forest Service	1,059	1,674
Bureau of Land Management (BLM)	19	25
National Parks	128	130
BIA Reservation (Metlakatla)	<u>24</u>	<u>24</u>
Federal Agency Maintained Subtotal	<u>1,230</u>	<u>1,853</u>
Total Land Miles	<u>12,774</u>	<u>13,257</u>
Ferry Miles:		
State (DOT/PF) Maintained:		
Arterials	1,294	1,294
Collectors	<u>1,571</u>	<u>1,571</u>
Total Ferry Miles	<u>2,865</u>	<u>2,865</u>
Total Miles of Public Highways	<u>15,639</u>	<u>16,122</u>

NOTE: DOT/PF refers to Department of Transportation and Public Facilities and DNR refers to Department of Natural Resources.

Total Air Carrier Activity State of Alaska International Airports Last Ten Fiscal Years
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Fiscal Year	Landings		Passengers			Freight (tons)	
	Jets	Total	In	Out	Through	In	Out
1989	49,132	90,585	1,706,782	1,724,330	1,750,986	67,850	126,062
1990	50,872	91,743	1,840,777	1,867,342	1,584,497	78,747	125,994
1991	49,512	101,142	2,029,180	2,012,655	1,117,883	89,747	146,200
1992	52,906	110,396	2,163,161	2,173,803	827,814	78,618	130,731
1993	51,502	104,040	2,141,253	2,141,798	605,409	84,877	131,868
1994	53,106	106,132	2,248,391	2,259,209	572,303	90,478	141,625
1995	52,897	113,315	2,413,614	2,407,308	627,781	95,293	149,505
1996	54,736	110,763	2,412,824	2,428,340	699,884	95,440	148,380
1997	59,164	117,379	2,548,920	2,547,063	802,424	90,903	149,686
1998	66,301	122,576	2,532,369	2,531,986	779,953	103,288	159,669

**RECREATION:**

Number of Acres:	<u>1998</u>	<u>1997</u>
Federal Parks and Monuments	54,700,000	54,700,000
Federal Wildlife Refuges and Conservation Areas*	80,722,556	80,722,556
Federal Forests**	23,051,600	23,051,600
State Parks System	3,303,290	3,303,290
State Forests	2,243,100	2,243,100
State Public Reserves and Rivers	2,598,430	2,598,430
Other State Conservation Preserves, Game Refuges, Sanctuaries, and Critical Habitat Areas	3,193,560	3,193,560
Other Government, Local Government/Municipal	<u>28,759</u>	<u>28,759</u>
Total Number of Acres	<u>169,841,295</u>	<u>169,841,295</u>

\*BLM manages 2,766,949 acres which are included in the 80,722,556.

\*\* Will be less after full Chugach Natives Settlement and transfer of Afognak Island.

**POPULATION:**

Year	Population	Increase (Decrease)		Civilian	Military
		Number	Percent		
1950	137,100			116,758	20,342
1960	230,400	93,300	68.1	197,911	32,489
1970	308,500	78,100	33.9	277,766	30,734
1980	419,800	111,300	36.1	401,819	17,981
1990	553,124	133,324	31.8	529,992	23,132
1991	569,300	16,176	2.9	544,161	25,139
1992	587,129	17,829	3.1	562,669	24,460
1993	597,669	10,540	1.8	573,314	24,355
1994	601,555	3,886	0.7	581,436	20,119
1995	602,897	1,342	0.2	583,861	19,036
1996	607,314	4,417	0.7	588,340	18,974
1997	611,300	3,986	0.7	593,246	18,054

**Age Distribution of Population:**

	1997	1996	1995	1994	1993	1992
under 5	51,665	52,934	54,651	57,030	58,291	58,113
5 - 9	57,309	57,131	57,027	56,501	55,598	55,067
10 - 14	54,596	53,839	52,936	52,253	50,975	48,677
15 - 19	45,786	44,553	42,387	40,669	39,351	38,226
20 - 24	33,282	32,737	33,314	35,772	38,592	40,100
25 - 29	41,322	43,418	45,399	47,357	49,592	51,572
30 - 34	51,857	54,027	56,893	59,265	60,765	61,156
35 - 44	120,385	120,568	119,873	119,166	117,420	114,708
45 - 54	85,427	81,362	76,548	72,224	67,866	62,868
55 - 59	22,811	21,380	20,196	19,262	18,585	17,862
60 - 64	15,462	14,815	14,359	14,023	13,815	13,585
65 & over	31,398	30,550	29,314	28,033	26,819	25,195
Median Age	32.2	31.9	31.5	31.0	30.6	30.2

NOTE: Revised data for 1950 through 1996 were obtained from Alaska Population Overview - 1996 Estimates, published by Department of Labor, Research and Analysis Section, Demographics Unit. There is no data available for the population by age distribution for 1950 through 1990 to match the revised population.

**PERSONAL INCOME:** Bureau of Economic Analysis - U.S. Department of Commerce, September, 1998 Revision

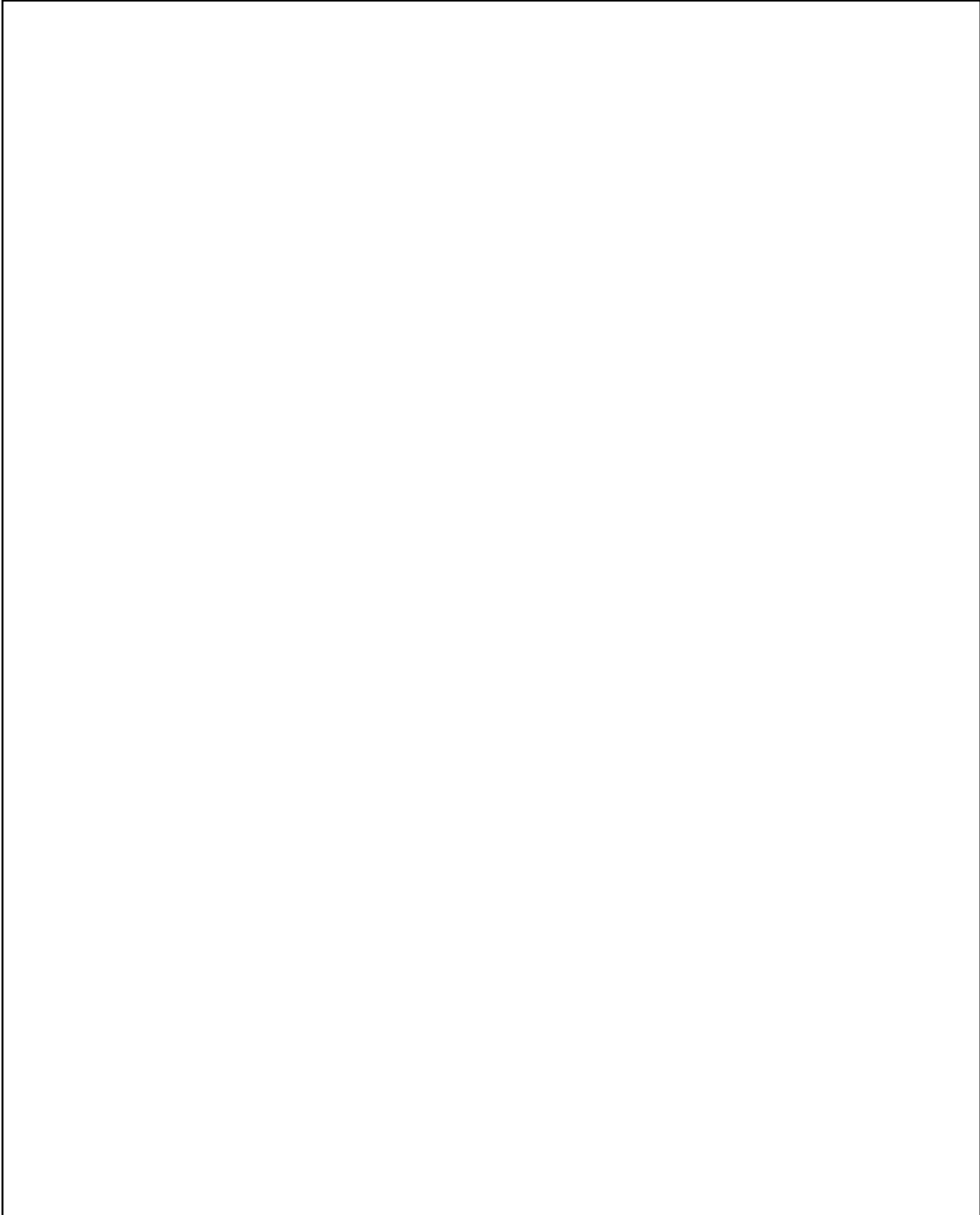
Year	Total Alaska Personal Income			
	(Millions)	Alaska Per Capita	U.S. Per Capita	% Alaska to U.S.
1987	9,298	17,240	15,638	110.2
1988	9,719	17,931	16,610	108.0
1989	10,741	19,631	17,690	111.0
1990	11,549	20,881	18,666	111.9
1991	12,271	21,552	19,636	109.8
1992	12,925	22,012	20,582	106.9
1993	13,556	22,715	21,220	107.0
1994	14,065	23,412	22,056	106.1
1995	14,419	23,965	22,063	108.6
1996	14,711	24,318	24,169	100.6
1997	15,199	24,945	25,298	98.6

NOTE: Revised data from 1993 through 1996 were obtained from U.S. Department of Commerce press release of September 14, 1998.



**POPULATION OF CORRECTIONAL FACILITIES:**

<u>Adult:</u>	<u>1998</u>	<u>1997</u>
Mat-su Pretrial Facility	63	82
Yukon-Kuskokwim Correctional Center	73	91
Cook Inlet Pretrial Facility	450	406
Meadow Creek Correctional Center	66	66
Anchorage Correctional Center Annex (Sixth Avenue)	90	118
Hiland Mountain Correctional Center	231	228
Fairbanks Correctional Center	207	228
Lemon Creek Correctional Center	163	202
Ketchikan Correctional Center	52	62
Nome Correctional Center	95	98
Palmer Correctional Center - Minimum	176	176
Palmer Correctional Center - Medium	172	233
Wildwood Correctional Center	223	252
Wildwood Pretrial Facility	92	89
Spring Creek Correctional Center	553	554
Point MacKenzie	85	78
Alaska Prisoners in Federal Bureau of Prison Facilities Arizona and State of Minnesota Prison Facilities	660	282
State Prisoner Holding Facilities:		
Institutional Tents - Statewide	92	
Community Residential Centers	659	
Community Treatment Centers	39	
Local Community Jails	<u>74</u>	
 Total Adult Population of Correctional Facilities	 <u><u>4,315</u></u>	 <u><u>3,245</u></u>
 <u>Juvenile:</u>	 <u>1998</u>	 <u>1997</u>
McLaughlin Youth Center	199	181
Fairbanks Youth Center	50	46
Nome Youth Center	1	1
Johnson Youth Center	20	15
Bethel Youth Facility	<u>23</u>	<u>21</u>
 Total Juvenile Population of Correctional Facilities	 <u><u>293</u></u>	 <u><u>264</u></u>



Miner prospecting for gold on the beach. Alaska State Library,  
Skinner Foundation Collection, PCA 44-11-3

STATE OF ALASKA  
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Index of Funds

<u>Fund Description</u>	<u>Authority</u>	<u>Separately Reported?</u>	<u>Fund or Group</u>	<u>Statement Number</u>
Agricultural Revolving Loan	AS 03.10.040	Yes	OAEF	6.10-6.12
AHFC Special Pledge	Ch 107, SLA 1971	NR		
AIDEA - Small Business Economic Development Revolving Loan	Ch 42, SLA 1987	Yes	DPCU	1.09, 1.11, 1.12
Alaska Aerospace Development Corp.	AS 14.40.841	Yes	DPCU	1.09, 1.11, 1.12
Alaska Children's Trust	AS 37.14.200	Yes	NTF	8.04-8.06
Alaska Clean Water	AS 46.03.032	Yes	OAEF	6.10-6.12
Alaska Debt Retirement	AS 37.15.011	No	GF	2.01, 2.02
Alaska Drinking Water	AS 46.03.036	Yes	OAEF	6.10-6.12
Alaska Energy Authority	AS 44.83.020	Yes	DPCU	1.09, 1.11, 1.12
Alaska Historical Commission Receipts Account	AS 41.35.380	No	GF	2.01, 2.02
Alaska Housing Finance Corporation	AS 18.56.020	Yes	DPCU	1.09, 1.11, 1.12
Alaska Industrial Development & Export Authority	AS 44.88.020	Yes	DPCU	1.09, 1.11, 1.12
Alaska Marine Highway System	AS 19.65.060	No	GF	2.01, 2.02
Alaska Marine Highway System Vessel Replacement	AS 37.05.550	No	GF	2.01, 2.02
Alaska Mental Health Trust Authority	AS 47.30.011	Yes	DPCU	1.09, 1.11, 1.12
Alaska Municipal Bond Bank Authority	AS 44.85.020	Yes	DPCU	1.09, 1.10
Alaska National Guard and Alaska Naval Militia Retirement System	AS 26.05.222	Yes	PTF	1.06, 8.07
Alaska Permanent Fund	Constitution, Art. IX, sec. 15	Yes	NTF	8.04-8.06
Alaska Railroad Corporation	AS 42.40.010	Yes	DPCU	1.09, 1.11, 1.12
Alaska Science & Technology Foundation	AS 37.17.010	Yes	DPCU	1.09, 1.11, 1.12
Alaska Student Loan Corporation	AS 14.42.100	Yes	DPCU	1.09, 1.11, 1.12
Alaska Surplus Property	AS 37.05.500(a)(2) and 44.68.130	No	GF	2.01, 2.02
Alaska World War II Veterans' Revolving Loan	AS 26.15.090	Yes	CAEF	6.04-6.06
Alcoholism & Drug Abuse Revolving Loan	AS 44.29.210	Yes	OAEF	6.10-6.12
Alternative Energy Revolving Loan	AS 45.88.010	Yes	EAEF	6.07-6.09
Alyeska Settlement Trust	Consent decree between U.S., Alaska, and Alyeska	Yes	ETF	8.02, 8.03
Art in Public Places	AS 44.27.060	No	GF	2.01, 2.02
Assistive Technology Loan Guarantee	AS 23.15.125	No	GF	2.01, 2.02
ASTF - BIDCO Fund	AS 37.17.210	No	ASTF	1.09, 1.11, 1.12
ASTF - Endowment	AS 37.17.020	No	ASTF	1.09, 1.11, 1.12
ASTF - International Trade & Business Endowment	AS 37.17.440	No	ASTF	1.09, 1.11, 1.12
Budget Reserve - Constitutional	Constitution, Art. IX, sec. 17	Yes	ETF	8.02, 8.03
Budget Reserve - Statutory	AS 37.05.540	NR		
Bulk Fuel Revolving Loan	AS 42.45.250	Yes	EAEF	6.07-6.09
Child Care Facility Loan	AS 44.33.240	Yes	CAEF	6.04-6.06
Child Support Enforcement Division Trust	CSED collections from			

STATE OF ALASKA  
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<u>Fund Description</u>	<u>Authority</u>	<u>Separately Reported?</u>	<u>Fund or Group</u>	<u>Statement Number</u>
	employee payroll deductions	No	DSMAF	8.08, 8.09
Clean Air Protection	AS 46.14.260 and Federal Clean Air Act	Yes	SRF	3.01-3.03
Commercial Fishing Revolving Loan	AS 16.10.340	Yes	CAEF	6.04-6.06
Correctional Industries	AS 33.32.020	Yes	ISF	7.01-7.03
Debt Service	Various SLAs	Yes	DSF	4.01, 4.02
Deferred Compensation	AS 39.45.010	Yes	ETF	8.02, 8.03
Deposits, Suspense, and Miscellaneous Agency funds		Yes	ATF	8.08, 8.09
Disaster Relief	AS 26.23.300	Yes	SRF	3.01-3.03
Donated Commodity Fee	USC 7 CFR, Part 250	No	GF	2.01, 2.02
Educational Facilities Maintenance and Construction	AS 37.05.560	No	GF	2.01, 2.02
Electrical Service Extension	AS 42.45.200	No	GF	2.01, 2.02
Employment Assistance & Training Program Account	AS 23.15.625	No	GF	2.01, 2.02
Exxon Valdez Oil Spill Restoration	U.S. District Court Judgment	Yes	ETF	8.02, 8.03
Exxon Valdez Settlement Trust	AS 37.14.400	Yes	ETF	8.02, 8.03
FHWA - Airspace Leases	Section 156 of the USSTURAA of 1987	No	GF	2.01, 2.02
FICA Administration	AS 39.30.050	No	GF	2.01, 2.02
Fish and Game	AS 16.05.100	Yes	SRF	3.01-3.03
Fisheries Enhancement Revolving Loan	AS 16.10.505	Yes	CAEF	6.04-6.06
Fishermen's	AS 23.35.060	No	GF	2.01, 2.02
Four Dam Pool Transfer	AS 42.45.050	No	GF	2.01, 2.02
Fuel Emergency	AS 26.23.400	No	GF	2.01, 2.02
Fund for the Improvement of School Performance	AS 14.03.125	No	GF	2.01, 2.02
General Fixed Assets Account Group		Yes	GFAAG	9.01
General Fund	Operating fund of the State	Yes	GF	2.01, 2.02
General Long-term Debt Account Group		Yes	GLTDAG	10.01-10.03
Group Health and Life Benefits	AS 39.30.095	Yes	ISF	7.01-7.03
Highways Equipment Working Capital	AS 44.68.210	Yes	ISF	7.01-7.03
Historical Districts Revolving Loan	AS 45.98.010	Yes	CAEF	6.04-6.06
Impact Aid PL 81-874	Federal funds passed through to school districts	Yes	ATF	8.08, 8.09
Information Services	AS 44.21.045	Yes	ISF	7.01-7.03
International Airports	AS 37.15.410-550	Yes	OAEF	6.10-6.12
Investment Loss Trust	AS 37.14.300	No	SBS	1.06, 8.07
Judicial Retirement System	AS 22.25.048	Yes	PTF	1.06, 8.07
Major Maintenance Grant	AS 14.11.007	No	GF	2.01, 2.02
Memorial Scholarship Revolving Loan	AS 14.43.255	Yes	ETF	8.02, 8.03
Mining Revolving Loan	AS 27.09.010	Yes	CAEF	6.04-6.06
Municipal Capital Project Matching Grant	AS 37.06.010	No	GF	2.01, 2.02

STATE OF ALASKA  
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<u>Fund Description</u>	<u>Authority</u>	<u>Separately Reported?</u>	<u>Fund or Group</u>	<u>Statement Number</u>
National Petroleum Reserve	AS 37.05.530	Yes	SRF	3.01-3.03
NBA/FDIC owned loans		No	DSMAF	8.08, 8.09
Oil and Hazardous Substance Release Prevention Mitigation Account	AS 46.08.020(b)	No	GF	2.01, 2.02
Oil and Hazardous Substance Release Response Mitigation Account	AS 46.08.025(b)	No	GF	2.01, 2.02
Oil and Hazardous Substance Release Prevention and Response Fund	AS 46.08.010	No	GF	2.01, 2.02
Permanent Fund Dividend	AS 43.23.045	Yes	ETF	8.02, 8.03
Power Cost Equalization and Rural Electric Capitalization	AS 42.45.100	No	GF	2.01, 2.02
Power Project Fund	AS 42.45.010	Yes	EAEF	6.07-6.09
Public Advocacy Trust	AS 44.21.410	Yes	ETF	8.02, 8.03
Public Employees' Retirement System	AS 39.35.020	Yes	PTF	1.06, 8.07
Public School Trust	AS 37.14.110	Yes	NTF	8.04, 8.06
Railbelt Energy	AS 37.05.520	No	GF	2.01, 2.02
Randolph - Sheppard Small Business	AS 23.15.130 and 20 USC 107-107(f)	No	GF	2.01, 2.02
Real Estate Surety	AS 08.88.450	No	GF	2.01, 2.02
Reclamation Bonding Pool	AS 27.19.040	Yes	SRF	3.01-3.03
Residential Energy Conservation	AS 45.89.010	Yes	EAEF	6.07-6.09
Rural Development Initiative	AS 44.47.810	Yes	OAEF	6.10-6.12
Rural Electrification Revolving Loan	AS 42.45.020	Yes	EAEF	6.07-6.09
School	AS 43.50.140	Yes	SRF	3.01-3.03
School Construction Grant	AS 14.11.005	No	GF	2.01, 2.02
Second Injury	AS 23.30.040	No	GF	2.01, 2.02
Small Business Revolving Loan	AS 45.95.060	Yes	CAEF	6.04-6.06
Southeast Energy	AS 42.45.040	No	GF	2.01, 2.02
State Insurance Catastrophe Reserve	AS 37.05.289	No	GF	2.01, 2.02
State Land Reforestation	AS 41.17.300	Yes	SRF	3.01-3.03
Storage Tank Assistance	AS 46.03.410	No	GF	2.01, 2.02
Supplemental Benefits System	AS 39.30.150	Yes	PTF	1.06, 8.07
Teachers' Retirement System	AS 14.25.010	Yes	PTF	1.06, 8.07
Training and Building	AS 23.20.130(d)	Yes	SRF	3.01-3.03
Transportation Construction	Ch 118, SLA 1980	Yes	CPF	5.03, 5.04
Transportation Facilities Construction	Ch 138, SLA 1978	Yes	CPF	5.03, 5.04
U of A - Advance Tuition	AS 14.40.803	No	U of A	1.07, 1.08, 1.13
U of A - Land Endowment	AS 14.40.400	No	U of A	1.07, 1.08, 1.13
Unemployment Compensation	AS 23.20.130	Yes	ETF	8.02, 8.03
Unincorporated Community Capital Project Matching Grant	AS 37.06.020	No	GF	2.01, 2.02
University of Alaska	AS 14.40.040	Yes	DPCU	1.07, 1.08, 1.13
Vocational Rehabilitation Small Business Enterprise Revolving	AS 23.15.130	No	GF	2.01, 2.02

STATE OF ALASKA  
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<u>Fund Description</u>	<u>Authority</u>	<u>Separately Reported?</u>	<u>Fund or Group</u>	<u>Statement Number</u>
Wage & Hour Trust		Yes	ATF	8.08, 8.09
Water Supply & Sewer Systems, Solid Waste Facilities, & Village Safe Water Construction	Ch 97, SLA 1980	Yes	CPF	5.05, 5.06
Water Supply & Sewerage Systems	Ch 145, SLA 1978	Yes	CPF	5.05, 5.06
Water Supply & Sewerage Systems Construction	Ch 271, SLA 1976	Yes	CPF	5.05, 5.06

**LEGEND OF ACRONYMS**

<u>Acronym</u>	<u>Description</u>
AS	Alaska Statute
ASTF	Alaska Science & Technology Foundation
ATF	Agency Trust Fund
CAEF	Commercial Assistance Enterprise Fund
CFR	Code of Federal Regulations
Ch	Chapter
CPF	Capital Projects Fund
DPCU	Discretely Presented Component Unit
DSF	Debt Service Fund
DSMAF	Deposits, Suspense, & Miscellaneous Agency Funds
EAEF	Energy Assistance Enterprise Fund
ETF	Expendable Trust Fund
GF	General Fund
GFAAG	General Fixed Assets Account Group
GLTDAG	General Long-term Debt Account Group
ISF	Internal Service Fund
NR	Not Reported in CAFR
NTF	Nonexpendable Trust Fund
OAEF	Other Agencies Enterprise Fund
PSF	Public School Fund
PTF	Pension Trust Fund
SBS	Supplemental Benefits System
SLA	Session Laws of Alaska
SRF	Special Revenue Fund
USC	United States Code
USSTURAA	United States Surface Transportation and Uniform Relocation Assistance Act
U of A	University of Alaska

# Special Revenue Funds

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Special revenue funds account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The following are the State's special revenue funds.

Disaster Relief Fund - AS 26.23.300 - Administered by Office of the Governor and Department of Military and Veterans Affairs. This fund provides resources to alleviate the effects of disasters wherever and whenever they may occur in the State.

Training and Building Fund - AS 23.20.130(d) - Administered by Department of Labor. 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; participation in programs of manpower training; and acquisition of land and buildings for the purpose of providing office space for the department.

School Fund - AS 43.50.140 - Administered by Department of Revenue and Department of Education. 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.

Fish and Game Fund - AS 16.05.100 - Administered by Department of Fish and Game. Money from 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 game divisions of Department of Fish and Game. 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 purposes; and donations.

State Land Reforestation Fund - AS 41.17.300 - Administered by Department of Natural Resources. This fund consists of money appropriated by the legislature to be used for the reforestation of State land.

National Petroleum Reserve Fund - AS 37.05.530 - Administered by Department of Community and Regional Affairs. This fund consists of all money disbursed to the State by the federal government under 42 U.S.C. 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 National Petroleum Reserve.

Reclamation Bonding Pool Fund - AS 27.19.040 - Administered by Department of Natural Resources. A miner is required to have an approved reclamation plan and to file a performance bond before mining operations may commence. This fund is established as a statewide bonding pool as an alternative to individual performance bonds.

Clean Air Protection Fund - AS 46.14.260 and Federal Clean Air Act - Administered by Department of Environmental Conservation. The fund is 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.

STATE OF ALASKA  
 COMBINING BALANCE SHEET  
 ALL SPECIAL REVENUE FUNDS  
 June 30, 1998  
 (Stated in Thousands)

STATEMENT 3.01

	Disaster Relief	Training and Building	School	Fish and Game
<b>ASSETS:</b>				
Cash and Investments	\$ 1,604	\$ 489	\$ 14,518	\$ 14,709
Accounts Receivable	1,191			60
Due from Other Funds	3	3		29
Loans Receivable - Net	898			
Advances	942			
<b>TOTAL ASSETS</b>	<b>\$ 4,638</b>	<b>\$ 492</b>	<b>\$ 14,518</b>	<b>\$ 14,798</b>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>LIABILITIES:</b>				
Warrants Outstanding	\$ 71	\$	\$	\$ 14
Accounts Payable	86			11
Due to General Fund	920	48		1,338
Other Liabilities				
<b>TOTAL LIABILITIES</b>	<b>1,077</b>	<b>48</b>	<b>0</b>	<b>1,363</b>
<b>FUND BALANCES:</b>				
Reserved:				
Reserved for Encumbrances	1,674	16		1,780
Reserved for Loans and Advances	898			
<b>TOTAL RESERVED</b>	<b>2,572</b>	<b>16</b>	<b>0</b>	<b>1,780</b>
Unreserved, Designated	1,851			2,331
Unreserved, Undesignated	(862)	428	14,518	9,324
<b>TOTAL FUND BALANCES</b>	<b>3,561</b>	<b>444</b>	<b>14,518</b>	<b>13,435</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 4,638</b>	<b>\$ 492</b>	<b>\$ 14,518</b>	<b>\$ 14,798</b>
LEGAL REFERENCE: Alaska Statute	26.23.300	23.20.130	43.50.140	16.05.100



STATEMENT 3.01

State Land Reforestation	National Petroleum Reserve	Reclamation Bonding Pool	Clean Air Protection	<u>Totals</u> June 30, 1998
\$ 73	\$	\$ 787	\$ 453	\$ 32,633
			18	1,269
				35
				898
				942
<u>\$ 73</u>	<u>\$ 0</u>	<u>\$ 787</u>	<u>\$ 471</u>	<u>\$ 35,777</u>
\$	\$	\$ 3	\$	\$ 88
50			2	149
		331		2,306
				331
<u>50</u>	<u>0</u>	<u>334</u>	<u>2</u>	<u>2,874</u>
				3,470
				898
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,368</u>
23				4,205
		453	469	24,330
<u>23</u>	<u>0</u>	<u>453</u>	<u>469</u>	<u>32,903</u>
<u>\$ 73</u>	<u>\$ 0</u>	<u>\$ 787</u>	<u>\$ 471</u>	<u>\$ 35,777</u>
41.17.300	37.05.530	27.19.040	46.14.260	

STATE OF ALASKA  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**ALL SPECIAL REVENUE FUNDS**  
**For the Fiscal Year Ended June 30, 1998**  
**(Stated in Thousands)**

STATEMENT 3.02

	<u>Disaster Relief</u>	<u>Training and Building</u>	<u>School</u>	<u>Fish and Game</u>
<b>REVENUES:</b>				
Taxes	\$	\$	\$ 16,417	\$
Licenses and Permits			6	20,260
Charges for Services				39
Fines and Forfeitures				153
Interest and Investment Income	2			1,248
Federal	2,565			
Other	<u>28</u>	<u>611</u>		
<b>TOTAL REVENUES</b>	<u>2,595</u>	<u>611</u>	<u>16,423</u>	<u>21,700</u>
<b>EXPENDITURES:</b>				
Current Operating				
General Government				2,255
Education			2,608	
Health and Social Services		301		
Law, Justice, and Public Protection	5,566			
Natural Resources				18,114
Capital Outlay				<u>5,644</u>
<b>TOTAL EXPENDITURES</b>	<u>5,566</u>	<u>301</u>	<u>2,608</u>	<u>26,013</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,971)	310	13,815	(4,313)
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In from Other Funds				<u>1,027</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(2,971)	310	13,815	(3,286)
FUND BALANCES, BEGINNING OF YEAR	6,066	134	703	16,721
Residual Equity Fund Transfers from Other Funds	125			
Prior Period Adjustment	<u>341</u>			
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 3,561</u>	<u>\$ 444</u>	<u>\$ 14,518</u>	<u>\$ 13,435</u>

STATEMENT 3.02

State Land Reforestation	National Petroleum Reserve	Reclamation Bonding Pool	Clean Air Protection	Totals Year Ended June 30, 1998
\$	\$	\$	\$	\$
			2,135	16,417
				22,401
				39
				153
				1,250
				2,565
		89		728
0	0	89	2,135	43,553
				2,255
				2,608
				301
				5,566
			1,817	19,931
89				5,733
89	0	0	1,817	36,394
(89)	0	89	318	7,159
				1,027
(89)	0	89	318	8,186
112	0	364	151	24,251
				125
				341
\$ 23	\$ 0	\$ 453	\$ 469	\$ 32,903

STATE OF ALASKA  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS**  
**ALL SPECIAL REVENUE FUNDS**  
For the Fiscal Year Ended June 30, 1998  
(Stated in Thousands)

STATEMENT 3.03

	Disaster Relief		
	Final Revised Budget	Actual	Variance - Favorable (Unfavorable)
<b>REVENUES:</b>			
Unrestricted			
Taxes	\$	\$	\$
Licenses and Permits			
Federal	375	375	0
Charges for Services			
Fines and Forfeitures			
Interest and Investment Income		2	2
Other			
<b>TOTAL UNRESTRICTED</b>	<b>375</b>	<b>377</b>	<b>2</b>
Restricted			
Federal	9,000	2,190	(6,810)
Interagency Receipts	200	28	(172)
<b>TOTAL RESTRICTED</b>	<b>9,200</b>	<b>2,218</b>	<b>(6,982)</b>
<b>TOTAL REVENUES</b>	<b>9,575</b>	<b>2,595</b>	<b>(6,980)</b>
<b>EXPENDITURES:</b>			
Current Operating			
General Government			
Education			
Health and Social Services			
Law, Justice, and Public Protection	35,985	11,454	24,531
Natural Resources			
Capital Outlay			
Intergovernmental			
<b>TOTAL EXPENDITURES</b>	<b>35,985</b>	<b>11,454</b>	<b>24,531</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(26,410)</b>	<b>(8,859)</b>	<b>17,551</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating Transfers In from Other Funds			
Residual Equity Fund Transfers from Other Funds	125	125	0
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES, BUDGETARY BASIS</b>	<b>\$ (26,285)</b>	<b>(8,734)</b>	<b>\$ 17,551</b>
<b>RECONCILIATION OF BUDGETARY / GAAP REPORTING:</b>			
Adjust Expenditures for Encumbrances		5,888	
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES, GAAP BASIS</b>		<b>(2,846)</b>	
<b>FUND BALANCES, BEGINNING OF YEAR</b>		<b>6,066</b>	
Prior Period Adjustment		341	
<b>FUND BALANCES, END OF YEAR</b>		<b>\$ 3,561</b>	

Training and Building			School		
Final Revised Budget	Actual	Variance - Favorable (Unfavorable)	Final Revised Budget	Actual	Variance - Favorable (Unfavorable)
\$	\$	\$	\$ 2,608	\$ 16,417 6	\$ 13,809 6
575	611	36			
575	611	36	2,608	16,423	13,815
0	0	0	0	0	0
575	611	36	2,608	16,423	13,815
575	317	258	2,608	2,608	0
575	317	258	2,608	2,608	0
0	294	294	0	13,815	13,815
<u>\$ 0</u>	294	<u>\$ 294</u>	<u>\$ 0</u>	13,815	<u>\$ 13,815</u>
	16				
	310			13,815	
	134			703	
	<u>\$ 444</u>			<u>\$ 14,518</u>	

STATE OF ALASKA  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS (CONTINUED)**  
**ALL SPECIAL REVENUE FUNDS**  
**For the Fiscal Year Ended June 30, 1998**  
**(Stated in Thousands)**

STATEMENT 3.03

	Fish and Game		
	Final Revised Budget	Actual	Variance - Favorable (Unfavorable)
<b>REVENUES:</b>			
Unrestricted			
Taxes	\$ 24,931	\$ 20,260	\$ (4,671)
Licenses and Permits			
Federal			
Charges for Services	35	39	4
Fines and Forfeitures	400	153	(247)
Interest and Investment Income	1,000	1,248	248
Other			
<b>TOTAL UNRESTRICTED</b>	<b>26,366</b>	<b>21,700</b>	<b>(4,666)</b>
Restricted			
Federal			
Interagency Receipts			
<b>TOTAL RESTRICTED</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL REVENUES</b>	<b>26,366</b>	<b>21,700</b>	<b>(4,666)</b>
<b>EXPENDITURES:</b>			
Current Operating			
General Government	2,254	2,255	(1)
Education			
Health and Social Services			
Law, Justice, and Public Protection			
Natural Resources	18,918	18,394	524
Capital Outlay	9,475	7,144	2,331
Intergovernmental			
<b>TOTAL EXPENDITURES</b>	<b>30,647</b>	<b>27,793</b>	<b>2,854</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(4,281)</b>	<b>(6,093)</b>	<b>(1,812)</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating Transfers In from Other Funds	1,027	1,027	0
Residual Equity Fund Transfers from Other Funds			
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES, BUDGETARY BASIS</b>	<b>\$ (3,254)</b>	<b>(5,066)</b>	<b>\$ (1,812)</b>
<b>RECONCILIATION OF BUDGETARY / GAAP REPORTING:</b>			
Adjust Expenditures for Encumbrances		1,780	
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES, GAAP BASIS</b>		<b>(3,286)</b>	
<b>FUND BALANCES, BEGINNING OF YEAR</b>		<b>16,721</b>	
Prior Period Adjustment			
<b>FUND BALANCES, END OF YEAR</b>		<b>\$ 13,435</b>	

State Land Reforestation			National Petroleum Reserve		
Final Revised Budget	Actual	Variance - Favorable (Unfavorable)	Final Revised Budget	Actual	Variance - Favorable (Unfavorable)
\$	\$	\$	\$	\$	\$
			50		(50)
0	0	0	50	0	(50)
0	0	0	0	0	0
0	0	0	50	0	(50)
112	89	23	50		50
112	89	23	50	0	50
(112)	(89)	23	0	0	0
<u>\$ (112)</u>	(89)	<u>\$ 23</u>	<u>\$ 0</u>	0	<u>\$ 0</u>
	(89)			0	
	112			0	
	<u>\$ 23</u>		<u>\$ 0</u>		

STATE OF ALASKA  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS (CONTINUED)**  
**ALL SPECIAL REVENUE FUNDS**  
**For the Fiscal Year Ended June 30, 1998**  
**(Stated in Thousands)**

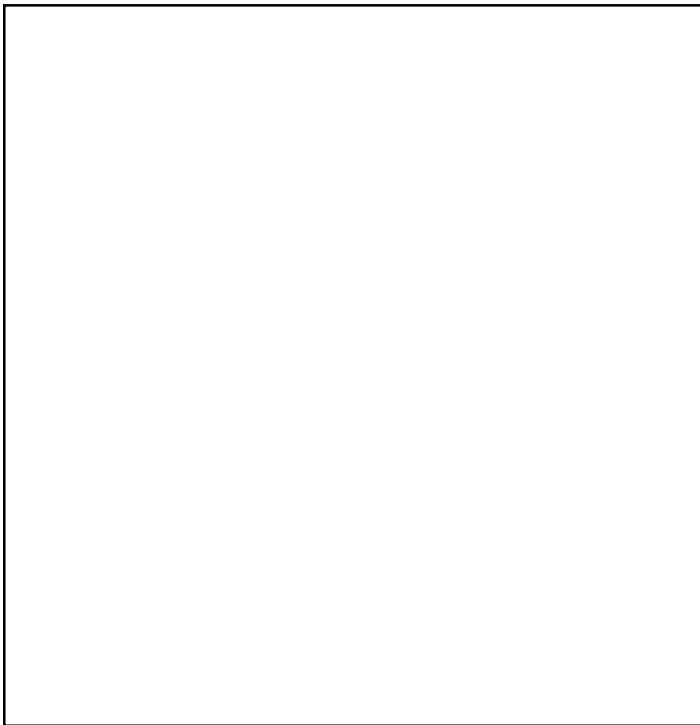
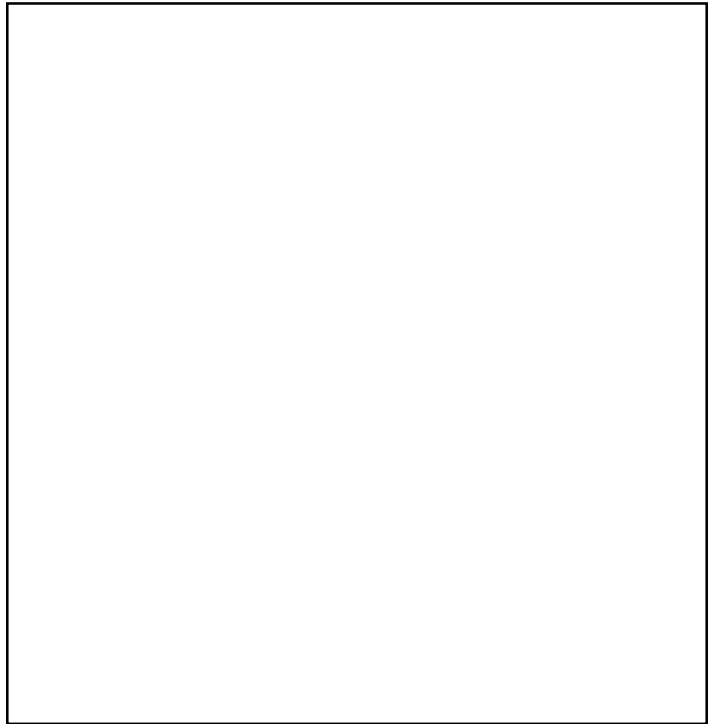
STATEMENT 3.03

	Reclamation Bonding Pool		
	Final Revised Budget	Actual	Variance - Favorable (Unfavorable)
<b>REVENUES:</b>			
Unrestricted			
Taxes	\$	\$	\$
Licenses and Permits			
Federal			
Charges for Services			
Fines and Forfeitures			
Interest and Investment Income			
Other		89	89
<b>TOTAL UNRESTRICTED</b>	0	89	89
Restricted			
Federal			
Interagency Receipts			
<b>TOTAL RESTRICTED</b>	0	0	0
<b>TOTAL REVENUES</b>	0	89	89
<b>EXPENDITURES:</b>			
Current Operating			
General Government			
Education			
Health and Social Services			
Law, Justice, and Public Protection			
Natural Resources			
Capital Outlay			
Intergovernmental			
<b>TOTAL EXPENDITURES</b>	0	0	0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	0	89	89
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating Transfers In from Other Funds			
Residual Equity Fund Transfers from Other Funds			
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES, BUDGETARY BASIS</b>	\$ 0	89	\$ 89
<b>RECONCILIATION OF BUDGETARY / GAAP REPORTING:</b>			
Adjust Expenditures for Encumbrances			
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES, GAAP BASIS</b>		89	
<b>FUND BALANCES, BEGINNING OF YEAR</b>		364	
Prior Period Adjustment			
<b>FUND BALANCES, END OF YEAR</b>		\$ 453	



Clean Air Protection			Totals		
Final Revised Budget	Actual	Variance - Favorable (Unfavorable)	Final Revised Budget	Actual	Variance - Favorable (Unfavorable)
\$ 2,131	\$ 2,135	\$ 4	\$ 2,608	\$ 16,417	\$ 13,809
			27,062	22,401	(4,661)
			425	375	(50)
			35	39	4
			400	153	(247)
			1,000	1,250	250
			575	700	125
<u>2,131</u>	<u>2,135</u>	<u>4</u>	<u>32,105</u>	<u>41,335</u>	<u>9,230</u>
			9,000	2,190	(6,810)
			200	28	(172)
<u>0</u>	<u>0</u>	<u>0</u>	<u>9,200</u>	<u>2,218</u>	<u>(6,982)</u>
<u>2,131</u>	<u>2,135</u>	<u>4</u>	<u>41,305</u>	<u>43,553</u>	<u>2,248</u>
			2,254	2,255	(1)
			2,608	2,608	0
			575	317	258
			35,985	11,454	24,531
<u>2,131</u>	<u>1,817</u>	<u>314</u>	<u>21,049</u>	<u>20,211</u>	<u>838</u>
			9,587	7,233	2,354
			50		50
<u>2,131</u>	<u>1,817</u>	<u>314</u>	<u>72,108</u>	<u>44,078</u>	<u>28,030</u>
<u>0</u>	<u>318</u>	<u>318</u>	<u>(30,803)</u>	<u>(525)</u>	<u>30,278</u>
			1,027	1,027	0
			125	125	0
<u>\$ 0</u>	<u>318</u>	<u>\$ 318</u>	<u>\$ (29,651)</u>	<u>627</u>	<u>\$ 30,278</u>
				<u>7,684</u>	
	318			8,311	
	151			24,251	
				<u>341</u>	
	<u>\$ 469</u>			<u>\$ 32,903</u>	

Winter Travel at Valdez Trail (Chitina, Alaska).  
Alaska State Library,  
Early Prints of Alaska,  
PCA 01-2301



Riverboat *Aurora* and other boats  
near shoreline; St. Michael.  
Alaska State Library,  
PCA 245-19

# Debt Service Fund

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The debt service fund accounts for the accumulation of resources for, and the payment of, principal, interest, and related costs of general obligation bonds.

STATE OF ALASKA  
BALANCE SHEET  
DEBT SERVICE FUND  
June 30, 1998  
(Stated in Thousands)

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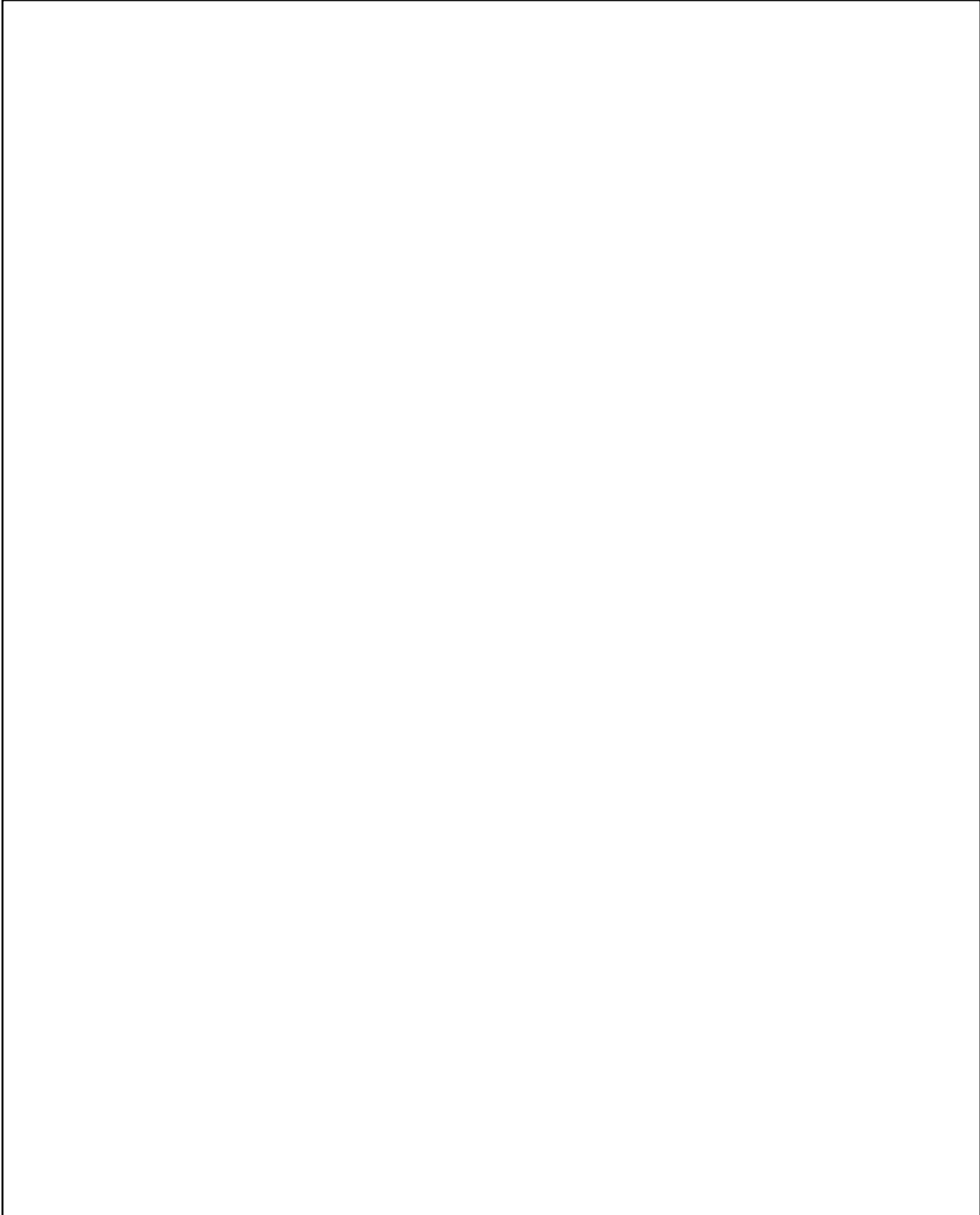
STATEMENT 4.01

	<u>State of Alaska</u>
<b>ASSETS:</b>	
Cash and Investments	\$ <u>0</u>
<b>FUND BALANCE:</b>	
Reserved for G O Bond Residual	\$ <u>0</u>

STATE OF ALASKA  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 DEBT SERVICE FUND  
 For the Fiscal Year Ended June 30, 1998  
 (Stated in Thousands)

STATEMENT 4.02

	<u>State of Alaska</u>
<b>EXPENDITURES:</b>	
Debt Service	\$ 14,220
<b>OTHER FINANCING SOURCES (USES):</b>	
Operating Transfers In from Other Funds	<u>5,674</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(8,546)
FUND BALANCE, BEGINNING OF YEAR	7,700
Residual Equity Fund Transfers from Other Funds	<u>846</u>
FUND BALANCE, END OF YEAR	<u>\$ 0</u>



Bird's eye view of Nome from Lane's Derick, 1903.  
Alaska State Library, B.B. Dobbs Collection, PCA 12-72

# Capital Projects Funds

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Capital projects funds account for general obligation bond proceeds and other financial resources appropriated to the capital projects funds to be used for the acquisition, construction, or improvement of major capital facilities (other than those financed by the general fund, proprietary funds, and trust funds). The following are the State's capital projects funds.

## **Highways and Ferries Construction**

- 1978 Transportation Facilities Construction Fund - Chapter 138, SLA 1978 - This fund consists of the proceeds from the sale of \$88,450,000 of bonds and is to be used for the purpose of paying the cost of highway, ferry, airport, local service roads, and trails construction.
- 1980 Transportation Construction Fund - Chapter 118, SLA 1980 - This fund consists of the proceeds from the sale of \$156,992,700 of bonds and is to be used for the purpose of paying the cost of highway, ferry, airport, port, harbor, local service roads, and trails construction.

## **Flood and Harbor Construction**

- 1976 Water Supply and Sewerage Systems Construction Fund - Chapter 271, SLA 1976 - This fund consists of the proceeds from the sale of \$31,000,000 of bonds and is to be used for the purpose of paying the cost of water supply and sewerage systems construction.
- 1978 Water Supply and Sewerage Systems Fund - Chapter 145, SLA 1978 - This fund consists of the proceeds from the sale of \$27,640,000 of bonds and is to be used for the purpose of paying the cost of capital improvements for water supply and sewerage systems.
- 1980 Water Supply and Sewer Systems, Solid Waste Facilities, and Village Safe Water Construction Fund - Chapter 97, SLA 1980 - This fund consists of the proceeds from the sale of \$33,000,000 of bonds and is to be used for the purpose of paying the cost of capital improvements for water and sewer systems, solid waste facilities, and village safe water facilities.

STATE OF ALASKA  
 COMBINING BALANCE SHEET  
 ALL CAPITAL PROJECTS FUNDS BY FUND GROUP  
 June 30, 1998  
 (Stated in Thousands)

STATEMENT 5.01

	Highways & Ferries Group	Flood & Harbor Group	Totals  June 30, 1998
<b>ASSETS:</b>			
Cash and Investments	\$ 574	\$ 96	\$ 670
Federal Grants Receivable	100		100
<b>TOTAL ASSETS</b>	<b>\$ 674</b>	<b>\$ 96</b>	<b>\$ 770</b>
<b>LIABILITIES AND FUND BALANCES:</b>			
<b>LIABILITIES:</b>			
Warrants Outstanding	\$	\$ 2	\$ 2
<b>TOTAL LIABILITIES</b>	<b>0</b>	<b>2</b>	<b>2</b>
<b>FUND BALANCES:</b>			
Reserved for Encumbrances		94	94
Unreserved, Designated	674		674
<b>TOTAL FUND BALANCES</b>	<b>674</b>	<b>94</b>	<b>768</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 674</b>	<b>\$ 96</b>	<b>\$ 770</b>



STATE OF ALASKA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 ALL CAPITAL PROJECTS FUNDS BY FUND GROUP  
 For the Fiscal Year Ended June 30, 1998  
 (Stated in Thousands)

STATEMENT 5.02

	Highways & Ferries Group	Flood & Harbor Group	Totals Year Ended June 30, 1998
<b>REVENUES:</b>			
Federal	\$ 5	\$	\$ 5
<b>EXPENDITURES:</b>			
Capital Outlay	<u>5</u>	<u>17</u>	<u>22</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	0	(17)	(17)
FUND BALANCES, BEGINNING OF YEAR	1,518	112	1,630
Residual Equity Fund Transfers (to) Other Funds	<u>(844)</u>	<u>(1)</u>	<u>(845)</u>
FUND BALANCES, END OF YEAR	<u>\$ 674</u>	<u>\$ 94</u>	<u>\$ 768</u>

STATE OF ALASKA  
 COMBINING BALANCE SHEET  
 HIGHWAYS AND FERRIES CONSTRUCTION FUNDS  
 June 30, 1998  
 (Stated in Thousands)

STATEMENT 5.03

	1978 Transportation Facilities Construction	1980 Transportation Construction	<u>Totals</u> June 30, 1998
<b>ASSETS:</b>			
Cash and Investments	\$ 67	\$ 507	\$ 574
Federal Grants Receivable	<u>100</u>	<u>        </u>	<u>100</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 167</u></u>	<u><u>\$ 507</u></u>	<u><u>\$ 674</u></u>
<b>FUND BALANCES:</b>			
Unreserved, Designated	<u><u>\$ 167</u></u>	<u><u>\$ 507</u></u>	<u><u>\$ 674</u></u>
<b>LEGAL REFERENCE:</b>	Chapter 138 SLA 1978	Chapter 118 SLA 1980	

STATE OF ALASKA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 HIGHWAYS AND FERRIES CONSTRUCTION FUNDS  
 For the Fiscal Year Ended June 30, 1998  
 (Stated in Thousands)

STATEMENT 5.04

	1978 Transportation Facilities Construction	1980 Transportation Construction	Totals Year Ended June 30, 1998
<b>REVENUES:</b>			
Federal	\$ 5	\$	\$ 5
<b>EXPENDITURES:</b>			
Capital Outlay	<u>5</u>	<u></u>	<u>5</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	0	0	0
FUND BALANCES, BEGINNING OF YEAR	282	1,236	1,518
Residual Equity Fund Transfers (to) Other Funds	<u>(115)</u>	<u>(729)</u>	<u>(844)</u>
FUND BALANCES, END OF YEAR	<u>\$ 167</u>	<u>\$ 507</u>	<u>\$ 674</u>

STATE OF ALASKA  
 COMBINING BALANCE SHEET  
 FLOOD AND HARBOR CONSTRUCTION FUNDS  
 June 30, 1998  
 (Stated in Thousands)

STATEMENT 5.05

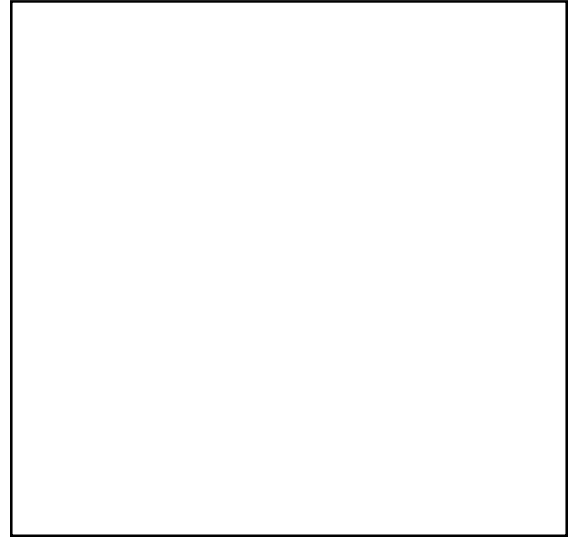
	1976 Water Supply and Sewerage Systems Construction	1978 Water Supply and Sewerage Systems	1980 Water Supply and Sewer Systems, Solid Waste Facilities, and Village Safe Water Construction	Totals  June 30, 1998
<b>ASSETS:</b>				
Cash and Investments	\$ 2	\$ 94	\$ 0	\$ 96
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>LIABILITIES:</b>				
Warrants Outstanding	\$ 2	\$	\$	\$ 2
<b>TOTAL LIABILITIES</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>2</b>
<b>FUND BALANCES:</b>				
Reserved for Encumbrances	0	94	0	94
<b>TOTAL FUND BALANCES</b>	<b>0</b>	<b>94</b>	<b>0</b>	<b>94</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2</b>	<b>\$ 94</b>	<b>\$ 0</b>	<b>\$ 96</b>
<b>LEGAL REFERENCE:</b>	Chapter 271 SLA 1976	Chapter 145 SLA 1978	Chapter 97 SLA 1980	

STATE OF ALASKA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 FLOOD AND HARBOR CONSTRUCTION FUNDS  
 For the Fiscal Year Ended June 30, 1998  
 (Stated in Thousands)

STATEMENT 5.06

	1976 Water Supply and Sewerage Systems Construction	1978 Water Supply and Sewerage Systems	1980 Water Supply and Sewer Systems, Solid Waste Facilities, and Village Safe Water Construction	Totals Year Ended June 30, 1998
<b>EXPENDITURES:</b>				
Capital Outlay	\$ 4	\$	\$ 13	\$ 17
FUND BALANCES, BEGINNING OF YEAR	5	94	13	112
Residual Equity Fund Transfers (to) Other Funds	(1)	_____	_____	(1)
FUND BALANCES, END OF YEAR	<u>\$ 0</u>	<u>\$ 94</u>	<u>\$ 0</u>	<u>\$ 94</u>

Passengers arriving at Nome from S.S. VICT (sic).  
B.B. Dobbs, photograph (no. 399),  
Alaska State Library,  
James Wickersham State Historic Site Collection,  
PCA 277-9-13



Teams of Red Line Transportation (sic) Co., Bennett, B.C.  
Alaska State Library,  
Case & Draper Collection,  
PCA 39-483

Arrival of the first mail in Nome by Str. *Corwin*.  
B.B. Dobbs, photographer,  
Alaska State Library  
James Wickersham State Historic Site Collection,  
PCA 277-9-25

