

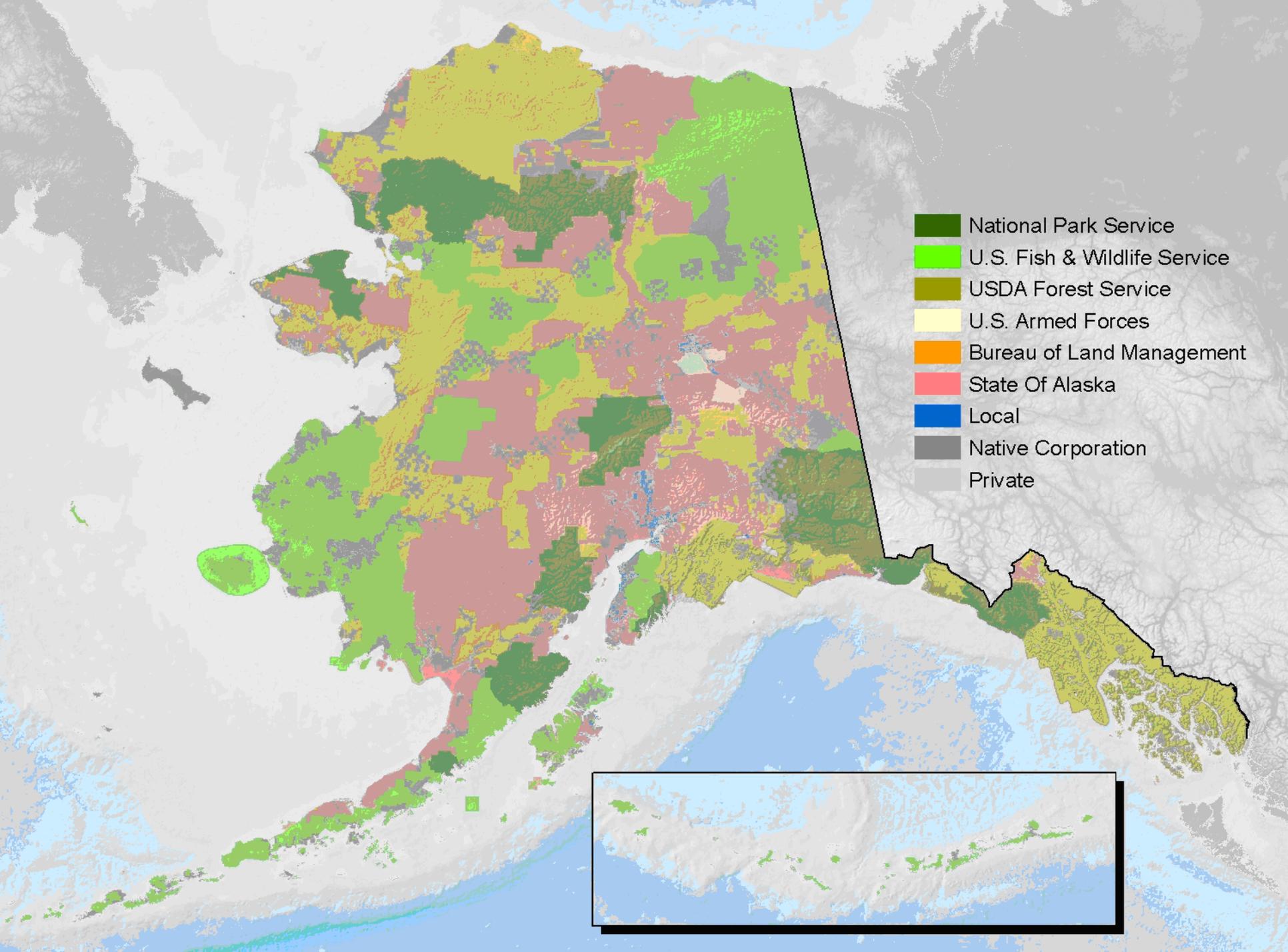
**COMMONWEALTH  
NORTH**

**A Shareholders**

**Report to Alaskans**

# 14<sup>th</sup> Annual Review of Alaska's Assets

- Report on value, income, and prospects of Alaska's key assets for the preceding year
- Identify emerging public policy issues related to those assets
- Ask asset managers to identify what criteria they should be judged upon in the coming year
- Track performance of those assets - and asset managers - against that criteria and other metrics



- National Park Service
- U.S. Fish & Wildlife Service
- USDA Forest Service
- U.S. Armed Forces
- Bureau of Land Management
- State Of Alaska
- Local
- Native Corporation
- Private

# Alaska as an “*Owner State*”

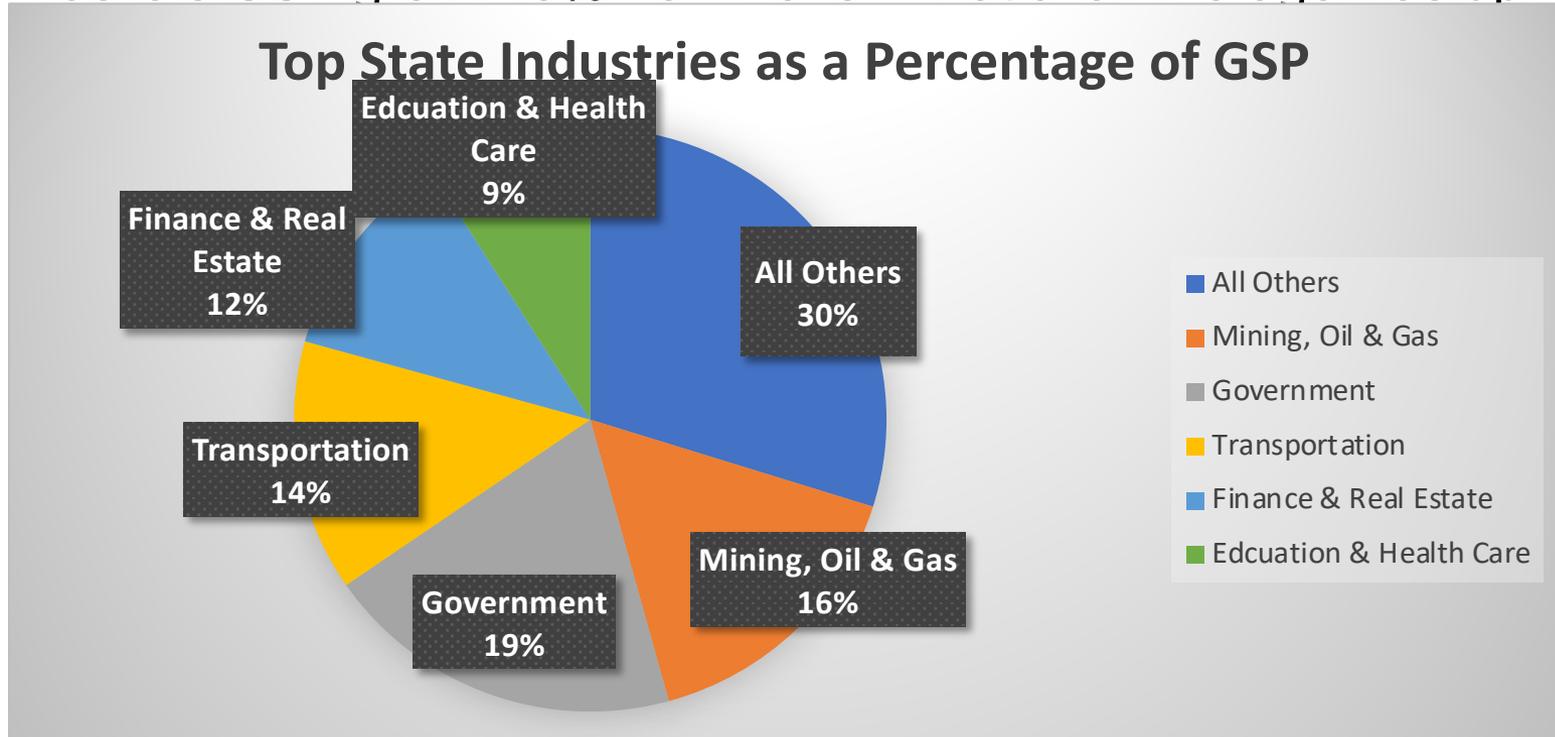
Manages its assets as:

- **Natural Resources**, available for sale, lease, or conservation
- **Financial Assets**, intended to produce financial return
- **Enterprises**, intended to produce both financial return and key infrastructure

# Alaska's Economic Health

**Total Gross State Product – \$55.4 Billion** (2019)

↑ Alaska's GSP grew 2.5% from 2018 National Average was up 2.3%



**Per Capita Personal Income: \$62,102** (2019)

Up 4.2% from 2018

110% of the National Average of \$56,663

# Alaska's Assets Up 3.2%

## Total State Assets in Billions



Each Individual Alaskan's  
Share **\$101,026**

FY '11 FY '12 FY '13 FY '14 FY '15 FY '16 FY '17 FY '18 FY '19

— Total State Assets

Sources: State of Alaska Comprehensive Annual Financial Report (FY2019)

U.S. Bureau of Economic Analysis

# NATURAL RESOURCES

A scenic landscape featuring a river flowing through a valley with mountains in the background and autumn foliage in the foreground. The river is the central focus, with white water rapids and a rocky bed. The surrounding area is lush with green and yellow trees, suggesting an autumn setting. The mountains in the background are covered in dense forest and rise steeply into the sky.

Coal

Tidelands

Fisheries

Timber

Gas

Water

Land

Wildlife

Minerals

Wind

Nature

Oil

# Fisheries



## TOTAL FISHERIES TAX REVENUE MILLIONS



FY '12

FY '13

FY '14

FY '15

FY '16

FY '17

FY '18

FY '19



# Division of Mining, Land & Water



	<b><u>FY '19</u></b>	<b><u>FY '18</u></b>	<b><u>FY '17</u></b>	<b><u>FY '16</u></b>	<b><u>FY '15</u></b>	<b><u>FY '14</u></b>	<b><u>FY '13</u></b>	<b><u>FY '12</u></b>
<b>Millions of Acres</b>	<b>100.6</b>	<b>100.5</b>	<b>100.5</b>	<b>100.5</b>	<b>100.5</b>	<b>100.4</b>	<b>100.4</b>	<b>100.4</b>
<b>Less: Total Land Conveyed</b>	<b>-2.3</b>	<b>-2.2</b>						
<b>Remaining Total Acquired Lands</b>	<b>98.3</b>	<b>98.3</b>	<b>98.3</b>	<b>98.3</b>	<b>98.3</b>	<b>98.2</b>	<b>98.2</b>	<b>98.2</b>

*\*Does not include 65 million acres of submerged land acquired at Statehood.*

# Oil, Gas, and Geothermal Leases and Licenses

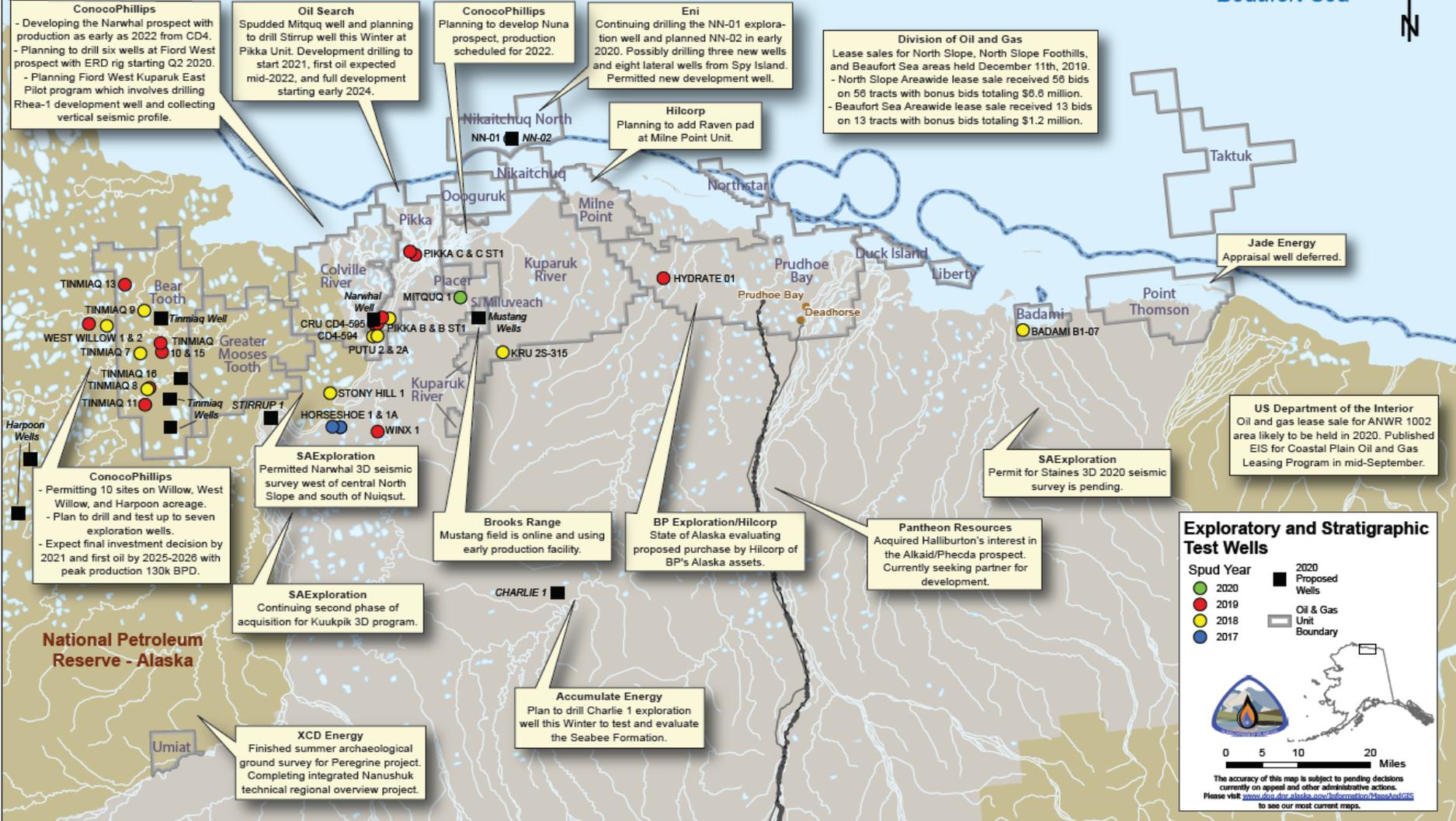


	<u>FY '19</u>	<u>FY '18</u>	<u>FY '17</u>	<u>FY '16</u>	<u>FY '15</u>	<u>FY '14</u>	<u>FY '13</u>	<u>FY '12</u>
Millions of Acres Leased	4.5	5.0	5.3	6.2	5.8	5.8	5.8	5.3
# of Leases	1,960	2,094	2,071	2,226	1,997	1,906	1,748	1,569

# North Slope Oil and Gas Activity

State of Alaska, Department of Natural Resources, Division of Oil and Gas, as of January 2020

Beaufort Sea



**ConocoPhillips**  
 - Developing the Narwhal prospect with production as early as 2022 from CD4.  
 - Planning to drill six wells at Fiord West prospect with ERD rig starting Q2 2020.  
 - Planning Fiord West Kuparuk East Pilot program which involves drilling Rhea-1 development well and collecting vertical seismic profile.

**Oil Search**  
 Spudded Mitquq well and planning to drill Stirrup well this Winter at Pikka Unit. Development drilling to start 2021, first oil expected mid-2022, and full development starting early 2024.

**ConocoPhillips**  
 Planning to develop Nuna prospect, production scheduled for 2022.

**Eni**  
 Continuing drilling the NN-01 exploration well and planned NN-02 in early 2020. Possibly drilling three new wells and eight lateral wells from Spy Island. Permitted new development well.

**Division of Oil and Gas**  
 Lease sales for North Slope, North Slope Foothills, and Beaufort Sea areas held December 11th, 2019.  
 - North Slope Areawide lease sale received 56 bids on 56 tracts with bonus bids totaling \$8.6 million.  
 - Beaufort Sea Areawide lease sale received 13 bids on 13 tracts with bonus bids totaling \$1.2 million.

**Hilcorp**  
 Planning to add Raven pad at Milne Point Unit.

**Jade Energy**  
 Appraisal well deferred.

**ConocoPhillips**  
 - Permitting 10 sites on Willow, West Willow, and Harpoon acreage.  
 - Plan to drill and test up to seven exploration wells.  
 - Expect final investment decision by 2021 and first oil by 2025-2026 with peak production 130k BPD.

**SAExploration**  
 Permitted Narwhal 3D seismic survey west of central North Slope and south of Nuiqsut.

**Brooks Range**  
 Mustang field is online and using early production facility.

**BP Exploration/Hilcorp**  
 State of Alaska evaluating proposed purchase by Hilcorp of BP's Alaska assets.

**SAExploration**  
 Permit for Staines 3D 2020 seismic survey is pending.

**Pantheon Resources**  
 Acquired Halliburton's interest in the Alkaid/Phecda prospect. Currently seeking partner for development.

**US Department of the Interior**  
 Oil and gas lease sale for ANWR 1002 area likely to be held in 2020. Published EIS for Coastal Plain Oil and Gas Leasing Program in mid-September.

**SAExploration**  
 Continuing second phase of acquisition for Kuukpik 3D program.

**Accumulate Energy**  
 Plan to drill Charlie 1 exploration well this Winter to test and evaluate the Seabee Formation.

**XCD Energy**  
 Finished summer archaeological ground survey for Peregrine project. Completing integrated Nanushuk technical regional overview project.

**Exploratory and Stratigraphic Test Wells**

**Spud Year**

- 2020 (Green dot)
- 2019 (Red dot)
- 2018 (Yellow dot)
- 2017 (Blue dot)

**2020 Proposed Wells** (Black square)

**Oil & Gas Unit Boundary** (Grey outline)

0 5 10 20 Miles

The accuracy of this map is subject to pending decisions currently on appeal and other administrative actions. Please visit [www.dnr.alaska.gov/information/pressreleases](http://www.dnr.alaska.gov/information/pressreleases) to see our most current maps.

**National Petroleum Reserve - Alaska**

Umiat

# Petroleum General Fund Revenues

<i>Millions*</i>	<u>FY '19</u>	<u>FY '18</u>	<u>FY '17</u>	<u>FY'16</u>	<u>FY' 15</u>	<u>FY' 14</u>	<u>FY' 13</u>
<b>Petroleum Property Tax</b>	<b>\$119.5</b>	<b>\$121.6</b>	<b>\$120.4</b>	<b>\$111.7</b>	<b>\$125.2</b>	<b>\$128.1</b>	<b>\$99.3</b>
<b>Petroleum Corporate Income Tax</b>	<b>\$217.7</b>	<b>\$66.4</b>	<b>(\$59.4)</b>	<b>(\$58.8)</b>	<b>\$94.8</b>	<b>\$307.6</b>	<b>\$434.6</b>
<b>Severance Tax (a.k.a. Production Tax)</b>	<b>\$595.5</b>	<b>\$749.9</b>	<b>\$134.5</b>	<b>\$186.0</b>	<b>\$389.7</b>	<b>\$2,614.7</b>	<b>\$4,050.3</b>
<b>Petroleum Mineral Bonuses and Rents</b>	<b>\$36.6</b>	<b>\$24.5</b>	<b>\$5.3</b>	<b>\$30.3</b>	<b>\$26.1</b>	<b>\$27.4</b>	<b>\$19.4</b>
<b>Oil and Gas Royalties</b>	<b>\$1,074.5</b>	<b>\$977.8</b>	<b>\$676.2</b>	<b>\$840.3</b>	<b>\$1,052.1</b>	<b>\$1,685.0</b>	<b>\$1,748.4</b>
<b>Total Unrestricted Petroleum Revenue</b>	<b>\$2,043.8</b>	<b>\$1,940.2</b>	<b>\$867.9</b>	<b>\$1,109.5</b>	<b>\$1,687.9</b>	<b>\$4,762.8</b>	<b>\$6,352.0</b>
<b>Total Unrestricted Nonpetroleum Revenue</b>	<b>\$490.1</b>	<b>\$473.3</b>	<b>\$477.7</b>	<b>\$423.2</b>	<b>\$568.4</b>	<b>\$627.3</b>	<b>\$576.5</b>

Source: Alaska Department of Revenue: 2020 Spring Revenue Forecast



# **FINANCIAL ASSETS**

Constitutional Budget Reserve Fund

Alaska Mental Health Trust Authority

Alaska Industrial Development and  
Export Authority

Alaska Housing Finance Corporation

Division of Treasury

Alaska Permanent Fund



State of Alaska  
Update on the State's Investment Funds

April 29, 2020 Commonwealth North  
presentation

Lucinda Mahoney  
Commissioner  
Alaska Department of Revenue



# **Fiscal Summary**

## **Last Update: April 6, 2020**

# Changes to Three-Year Unrestricted Revenue Outlook

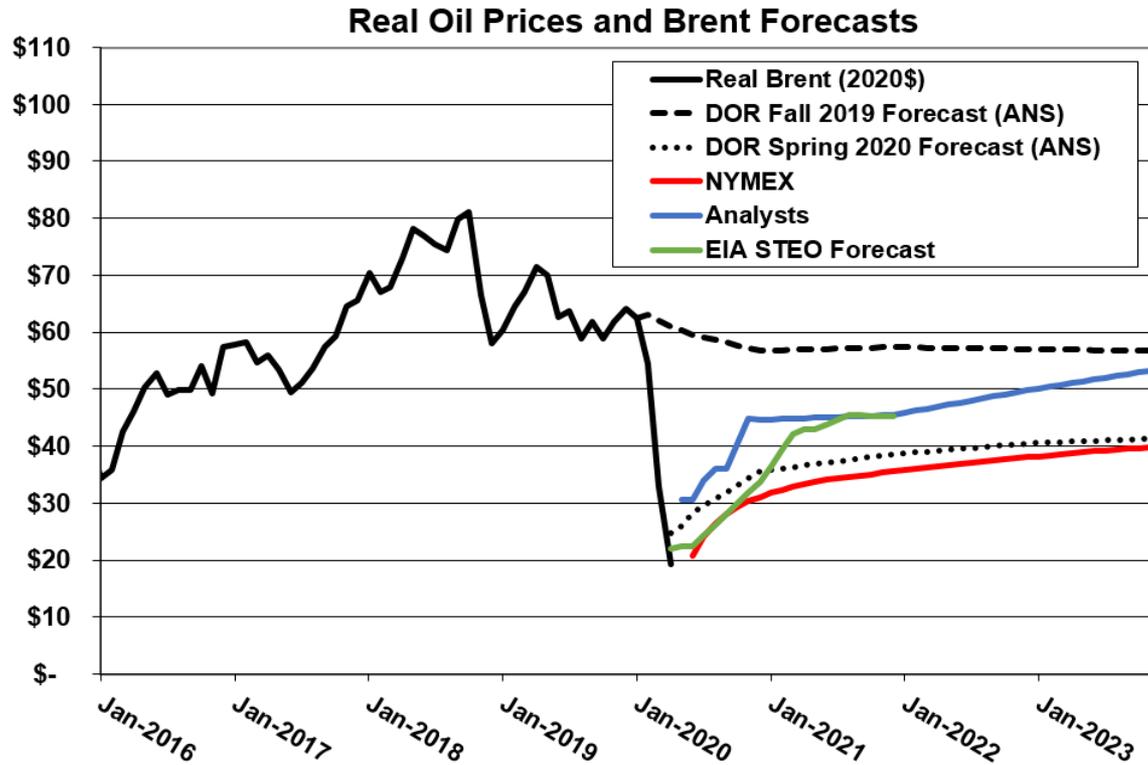
<b>ANS OIL PRICE (Nominal \$ per barrel)</b>			
	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
Fall 2019 Forecast	\$63.54	\$59.00	\$61.00
Spring 2020 Forecast	\$51.65	\$37.00	\$41.00
<b>Change</b>	<b>(\$11.89)</b>	<b>(\$22.00)</b>	<b>(\$20.00)</b>

<b>Unrestricted Revenue (excluding Permanent Fund transfer)</b>			
	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
Fall 2019 Forecast	\$2,116.3	\$1,967.5	\$1,976.4
Spring 2020 Forecast	\$1,589.2	\$1,152.8	\$1,282.2
<b>Change</b>	<b>(\$527.1)</b>	<b>(\$814.7)</b>	<b>(\$694.2)</b>

<b>Unrestricted Revenue (including Permanent Fund transfer)</b>			
	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
Fall 2019 Forecast	\$5,049.4	\$5,059.0	\$5,071.4
Spring 2020 Forecast	\$4,522.3	\$4,244.3	\$4,330.2
<b>Change</b>	<b>(\$527.1)</b>	<b>(\$814.7)</b>	<b>(\$741.2)</b>

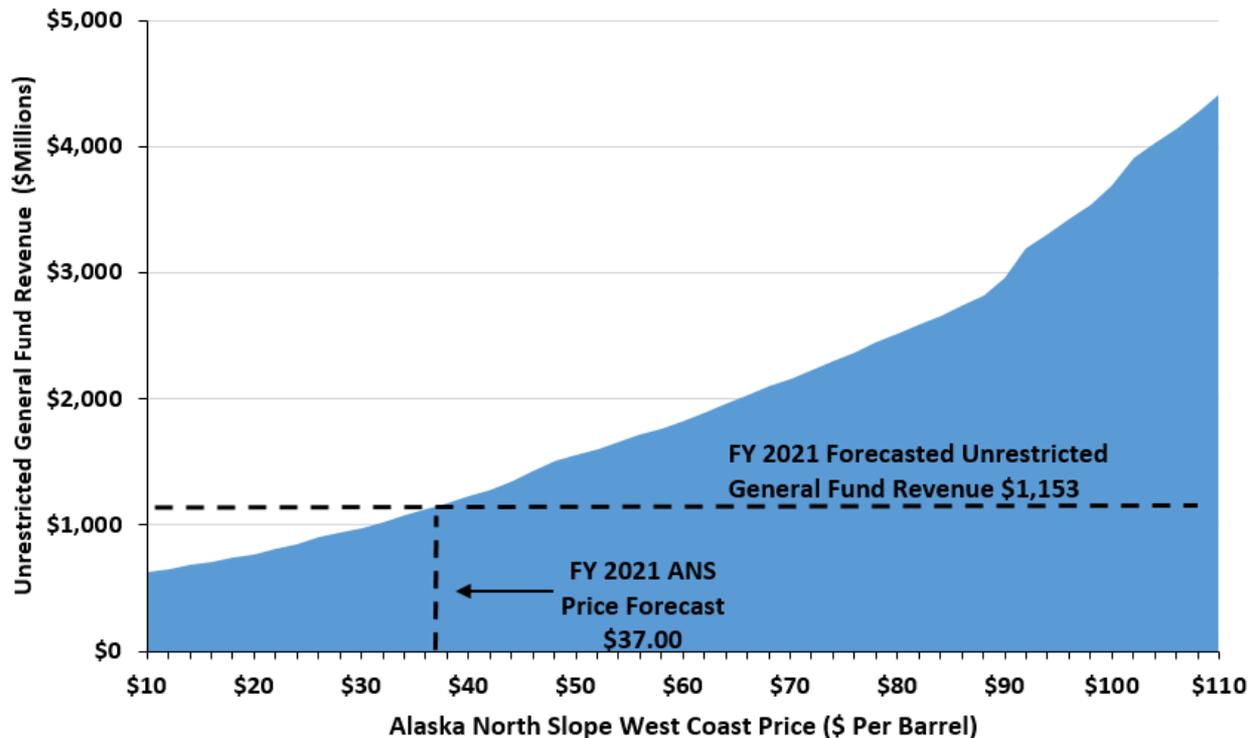
Source: Spring 2020 Revenue Forecast

# Brent Forecasts Comparison



Source: Analyst forecast is an average of 5-19 firms from a Bloomberg survey as of April 23, 2020. Futures prices are from the New York Mercantile Exchange (NYMEX) as of April 23, 2020. The U.S. Energy Information Administration (EIA) forecast is from their April 2020 Short-Term Energy Outlook. Forecasts are adjusted using Alaska Department of Revenue's 2.25% inflation assumption.

# FY 2021 UGF Relative to Price per Barrel (excluding Permanent Fund transfer)



Source: Spring 2020 Revenue Forecast

Notes: Assumes official forecasted North Slope production of 486,500 barrels per day.

Near the forecast ANS price, a \$1 change in price leads to an approximately \$25 million change in UGF revenue.

# **Update on Reserves and Other Funds**

# Constitutional Budget Reserve Fund

Fiduciary oversight: Commissioner of Revenue

		<b>Constitutional Budget Reserve</b>	
<b>Investment Objective</b>		Moderate Risk, Intermediate investment horizon	
<b>Target Asset Allocation</b>		<p>A 3D pie chart illustrating the target asset allocation for the Constitutional Budget Reserve. The largest slice is Cash Equivalents at 75%, followed by Broad Fixed Income at 21%. Global Ex-US Equities and Broad Domestic Equities each represent 2% of the allocation.</p>	
<b>Market Value (\$thousands)</b>	12/31/2016	Actuals	
	12/31/2017	\$5,670,300	
	12/31/2018	\$3,087,000	
	12/31/2019	\$1,710,500	
	3/31/2020	\$2,162,400	
<b>Returns 12/31/2019 (Rolling)</b>		Actuals	Benchmark <sup>1</sup>
	3 Month	0.78%	0.74%
	6 Month	1.72%	1.68%
	1 Year	5.48%	5.34%
	3 Year	3.04%	2.90%
	5 Year	2.28%	2.06%
<b>Callan Projected 10-Year Return: 3.01%</b>			

<sup>1</sup>Cash Equivalents: 3-month U.S. Treasury Bill; Broad Fixed Income: BB U.S. Aggregate Index; Broad Domestic Equities: Russell 3000 Index; Global ex-US Equities: MSCI ACWI ex-US Index

*Current Fiscal Year market values and stated returns are unaudited, preliminary, and include some estimates.*

# Alaska Permanent Fund

Fiduciary oversight: Alaska Permanent Fund Corporation

		<b>Alaska Permanent Fund</b>	
<b>Investment Objective</b>		High Risk, Long Term investment horizon	
<b>Target Asset Allocation</b>			
<b>Market Value (\$thousands)</b>	12/31/2016	Actuals	
	12/31/2017	<b>\$55,393,600</b>	
	12/31/2018	<b>\$64,007,300</b>	
	12/31/2019	<b>\$60,369,700</b>	
	3/31/2020	<b>\$66,982,000</b>	
<b>Returns 12/31/2019</b>		Actuals	Benchmark <sup>1</sup>
	3 Month	4.07%	1.31%
	6 Month	5.38%	2.79%
	1 Year	15.71%	7.29%
	3 Year	9.95%	7.10%
	5 Year	8.31%	6.82%
<b>Projected 10-Year Return: CPI + 5%</b>			

<sup>1</sup>Total fund return objective: Consumer Price Index (all urban consumers, US city average, all items, unadjusted index) plus 5%

*Current Fiscal Year market values and stated returns are unaudited, preliminary, and include some estimates; data available at APFC.org*

Public Employees' Retirement Systems and Teachers' Retirement Systems\*  
 Fiduciary oversight: Alaska Retirement Management Board

		PERS Retirement Defined Benefit Pension & Health		TRS Retirement Defined Benefit Pension & Health Trust	
Investment Objective		High Risk, Long Term investment horizon		High Risk, Long Term investment horizon	
Target Asset Allocation					
Market Value (Thousands)		Actuals		Actuals	
	12/31/2016	\$15,449,400		\$7,701,400	
	12/31/2017	\$17,097,800		\$8,477,000	
	12/31/2018	\$16,076,200		\$7,917,500	
	12/31/2019	\$17,974,600		\$8,786,500	
	3/31/2020	\$15,957,640		\$7,773,663	
Returns 12/31/2019		Actuals <sup>2</sup>	Benchmark <sup>1,2</sup>	Actuals <sup>2</sup>	Benchmark <sup>1,2</sup>
	3 Month	4.92%	5.62%	4.93%	5.62%
	1 Year	17.34%	19.49%	17.36%	19.49%
	3 Year	10.04%	9.44%	10.05%	9.44%
	5 Year	7.59%	7.19%	7.59%	7.19%
<b>Actuarially Assumed Rate of Investment Return: 7.38%</b> (ARMB voted to approve a revision from 8% to 7.38% at the 1/11/2019 board meeting)					

1) 26.0% Russell 3000, 18.0% MSCI ACWI ex-US IMI Net, 26.0% BB US Aggregate, 1.2% 3-month T-bill, 4.8% Russell 1000, 4.9% NCREIF NFI-ODCE, 3.2% NCREIF Farmland, 1.3% NCREIF Timber, 2.3% CPI = 4%, 1.3% FTSE NAREIT All Equity, 3.7% S&P 500, 3.7% Russell 2000, and 3.7% MSCI EAFE Net

2) Rates listed net of fees

*\*Values and returns are presented for PERS Retirement Defined Benefit Pension & Health and TRS Retirement Defined Benefit and Health*

*Current Fiscal Year market values and stated returns are unaudited, preliminary, and include some estimates.*

# Division of Treasury

<i>\$ Millions</i>	<u>FY '19</u>	<u>FY '18</u>	<u>FY '17</u>	<u>FY '16</u>	<u>FY '15</u>	<u>FY '14</u>	<u>FY '13</u>
<b>Net Assets Managed by Treasury Division</b>	<b>\$8,155</b>	<b>\$8,299</b>	<b>\$10,864</b>	<b>\$13,703</b>	<b>\$18,561</b>	<b>\$25,919</b>	<b>\$26,208</b>
<b>ARMB Assets (PERS + TRS)*</b>	<b>\$28,197</b>	<b>\$27,399</b>	<b>\$26,120</b>	<b>\$23,816</b>	<b>\$24,615</b>	<b>\$21,674</b>	<b>\$18,398</b>
<b>Investment Income (Not including ARMB funds)</b>	<b>\$387</b>	<b>\$232</b>	<b>\$362</b>	<b>\$207</b>	<b>\$325</b>	<b>\$1,485</b>	<b>\$828</b>

\*ARMB Assets (PERS + TRS) include totals for both Defined Benefit and Defined Contribution Plans



# COVID-19

## **COVID-19 Economic Stabilization Plan Office of Governor Mike Dunleavy**

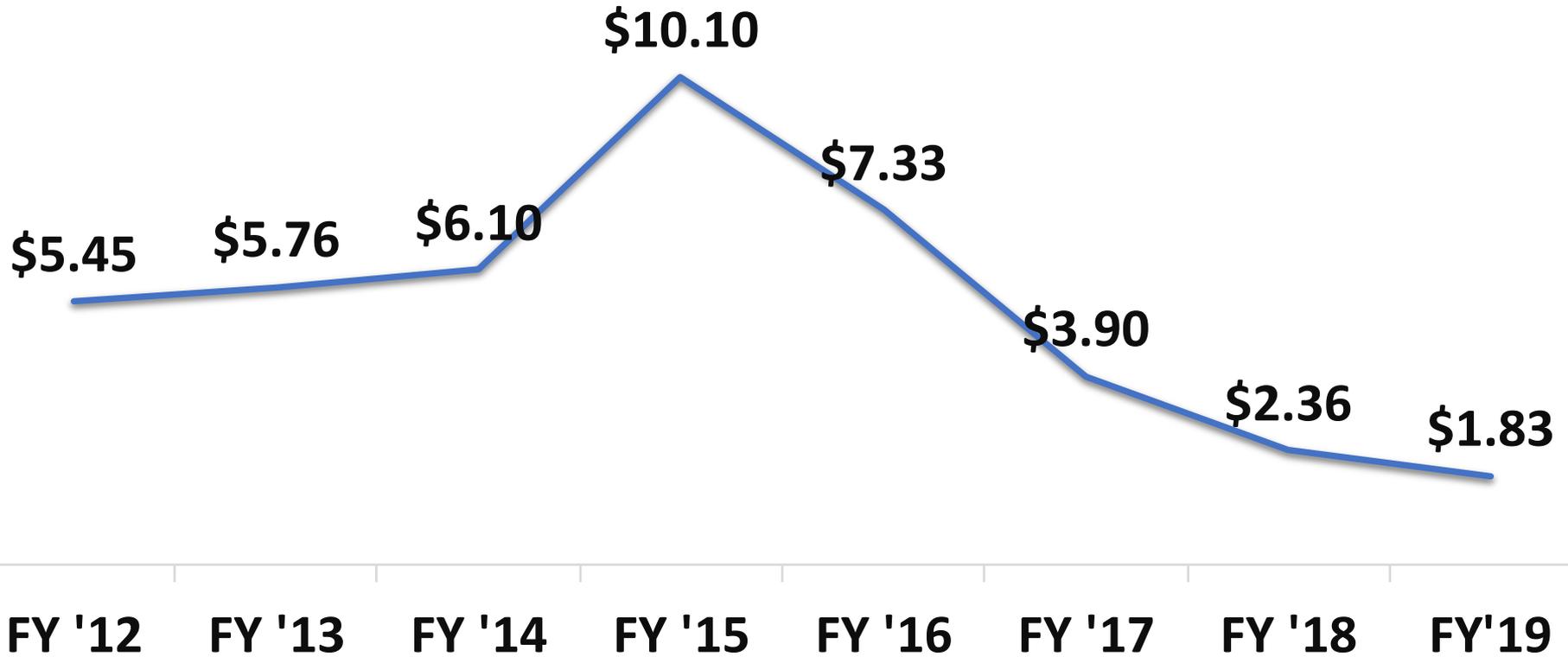
- ❖ \$562.5 million for local communities.
- ❖ \$300 million to help fund small businesses
- ❖ \$337.5 million for coronavirus-related health care costs
- ❖ \$50 million for nonprofits to help, among other things, food banks and emergency shelters

**Governor Dunleavy is focusing on six areas to provide stability to the economy and ensure Alaskans have the resources needed during this unprecedented time. You can find the plan at:**

<https://gov.alaska.gov/home/covid-19-economic-plan/>

# Constitutional Budget Reserve Fund

## CBR Annual Market Value in Billions



— Constitutional Budget Reserve

# Alaska Permanent Fund Corporation

<i>\$ Billions</i>	<u>FY '19</u>	<u>FY'18</u>	<u>FY'17</u>	<u>FY'16</u>	<u>FY'15</u>	<u>FY'14</u>	<u>FY'13</u>	<u>FY '12</u>
<b>Net Assets</b>	<b>\$66.3</b>	<b>\$64.9</b>	<b>\$59.8</b>	<b>\$52.8</b>	<b>\$52.8</b>	<b>\$51.2</b>	<b>\$44.9</b>	<b>\$40.3</b>
<b>Statutory Net Income</b>	<b>\$3.3</b>	<b>\$6.3</b>	<b>\$3.2</b>	<b>\$2.2</b>	<b>\$2.9</b>	<b>\$3.5</b>	<b>\$2.9</b>	<b>\$1.6</b>
<b>Interest, Dividends, Real Estate, Other</b>	<b>\$1.6</b>	<b>\$1.6</b>	<b>\$1.3</b>	<b>\$1.2</b>	<b>\$1.1</b>	<b>\$1.2</b>	<b>\$1.1</b>	<b>\$1.0</b>
<b>Increase in Market Value of Investments</b>	<b>\$2.4</b>	<b>\$4.1</b>	<b>\$5.6</b>	<b>\$-0.7</b>	<b>\$1.3</b>	<b>\$5.8</b>	<b>\$3.4</b>	<b>\$-1.0</b>
<b>Total Revenue</b>	<b>\$3.9</b>	<b>\$5.7</b>	<b>\$6.7</b>	<b>\$0.5</b>	<b>\$2.5</b>	<b>\$7.0</b>	<b>\$4.4</b>	<b>\$-0.2</b>
<b>% Return</b>	<b>6.32</b>	<b>10.74</b>	<b>12.89</b>	<b>1.02</b>	<b>4.9</b>	<b>15.5</b>	<b>10.9</b>	<b>0.0</b>

# Global Sovereign Wealth Funds

<u>Country</u>	<u>Fund</u>	<u>Assets \$Billions</u>	<u>Inception</u>
1 Norway	Government Pension Fund – Global	\$1,186.7	1990
2 China	China Investment Corporation	\$940.6	2007
3 UAE - Abu Dhabi	Abu Dhabi Investment Authority	\$579.6	1976
4 China - Hong Kong	Hong Kong Monetary Authority Investment Portfolio	\$539.9	1993
5 Kuwait	Kuwait Investment Authority	\$533.7	1953
6 Singapore	GIC Private Limited	\$440.0	1981
7 China	SAFE Investment Company	\$417.8	1997
8 Singapore	Temasek Holdings	\$375.4	1974
9 China	National Council for Social Security Fund	\$325.0	2000
10 Saudi Arabia	Public Investment Fund	\$320.0	2008
11 Qatar	Qatar Investment Authority	\$295.2	2005
12 UAE – Dubai	Investment Corporation of Dubai	\$239.4	2006
13 UAE - Abu Dhabi	Mubadala Investment Company	\$232.1	2002
14 Turkey	Turkey Wealth Fund	\$222.2	2016
15 South Korea	Korea Investment Corporation	\$157.3	2005
16 Russia	National Welfare Fund	\$124.1	2008
17 Australia	Australian Future Fund	\$117.5	2006
18 Iran	National Development Fund of Iran	\$91.0	2011
19 Canada	Alberta Investment Management Corporation	\$86.3	2008
20 Kazakhstan	Samruk-Kazyna JSC	\$68.2	2008
21 US - Alaska	Alaska Permanent Fund	\$67.2	1976
22 Kazakhstan	Kazakhstan National Fund	\$61.1	2000
23 Brunei	Brunei Investment Agency	\$60.0	1983
24 Libya	Libyan Investment Authority	\$60.0	2006
25 US – Texas	University of Texas Investment Management Company	\$48.4	1952
26 US – Texas	Texas Permanent School Fund	\$46.5	1854

# Alaska Mental Health Trust Authority

<i>\$ Millions</i>	<u>FY '19</u>	<u>FY '18</u>	<u>FY '17</u>	<u>FY '16</u>	<u>FY '15</u>	<u>FY '14</u>	<u>FY '13</u>
<b>Net Assets</b>	<b>\$695.2</b>	<b>\$686.5</b>	<b>\$639.8</b>	<b>\$593.4</b>	<b>\$601.9</b>	<b>\$585.6</b>	<b>\$527.4</b>
<b>Rents and Royalty Income</b>	<b>\$13.6</b>	<b>\$12.0</b>	<b>\$3.4</b>	<b>\$5.2</b>	<b>\$3.6</b>	<b>\$3.0</b>	<b>\$2.0</b>
<b>Investment Income</b>	<b>\$35.5</b>	<b>\$50.7</b>	<b>\$61.9</b>	<b>\$6.7</b>	<b>\$25.3</b>	<b>\$72.2</b>	<b>\$48.2</b>

# Alaska Industrial Development and Export Authority



<i>\$ Millions</i>	<u>FY '19</u>	<u>FY '18</u>	<u>FY '17</u>	<u>FY '16</u>	<u>FY '15</u>	<u>FY '14</u>	<u>FY '13</u>
<b>Net Position (Assets)</b>	\$1,374.9	\$1,328.6	\$1,317.6	\$1,311.7	\$1,290.5	\$1,270.8	\$1,161.2
<b>Operating Revenue</b>	\$80.4	\$64.3	\$59.9	\$77.4	\$53.1	\$64.9	\$51.9
<b>Operating Expense</b>	\$32.9	\$39.2	\$49.9	\$40.2	\$27.8	\$29.0	\$31.2
<b>Net Operating Income</b>	\$47.5	\$25.1	\$10.0	\$37.2	\$25.3	\$35.9	\$20.7
<b>Transfers to State of Alaska/Other Agencies</b>	\$4.8	\$12.9	\$6.3	\$17.7	\$10.7	\$70.7	\$20.4
<b>Non-operating Revenue</b>	\$3.5	\$1.2	\$2.1	\$1.7	\$13.7	\$140.6	\$85.2
<b>Change in Net Position</b>	\$46.3	\$13.4	\$5.8	\$21.2	\$28.3	\$105.8	\$85.5

# Alaska Housing Finance Corporation

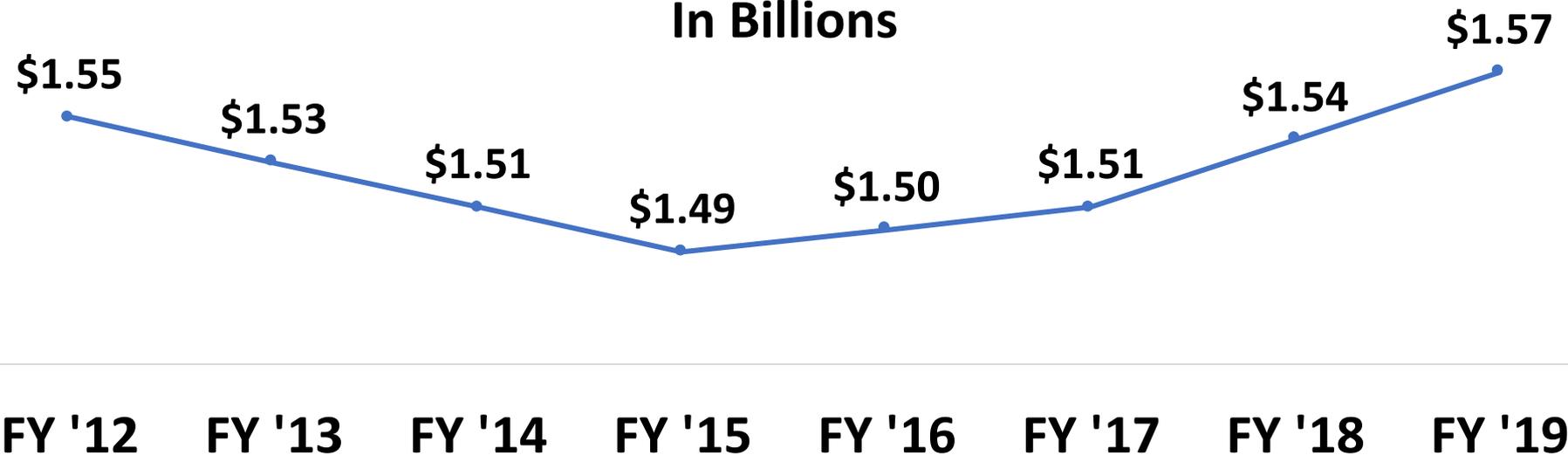
<i>\$ Millions</i>	<u>FY '19</u>	<u>FY'18</u>	<u>FY'17</u>	<u>FY '16</u>	<u>FY '15</u>	<u>FY '14</u>	<u>FY '13</u>
<b>Net Position</b>	<b>\$1,571.4</b>	<b>\$1,538.7</b>	<b>\$1,513.6</b>	<b>\$1,499.5</b>	<b>\$1,485.5</b>	<b>\$1,509.9</b>	<b>\$1,525.5</b>
<b>Operating Revenue</b>	<b>\$256.0</b>	<b>\$246.3</b>	<b>\$249.5</b>	<b>\$274.2</b>	<b>\$290.1</b>	<b>\$308.1</b>	<b>\$315.3</b>
<b>Operating Expense</b>	<b>\$221.2</b>	<b>\$212.7</b>	<b>\$235.1</b>	<b>\$260.0</b>	<b>\$281.6</b>	<b>\$311.5</b>	<b>\$333.2</b>
<b>Operating Income</b>	<b>\$34.8</b>	<b>\$33.6</b>	<b>\$14.3</b>	<b>\$14.2</b>	<b>\$8.5</b>	<b>-\$3.4</b>	<b>-\$17.9</b>
<b>Change in Net Position</b>	<b>\$32.7</b>	<b>\$33.5</b>	<b>\$14.1</b>	<b>\$14.1</b>	<b>\$4.7</b>	<b>-\$4.8</b>	<b>-\$28.6</b>
<b>Adjusted Change in Net Position</b>	<b>\$60.8</b>	<b>\$52.0</b>	<b>\$39.3</b>	<b>\$40.6</b>	<b>\$34.6</b>	<b>\$25.4</b>	<b>\$10.0</b>
<b>Dividend to State of AK</b>	<b>\$45.6</b>	<b>\$39.0</b>	<b>\$29.4</b>	<b>\$30.5</b>	<b>\$25.9</b>	<b>\$19.1</b>	<b>\$7.5</b>

# Alaska Housing Finance Corporation



## Net Position

In Billions



# **ENTERPRISES**

**Alaska Marine Highway**

**Alaska Energy Authority**

**Alaska Railroad Corporation**

**International Airports**

**University of Alaska**

# Alaska Marine Highway



<i>\$ Millions</i>	<u>FY '19</u>	<u>FY '18</u>	<u>FY '17</u>	<u>FY '16</u>	<u>FY '15</u>	<u>FY '14</u>	<u>FY '13</u>
<b>Net Assets</b>	<b>\$1,517.5</b>	<b>\$1,291.0</b>	<b>\$1,297.5</b>	<b>\$1,204.9</b>	<b>\$1,116.7</b>	<b>\$1,038.8</b>	<b>\$963.3</b>
<b>Operating Revenue</b>	<b>\$50.8</b>	<b>\$47.3</b>	<b>\$45.8</b>	<b>\$47.2</b>	<b>\$53.9</b>	<b>\$51.7</b>	<b>\$54.3</b>
<b>Operating Expense</b>	<b>\$140.9</b>	<b>\$142.0</b>	<b>\$134.9</b>	<b>\$145.2</b>	<b>\$160.8</b>	<b>\$166.0</b>	<b>\$172.5</b>
<b>Net Income</b>	<b>(\$90.1)</b>	<b>(\$94.7)</b>	<b>(\$89.1)</b>	<b>(\$98.0)</b>	<b>(\$106.9)</b>	<b>(\$114.3)</b>	<b>(\$118.2)</b>

# Alaska Energy Authority

<i>\$ Millions</i>	<u>FY '19</u>	<u>FY '18</u>	<u>FY '17</u>	<u>FY '16</u>	<u>FY '15</u>	<u>FY '14</u>	<u>FY '13</u>
<b>Net Position</b>	<b>\$443.0</b>	<b>\$1,488.9</b>	<b>\$1,461.2</b>	<b>\$1,395.2</b>	<b>\$1,426.8</b>	<b>\$1,406.2</b>	<b>\$1,180.9</b>
<b>Operating Revenue</b>	<b>\$46.2</b>	<b>\$40.8</b>	<b>\$41.3</b>	<b>\$42.3</b>	<b>\$56.0</b>	<b>\$92.8</b>	<b>\$102.4</b>
<b>Operating Expense</b>	<b>\$86.4</b>	<b>\$85.8</b>	<b>\$85.3</b>	<b>\$94.1</b>	<b>\$136.0</b>	<b>\$156.5</b>	<b>\$165.9</b>
<b>Operating Loss/Gain</b>	<b>\$-40.2</b>	<b>\$-45.0</b>	<b>\$-44.0</b>	<b>\$-51.8</b>	<b>\$-80.0</b>	<b>\$-63.7</b>	<b>-\$63.5</b>
<b>Investment Income</b>	<b>\$78.0</b>	<b>\$79.3</b>	<b>\$114.4</b>	<b>\$11.0</b>	<b>\$35.1</b>	<b>\$173.1</b>	<b>\$113.4</b>
<b>Capital Contributions by the State</b>	<b>0</b>	<b>\$3.5</b>	<b>\$9.1</b>	<b>\$9.2</b>	<b>\$28.9</b>	<b>\$37.0</b>	<b>\$25.9</b>

# Alaska Railroad Corporation



<i>\$ Millions</i>	<u>FY '19</u>	<u>FY '18</u>	<u>FY '17</u>	<u>FY '16</u>	<u>FY '15</u>	<u>FY '14</u>
<b>Net Assets</b>	<b>\$378.3</b>	<b>\$356.7</b>	<b>\$338.70</b>	<b>\$316.33</b>	<b>\$320.69</b>	<b>\$304.71</b>
<b>Operating Revenue (Trains)</b>	<b>\$125.4</b>	<b>\$110.9</b>	<b>\$107.8</b>	<b>\$102.9</b>	<b>\$113.9</b>	<b>\$125.1</b>
<b>Operating Expense (Trains)</b>	<b>\$120.7</b>	<b>\$109.4</b>	<b>\$101.3</b>	<b>\$114.1</b>	<b>\$114.5</b>	<b>\$121.3</b>
<b>Operating Income (Trains)</b>	<b>\$ 4.7</b>	<b>\$ 1.5</b>	<b>\$ 6.5</b>	<b>(\$ 11.2)</b>	<b>(\$ 0.6)</b>	<b>\$ 3.8</b>
<b>Non Operating Income (primarily Real Estate)</b>	<b>\$ 16.9</b>	<b>\$ 16.5</b>	<b>\$ 15.9</b>	<b>\$ 6.8</b>	<b>\$ 11.4</b>	<b>\$ 10.4</b>
<b>Net Revenue (Corporate)</b>	<b>\$ 21.6</b>	<b>\$ 18.0</b>	<b>\$ 22.4</b>	<b>(\$ 4.4)</b>	<b>\$ 10.9</b>	<b>\$ 14 .1</b>



# Alaska International Airport System



<i>\$ Millions</i>	<u>FY '19</u>	<u>FY '18</u>	<u>FY '17</u>	<u>FY '16</u>	<u>FY '15</u>	<u>FY '14</u>	<u>FY '13</u>
<b>Net Position (Assets)</b>	<b>\$971</b>	<b>\$914</b>	<b>\$896</b>	<b>\$883</b>	<b>\$864</b>	<b>\$903</b>	<b>\$906</b>
<b>Operating Revenue</b>	<b>\$141</b>	<b>\$148</b>	<b>\$143</b>	<b>\$137</b>	<b>\$134</b>	<b>\$124</b>	<b>\$108</b>
<b>Operating Expense</b>	<b>\$154</b>	<b>\$158</b>	<b>\$168</b>	<b>\$140</b>	<b>\$148</b>	<b>\$151</b>	<b>\$146</b>
<b>Net Op Revenue</b>	<b>-\$13</b>	<b>\$-10</b>	<b>\$-25</b>	<b>\$-2</b>	<b>\$-14</b>	<b>\$-27</b>	<b>\$-38</b>
<b>Capital Contributions</b>	<b>\$78</b>	<b>\$54</b>	<b>\$56</b>	<b>\$40</b>	<b>\$50</b>	<b>\$58</b>	<b>\$89</b>



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<i>\$ Millions</i>	<u>FY '19</u>	<u>FY '18</u>	<u>FY '17</u>	<u>FY '16</u>	<u>FY '15</u>	<u>FY '14</u>	<u>FY '13</u>
<b>Net Capital Assets</b>	<b>\$1,703.5</b>	<b>\$1,730.3</b>	<b>\$1,692.5</b>	<b>\$1,617.9</b>	<b>\$1,544.7</b>	<b>\$1,447.3</b>	<b>\$1,280.3</b>
<b>Endowment Investments</b>	<b>\$151.8</b>	<b>\$150.1</b>	<b>\$143.6</b>	<b>\$130.2</b>	<b>\$143.1</b>	<b>\$148.5</b>	<b>\$136.7</b>
<b>Land Endowment and other Assets</b>	<b>\$62.3</b>	<b>\$61.7</b>	<b>\$62.6</b>	<b>\$62.7</b>	<b>\$62.4</b>	<b>\$62.6</b>	<b>\$62.9</b>
<b>Endowment Investment Return</b>	<b>5.5%</b>	<b>8.5%</b>	<b>14.3%</b>	<b>-4.7%</b>	<b>-1.5%</b>	<b>13.1%</b>	<b>10%</b>



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	Fall 2019/FY20	Fall 2018/FY19	Fall 2017/FY18	Fall 2016/FY17	Fall 2015/FY16	Fall 2014/FY15	Fall 2013/FY14	Fall 2012/FY13
<b>Fall Student Headcount (Non-degree)</b>	<b>24,943 (7,781)</b>	<b>26,641 (7,754)</b>	<b>27,823 (7,825)</b>	<b>29,171 (8,100)</b>	<b>30,496 (8,454)</b>	<b>31,522 (8,716)</b>	<b>32,696 (8,992)</b>	<b>33,581 (9,564)</b>
<b>Degrees Awarded</b>	<b>August 2020</b>	<b>4,314</b>	<b>4,554</b>	<b>4,594</b>	<b>4,794</b>	<b>4,678</b>	<b>4,908</b>	<b>4,491</b>
<b>High School/College Concurrent Enrollment Headcount</b>	<b>May 2020</b>	<b>2,444</b>	<b>2,720</b>	<b>2,391</b>	<b>1,877</b>	<b>1,522</b>	<b>1,556</b>	<b>1,413</b>
<b>Tuition and Fees - UA to Western States Average (4-Year)</b>	<b>91%</b>	<b>89%</b>	<b>88%</b>	<b>88%</b>	<b>84%</b>	<b>80%</b>	<b>77%</b>	<b>78%</b>
<b>Total Research Expenditures (\$ Millions)</b>	<b>October 2020</b>	<b>\$158.0</b>	<b>\$150.7</b>	<b>\$159.4</b>	<b>\$144.2</b>	<b>\$133.9</b>	<b>\$138.7</b>	<b>\$144.2</b>
<b>Full-Time Regular Employees Headcount (Total Employees)</b>	<b>3,715 (6,703)</b>	<b>3,887 (7,147)</b>	<b>3,889 (7,247)</b>	<b>4,034 (7,503)</b>	<b>4,276 (7,972)</b>	<b>4,510 (8,430)</b>	<b>4,587 (8,614)</b>	<b>4,532 (8,665)</b>



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# ISSUES & PROSPECTS

## ➤ Natural Assets

- Oil exploration and petroleum projects
- Obligations for unpaid oil tax credits

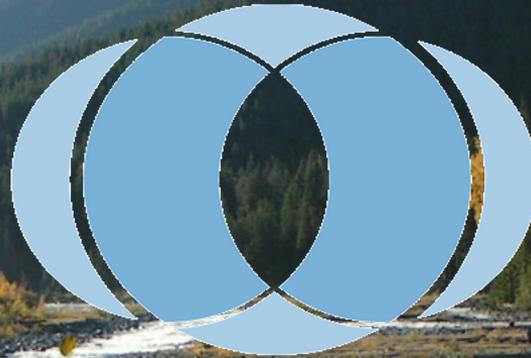
## ➤ Financial Assets

- Permanent fund percentage of value
- Long range fiscal plan
- Leveraging financial assets and expertise for Alaska

## ➤ Enterprise Assets

- Are we investing in our critical Infrastructure (railroad, airports, energy)
- Is there an opportunity for recycling and leveraging capital?

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