

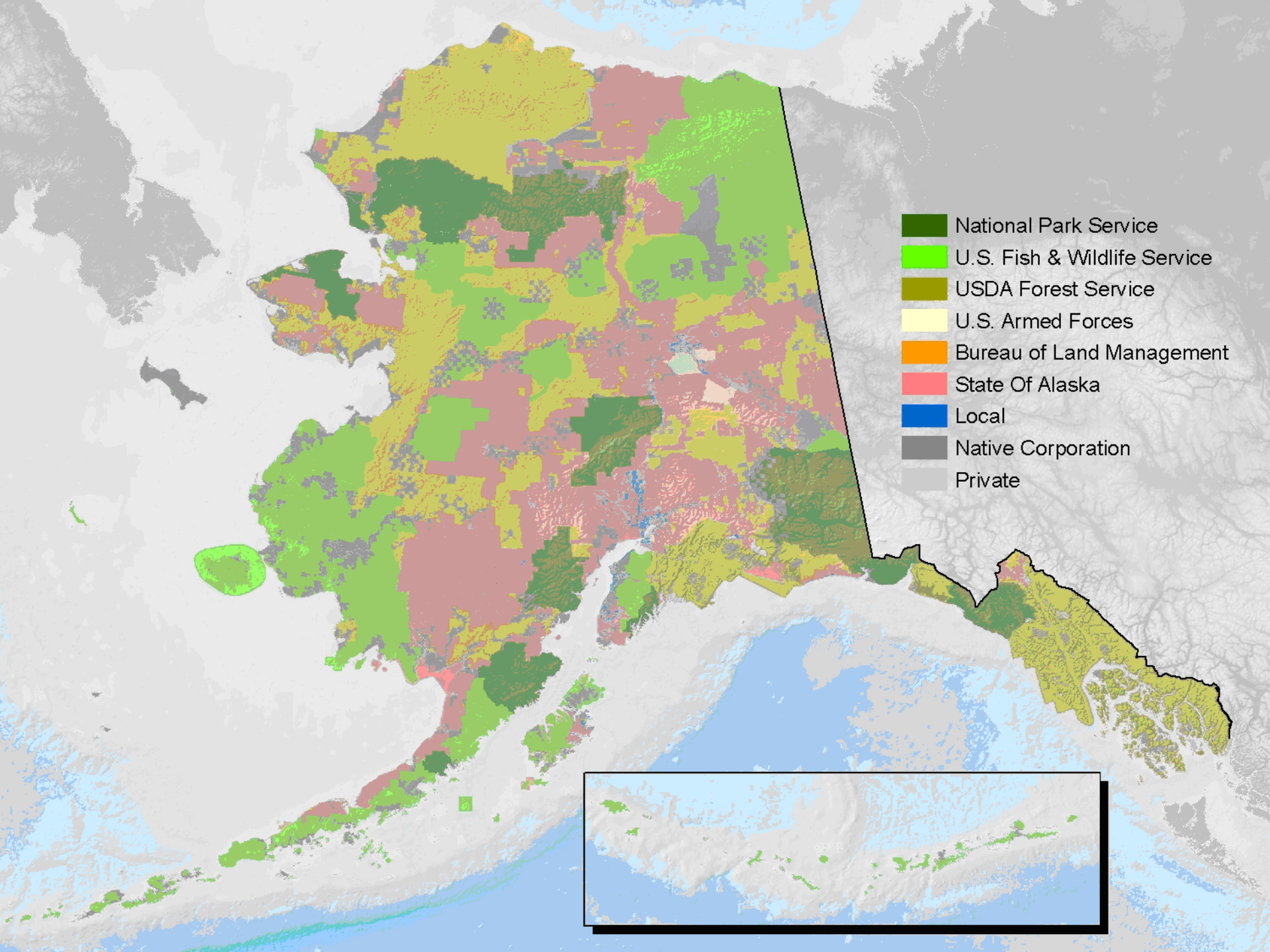
COMMONWEALTH  
NORTH

**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





# Alaska as an “*Owner State*”

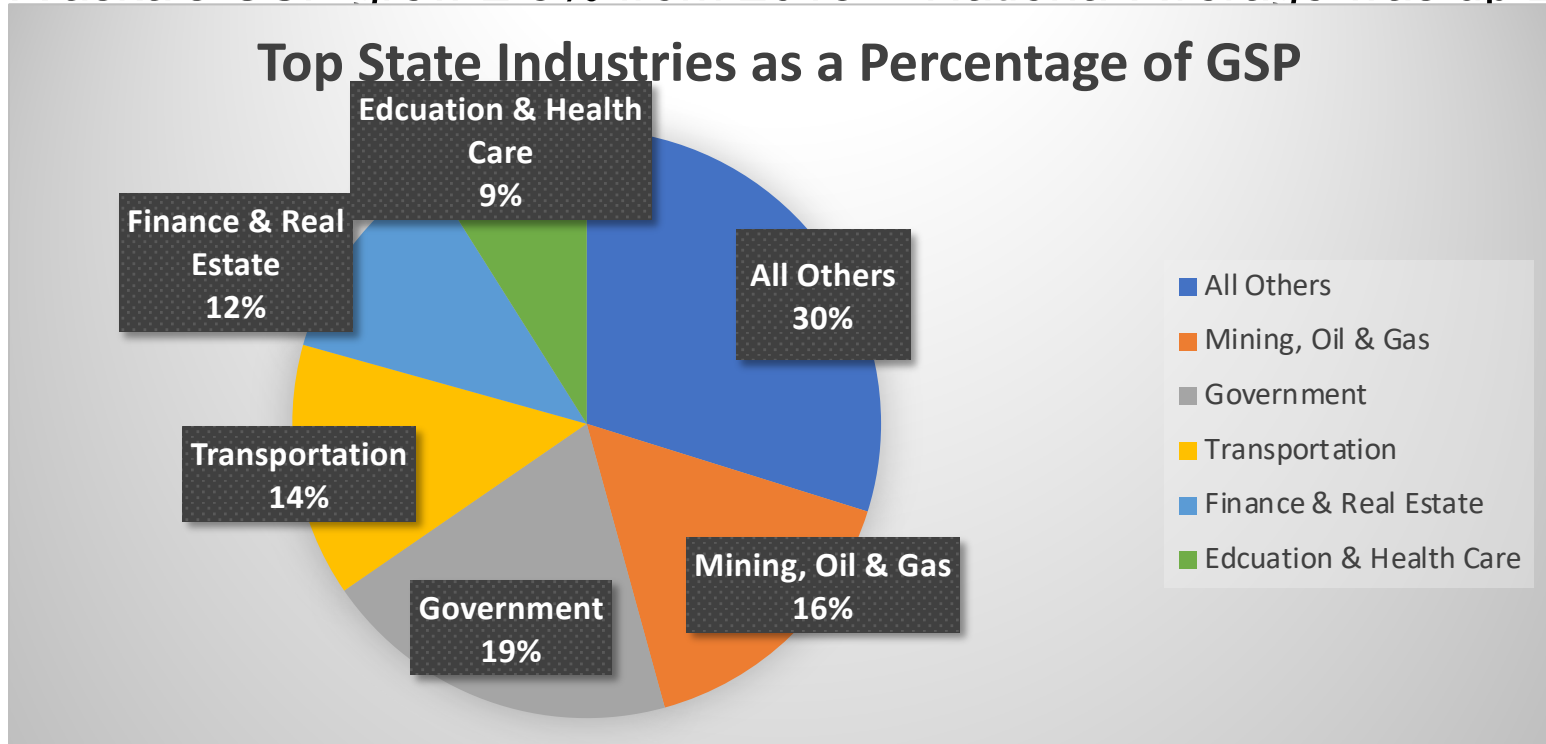
Manages its assets as:

- **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 surrounded by rocky banks and lush greenery. The mountains in the background are covered in dense forests. The foreground is filled with various plants and trees, some of which have yellowed leaves, indicating autumn.

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 Parks and Recreation



<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>
Total Budget	\$13.5	\$13.39	\$14	\$14.4	\$14.6	\$14.1	\$13.7
Revenue from User Fees	\$4.57	\$4.22	\$4.08	\$4.08	\$3.3	\$3.1	\$2.9
Total Acres of Land	3.3	3.3	3.3	3.3	3.3	3.3	3.3

# Division of Mining, Land & Water



	<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>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>-2.2</b>	<b>-2.2</b>	<b>-2.2</b>	<b>-2.2</b>	<b>-2.2</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



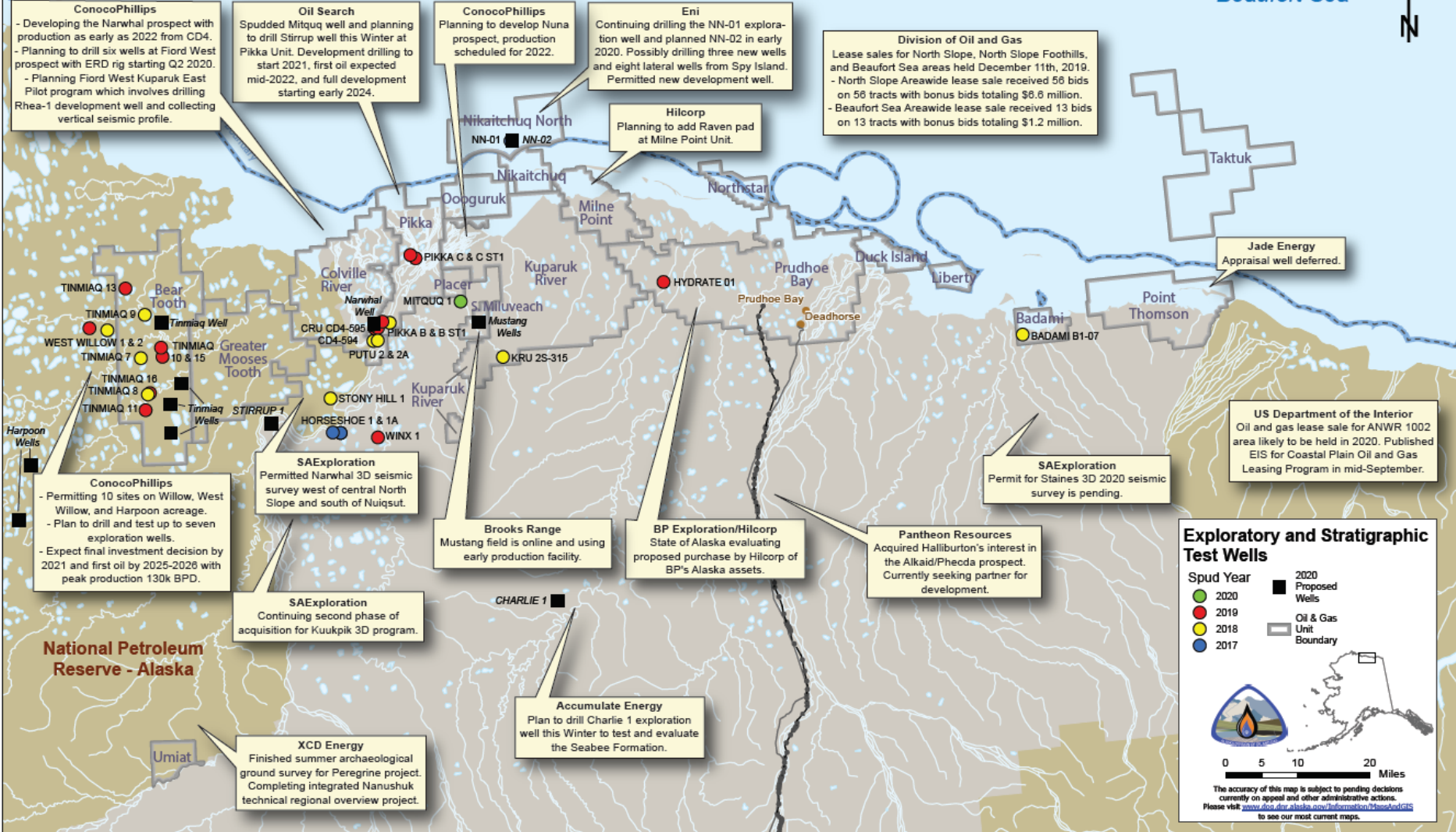
	<u><b>FY '19</b></u>	<u><b>FY '18</b></u>	<u><b>FY '17</b></u>	<u><b>FY '16</b></u>	<u><b>FY '15</b></u>	<u><b>FY '14</b></u>	<u><b>FY '13</b></u>	<u><b>FY '12</b></u>
<b>Millions of Acres Leased</b>	<b>4.5</b>	<b>5.0</b>	<b>5.3</b>	<b>6.2</b>	<b>5.8</b>	<b>5.8</b>	<b>5.8</b>	<b>5.3</b>
<b># of Leases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



# North Slope Oil and Gas Activity

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

Beaufort Sea



# 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>

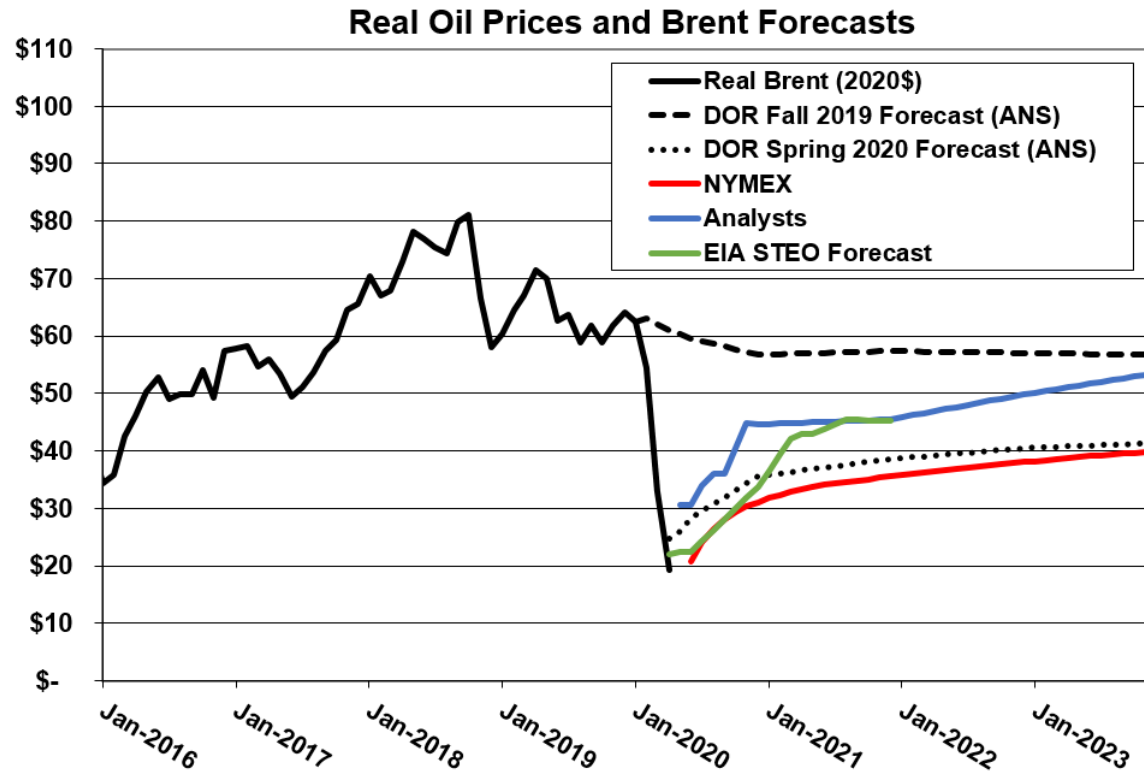
<b>Unrestricted Revenue (excluding Permanent Fund transfer)</b>			
	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
Fall 2019 Forecast	\$2,116.3	\$1,967.5	\$1,976.4
Spring 2020 Forecast	\$1,589.2	\$1,152.8	\$1,282.2
<b>Change</b>	<b>(\$527.1)</b>	<b>(\$814.7)</b>	<b>(\$694.2)</b>

<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

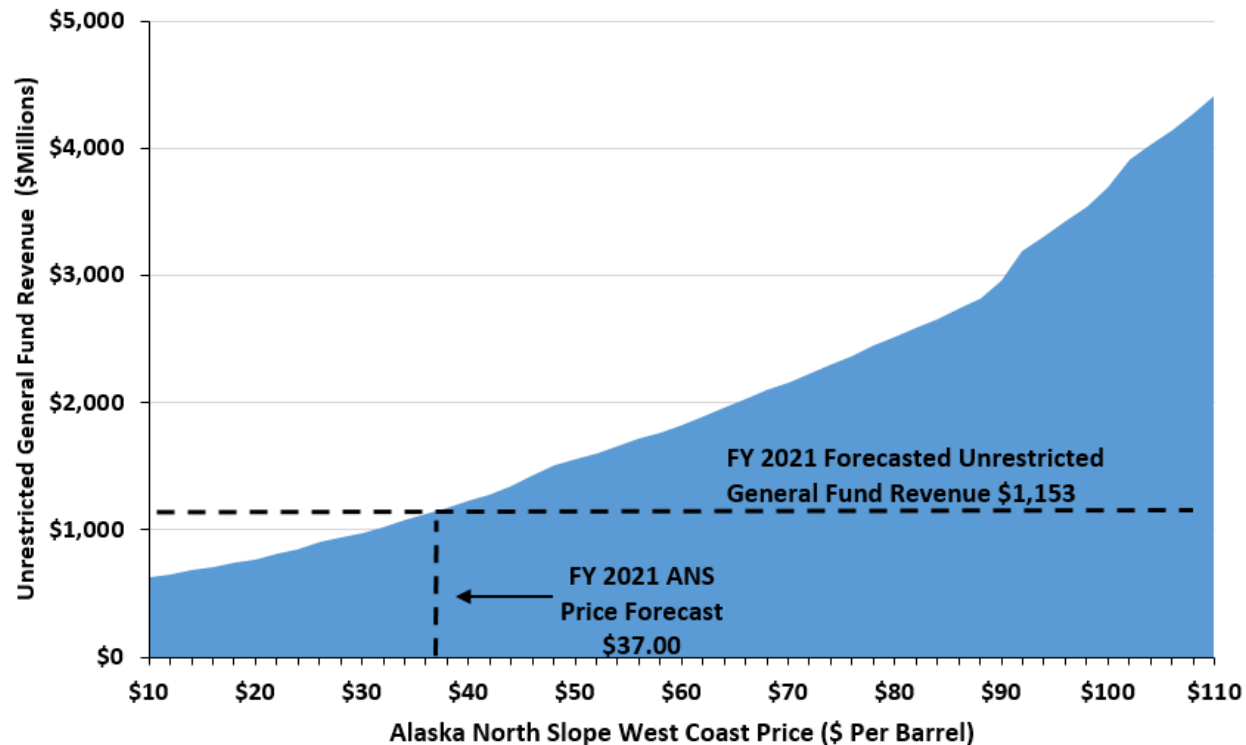


# Brent Forecasts Comparison



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

Investment Objective		Constitutional Budget Reserve	
Target Asset Allocation		Moderate Risk, Intermediate investment horizon	
		<p>Cash Equivalents, 75%</p> <p>Broad Fixed Income, 21%</p> <p>Broad Domestic Equities, 2%</p> <p>Global Ex-US Equities, 2%</p>	
Market Value (\$thousands)	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	
Returns 12/31/2019 (Rolling)		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%
Callan Projected 10-Year Return: 3.01%			

<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

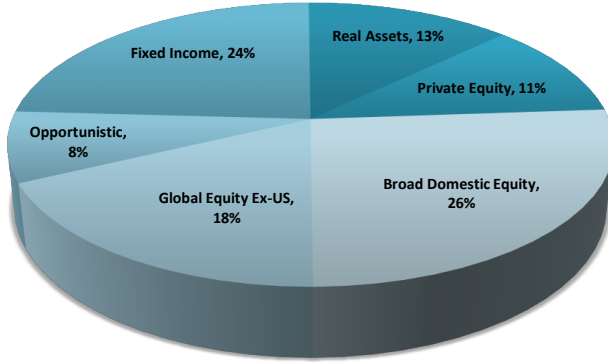
Fiduciary oversight: Alaska Permanent Fund Corporation

Alaska Permanent Fund			
Investment Objective		High Risk, Long Term investment horizon	
Target Asset Allocation		<p>Fixed Income Plus, 20%</p> <p>Private Equity, 13%</p> <p>Real Estate, 12%</p> <p>Infrastructure, 8%</p> <p>Absolute Return, 5%</p> <p>Asset Allocation, 5%</p> <p>Public Equity, 37%</p>	
Market Value (\$thousands)	12/31/2016	Actuals	
	12/31/2017	\$55,393,600	
	12/31/2018	\$64,007,300	
	12/31/2019	\$60,369,700	
	3/31/2020	\$66,982,000	
Returns 12/31/2019		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%
Projected 10-Year Return: CPI + 5%			

<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%
Actuarially Assumed Rate of Investment Return: 7.38% (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><b>FY '19</b></u>	<u><b>FY '18</b></u>	<u><b>FY '17</b></u>	<u><b>FY '16</b></u>	<u><b>FY '15</b></u>	<u><b>FY '14</b></u>	<u><b>FY '13</b></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>
Net Assets	\$66.3	\$64.9	\$59.8	\$52.8	\$52.8	\$51.2	\$44.9	\$40.3
Statutory Net Income	\$3.3	\$6.3	\$3.2	\$2.2	\$2.9	\$3.5	\$2.9	\$1.6
Interest, Dividends, Real Estate, Other	\$1.6	\$1.6	\$1.3	\$1.2	\$1.1	\$1.2	\$1.1	\$1.0
Increase in Market Value of Investments	\$2.4	\$4.1	\$5.6	\$-0.7	\$1.3	\$5.8	\$3.4	\$-1.0
Total Revenue	\$3.9	\$5.7	\$6.7	\$0.5	\$2.5	\$7.0	\$4.4	\$-0.2
% Return	6.32	10.74	12.89	1.02	4.9	15.5	10.9	0.0

# 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>
Net Assets	\$695.2	\$686.5	\$639.8	\$593.4	\$601.9	\$585.6	\$527.4
Rents and Royalty Income	\$13.6	\$12.0	\$3.4	\$5.2	\$3.6	\$3.0	\$2.0
Investment Income	\$35.5	\$50.7	\$61.9	\$6.7	\$25.3	\$72.2	\$48.2

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

# Alaska Housing Finance Corporation

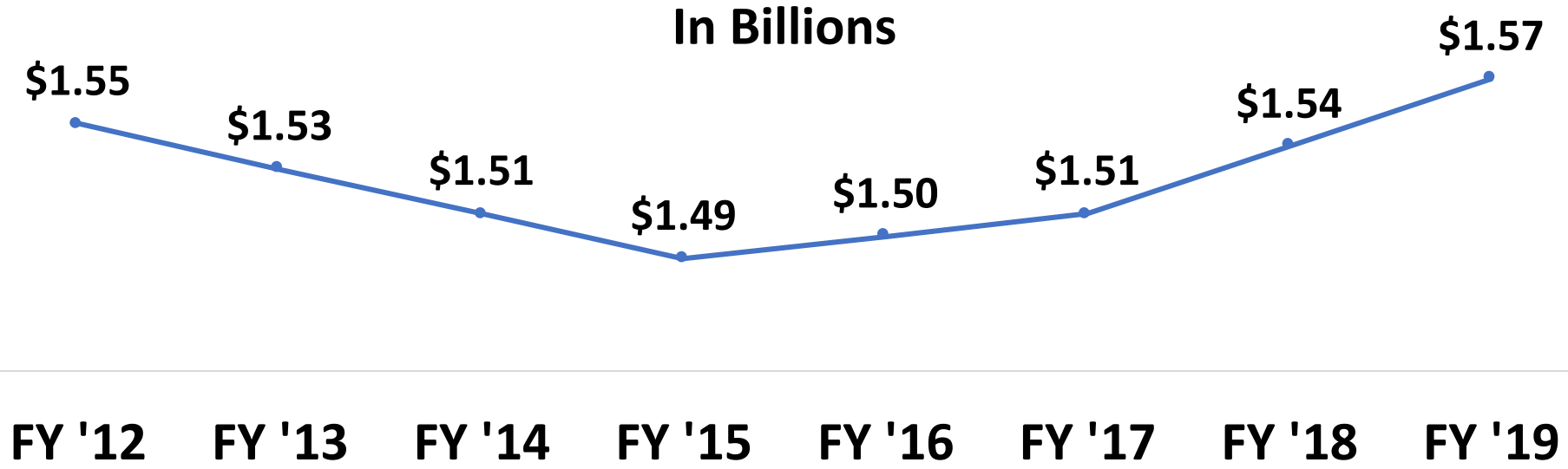
<i>\$ Millions</i>	<u>FY '19</u>	<u>FY'18</u>	<u>FY'17</u>	<u>FY '16</u>	<u>FY '15</u>	<u>FY '14</u>	<u>FY '13</u>
Net Position	\$1,571.4	\$1,538.7	\$1,513.6	\$1,499.5	\$1,485.5	\$1,509.9	\$1,525.5
Operating Revenue	\$256.0	\$246.3	\$249.5	\$274.2	\$290.1	\$308.1	\$315.3
Operating Expense	\$221.2	\$212.7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

# 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 Department of Transportation & Public Facilities

# 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><b>FY '19</b></u>	<u><b>FY '18</b></u>	<u><b>FY '17</b></u>	<u><b>FY '16</b></u>	<u><b>FY '15</b></u>	<u><b>FY '14</b></u>	<u><b>FY '13</b></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>



	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>



# ISSUES & PROSPECTS

## ➤ Natural Assets

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

## ➤ Financial Assets

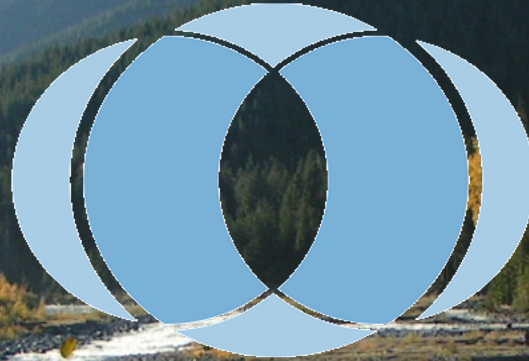
- Permanent fund percentage of value
- Long range fiscal plan
- Leveraging financial assets and expertise for Alaska

## ➤ 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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# **A Shareholders Report to Alaskans**