

FOR THE FISCAL YEAR
ENDING JUNE 30, 2025

FY 2025

ANNUAL COMPREHENSIVE FINANCIAL REPORT



PREPARED & PRESENTED BY THE
STATE OF ALASKA
DEPARTMENT OF ADMINISTRATION
DIVISION OF FINANCE



GOVERNOR
MICHAEL J. DUNLEAVY

State of Alaska

Annual Comprehensive Financial Report

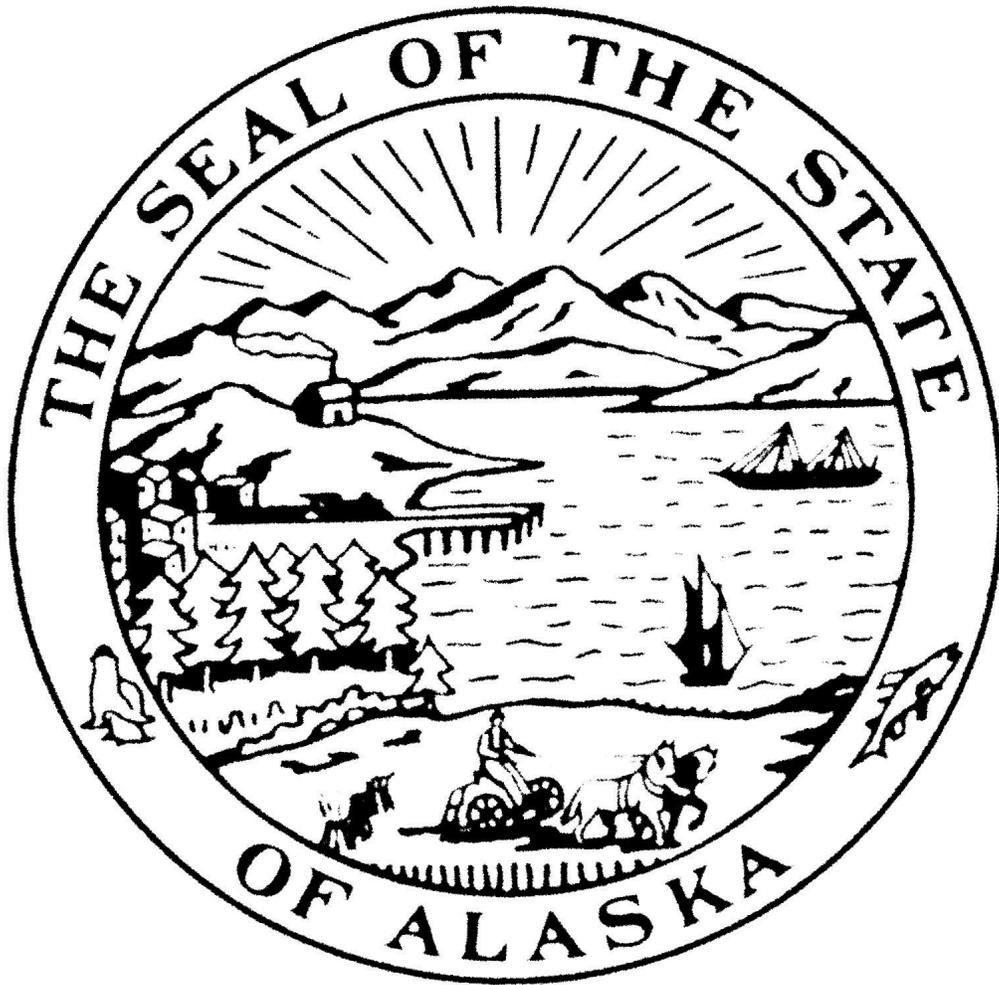
**For the Fiscal Year
July 1, 2024 - June 30, 2025**



**Prepared by:
Department of Administration
Division of Finance**

The FY 2025 ACFR is expected to be available on or after February 24, 2026 on our Internet web site at <http://doa.alaska.gov/dof/reports/annualreport.html>.

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



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**STATE OF ALASKA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2025**

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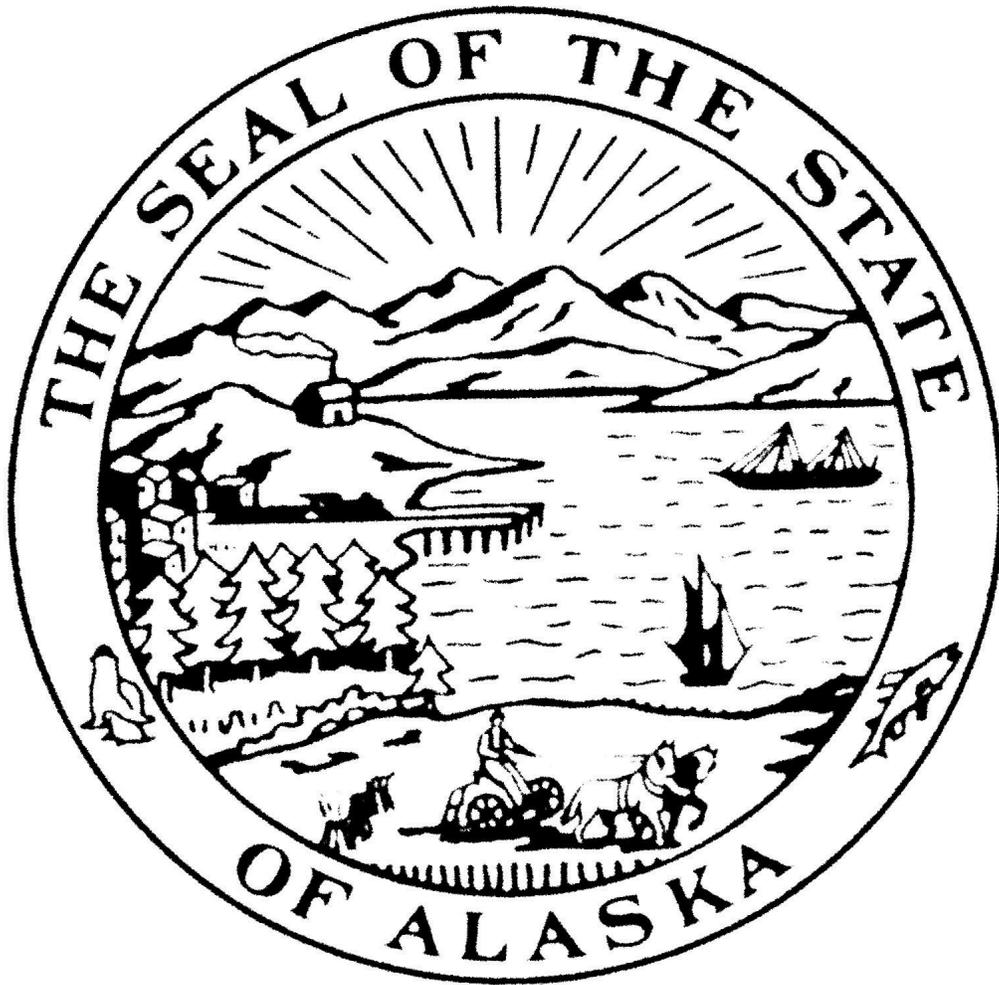
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THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

**Department of
Administration**

PAULA VRANA, COMMISSIONER

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February 18, 2026

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

In accordance with Alaska Statute (AS) 37.05.210, it is our pleasure to present the Annual Comprehensive Financial Report (ACFR) of the State of Alaska for the fiscal year ending June 30, 2025. This report has been prepared by the Department of Administration, Division of Finance. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the State. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of the State. Statistical and demographic information are included to enable the reader to gain an understanding of the State's financial activities.

INTRODUCTION

Internal Controls

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

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

Audits

The Division of Legislative Audit is the principal auditor of the State's reporting entity. The audit of the ACFR was conducted in accordance with generally accepted auditing standards (GAAS). The independent auditor's report is the first item in the financial section of the ACFR and precedes the Management Discussion and Analysis (MD&A) and basic financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the State for the fiscal year ended June 30, 2025, are free of material misstatement. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the ACFR, assessing the accounting principles used, and evaluating the overall financial statement presentation.

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

Management's Discussion and Analysis

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

PROFILE OF THE STATE OF ALASKA

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

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

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

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

Budgetary Control

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

ECONOMIC CONDITION AND OUTLOOK

Economy

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

The following table shows General Fund revenues by category for the current and previous fiscal year. The largest source of revenues is federal at \$4.8 billion, which makes up 57.7 percent of revenues. Revenue related to taxes decreased from 21.9 percent to 19.1 percent and rents and royalties decreased from 13.7 percent to 12.6 percent of all General Fund revenues. Interest and investment income (loss) was \$350.3 million or 4.2 percent of all General Fund revenues. Overall General Fund revenues decreased \$365.8 million or 4.18 percent from FY 2024 to FY 2025.

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

Revenue Source	FY 2025	Percent	FY 2024	Percent
Taxes	\$ 1,600.6	19.1 %	\$ 1,915.3	21.9 %
Rent and Royalties	1,059.3	12.6	1,197.7	13.7
Interest and Investment Income/(Loss)	350.3	4.2	368.5	4.2
Federal	4,833.9	57.7	4,775.5	54.6
Miscellaneous	534.8	6.4	487.7	5.6
Total Revenue	<u>\$ 8,378.9</u>	<u>100.0 %</u>	<u>\$ 8,744.7</u>	<u>100.0 %</u>

The total expenditures charged against General Fund appropriations during FY 2025 amounted to \$12.36 billion, an increase of \$0.6 billion from FY 2024. The relatively unchanged level of General Fund expenditures is attributable to smaller operating and capital budgets as policymakers work toward resolving deficits resulting from lower oil prices. Expenditures by department are compared with the prior year in the following table:

Department Expenditures (stated in millions)	FY 2025	Percent	FY 2024	Percent
Office of the Governor	\$ 89.1	0.7 %	\$ 68.4	0.6 %
Administration	302.5	2.4	296.9	2.5
Law	96.8	0.8	83.5	0.7
Revenue	1,207.3	9.8	964.5	8.2
Education and Early Development	1,926.3	15.6	1,932.6	16.3
Labor and Workforce Development	133.1	1.1	127.8	1.1
Commerce, Community, and Economic Development	501.1	4.1	512.2	4.3
Military and Veterans' Affairs	102.2	0.8	130.5	1.1
Natural Resources	240.1	1.9	253.1	2.1
Fish and Game	182.7	1.5	169.3	1.4
Public Safety	306.7	2.5	265.5	2.2
Health	4,074.0	33.0	3,810.5	32.3
Environmental Conservation	137.9	1.1	120.3	1.0
Corrections	491.8	4.0	456.8	3.9
Transportation and Public Facilities	1,497.6	12.0	1,627.5	13.8
Family and Community Services	369.0	3.0	360.2	3.0
Legislature	86.0	0.7	80.3	0.7
Debt Service	98.4	0.8	80.1	0.7
Alaska Court System	148.7	1.2	135.1	1.1
University	372.0	3.0	354.1	3.0
Total Expenditures	<u>\$ 12,363.3</u>	<u>100.0 %</u>	<u>\$ 11,829.2</u>	<u>100.0 %</u>

Major Industry

Alaska North Slope oil prices averaged approximately \$74.15 per barrel during FY 2025. The Alaska Department of Revenue's most recent forecast (Spring 2025 forecast) was \$68 per barrel for FY 2026 and \$67 per barrel for FY 2027. Forecasting oil prices is inherently difficult and very uncertain. Oil prices declined during the first half of FY 2025 but were generally between \$71 and \$85 per barrel for Alaska North Slope crude. The second half of FY 2025 saw stable monthly prices between \$67 and \$77 per barrel. Uncertainty remains about future prices as geopolitical factors continue to influence prices. Demand declines and record production have put downward pressure on prices as of late.

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

The Alaska Liquefied Natural Gas (LNG) Project continues to be a top priority for the State of Alaska to monetize the world-class natural gas resources on Alaska's North Slope and provide energy security and economic benefit for Alaskans. The Alaska Gasline Development Corporation (AGDC) is an independent, public corporation of the State of Alaska, with a legal existence separate and distinct from the State of Alaska and has a role in facilitating the development of infrastructure necessary to move gas into local and international markets for the benefit of Alaska. AGDC transferred 75% of Alaska LNG via project company 8 Star Alaska, LLC (8 Star), which functions as the parent company of Alaska LNG, to Glenfarne Alaska LNG, LLC (Glenfarne) in March of 2025. Alaska LNG has all major federal and state permits required to construct the project and export 20 million tons per annum of LNG. Alaska LNG consists of three subprojects: a Gas Treatment Plant, a Mainline Pipeline, and a Liquefaction Facility in Nikiski. Alaska LNG is designed to transport and distribute natural gas within Alaska and produce and export LNG to markets in Asia. AGDC retains a 25% interest in 8 Star. Glenfarne is pursuing a phased development strategy for Alaska LNG to prioritize the pipeline portion of the project to meet Alaskans' energy needs in response to looming Cook Inlet natural gas shortages. The Alaska LNG pipeline is expected to deliver gas to Alaskans at a price lower than alternative Cook Inlet natural gas replacements and accelerate overall Alaska LNG development. Alaska LNG is the only authorized U.S. West Coast LNG project and is generating significant market interest in target Asian markets.

Long-term Financial Planning

As of June 30, 2025, the State's General Obligation debt ratings were AA/AA+/Aa2/A+ from S&P Global Ratings, Kroll Bond Rating Agency, Moody's Investors Service, Inc., and Fitch Ratings (Fitch), respectively. The outlook on all ratings is stable.

Net position at June 30, 2025 of the two largest pension funds, the Public Employees' (PERS) and Teachers' (TRS) Retirement Systems' funds, were \$26.8 billion and \$12.0 billion, respectively. The funded status for PERS and TRS pensions and postemployment healthcare as of the June 30, 2024 actuarial valuations indicated the actuarial accrued liabilities were 68.0 percent pensions and 132.3 percent postemployment funded for PERS, and 77.9 percent pension and 138.7 percent postemployment funded for TRS. Further information on these and other pension funds, including the Supplemental Benefits System and Deferred Compensation plans, can be found in Notes 7, 8, and 9 to the basic financial statements.

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

Under the current structure of the State budget, some combination of new revenue measures and spending reductions will be necessary to balance expenditures with revenues.

Relevant Financial Policies

Spending Limitation

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

Investments

As discussed more fully in Note 4 to the basic financial statements, the State's cash is managed by the Treasury Division in the Department of Revenue or by other administrative bodies as determined by law. All cash deposited in the State Treasury is managed to achieve a particular target rate of return as determined by the investment objectives set for a given fund. Cash in excess of the amount needed to meet current expenditures is invested pursuant to AS 37.10.070-071, which requires that

investments shall be made with the judgment and care under circumstances then prevailing that an institutional investor of ordinary professional prudence, discretion, and intelligence exercises in managing large investment portfolios.

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

Cash Flow and Revenue Shortfalls

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

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

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

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

Borrowing from the budget reserve funds has been the solution for both cash flow shortages and revenue shortfalls. Between FY 1993 and FY 2005, the legislature addressed the possibility of a revenue shortfall by including language in the appropriation act permitting the executive branch to borrow cash from the SBRF and the CBRF in the event expenditures exceeded revenues, which did occur in several years. All borrowings from the CBRF were repaid by FY 2010. The Alaska Constitution requires that all prior year borrowings be repaid to the CBRF. For FY 2025 the amount owed to the CBRF was decreased by \$161.0 million from the General Fund and decreased by \$7.79 million from the subfunds.

Initiatives

Going into his last full year as governor, Governor Mike Dunleavy is focused on outlining a permanent solution to the State's annual budget shortfalls and putting the state on track for a more prosperous future. The volatility of oil revenues continues to be a challenge for Alaska, providing significant fiscal uncertainty for the State. Alaska's budget is funded mostly through oil revenues and earnings from the Permanent Fund. Oil prices have fallen, resulting in less revenue. Less revenue, combined with a reliance on oil, makes Alaska's budgeting process very unstable and unpredictable. This is why the Governor proposed a fiscal plan to bridge the gap and provide stability and growth for Alaskans.

Over these past seven years, Governor Dunleavy has prioritized public safety for Alaskans, investments in educational supports and outcomes, and development of Alaska's natural resources for the maximum benefit for every Alaskan. Great accomplishments have been realized even when faced with budget shortfalls and tough decisions. Alaska is safer, our children have more educational opportunities, and the resource development climate is more appealing and stable.

This administration wishes to express 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.

Acknowledgments

Special appreciation is extended to the budget and accounting officers throughout the State, whose diligence, professionalism, and sustained efforts were instrumental in the completion of this report. Appreciation is also expressed to the staff of the Division of Finance for their thorough preparation and contribution to this publication.

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Sincerely,

// SIGNATURE ON FILE //

Paula Vrana
Commissioner
Department of Administration

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Elizabeth Dunayski, MBA
Acting Director
Division of Finance

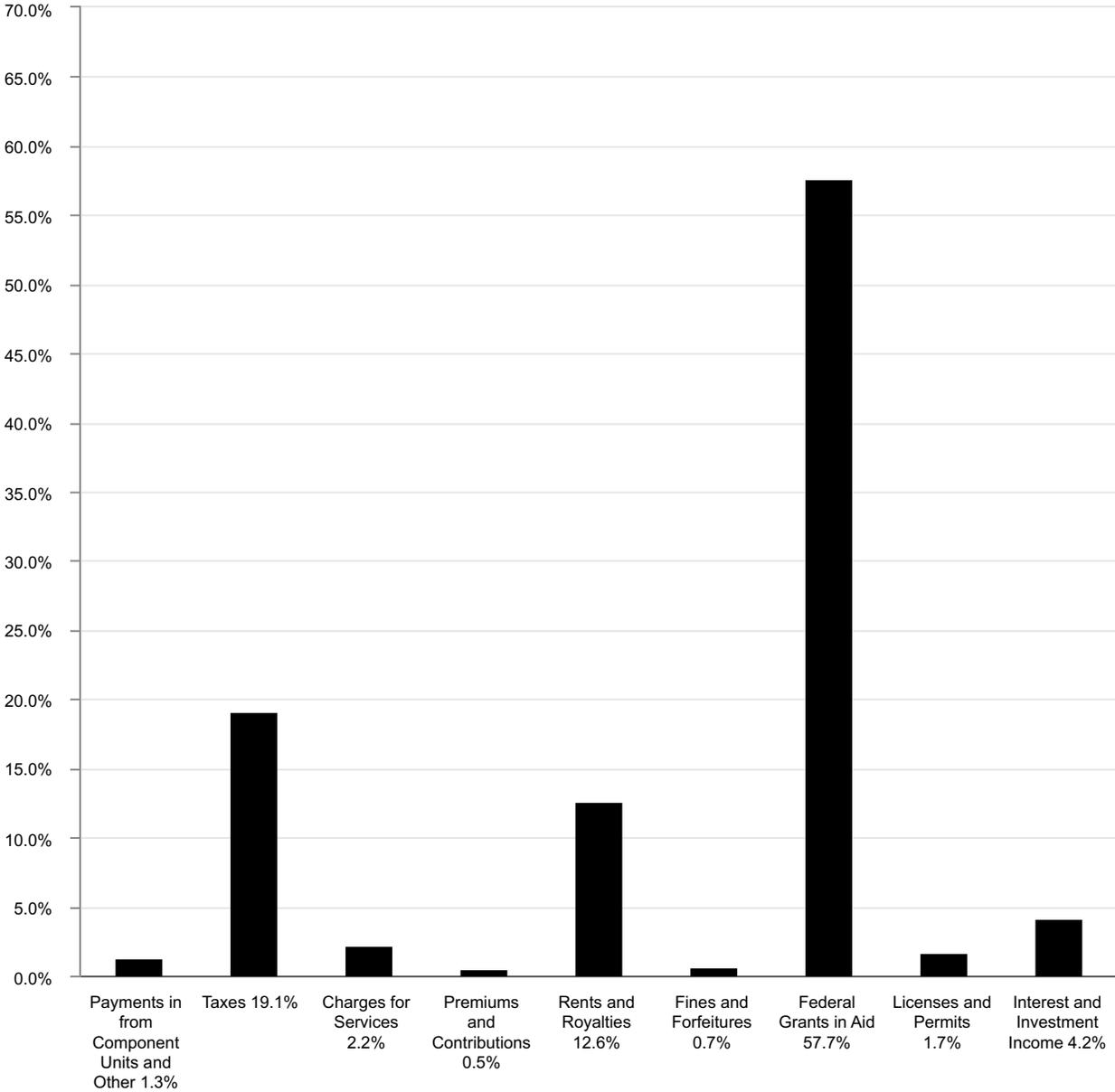
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STATE OF ALASKA GENERAL FUND REVENUE SOURCES

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

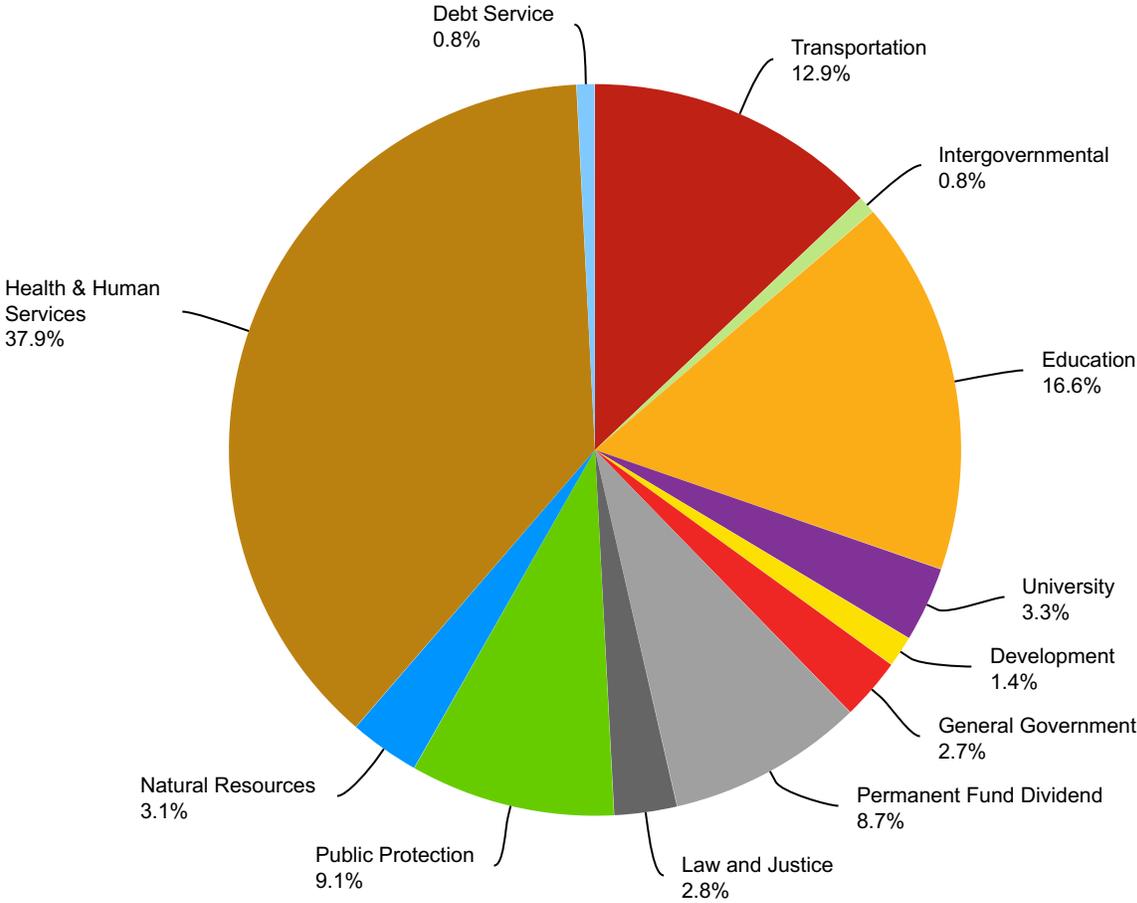
\$8,379
(Stated in Millions)



STATE OF ALASKA GENERAL FUND EXPENDITURES BY FUNCTION

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

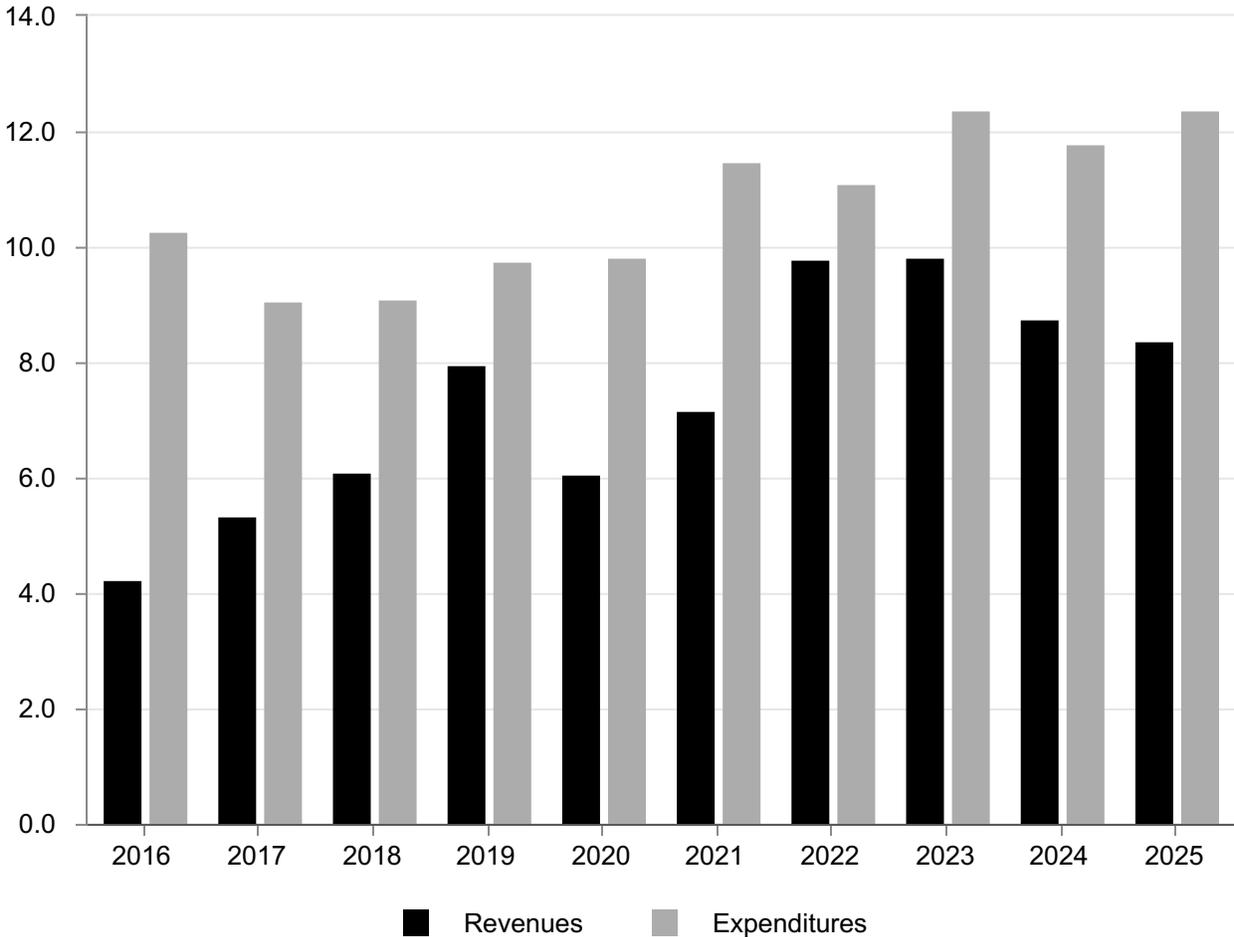
\$12,373
(Stated in Millions)



STATE OF ALASKA GENERAL FUND EXPENDITURES AND REVENUES

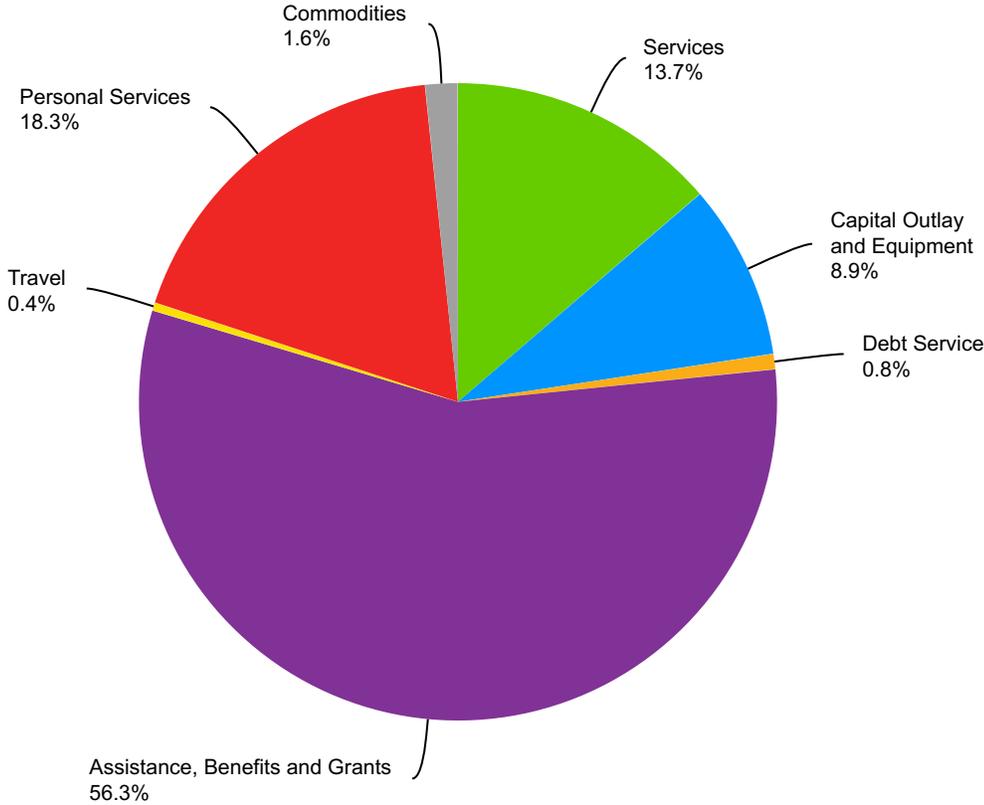
TEN YEAR COMPARISON
FOR THE FISCAL YEARS 2016 THROUGH 2025

(Stated in Billions)



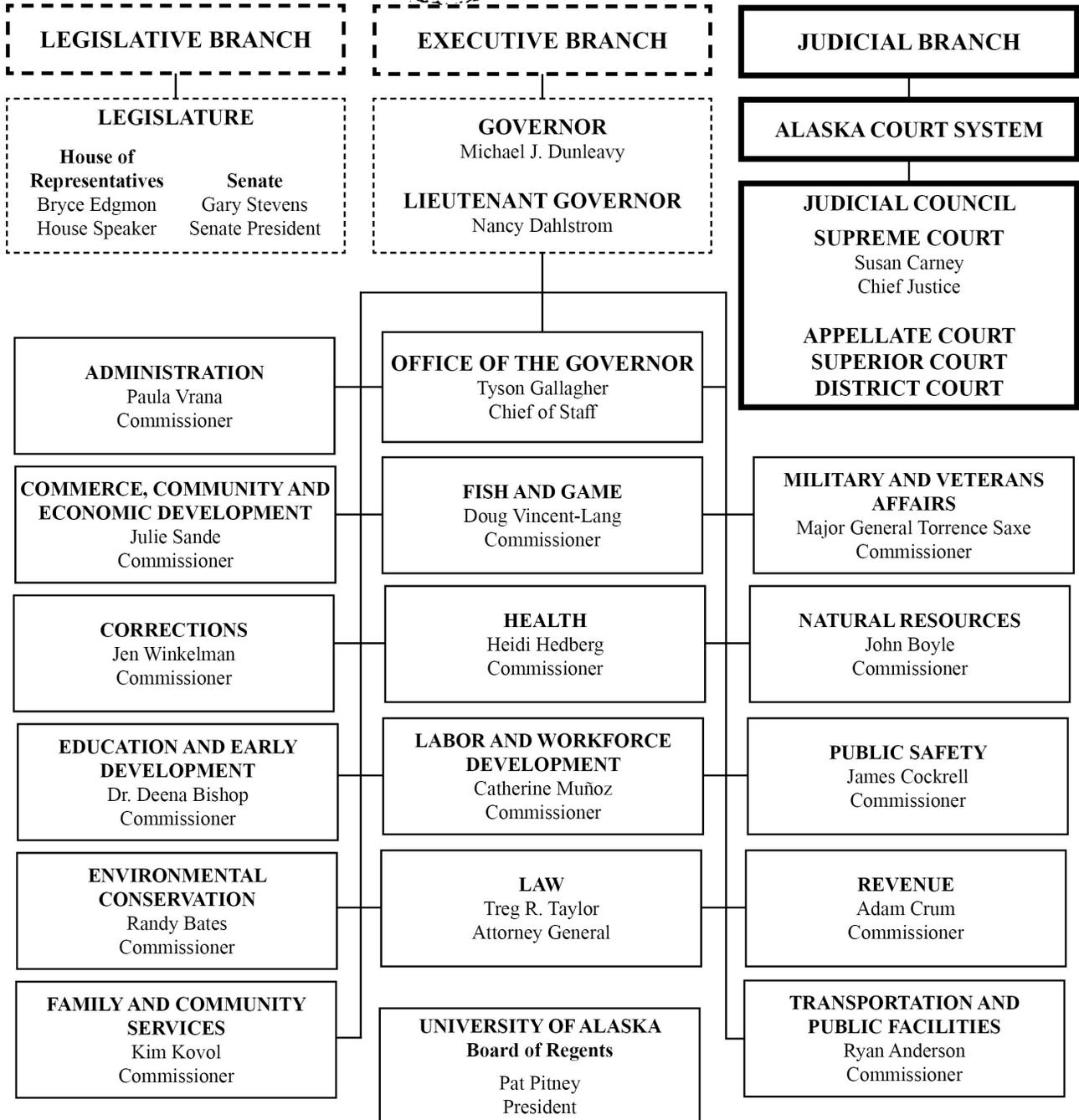
STATE OF ALASKA GENERAL FUND EXPENDITURES BY ACCOUNT

FOR THE FISCAL YEAR ENDED JUNE 30, 2025



STATE OF ALASKA ORGANIZATION CHART

As of June 30, 2025



- - - Elected by popular vote (includes Lieutenant Governor, elected on same ticket as Governor).
- Justices and Judges of the Courts nominated by Judicial Council, selected by Governor and thereafter subject to voter approval.
- Department heads appointed by Governor and confirmed by the Legislature.

FUNCTIONS OF STATE DEPARTMENTS

OFFICE OF THE GOVERNOR

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

ADMINISTRATION

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

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

COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT

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

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

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

CORRECTIONS

The Department of Corrections is responsible for public safety through the incarceration and supervision of offenders. The department operates 13 correctional facilities that provide secure confinement, medical and mental health services, and appropriate rehabilitation programs for incarcerated felons and misdemeanants; community residential centers; electronic monitoring; assessment and supervision of pretrial offenders in the community; supervision and case management of probationers and parolees in the community; and oversight of 14 small, regional community jails. Also included in the department

is the Alaska Board of Parole, a quasi-judicial board that makes all parole related decisions.

EDUCATION AND EARLY DEVELOPMENT

The Department of Education and Early Development (DEED) is responsible for overseeing Alaska's public education system. The State Board of Education and Early Development serves as the department's executive board. It is responsible for developing educational policy, adopting regulations, appointing the Commissioner of Education and Early Development (with the Governor's approval), and serving as the primary channel of communication between state government and the public on education-related matters.

Education policies are established by the board and implemented by the commissioner through the department's various divisions. DEED administers a range of programs, including public school funding, teacher certification, and student assessment. The Department also operates Mt. Edgecumbe High School, Alaska's state-run boarding school.

In addition, DEED oversees the state's libraries, archives, and museum services, and provides administrative support to both the Alaska State Council on the Arts and the Professional Teaching Practices Commission. The Alaska Commission on Postsecondary Education and the Alaska Student Loan Corporation are also associated with DEED for administrative purposes.

ENVIRONMENTAL CONSERVATION

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

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

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

FAMILY AND COMMUNITY SERVICES

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

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

The department's primary services include: acute, inpatient mental health services for anyone in Alaska requiring hospitalization for a psychiatric crisis through the operation of the Alaska Psychiatric Institute; safe living environments for seniors through the operation of the Alaska Veterans and Pioneers Homes; providing child protection and family preservation programs through the Office of Children's Services; operating youth detention facilities, including helping offenders transition back into their communities, through the Division of Juvenile Justice and within Departmental Support Services; and supporting individuals with complex acute medical, developmental, and behavioral health needs in finding appropriate levels of care in the Complex Care Unit.

FISH AND GAME

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

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

HEALTH

The Department of Health's mission is to promote the health and well-being of Alaskans. The department has oversight of health care services, payment, and eligibility determinations; payments of public assistance program benefits; and public health. The Divisions of Behavioral Health, Health Care Services, and Senior and Disabilities Services provide regulatory oversight, claims processing, facility licensing, and enforcement of Medicaid and state regulations. The department also actively engages with stakeholders to find opportunities for innovation within Medicaid and to improve health outcomes for all Alaskans. The department is committed to prevention of illness, health promotion and protection, and emergency preparedness through the Division of Public Health; and the Division of Behavioral Health oversees community-based mental health and substance abuse services across the continuum of care (prevention, early intervention, treatment, and recovery programs). The Departmental Support Services Division ensures state fiduciary responsibilities are met by providing centralized administrative support and assurance of compliance with federal and state laws and policies.

LABOR AND WORKFORCE DEVELOPMENT

The Department of Labor and Workforce Development is responsible for advancing opportunities for employment and ensuring that employers provide safe and legal working conditions. The department offers employment services, unemployment insurance, adult basic education, job training, workers' compensation adjudication and rehabilitation services, the Fishermen's and Second Injury Funds, and vocational

rehabilitation for people with disabilities. In addition, the department enforces laws and regulations assuring occupational safety and health, performs mechanical inspections, and administers state wage and hour laws; serves as the labor relations agency for public employment in the state; and collects, analyzes, and releases labor market and population statistics. Also, included in the department are the Alaska Workforce Investment Board, the Workers' Compensation Appeals Commission, and the Alaska Vocational Technical Center and the Office of Citizenship Assistance.

LAW

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

MILITARY AND VETERANS AFFAIRS

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

In addition, DMVA oversees Alaska Air Guard, Alaska Army Guard, Alaska State Defense Force, Alaska Naval Militia, Division of Homeland Security and Emergency Management, Office of Veterans' Affairs, Alaska Military Youth Academy, and Administrative Services. The Alaska Aerospace Corporation is also associated with DMVA for administrative purposes.

NATURAL RESOURCES

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

land and resources to foster responsible resource development; and promoting and developing an agriculture industry.

In addition, DNR oversees Agriculture; Forestry and Fire Protection; Geological and Geophysical Surveys; Mining, Land and Water; Oil and Gas; Parks and Outdoor Recreation; Support Services; and the Office of Project Management and Permitting.

PUBLIC SAFETY

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

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

REVENUE

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

TRANSPORTATION AND PUBLIC FACILITIES

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

ALASKA STATE LEGISLATURE

Thirty-Fourth Legislature, First Session (2025)

Senate District	Senator (Party)	City	House District	Representative (Party)	City
A	Bert Stedman (R)	Sitka	1	Jeremy Bynum (R)	Ketchikan
			2	Rebecca Himschoot (NA)	Sitka
B	Jesse Kiehl (D)	Juneau	3	Andi Story (D)	Juneau
			4	Sara Hannan (D)	Juneau
C	Gary Stevens (R)	Kodiak	5	Louise Stutes (R)	Kodiak
			6	Sarah Vance (R)	Homer
D	Jesse Bjorkman (R)	Nikiski	7	Justin Ruffridge (R)	Soldotna
			8	Bill Elam (R)	Nikiski
E	Cathy Giessel (R)	Anchorage	9	Ky Holland (NA)	Anchorage
			10	Chuck Kopp (R)	Anchorage
F	James Kaufman (R)	Anchorage	11	Julie Coulombe (R)	Anchorage
			12	Calvin Schrage (NA)	Anchorage
G	Elvi Gray-Jackson (D)	Anchorage	13	Andy Josephson (D)	Anchorage
			14	Alyse Galvin (NA)	Anchorage
H	Matt Claman (D)	Anchorage	15	Mia Costello (R)	Anchorage
			16	Carolyn Hall (D)	Anchorage
I	Löki Tobin (D)	Anchorage	17	Zack Fields (D)	Anchorage
			18	David Nelson (R)	Anchorage
J	Forrest Dunbar (D)	Anchorage	19	Genevieve Mina (D)	Anchorage
			20	Andrew Gray (D)	Anchorage
K	Bill Wielechowski (D)	Anchorage	21	Donna Mears (D)	Anchorage
			22	Ted Eischeid (D)	Anchorage
L	Kelly Merrick (R)	Eagle River	23	Jamie Allard (R)	Eagle River
			24	Dan Saddler (R)	Eagle River
M	Shelley Hughes (R)	Palmer	25	DeLena Johnson (R)	Palmer
			26	Cathy Tilton (R)	Wasilla
N	Robert Yundt (R)	Wasilla	27	Jubilee Underwood (R)	Wasilla
			28	Elexie Moore (R)	Wasilla
O	Mike Shower (R)	Wasilla	29	George Rauscher (R)	Sutton
			30	Kevin McCabe (R)	Big Lake
P	Scott Kawasaki (D)	Fairbanks	31	Maxine Dibert (D)	Fairbanks
			32	Will Stapp (R)	Fairbanks
Q	Robert Myers (R)	North Pole	33	Mike Prax (R)	North Pole
			34	Frank Tomaszewski (R)	Fairbanks
R	Mike Cronk (R)	Tok/Northway	35	Ashley Carrick (D)	Fairbanks
			36	Rebecca Schwanke (R)	Glennallen
S	Lyman Hoffman (D)	Bethel	37	Bryce Edgmon (I)	Dillingham
			38	Nellie Unangiq Jimmie (D)	Toksook Bay
T	Donny Olson (D)	Golovin	39	Neal Foster (D)	Nome
			40	Robyn Niyuq Burke (D)	Utqiagvik

LEADERSHIP

STATE SENATE
Gary Stevens, Senate President

HOUSE OF REPRESENTATIVES
Bryce Edgmon, Speaker of the House

FINANCE COMMITTEES

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

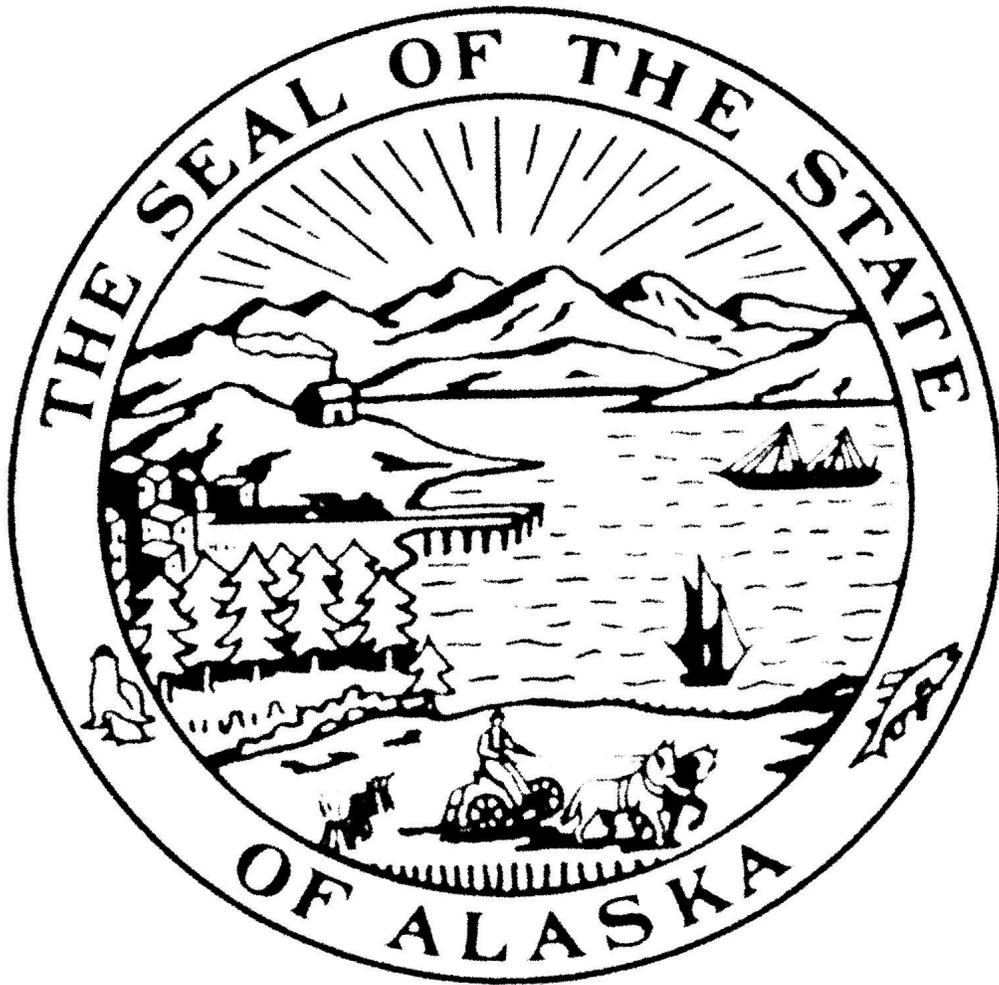
HOUSE OF REPRESENTATIVES
Neal Foster, Co-Chair
Andy Josephson, Co-Chair
Calvin Schrage, Co-Chair

Members:
James Kaufman, Kelly Merrick,
Jesse Kiehl, Mike Cronk

Members:
Alyse Galvin, Sara Hannan, Nellie Unangiq Jimmie,
Will Stapp, DeLena Johnson, Frank Tomaszewski,
Jamie Allard, Jeremy Bynum

POLITICAL PARTY DESIGNATION

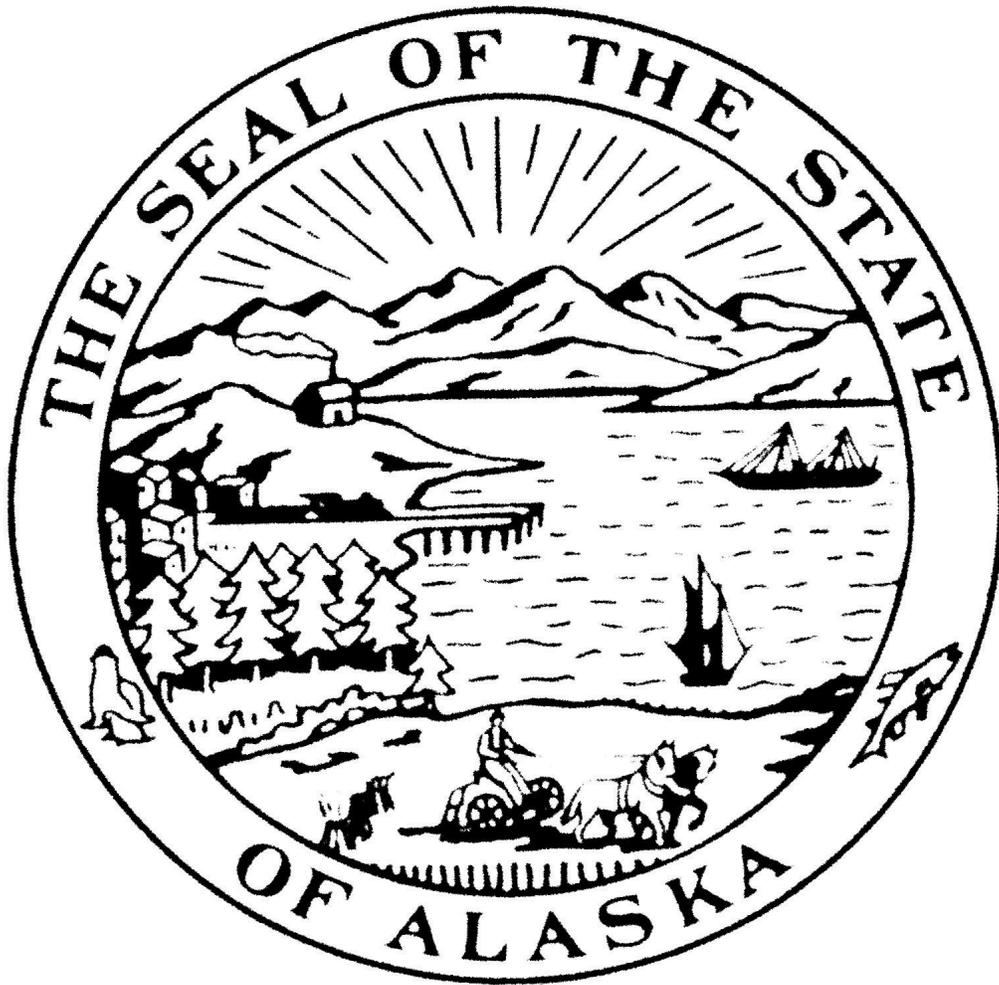
Democrat (D), Independent (I), Not Affiliated (NA), Republican (R)



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Financial Section





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ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE



Division of Legislative Audit

P.O. Box 113300
Juneau, AK 99811-3300
(907) 465-3830
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Independent Auditor's Report

Citizens of the State of Alaska

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Alaska, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the State's basic financial statements as listed in the table of contents.

Summary of Opinions

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

Qualified Opinions on the Governmental Fund – General Fund and Governmental Activities

In our opinion, based on our audit and the report of the other auditors, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Governmental Fund – General Fund and Governmental Activities of the State of Alaska, as of June 30, 2025, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on the Business-Type Activities, Aggregate Discretely Presented Component Units, Governmental Fund – Alaska Permanent Fund, Enterprise Fund – Alaska International Airports, and Aggregate Remaining Fund Information

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component units, governmental fund Alaska Permanent Fund, enterprise fund Alaska International Airports, and the aggregate remaining fund information of the State of Alaska, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Alaska Permanent Fund, Alaska International Airports, University of Alaska, Alaska Housing Finance Corporation, Alaska Industrial Development and Export Authority, Alaska Railroad Corporation, Alaska Energy Authority, Alaska Municipal Bond Bank Authority, Alaska Clean Water Fund, Alaska Drinking Water Fund, Retiree Health Fund, Pension and Other Employee Benefit Trust Funds, and Invested Assets Under the Investment Authority of the Commissioner of Revenue. As shown below, those financial statements reflect assets and revenues of the indicated opinion units as of June 30, 2025.

Opinion Unit	Percentage of Assets	Percentage of Revenues
Governmental Activities	88%	51%
Business-Type Activities	74%	75%
Aggregate Discretely Presented Component Units	91%	92%
Governmental Fund – General Fund	75%	4%
Governmental Fund – Alaska Permanent Fund	100%	100%
Enterprise Fund – Alaska International Airports	100%	100%
Aggregate Remaining Fund Information	94%	87%

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

Basis for Qualified and Unmodified Opinions

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

Matter Giving Rise to Qualified Opinions on Governmental Fund – General Fund and Governmental Activities

The State of Alaska’s Medicaid Management Information System (MMIS) is used to process the bulk of all Medicaid payments. The Department of Health contracts with two service organizations for, among other duties, claims processing and system administration of MMIS. The Department of Health did not obtain a System and Organization Controls (SOC) 1 Type 2 report covering controls over financial reporting of Medicaid payments processed by one of the service organizations for FY 25. Without a SOC 1 Type 2 report for both service organizations, we are unable to obtain adequate evidence of internal controls over financial reporting related to Medicaid payments. Substantive procedures alone are insufficient to obtain sufficient appropriate audit evidence over MMIS and related financial activity. As a result, we have insufficient evidence to determine if MMIS related financial activity is properly reported as included in the statement of revenues, expenditures, and changes in fund balance, balance sheet, statement of net position, and statement of activities.

During FY 25, the State of Alaska’s MMIS processed approximately \$3.0 billion in General Fund expenditures and Governmental Activities expenses resulting in approximately \$2.3 billion in General Fund federal grants-in-aid and Governmental Activities Operating Grants and Contributions revenue, \$276 million in General Fund and Governmental Activities accounts payable and accrued liabilities, and \$216 million in General Fund and Governmental Activities due from other governments.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the State of Alaska’s ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor’s Responsibilities for the Audit of the Financial Statements

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

if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison and Corresponding Notes, and Pension and Other Postemployment Benefit Plans Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of Alaska's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, except for the possible effects on Statements 3.01 and 3.02 as described in the *Matter Giving Rise to Qualified Opinions on the Governmental Fund – General Fund and Governmental Activities* paragraphs above, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

// SIGNATURE ON FILE //

Kris Curtis, CPA, CISA
Legislative Auditor

Juneau, Alaska
February 18, 2026

STATE OF ALASKA Management's Discussion and Analysis

As management of the State of Alaska, we offer readers of the State's financial statements this narrative overview and analysis of the financial activities of the State for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the preceding pages of this report, and the financial statements that follow.

Financial Highlights

Government-wide

- The assets and deferred outflows of resources of the State exceeded its liabilities and deferred inflows of resources at the close of FY 2025 by \$102.7 billion (net position). Of this amount, \$9.9 billion represents net investment in capital assets, \$77.3 billion is restricted for various purposes, and unrestricted net position is \$15.5 billion. Unrestricted net position may be used to meet the State's ongoing obligations to citizens and creditors.

Fund level

- As of the close of the current fiscal year, the State's governmental funds reported combined ending fund balances of \$91.8 billion, with \$18.0 billion unrestricted (includes committed, assigned, and unassigned), \$73.5 billion nonspendable, and \$279.6 million restricted to specific purposes such as development, debt, education, and health and human services. The nonspendable fund balance includes \$72.5 billion of the Alaska Permanent Fund principal with the remaining related to nonspendable assets such as inventory, advances and prepaid items, and the principal of other nonmajor permanent funds.
- At the end of the current fiscal year, unrestricted fund balance for the General Fund was a surplus of \$5.3 billion. This is a decrease of \$349.4 million from FY 2024. The decrease is mainly due to a committed fund balance decrease of \$196.1 million.

Long-term debt

- As a result of this year's activity, the State's total long-term debt increased by \$270.0 million (4.03 percent). Long-term debt increased primarily due to an increase in the net pension liability. Additional information regarding long-term debt can be found in Note 6.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

As mentioned earlier, the State has only two major governmental funds: the Alaska Permanent Fund and the General Fund. Together these two funds represent 95.9 percent of total government-wide cash and investments and 88.2 percent of total government-wide net position (excluding component units). The governmental funds financial statements present detail on each of these funds, with summarized information on all other governmental funds. In addition, detail for each of the nonmajor governmental funds is available in combining statements elsewhere in this report.

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

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

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

The proprietary fund financial statements are statement numbers 1.21 through 1.23. The International Airports Fund is the only major enterprise fund of the State of Alaska. The International Airports Fund is 2.8 percent of total government-wide liabilities (excluding component units). The proprietary funds financial statements present detail for this fund with summarized information on all other proprietary funds. In addition, detail for each of the nonmajor proprietary funds is provided in the combining statements elsewhere in this report.

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

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

Notes to the Basic Financial Statements

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

Additional Required Supplementary Information (RSI)

In addition to the basic financial statements and accompanying notes, this report includes additional required supplementary information. Included in the RSI is a budgetary comparison schedule for the General Fund reconciling the statutory and generally accepted accounting principles (GAAP) fund balances at fiscal year-end (statement number 2.01). Also included are

schedules displaying the proportionate share of the net pension and OPEB liability/asset, employer contribution amounts, the sources of changes in the net pension and OPEB liability/asset, components of the net pension and OPEB liability/asset and related ratios, and the net pension and OPEB liability/asset as a percentage of covered-employee payroll.

Other Supplementary Information

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

Government-wide Financial Analysis

As noted earlier, net position should serve over time as a useful indicator of a government's financial position. State assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$102.7 billion at the close of FY 2025 (see table below). By far the largest portion of the State's net position (82.9 percent) reflects its investments held in the Alaska Permanent Fund. However, the majority of these assets are not available for future spending since the principal of the fund (\$72.5 billion) may not be spent.

The remainder of the State's net position (17.1 percent) represents net investment in capital assets (\$9.8 billion), resources that are subject to external restrictions of how they may be used (\$4.7 billion), and the remaining is unrestricted net position.

Net Position (Stated in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024
Current and Other Noncurrent Assets	\$ 101,086	\$ 95,943	\$ 3,228	\$ 2,982	\$ 104,314	\$ 98,925
Capital Assets	9,719	9,364	1,095	1,103	10,814	10,467
Total Assets	110,805	105,307	4,323	4,085	115,128	109,392
Deferred Outflows of Resources	649	637	13	14	662	651
Long-term Liabilities	6,537	6,245	429	442	6,966	6,687
Other Liabilities	5,990	5,693	65	59	6,055	5,752
Total Liabilities	12,527	11,938	494	501	13,021	12,439
Deferred Inflows of Resources	66	115	43	48	109	163
Net Position:						
Net Investment in Capital Assets	8,963	8,581	904	891	9,867	9,472
Restricted	75,737	73,914	1,531	1,417	77,268	75,331
Unrestricted	14,161	11,396	1,364	1,242	15,525	12,638
Total Net Position	\$ 98,861	\$ 93,891	\$ 3,799	\$ 3,550	\$ 102,660	\$ 97,441

The net position of governmental activities increased \$4,970 million and business-type activities increased \$249 million. Governmental activities net position increased due to an increase in interest and investment income associated with the Permanent Fund. The increase in business type activities is a result of this year's operations.

The following condensed financial information was derived from the Government-wide Statement of Activities and reflects how the State's net position changed during FY 2025.

Changes in Net Position
(Stated in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024
Revenues						
Program Revenues						
Charges for Services	\$ 2,025	\$ 2,222	\$ 425	\$ 423	\$ 2,450	\$ 2,645
Operating Grants	4,532	4,068	9	27	4,541	4,095
Capital Grants	960	913	59	79	1,019	992
General Revenues						
Taxes	1,612	1,928	—	—	1,612	1,928
Interest and Investment Income/(Loss)	8,352	5,996	132	118	8,484	6,114
Payments In from Component Units	50	18	—	—	50	18
Other Revenues	75	71	2	1	77	72
Total Revenues	17,606	15,216	627	648	18,233	15,864
Expenses						
General Government	611	472	—	—	611	472
Alaska Permanent Fund Dividend	1,074	836	—	—	1,074	836
Education and University	2,624	2,462	—	—	2,624	2,462
Health and Human Services	4,749	4,318	—	—	4,749	4,318
Law and Justice	377	291	—	—	377	291
Public Protection	1,162	1,070	—	—	1,162	1,070
Natural Resources	442	370	—	—	442	370
Development	188	175	—	—	188	175
Transportation	1,266	1,216	—	—	1,266	1,216
Intergovernmental	96	123	—	—	96	123
Debt Service	35	39	—	—	35	39
Loans	—	—	12	12	12	12
Insurance	—	—	164	154	164	154
Airports	—	—	205	194	205	194
Total Expenses	12,624	11,372	381	360	13,005	11,732
Excess (Deficiency) of Revenues						
Over Expenditures	4,982	3,844	246	288	5,228	4,132
Transfers	(3)	—	3	—	—	—
Change in Net Position	4,979	3,844	249	288	5,228	4,132
Net Position - Beginning of Year (restated)	93,882	90,047	3,550	3,262	97,432	93,309
Net Position - End of Year	\$ 98,861	\$ 93,891	\$ 3,799	\$ 3,550	\$ 102,660	\$ 97,441

Financial Analysis of the State's Funds

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

Governmental Funds

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

As of the end of the current fiscal year, the State's governmental funds reported combined ending fund balances of \$91.8 billion, an increase of \$4.4 billion in comparison with the prior year.

The General Fund assigned, unassigned and committed fund balances, which are available for spending at the government's discretion, had balances of \$2.3 million, \$2.6 billion, and \$2.7 billion, respectively. The Alaska Permanent Fund (earnings reserve account) had an unrestricted fund balance of \$12.6 billion of which \$8.8 billion is assigned and \$3.8 billion is committed. The remaining nonmajor governmental funds had committed fund balances of \$141.1 million. The remainder of fund balance is restricted or nonspendable to indicate that it is not available for new spending such as the principal of the Alaska Permanent Fund (\$72.5 billion), and other items that are nonspendable, such as inventory, advances and prepaid items, and principal (\$1,017.2 million), and amounts restricted for a variety of other purposes (\$279.6 million).

The General Fund is the chief operating fund of the State. At the end of the current fiscal year, unrestricted fund balance (includes committed, assigned, and unassigned) of the General Fund was \$5.3 billion, while total fund balance reached \$5.5 billion. As a measure of the General Fund's liquidity, it may be useful to compare both unrestricted fund balance and total fund balance to total fund expenditures. Unrestricted fund balance represents 42.5 percent of total General Fund expenditures, while total fund balance represents 44.3 percent of that same amount.

The fund balance of the State's General Fund decreased by \$307.8 million during the current fiscal year. For FY 2025, the most significant source of revenue was federal revenues (57.7 percent) followed by taxes (19.1 percent).

General Fund revenues for FY 2025 were \$8.4 billion, a decrease of \$365.8 million compared to revenues of \$8.7 billion for FY 2024. Revenues by source for FY 2025 are compared to FY 2024 in the following schedule (in millions):

Revenue Source	FY 2025	Percent	FY 2024	Percent
Taxes	\$ 1,600.6	19.1 %	\$ 1,915.3	21.9 %
Rents and Royalties	1,059.3	12.6	1,197.7	13.7
Interest and Investment Income/(Loss)	350.3	4.2	368.5	4.2
Federal	4,833.9	57.7	4,775.5	54.6
Miscellaneous	534.8	6.4	487.7	5.6
Total Revenue	<u>\$ 8,378.9</u>	<u>100.0 %</u>	<u>\$ 8,744.7</u>	<u>100.0 %</u>

The primary components of the \$365.8 million decrease in General Fund revenue were a \$314.7 million decrease in taxes and a \$138.4 million decrease in rents and royalties.

Alaska Permanent Fund

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

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

The fund is made up of three parts.

- **Nonspendable Fund Balances:** The nonspendable fund balances, or principal, include all historical contributions and appropriations, which are the main body of the fund. On June 30, 2025, this amounted to \$58.9 billion. The sources of contributions and appropriations of the fund, since inception, were as follows: \$20.2 billion in dedicated mineral revenues; \$27.6 billion of fund realized earnings transferred to principal for inflation proofing; \$10.9 billion in additional deposits approved by special legislative appropriation, and \$152.9 million in settlement earnings (State v. Amerada Hess, et al.).

A portion of accumulated unrealized appreciation on invested assets is also part of the nonspendable fund balances. The unrealized amounts allocated to contributions and appropriations are nonspendable, unless and until they become realized, at which point they will be transferred to the assigned fund balance. The portion of the unrealized appreciation at the end of the fiscal year allocated to principal amounted to \$13.6 billion.

- **Committed Fund Balances:** The committed fund balances are realized earnings of the Fund which have been designated by appropriation for a specific purpose and meet other criteria as defined by Generally Accepted Accounting Principles. During FY 2019, legislation was passed which provides for a transfer from the Earning Reserve Account to the General Fund for the payment of unrestricted General Fund expenditures, including the dividend. The amount of the transfer is based upon a percentage of the average market value of the Fund at the end of the first five of the preceding six fiscal years. The legislation took effect on July 1, 2019. The FY 2025 balance sheet reflects a commitment of fund balance of \$3.8 billion for transfer during FY 2026.
- **Assigned Fund Balances:** The assigned fund balances, which are available for legislative appropriation per AS 37.13.145, consist of \$6.4 billion in realized earnings of the fund and \$2.4 billion in accumulated unrealized appreciation.

General Fund Budgetary Highlights

The difference between the original expenditure budget and the final amended budget was a net decrease of \$1,080 million in appropriations (or 4.4 percent). The net effect of increases and decrease in appropriations can be briefly summarized as follows:

- \$2,138 million decrease allocated to transportation
- \$379 million increase allocated to public protection
- \$81 million increase allocated to development
- \$435 million increase allocated to health and human services
- The balance is allocated across several expenditure functions

The difference between the final amended budget and actual expenditures was \$10.5 billion (or 45.0 percent). The difference was primarily due to multiyear appropriations exceeding expenditures within FY 2025 by \$5.2 billion in transportation and a \$2.3 billion in health and human services.

The difference between the final amended budget and actual revenues was \$10.9 billion (or 55.0 percent). The difference was primarily due to multiyear appropriations exceeding revenues within FY 2025 by \$9.8 billion in Federal Grants in Aid. The biggest variances are due to capital projects that span several fiscal years.

Capital Assets and Debt Administration

Capital Assets

The State's net investment in capital assets for its governmental and business-type activities as of June 30, 2025, amounts to \$9.9 billion. The table below displays total capital assets, net of accumulated depreciation. Depreciation charges for FY 2025 totaled \$638 million for governmental activities and \$79 million for business-type activities.

Capital Assets

(Stated in Millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024
Land	\$ 1,113	\$ 1,108	\$ 31	\$ 31	\$ 1,144	\$ 1,139
Buildings	1,329	1,352	485	499	1,814	1,851
Equipment	636	639	37	35	673	674
Infrastructure	4,119	3,869	509	512	4,628	4,381
Intangibles	406	389	—	—	406	389
Construction in Progress	2,116	2,007	33	26	2,149	2,033
Total Capital Assets	\$ 9,719	\$ 9,364	\$ 1,095	\$ 1,103	\$ 10,814	\$ 10,467

In FY 2025, increases were mainly in infrastructure with an increase of \$247 million. Additional information on the State's capital assets can be found in Note 5 in the notes to the basic financial statements.

Long-term Debt

At the end of the current fiscal year, the State had total bonded debt outstanding of \$1,019 million. Of this amount, \$514 million was general obligation bonds, and \$505 million of revenue bonds payable comprised of \$277 million issued by the Northern Tobacco Securitization Corporation (NTSC), and \$228 million issued by the International Airport Fund. The general obligation bonds are secured by the full faith, credit, and resources of the State, whereas the NTSC bonds are secured by and payable solely from Tobacco Settlement Revenues (TSRs). Neither the State of Alaska, nor the Alaska Housing Finance Corporation (of which NTSC is a subsidiary) is liable for any debt issued by NTSC. The remaining \$228 million are International Airports revenue bonds secured solely by specified revenue sources. The general obligation and NTSC bonds are reported as governmental activities debt, and the International Airports bonds are reported as business-type activities debt.

Long-term Debt
(Stated in millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024
Revenue Bonds Payable	\$ 277	\$ 286	\$ 228	\$ 255	\$ 505	\$ 541
General Obligation Debt	514	573	—	—	514	573
Leases and SBITA Payable	516	523	—	—	516	523
Unearned Revenue	75	90	41	34	116	124
Certificates of Participation	12	15	—	—	12	15
Compensated Absences	244	225	8	6	252	231
Claims and Judgments	193	199	—	—	193	199
Pollution Remediation	120	120	13	14	133	134
Other Noncurrent Liabilities	36	34	48	42	84	76
Net Pension Liability	4,550	4,190	91	90	4,641	4,280
Total	\$ 6,537	\$ 6,255	\$ 429	\$ 441	\$ 6,966	\$ 6,696

The State's total long-term debt increased by \$270 million (4.03 percent) during FY 2025. The increase in debt is primarily due to an increase in the net pension liability.

With the implementation of GASB Statement 68 and 75, the State of Alaska reported net pension liabilities and net OPEB liabilities/assets in relation to a special funding situation in the amount of \$1.9 billion net pension liability, and \$910.8 million net OPEB asset. The State of Alaska, Department of Law issued a legal opinion that the State of Alaska is not legally responsible for this portion of the net pension liability. Regardless, the financial statements must be reported under generally accepted accounting principles.

As of June 30, 2025, the State's General Obligation debt ratings were AA/AA+/Aa2/A+ from S&P Global Ratings, Kroll Bond Rating Agency, Moody's Investors Service, Inc., and Fitch Ratings (Fitch), respectively. The outlook on all ratings is stable.

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

Significant Facts

The Public Employee's Retirement System's (PERS) net investment income increased from \$2.2 billion during FY 2024 to \$2.7 billion during FY 2025. The Teacher's Retirement System's (TRS) net investment income increased from \$1.0 billion during FY 2023 to \$1.2 billion during FY 2025.

The Permanent Fund ended the fiscal year at 9.35 percent total return. The components of this increase were \$2.0 billion in bond interest, stock dividends, and cash flow income from other investments, a net increase in the fair value of investments of \$6.0 billion, and dedicated mineral deposits of \$489 million, offset by operating expenses and other appropriations of \$163 million, the General Fund transfer of \$3.7 billion, and the Alaska Capital Income Fund transfer of \$31 million. This represents a significant increase from the 7.90 percent total return in FY 2024 and is much higher than the median projection of 5.40 percent. Please see Note 1 for further information regarding this blended component unit and how to obtain the separately issued financial statements.

Economic Factors and Next Year's Budgets and Rates

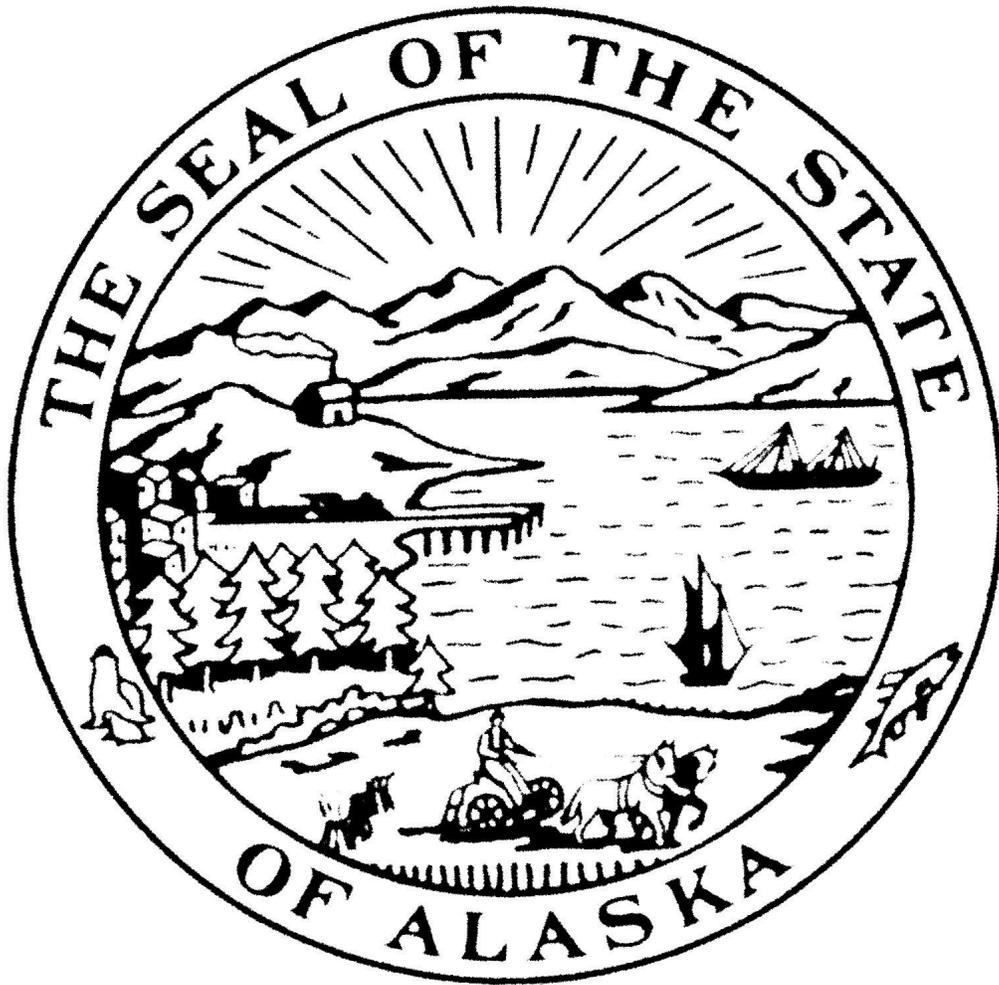
- The State's average unemployment rate for FY 2025 was 4.7 percent, up from the seasonally adjusted average unemployment rate for FY 2024 of 4.5 percent. Alaska's five year average (2021 to 2025) was 5.2 percent. The United States unemployment rate for FY 2025 was 4.2 percent.
- Total General Fund revenue for FY 2025 was \$8.4 billion. Three sources of revenue accounted for 89.4 percent of total state revenue; federal, taxes, and rents and royalties. Federal accounted for 57.7 percent, taxes accounted for 19.1 percent, and rents and royalties accounted for 12.6 percent of general fund revenue. The State's budget is primarily structured around petroleum and federal revenue, and transfers from the Alaska Permanent Fund. Federal funds are generally restricted for use for federal programs and therefore cannot be used to balance the State budget. Petroleum revenues continue to be of concern with fluctuating oil prices and lawmakers continuing to use State reserves to close budget gaps.
- FY 2025 crude oil and natural gas liquids production in the State of Alaska for the North Slope averaged 468 thousand barrels per day. This is seven thousand barrels per day more than in the prior year. In Cook Inlet, production averaged slightly under eight thousand barrels per day; a decrease of less than 700 barrels per day compared to the prior year.
- The State of Alaska FY 2025 budgeted expenditures include certain items that are unique to Alaska, such as the Alaska Permanent Fund Dividend and the Energy Relief Payment. The Alaska Permanent Fund Dividend (\$1,404/resident) and the Alaska Energy Relief Payment (\$298/resident) was paid to each qualifying Alaskan for a total of \$1.1 billion.

Requests for Information

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

Basic Financial Statements





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Government-wide Financial Statements



STATE OF ALASKA
Statement of Net Position
Government-wide
June 30, 2025
(Stated in Thousands)

STATEMENT 1.01

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and Investments	\$ 92,460,480	\$ 2,466,280	\$ 94,926,760	\$ 2,397,121
Accounts Receivable - Net	650,000	38,668	688,668	81,588
Interest and Dividends Receivable	237,401	14,406	251,807	39,301
Internal Balances	465	(465)	—	—
Due from Primary Government	—	—	—	21,075
Due from Component Units	34,581	—	34,581	1,625
Due from Other Governments	1,447,523	19,324	1,466,847	85,199
Loans, Notes, Bonds, and Leases Receivable	52,919	539,078	591,997	5,973,260
Inventories	46,276	—	46,276	18,894
Repossessed Property	—	91	91	—
Restricted Assets	25	108,998	109,023	2,561,737
Securities Lending Collateral	4,016,702	—	4,016,702	82,345
Net Pension Asset	17,851	—	17,851	—
Net OPEB Asset	2,049,902	38,356	2,088,258	189,043
Other Assets	72,369	2,648	75,017	71,984
Capital Assets:				
Equipment, Net of Depreciation	636,303	37,316	673,619	334,645
Buildings, Net of Depreciation	1,328,888	485,066	1,813,954	1,191,142
Library Books, Net of Depreciation	—	—	—	4,784
Infrastructure, Net of Depreciation	4,118,951	508,993	4,627,944	899,550
Intangibles, Net of Amortization	405,709	—	405,709	31,897
Museum Collections	—	—	—	7,430
Land / Right-of-Way	1,113,210	31,203	1,144,413	121,292
Construction in Progress	2,115,570	32,827	2,148,397	500,566
Total Assets	110,805,125	4,322,789	115,127,914	14,614,478
DEFERRED OUTFLOWS OF RESOURCES				
Total Deferred Outflows of Resources	649,458	13,246	662,704	91,896
LIABILITIES				
Accounts Payable and Accrued Liabilities	1,960,632	57,968	2,018,600	130,938
Obligations Under Securities Lending	4,016,702	—	4,016,702	82,345
Due to Primary Government	—	—	—	46,243
Due to Component Units	2,011	—	2,011	11,142
Due to Other Governments	1,400	4,813	6,213	8,135
Interest Payable	8,871	2,470	11,341	18,359
Derivative Instruments	—	—	—	30,229
Other Current Liabilities	3	292	295	162,007

This statement continues on the next page.

STATE OF ALASKA
Statement of Net Position
Government-wide
June 30, 2025
(Stated in Thousands)

STATEMENT 1.01

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
LIABILITIES (Continued)				
Long-Term Liabilities:				
Portion Due or Payable Within One Year:				
Claims, Judgments, Compensated Absences, and Pollution Remediation	239,293	5,888	245,181	26,983
Unearned Revenue	23,860	41,495	65,355	216,345
Notes, Bonds, Leases, and SBITAs Payable	132,985	13,580	146,565	186,387
Other Noncurrent Liabilities	585	—	585	2,188
Portion Due or Payable After One Year:				
Claims, Judgments, Compensated Absences, and Pollution Remediation	317,996	14,697	332,693	4,205
Unearned Revenue	51,548	—	51,548	—
Notes, Bonds, Leases, and SBITAs Payable	1,185,672	214,313	1,399,985	4,011,759
Net Pension Liabilities	4,549,802	91,178	4,640,980	347,395
Other Noncurrent Liabilities	35,544	47,779	83,323	20,922
Total Liabilities	<u>12,526,904</u>	<u>494,473</u>	<u>13,021,377</u>	<u>5,305,582</u>
DEFERRED INFLOWS OF RESOURCES				
Total Deferred Inflows of Resources	<u>66,496</u>	<u>42,779</u>	<u>109,275</u>	<u>1,006,625</u>
NET POSITION				
Net Investment in Capital Assets	8,962,656	903,771	9,866,427	2,222,904
Restricted for:				
Permanent Funds				
Nonexpendable	73,408,648	—	73,408,648	679,984
Expendable	—	—	—	258,272
Pension and OPEB	2,067,754	38,356	2,106,110	7,331
Education	13,144	—	13,144	768,227
Development	155,280	—	155,280	145,140
Unemployment Compensation	—	775,155	775,155	—
Health and Human Services	64,879	650,089	714,968	—
Debt Service	20,720	—	20,720	720,190
Other Purposes	7,119	67,177	74,296	1,580,713
Unrestricted	14,160,983	1,364,235	15,525,218	2,011,406
Total Net Position	<u>\$ 98,861,183</u>	<u>\$ 3,798,783</u>	<u>\$ 102,659,966</u>	<u>\$ 8,394,167</u>

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

STATE OF ALASKA
Statement of Activities
Government-wide
For the Fiscal Year Ended June 30, 2025
(Stated in Thousands)

STATEMENT 1.02

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services, Royalties and Other Fees	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 610,551	\$ 33,830	\$ 27,582	\$ 8,374
Alaska Permanent Fund Dividend	1,074,243	—	—	—
Education	2,200,154	2,681	424,373	358
University	424,027	80	—	—
Health and Human Services	4,749,468	62,973	3,504,885	72,338
Law and Justice	377,404	6,063	27,908	220
Public Protection	1,162,093	225,247	107,818	449
Natural Resources	441,945	1,634,022	138,957	18,184
Development	188,029	110	83,973	1,883
Transportation	1,265,562	59,588	199,840	858,666
Intergovernmental Revenue Sharing	95,832	—	14,165	—
Debt Service	34,884	—	2,032	—
Total Governmental Activities	12,624,192	2,024,594	4,531,533	960,472
Business-Type Activities:				
Loans	11,708	10,949	485	8,680
Insurance	164,395	229,494	(1,282)	—
Airports	205,100	185,311	10,077	50,016
Total Business-Type Activities	381,203	425,754	9,280	58,696
Total Primary Government	\$ 13,005,395	\$ 2,450,348	\$ 4,540,813	\$ 1,019,168
Component Units:				
University of Alaska	\$ 1,043,850	\$ 173,920	\$ 439,979	\$ 17,230
Alaska Housing Finance Corporation	344,648	189,532	150,887	7,727
Alaska Industrial Development and Export Authority	41,602	51,706	1,391	2,335
Alaska Energy Authority	162,869	28,676	43,736	—
Nonmajor Component Units	371,929	281,333	131,411	4,772
Total Component Units	\$ 1,964,898	\$ 725,167	\$ 767,404	\$ 32,064

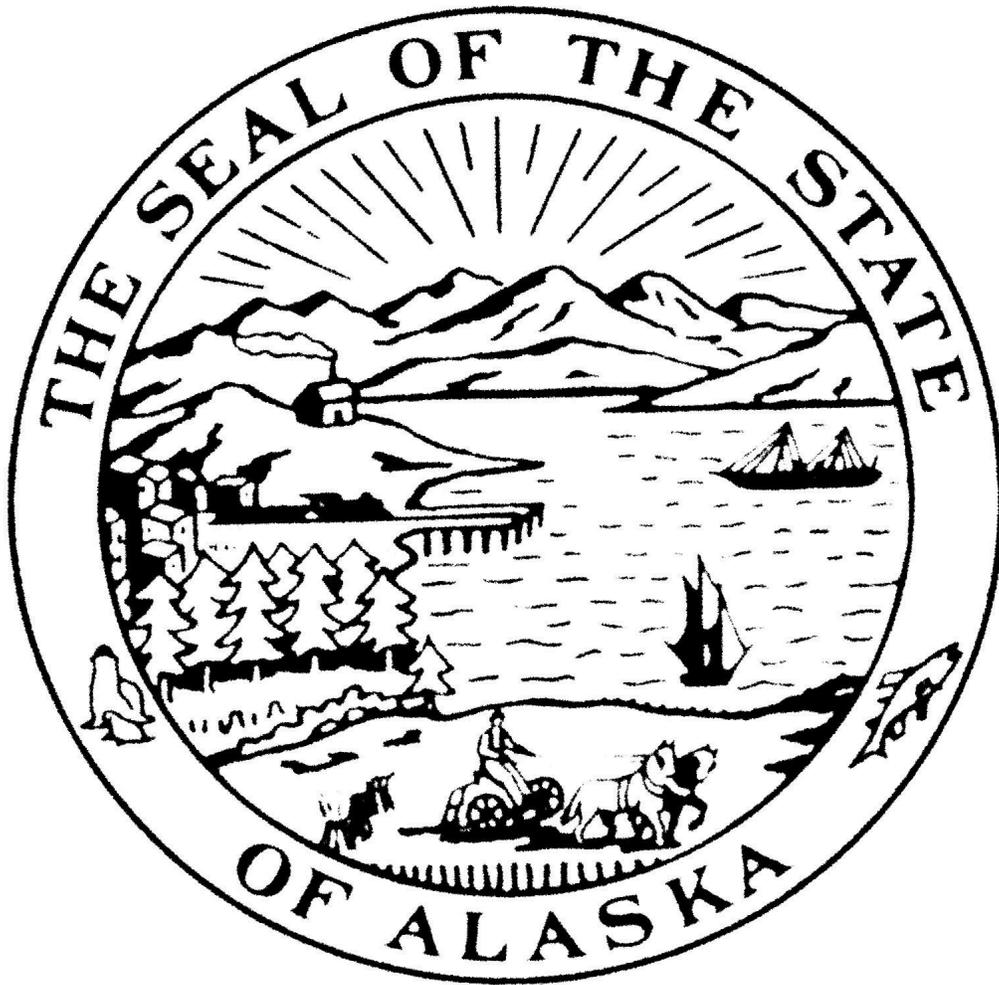
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STATE OF ALASKA
Statement of Activities
Government-wide
For the Fiscal Year Ended June 30, 2025
(Stated in Thousands)

STATEMENT 1.02

FUNCTIONS/PROGRAMS	Net (Expense) Revenue and Changes in Net Position			
	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Primary Government:				
Governmental Activities:				
General Government	\$ (540,765)		\$ (540,765)	
Alaska Permanent Fund Dividend	(1,074,243)		(1,074,243)	
Education	(1,772,742)		(1,772,742)	
University	(423,947)		(423,947)	
Health and Human Services	(1,109,272)		(1,109,272)	
Law and Justice	(343,213)		(343,213)	
Public Protection	(828,579)		(828,579)	
Natural Resources	1,349,218		1,349,218	
Development	(102,063)		(102,063)	
Transportation	(147,468)		(147,468)	
Intergovernmental Revenue Sharing	(81,667)		(81,667)	
Debt Service	(32,852)		(32,852)	
Total Governmental Activities	<u>(5,107,593)</u>		<u>(5,107,593)</u>	
Business-Type Activities:				
Loans		\$ 8,406	8,406	
Insurance		63,817	63,817	
Airports		40,304	40,304	
Total Business-Type Activities		<u>112,527</u>	<u>112,527</u>	
Total Primary Government	<u>(5,107,593)</u>	<u>112,527</u>	<u>(4,995,066)</u>	
Component Units:				
University of Alaska				\$ (412,721)
Alaska Housing Finance Corporation				3,498
Alaska Industrial Development and Export Authority				13,830
Alaska Energy Authority				(90,457)
Nonmajor Component Units				45,587
Total Component Units				<u>(440,263)</u>
General Revenues				
Taxes:				
Severance Taxes	750,495	—	750,495	—
Selective Sales/Use	338,535	—	338,535	—
Income Taxes	377,072	—	377,072	—
Property Taxes	142,621	—	142,621	—
Other Taxes	2,944	—	2,944	—
Interest and Investment Income (Loss)	8,352,439	131,566	8,484,005	258,837
Tobacco Settlement	19,179	—	19,179	—
Payments In from Component Units	50,306	—	50,306	—
Payments In from Primary Government	—	—	—	357,330
Other Revenues	56,114	2,064	58,178	10,929
Transfers - Internal Activity	(3,032)	3,032	—	—
Total General Revenues	<u>10,086,673</u>	<u>136,662</u>	<u>10,223,335</u>	<u>627,096</u>
Change in Net Position	4,979,080	249,189	5,228,269	186,833
Net Position - Beginning of Year (Restated)	<u>93,882,103</u>	<u>3,549,594</u>	<u>97,431,697</u>	<u>8,207,334</u>
Net Position - End of Year	<u>\$ 98,861,183</u>	<u>\$ 3,798,783</u>	<u>\$ 102,659,966</u>	<u>\$ 8,394,167</u>

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



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Governmental Funds Financial Statements

MAJOR FUNDS

- **General Fund** - This fund is the State's operating fund. It accounts for the financial resources and transactions not accounted for in other funds. A description of the General Fund accounts and sub-funds are presented in the Combining Fund Statements.
- **Alaska Permanent Fund** - Alaska Constitution, Article IX, Section 15 - Administered by the Alaska Permanent Fund Corporation. The Alaska Constitution provides that at least 25 percent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments, and bonuses received by the State shall be placed in the Alaska Permanent Fund.

NONMAJOR FUNDS

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



STATE OF ALASKA
Balance Sheet
Governmental Funds
June 30, 2025
(Stated in Thousands)

STATEMENT 1.11

	General Fund	Alaska Permanent Fund	Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 5,715,944	\$ 85,350,871	\$ 1,233,962	\$ 92,300,777
Accounts Receivable - Net	166,265	437,228	1,802	605,295
Interest and Dividends Receivable	20,731	216,442	228	237,401
Due from Other Funds	85,438	36,228	1,813	123,479
Due from Component Units	34,581	—	—	34,581
Due from Other Governments	1,444,474	—	236	1,444,710
Loans, Notes, Bonds and Leases Receivable	52,774	—	145	52,919
Inventories	39,656	—	—	39,656
Securities Lending Collateral	—	4,016,702	—	4,016,702
Other Assets	65,500	—	184	65,684
Total Assets	<u>7,625,363</u>	<u>90,057,471</u>	<u>1,238,370</u>	<u>98,921,204</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	945,190	909,571	10,152	1,864,913
Obligations Under Securities Lending	—	4,016,702	—	4,016,702
Due to Other Funds	136,123	31,327	8,218	175,668
Due to Component Units	1,949	—	62	2,011
Due to Other Governments	1,400	—	—	1,400
Unearned Revenue	74,273	—	1,138	75,411
Other Liabilities	35,467	—	662	36,129
Total Liabilities	<u>1,194,402</u>	<u>4,957,600</u>	<u>20,232</u>	<u>6,172,234</u>
DEFERRED INFLOWS OF RESOURCES				
Total Deferred Inflows of Resources	<u>947,487</u>	<u>—</u>	<u>65</u>	<u>947,552</u>
FUND BALANCES				
Nonspendable:				
Inventory	39,656	—	—	39,656
Principal	—	72,496,725	911,923	73,408,648
Advances and Prepaid Items	65,504	—	112	65,616
Restricted for:				
Debt Service	4,678	—	16,448	21,126
Education	18,475	—	1,096	19,571
Health and Human Services	46,495	—	18,384	64,879
Development	37,998	—	128,876	166,874
Other Purposes	6,902	—	217	7,119
Committed to:				
Education	713,554	—	22	713,576
Health and Human Services	233,150	—	—	233,150
Public Protection	317,289	—	402	317,691
Permanent Fund	21,908	—	—	21,908
Development	1,161,637	—	140,659	1,302,296
Other Purposes	248,708	3,798,888	—	4,047,596
Assigned to:				
Education	2,211	—	—	2,211
Public Protection	7	—	—	7
Permanent Fund	—	8,804,258	—	8,804,258
Development	99	—	—	99
Unassigned	2,565,203	—	(66)	2,565,137
Total Fund Balances	<u>5,483,474</u>	<u>85,099,871</u>	<u>1,218,073</u>	<u>91,801,418</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 7,625,363</u>	<u>\$ 90,057,471</u>	<u>\$ 1,238,370</u>	<u>\$ 98,921,204</u>

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

STATE OF ALASKA

STATEMENT 1.12

Reconciliation of the Balance Sheet to the Statement of Net Position

Governmental Funds

June 30, 2025

(Stated in Thousands)

Total Fund Balances - Governmental Funds	\$ 91,801,418
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds (See Note 5). These assets consist of:	
Equipment, net of depreciation	442,669
Buildings, net of depreciation	1,251,856
Infrastructure, net of depreciation	4,118,951
Intangibles, net of amortization	353,522
Land / right-of-way	1,113,210
Construction in progress	<u>2,111,107</u>
	9,391,315
Certain prepaid expenditures are related to the purchase of capital assets.	(225)
Some of the state's assets are not current available resources and are not reported in the funds.	
Claims and judgments, net of federal reimbursement	2,813
Net pension asset (See Note 6)	17,851
Net other post employment benefits asset (See Note 6)	<u>2,017,150</u>
	2,037,814
Deferred outflows of resources that are not reported in the funds.	
Gain on bond refunding	(1,722)
Related to pensions	545,477
Related to OPEB	<u>94,391</u>
	638,146
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position (See Statement 1.21).	429,843
Certain revenues are not available to pay for the current period's expenditures and therefore are not reported in the funds.	895,992
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds (See Note 6).	
Claims and judgments, net of federal reimbursement	(192,960)
Compensated absences	(238,562)
Pollution remediation	(120,452)
Lease and SBITA obligations	(483,883)
Net pension liability	<u>(4,471,946)</u>
	(5,507,803)
Long-term bonded debt is not due and payable in the current period and therefore is not reported in the funds (See Note 6).	
Notes and bonds payable	(802,269)
Accrued interest payable	<u>(8,871)</u>
	(811,140)
Deferred inflows of resources related to pensions that are not reported in the funds.	(31,405)
Deferred inflows of resources related to the sale of future tobacco settlement revenues that are eliminated from the Government-wide Statement of Net Position.	17,228
Net Position of Governmental Activities	<u>\$ 98,861,183</u>

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

STATE OF ALASKA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2025
(Stated in Thousands)

STATEMENT 1.13

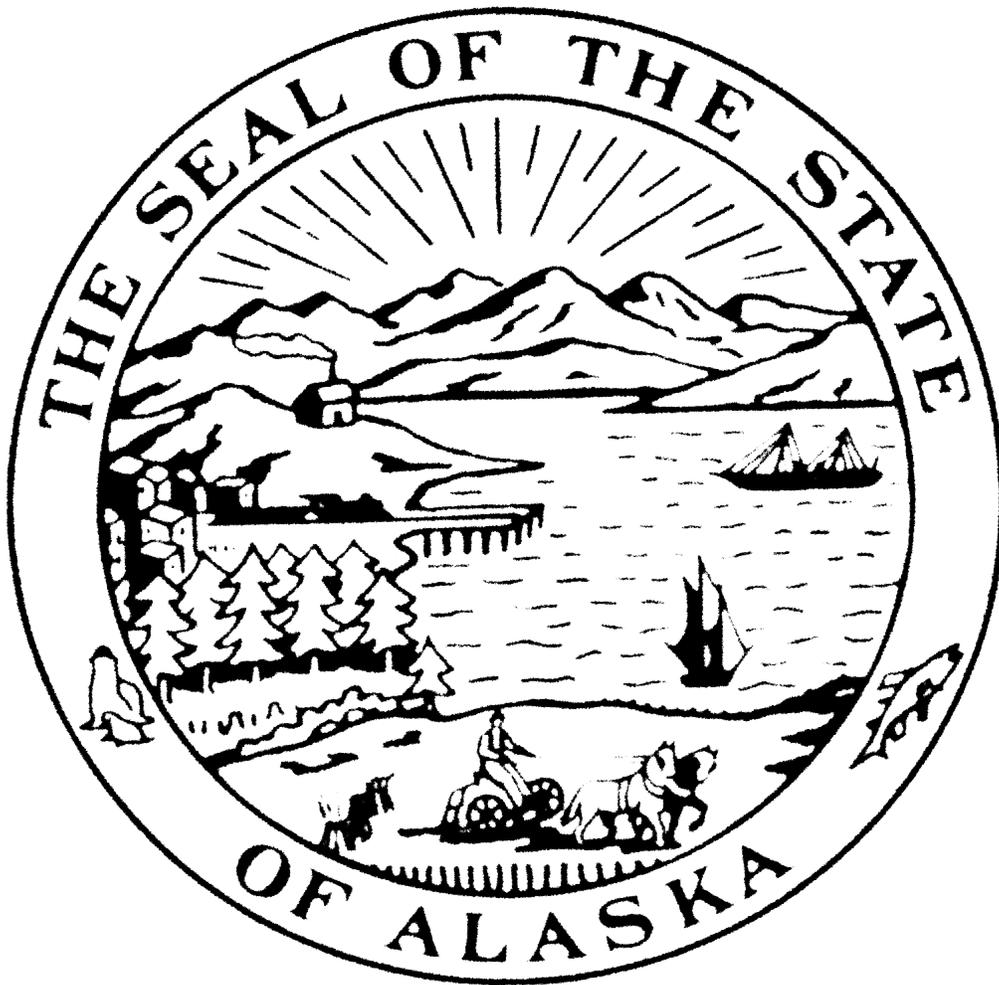
	General Fund	Alaska Permanent Fund	Nonmajor Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 1,600,605	\$ —	\$ 11,056	\$ 1,611,661
Licenses and Permits	145,208	—	44,883	190,091
Charges for Services	182,882	—	683	183,565
Fines and Forfeitures	59,341	—	97	59,438
Rents and Royalties	1,059,348	488,723	25,859	1,573,930
Premiums and Contributions	38,327	—	13,308	51,635
Interest and Investment Income (Loss)	350,330	8,000,002	113,812	8,464,144
Federal Grants in Aid	4,833,918	—	878	4,834,796
Payments In from Component Units	51,038	—	—	51,038
Other Revenues	57,948	—	15,352	73,300
Total Revenues	<u>8,378,945</u>	<u>8,488,725</u>	<u>225,928</u>	<u>17,093,598</u>
EXPENDITURES				
Current:				
General Government	339,106	152,730	2,852	494,688
Alaska Permanent Fund Dividend	1,074,244	—	—	1,074,244
Education	2,051,342	—	18,121	2,069,463
University	409,550	—	29	409,579
Health and Human Services	4,686,133	—	3,495	4,689,628
Law and Justice	342,364	3,065	—	345,429
Public Protection	1,120,051	—	1,230	1,121,281
Natural Resources	383,905	7,238	55,116	446,259
Development	171,184	—	4,849	176,033
Transportation	1,601,168	—	15,903	1,617,071
Intergovernmental Revenue Sharing	95,832	—	—	95,832
Debt Service:				
Principal	81,246	—	50,900	132,146
Interest and Other Charges	17,192	—	33,636	50,828
Total Expenditures	<u>12,373,317</u>	<u>163,033</u>	<u>186,131</u>	<u>12,722,481</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,994,372)</u>	<u>8,325,692</u>	<u>39,797</u>	<u>4,371,117</u>
OTHER FINANCING SOURCES (USES)				
Refunding Bonds Issued	—	—	190,430	190,430
Bonds Issued Premium	—	—	19,631	19,631
Payment to Refunded Bonds Escrow Agent	—	—	(206,048)	(206,048)
Leases and SBITA	53,807	—	—	53,807
Transfers In from Other Funds	3,729,583	—	65,520	3,795,103
Transfers (Out to) Other Funds	(96,812)	(3,688,590)	(35,266)	(3,820,668)
Total Other Financing Sources and Uses	<u>3,686,578</u>	<u>(3,688,590)</u>	<u>34,267</u>	<u>32,255</u>
Net Change in Fund Balances	<u>(307,794)</u>	<u>4,637,102</u>	<u>74,064</u>	<u>4,403,372</u>
Fund Balances - Beginning of Year	5,791,268	80,462,769	1,144,009	87,398,046
Fund Balances - End of Year	<u>\$ 5,483,474</u>	<u>\$ 85,099,871</u>	<u>\$ 1,218,073</u>	<u>\$ 91,801,418</u>

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

Reconciliation of the Change in Fund Balances to the Statement of Activities
Governmental Funds
For the Fiscal Year Ended June 30, 2025
(Stated in Thousands)

Net Change in Fund Balances - Total Governmental Funds	\$ 4,403,372
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation and amortization expense. Primarily, this is the amount by which capital outlays exceeded depreciation and amortization in the current period (See Note 5).	
Capital outlay	925,785
Depreciation and amortization expense	<u>(583,659)</u>
	342,126
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of the internal service funds is reported in governmental activities in the Statement of Revenues, Expenses, and Changes in Fund Net Position (See Statement 1.22).	
Net current year revenue	(24,878)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the fund.	
	501,129
Revenues related to the sale of future tobacco settlement revenues that are eliminated from the Statement of Activities.	
	(824)
Bond and other debt proceeds provide current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position (See Statement 1.02).	
Refunding bond proceeds	(210,061)
Accrued interest	6,064
Repayment of bond principal	62,520
Payment to refunded bond escrow agent	206,048
	64,571
Some capital additions were financed through leases and SBITAs. In the governmental funds, certain lease arrangements and SBITAs are considered a source of financing, but in the Statement of Net Position (See Statement 1.01), the lease obligation and SBITAs are reported as a liability.	
	(53,807)
Certain expenditures are reported in the funds. However, they either increase or decrease long-term liabilities or deferred outflows reported on the Statement of Net Position (See Statement 1.01) and have been eliminated from the Statement of Activities (See Statement 1.02).	
Claims and judgments	7,156
Compensated absences	(19,054)
Pollution remediation	43
Leases, transfer of ownership, and SBITAs	82,851
Pension	(337,906)
Other post employment benefits, net	<u>14,287</u>
	(252,623)
Northern Tobacco Securitization Corporation expenses incurred and reported in the prior year but paid in the current year.	
	14
Change in Net Position of Governmental Activities	\$ 4,979,080

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



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Proprietary Funds Financial Statements

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

MAJOR ENTERPRISE FUNDS

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

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

NONMAJOR FUNDS

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



STATE OF ALASKA
Statement of Net Position
Proprietary Funds
June 30, 2025
(Stated in Thousands)

STATEMENT 1.21

	Business-Type Activities Enterprise Funds			Governmental Activities
	International Airports	Nonmajor Enterprise Funds	Enterprise Funds Total	Internal Service Funds
ASSETS				
Current Assets:				
Cash and Investments	\$ 237,003	\$ 2,229,277	\$ 2,466,280	\$ 159,728
Accounts Receivable - Net	13,664	25,004	38,668	4,235
Interest and Dividends Receivable	1,076	6,398	7,474	—
Due from Other Funds	—	3,037	3,037	41,011
Due from Other Governments	19,324	—	19,324	—
Loans, Notes, Bonds and Leases Receivable	6,235	41,603	47,838	—
Inventories	—	—	—	6,620
Restricted Assets	35,528	—	35,528	—
Other Current Assets	48	253	301	6,910
Total Current Assets	312,878	2,305,572	2,618,450	218,504
Noncurrent Assets:				
Interest and Dividends Receivable	—	6,932	6,932	—
Loans, Notes, Bonds and Leases Receivable	30,193	461,047	491,240	—
Repossessed Property	—	91	91	—
Restricted Assets	73,470	—	73,470	—
Net OPEB Asset	36,443	1,913	38,356	32,752
Other Noncurrent Assets	—	2,347	2,347	—
Capital Assets:				
Equipment, Net of Depreciation	37,316	—	37,316	193,634
Buildings, Net of Depreciation	485,066	—	485,066	77,032
Infrastructure, Net of Depreciation	508,993	—	508,993	—
Intangibles, Net of Amortization	—	—	—	52,187
Land / Right-of-Way	31,203	—	31,203	—
Construction in Progress	32,827	—	32,827	4,463
Total Noncurrent Assets	1,235,511	472,330	1,707,841	360,068
Total Assets	1,548,389	2,777,902	4,326,291	578,572
DEFERRED OUTFLOWS OF RESOURCES				
Total Deferred Outflows of Resources	12,587	659	13,246	11,312

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Statement of Net Position

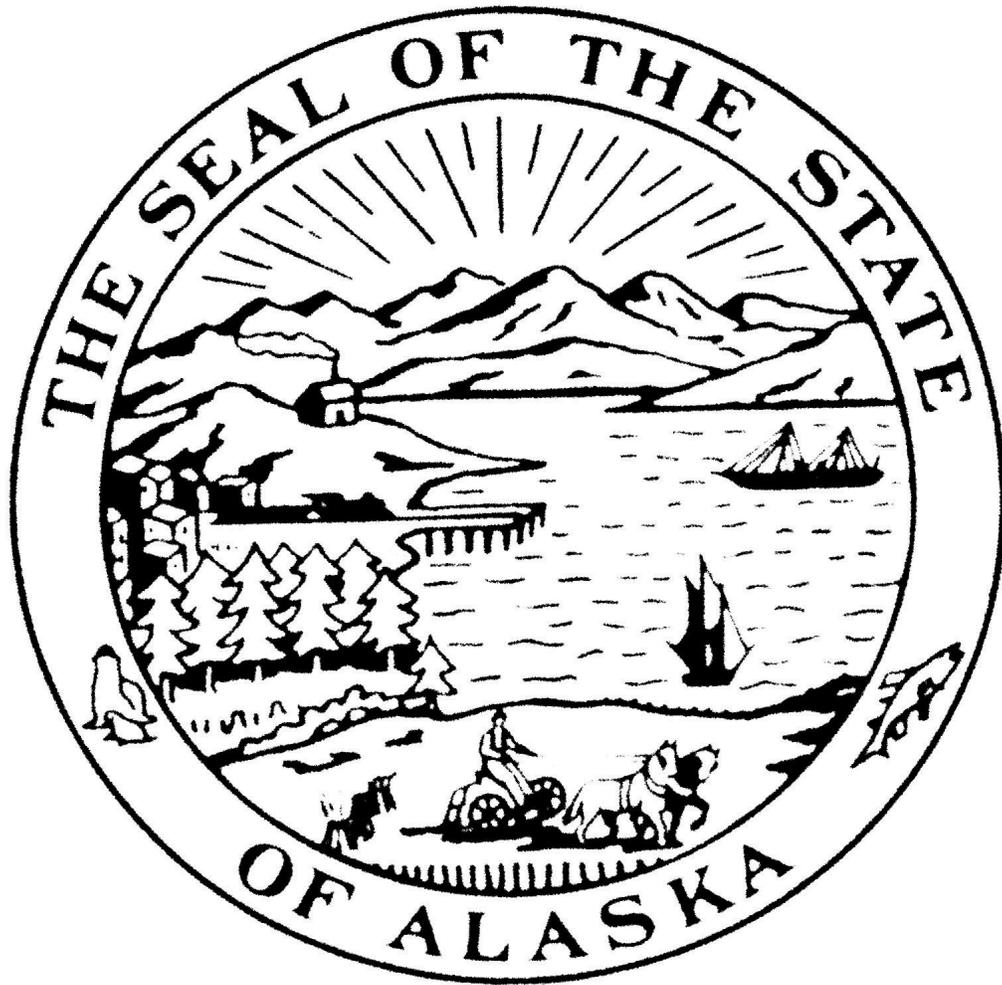
Proprietary Funds

June 30, 2025

(Stated in Thousands)

	Business-Type Activities Enterprise Funds			Governmental Activities
	International Airports	Nonmajor Enterprise Funds	Enterprise Funds Total	Internal Service Funds
LIABILITIES				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	20,304	37,664	57,968	41,684
Due to Other Funds	2,567	935	3,502	1,922
Due to Other Governments	—	4,813	4,813	—
Interest Payable	2,470	—	2,470	—
Claims, Judgments, Compensated Absences, and Pollution Remediation	5,655	233	5,888	3,638
Unearned Revenue	3,319	38,176	41,495	—
Notes, Bonds, Leases, and SBITAs Payable	13,580	—	13,580	17,734
Other Current Liabilities	—	292	292	—
Total Current Liabilities	47,895	82,113	130,008	64,978
Noncurrent Liabilities:				
Claims, Judgments, Compensated Absences, and Pollution Remediation	14,691	6	14,697	1,677
Notes, Bonds, Leases, and SBITAs Payable	214,313	—	214,313	14,771
Net Pension Liabilities	86,630	4,548	91,178	77,856
Other Noncurrent Liabilities	—	47,779	47,779	—
Total Noncurrent Liabilities	315,634	52,333	367,967	94,304
Total Liabilities	363,529	134,446	497,975	159,282
DEFERRED INFLOWS OF RESOURCES				
Total Deferred Inflows of Resources	42,736	43	42,779	759
NET POSITION				
Net Investment in Capital Assets	903,771	—	903,771	294,811
Restricted for:				
Pension and OPEB	36,443	1,913	38,356	32,752
Unemployment Compensation	—	775,155	775,155	—
Health and Human Services	—	650,089	650,089	—
Other Purposes	66,906	271	67,177	—
Unrestricted	147,591	1,216,644	1,364,235	102,280
Total Net Position	\$ 1,154,711	\$ 2,644,072	\$ 3,798,783	\$ 429,843

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



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

Proprietary Funds

For the Fiscal Year Ended June 30, 2025

(Stated in Thousands)

	Business-Type Activities Enterprise Funds			Governmental Activities
	International Airports	Nonmajor Enterprise Funds	Enterprise Funds Total	Internal Service Funds
OPERATING REVENUES				
Premiums and Contributions	\$ —	\$ 229,326	\$ 229,326	\$ 166,724
Charges for Goods and Services	181,841	1,840	183,681	135,361
Allowances for Uncollectible Revenues	2,310	—	2,310	—
Interest and Investment Income (Loss)	—	9,543	9,543	—
Allowance for Uncollectible Interest	—	(52)	(52)	—
Fines and Forfeitures	—	433	433	—
Allowance for Uncollectible Fines	—	(162)	(162)	—
Federal Reimbursements	—	(1,282)	(1,282)	—
Other Operating Revenues	1,160	597	1,757	15,875
Total Operating Revenues	185,311	240,243	425,554	317,960
OPERATING EXPENSES				
Benefits	—	160,484	160,484	195,350
Operating	125,753	10,498	136,251	104,097
Depreciation and Amortization	79,347	—	79,347	53,722
Provision for Loan Losses and Forgiveness	—	955	955	—
Total Operating Expenses	205,100	171,937	377,037	353,169
Operating Income (Loss)	(19,789)	68,306	48,517	(35,209)
NONOPERATING REVENUES (EXPENSES)				
Interest and Investment Income (Loss)	16,148	122,490	138,638	901
Interest and Investment Expense	(7,062)	(152)	(7,214)	—
Gain (Loss) on Disposal of Capital Assets	1,398	—	1,398	(28,651)
Other Nonoperating Revenues (Expenses)	10,146	(4,024)	6,122	39
Total Nonoperating Revenues (Expenses)	20,630	118,314	138,944	(27,711)
Income Before Capital Contributions and Transfers	841	186,620	187,461	(62,920)
Capital Contributions	50,016	8,680	58,696	10,009
Transfers In from Other Funds	—	3,354	3,354	28,033
Transfers (Out to) Other Funds	—	(322)	(322)	—
Change in Net Position	50,857	198,332	249,189	(24,878)
Total Net Position - Beginning of Year (Restated)	1,103,854	2,445,740	3,549,594	454,721
Total Net Position - End of Year	\$ 1,154,711	\$ 2,644,072	\$ 3,798,783	\$ 429,843

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

Statement of Cash Flows

Proprietary Funds

For the Fiscal Year Ended June 30, 2025

(Stated in Thousands)

	Business-Type Activities Enterprise Funds			Governmental Activities
	International Airports	Nonmajor Enterprise Funds	Enterprise Funds Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Other Governments	\$ —	\$ 1,639	\$ 1,639	\$ —
Receipts from Customers	184,396	6	184,402	398
Receipts for Interfund Services Provided	—	—	—	145,302
Receipt of Principal from Loan Recipients	—	68,904	68,904	—
Receipt of Interest and Fees from Loan Recipients	—	11,151	11,151	—
Receipts from Insured	—	228,917	228,917	166,852
Payments to Employees	(71,890)	(4,480)	(76,370)	(46,839)
Payments to Suppliers	(41,762)	(5,315)	(47,077)	(45,573)
Payments to Loan Recipients	—	(67,252)	(67,252)	—
Claims Paid	—	(151,242)	(151,242)	(193,141)
Payments for Interfund Services Used	—	(522)	(522)	(5,564)
Other Receipts	—	1,000	1,000	15,117
Other Payments	—	(85)	(85)	—
Net Cash Provided (Used) by Operating Activities	70,744	82,721	153,465	36,552
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating Subsidies and Transfers (Out to) Other Funds	—	(4,347)	(4,347)	—
Operating Subsidies and Transfers In from Other Funds	—	3,354	3,354	24,911
Federal Grants	18,931	—	18,931	—
Proceeds from Issuance of Short-term Debt	—	1,909	1,909	—
Payments on Short-term Debt	—	(1,909)	(1,909)	—
Interest and Fees Paid on Borrowing	—	(10)	(10)	—
Net Cash Provided (Used) by Noncapital Financing Activities	18,931	(1,003)	17,928	24,911
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from Sale of Capital Assets	1,521	—	1,521	1,945
Acquisition and Construction of Capital Assets	(71,761)	—	(71,761)	(86,975)
Proceeds from Capital Debt	67,750	—	67,750	27,297
Principal Paid on Capital Debt	(90,900)	—	(90,900)	—
Interest and Fees Paid on Capital Debt	(11,853)	—	(11,853)	—
Passenger Facility Charges	7,269	—	7,269	—
Federal Grants	46,258	15,788	62,046	—
Other Receipts (Payments)	(2,740)	—	(2,740)	—
Net Cash Provided (Used) by Capital and Related Financing Activities	(54,456)	15,788	(38,668)	(57,733)

This statement continues on the next page.

Statement of Cash Flows

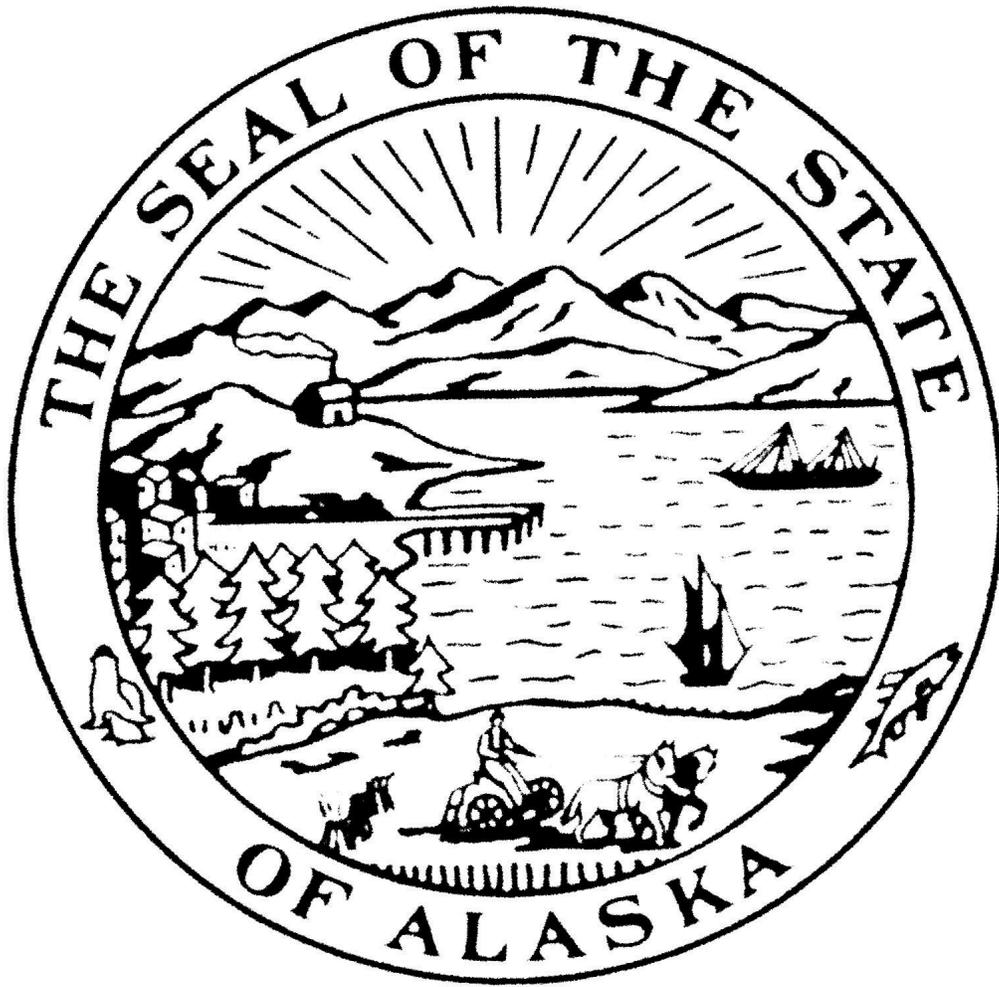
Proprietary Funds

For the Fiscal Year Ended June 30, 2025

(Stated in Thousands)

	Business-Type Activities Enterprise Funds			Governmental Activities
	International Airports	Nonmajor Enterprise Funds	Enterprise Funds Total	Internal Service Funds
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from Sales/Maturities of Investments	—	634,517	634,517	—
Purchase of Investments	—	(708,217)	(708,217)	—
Investment Income (Loss)	8,528	87,508	96,036	901
Net Cash Provided (Used) by Investing Activities	8,528	13,808	22,336	901
Net Increase (Decrease) in Cash	43,747	111,314	155,061	4,631
Cash and Cash Equivalents - Beginning of Year	263,047	1,167,448	1,430,495	155,097
Cash and Cash Equivalents - End of Year	<u>\$ 306,794</u>	<u>\$ 1,278,762</u>	<u>\$ 1,585,556</u>	<u>\$ 159,728</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ (19,789)	\$ 68,306	\$ 48,517	\$ (35,209)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation and Amortization	79,347	—	79,347	53,722
Provision for Loan Losses and Forgiveness	—	(3)	(3)	—
Net Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:				
Accounts Receivable - Net	(2,954)	2,254	(700)	(1,013)
Due from Other Funds	—	892	892	8,828
Due from Other Governments	—	240	240	—
Loans, Notes, Bonds and Leases Receivable - Net	9,320	3,541	12,861	—
Repossessed Property	—	50	50	—
Interest and Dividends Receivable - Net	—	(327)	(327)	—
Inventories	—	—	—	(472)
Net OPEB Asset	2,650	509	3,159	1,719
Other Assets	(9)	7	(2)	(616)
Deferred Outflows of Resources	308	137	445	59
Due to Other Funds	—	236	236	1,922
Due to Other Governments	—	576	576	—
Unearned Revenue	1,899	(1,247)	652	—
Accounts Payable and Accrued Liabilities	2,644	8,294	10,938	5,000
Net Pension Liability	2,126	(691)	1,435	3,342
Other Liabilities	(71)	—	(71)	(100)
Deferred Inflows of Resources	(4,727)	(53)	(4,780)	(630)
Net Cash Provided (Used) by Operating Activities	<u>\$ 70,744</u>	<u>\$ 82,721</u>	<u>\$ 153,465</u>	<u>\$ 36,552</u>
Reconciliation of Cash to the Statement of Net Position				
Total Cash and Investments per the Statement of Net Position	\$ 237,003	\$ 2,229,277	\$ 2,466,280	\$ 159,728
Less: Investments not Meeting the Definition of Cash or Cash Equivalents	(40,285)	(950,515)	(990,800)	—
Cash, End of Year	<u>\$ 196,718</u>	<u>\$ 1,278,762</u>	<u>\$ 1,475,480</u>	<u>\$ 159,728</u>
Noncash Investing, Capital, and Financing Activities				
Contributed Capital Assets	—	—	—	10,009
Transfer of Capital Assets to Other Funds Reported as Loss on Disposal of Capital Assets	—	—	—	(28,646)
Transfers In from Other Funds (Accrual)	—	—	—	23,102

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



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Fiduciary Funds

Financial Statements

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

NONMAJOR FUNDS

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



STATE OF ALASKA

STATEMENT 1.31

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2025

(Stated in Thousands)

	Pension and Other Employee Benefit Trust Funds	Custodial Funds	Investment Trust Funds
ASSETS			
Cash and Cash Equivalents	\$ 441,242	\$ 206,047	\$ 25,549
Investments:			
Fixed Income	7,412,970	—	47,424
Broad Domestic Equity	8,958,190	—	—
Global Equity ex-US	5,985,228	—	—
Multi-Asset	1,983,533	—	—
Private Equity Pool	5,339,124	—	—
Real Assets	4,784,860	—	—
Pooled Investment Funds	6,785,326	—	—
Collective Investment Funds	3,662,897	—	—
Synthetic Investment Contracts	703,008	—	—
Investment Loss Trust Fund Assets	2,415	—	—
Accounts Receivable - Net	24,647	178	—
Contributions Receivable	26,725	—	—
Securities Lending Collateral	29,312	—	—
Due from Other Funds	47,201	5,781	—
Other Assets	1,302	—	—
Total Assets	<u>46,187,980</u>	<u>212,006</u>	<u>72,973</u>
LIABILITIES			
Accounts Payable and Accrued Liabilities	24,558	3,709	—
Obligations Under Securities Lending	29,310	—	—
Forfeiture Payable to Employer	834	—	—
Claims Payable	77,789	—	—
Trust Deposits Payable	—	3,857	—
Due to Other Funds	3,968	33,751	18
Total Liabilities	<u>136,459</u>	<u>41,317</u>	<u>18</u>
NET POSITION			
Restricted for:			
Pension Benefits	19,079,157	—	—
Other Postemployment Benefits	15,765,384	—	—
Individuals, Organizations, and Other Governments	11,206,980	170,689	72,955
Total Net Position	<u>\$ 46,051,521</u>	<u>\$ 170,689</u>	<u>\$ 72,955</u>

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

Statement of Changes in Fiduciary Net Position

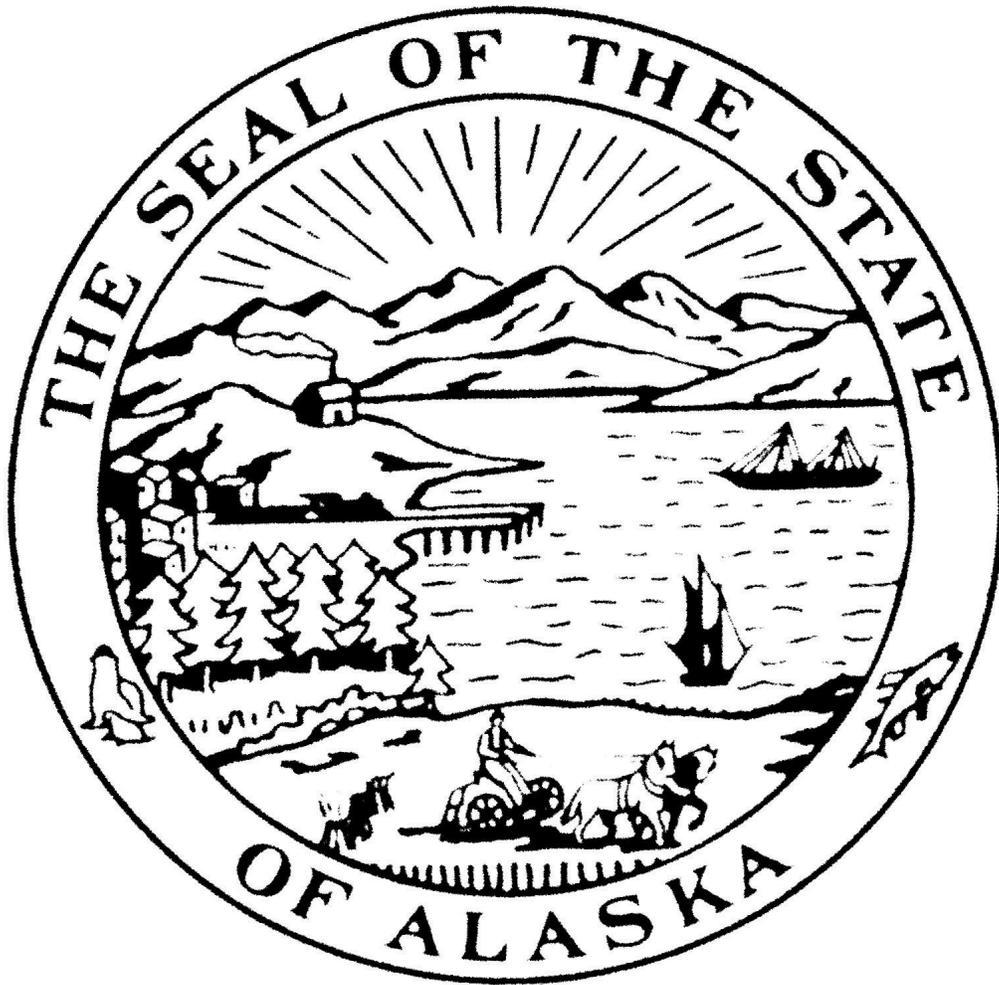
Fiduciary Funds

For the Fiscal Year Ended June 30, 2025

(Stated in Thousands)

	Pension and Other Employee Benefit Trust Funds	Custodial Funds	Investment Trust Funds
ADDITIONS			
Contributions:			
Employer	\$ 920,435	\$ —	\$ —
Member	470,244	—	—
Other	181,591	—	—
Total Contributions	1,572,270	—	—
Investment Income (Loss):			
Net Appreciation (Depreciation) in Fair			
Value of Investments	4,199,029	5,739	4,798
Interest	257,328	—	—
Dividends	346,389	—	—
Total Investment Income (Loss)	4,802,746	5,739	4,798
Less Investment Expense	102,593	—	—
Net Investment Income (Loss)	4,700,153	5,739	4,798
Securities Lending Income	3,420	—	—
Less Securities Lending Expense	2,530	—	—
Net Securities Lending Income	890	—	—
Other Additions			
Deposits	—	270,324	—
Other	230,730	—	—
Total Additions	6,504,043	276,063	4,798
DEDUCTIONS			
Distributions	—	273,562	33,771
Benefits Paid	3,136,951	—	—
Refunds of Contributions	185,915	—	—
Administrative Expenses	57,749	2,032	—
Transfers Out to Other Funds	—	5,500	—
Total Deductions	3,380,615	281,094	33,771
Net Increase (Decrease) in Net Position Restricted for:			
Pension Benefits	1,008,387	—	—
Other Postemployment Benefits	1,008,945	—	—
Individuals, Organizations, and Other Governments	1,106,096	(5,031)	(28,973)
Net Position - Beginning of the Year	42,928,093	175,720	101,928
Net Position - End of the Year	\$ 46,051,521	\$ 170,689	\$ 72,955

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



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Component Units

Financial Statements

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

MAJOR COMPONENT UNITS

- **University of Alaska** - AS 14.40.040 - is established as a corporation and is an instrumentality of the State. The university is created and acts for the benefit of the State and the public in providing education in accordance with an express mandate of the constitution.
- **Alaska Housing Finance Corporation (AHFC)** - AS 18.56.020 - is a public corporation and government instrumentality within the Department of Revenue, but having a legal existence independent of and separate from the State. The purpose of AHFC is to assist in providing decent, safe, and sanitary housing by financing mortgage loans.
- **Alaska Industrial Development and Export Authority (AIDEA)** - AS 44.88.020 - is a public corporation of the State and a political subdivision within the Department of Commerce, Community, and Economic Development (DCCED). The purpose of AIDEA is to promote, develop, and advance the general prosperity and economic welfare of the people of Alaska; to relieve problems of unemployment; to create additional employment by providing various means of financing; and to facilitate the financing of industrial, manufacturing, export, and business enterprises within the State.
- **Alaska Energy Authority (AEA)** - AS 44.83.020 - is a public corporation of the State within the DCCED, but with a separate and independent legal existence. The purpose of AEA is to promote, develop, and advance the general prosperity and economic welfare of the people of the State by providing a means of constructing, acquiring, financing, and operating power projects and facilities that recover and use waste energy.

NONMAJOR COMPONENT UNITS

Nonmajor component units are presented in the Combining Fund Statements.



STATE OF ALASKA
Statement of Net Position
Component Units
June 30, 2025
(Stated in Thousands)

STATEMENT 1.41

	University of Alaska	Alaska Housing Finance Corporation	Alaska Industrial Development and Export Authority	Alaska Energy Authority	Nonmajor Component Units	Total
ASSETS						
Cash and Investments	\$ 109,479	\$ 290,524	\$ 757,487	\$ —	\$ 1,239,631	\$ 2,397,121
Accounts Receivable - Net	38,849	—	862	9,884	31,993	81,588
Interest and Dividends Receivable	2,682	16,273	4,829	94	15,423	39,301
Due from Primary Government	16,019	3,071	—	17	1,968	21,075
Due from Component Units	—	1,148	463	14	—	1,625
Due from Other Governments	57,631	10,747	—	5,362	11,459	85,199
Loans, Notes, Bonds and Leases Receivable	18,393	3,910,593	743,983	29,508	1,270,783	5,973,260
Inventories	4,584	—	—	—	14,310	18,894
Restricted Assets	825,212	380,487	54,983	1,285,139	15,916	2,561,737
Securities Lending Collateral	—	—	—	46,735	35,610	82,345
Net OPEB Asset	120,716	14,472	1,365	1,479	51,011	189,043
Other Assets	13,761	29,187	1,837	49	27,150	71,984
Capital Assets:						
Equipment, Net of Depreciation	177,447	1,642	6,055	1,567	147,934	334,645
Buildings, Net of Depreciation	1,038,216	52,665	46,736	—	53,525	1,191,142
Library Books, Net of Depreciation	4,784	—	—	—	—	4,784
Infrastructure, Net of Depreciation	82,317	—	58,923	162,285	596,025	899,550
Intangibles, Net of Amortization	11,338	1,223	889	—	18,447	31,897
Museum Collections	7,430	—	—	—	—	7,430
Land / Right-of-Way	31,372	22,411	3,165	11,212	53,132	121,292
Construction in Progress	81,732	—	65,245	199,962	153,627	500,566
Total Assets	2,641,962	4,734,443	1,746,822	1,753,307	3,737,944	14,614,478
DEFERRED OUTFLOWS OF RESOURCES						
Total Deferred Outflows of Resources	26,748	49,413	472	511	14,752	91,896
LIABILITIES						
Accounts Payable and Accrued Liabilities	47,723	19,254	2,956	24,004	37,001	130,938
Obligations Under Securities Lending	—	—	—	46,735	35,610	82,345
Due to Primary Government	—	196	2,511	40,368	3,168	46,243
Due to Component Units	10,190	—	—	952	—	11,142
Due to Other Governments	—	508	—	7,627	—	8,135
Interest Payable	2,594	8,954	—	850	5,961	18,359
Derivative Instruments	—	30,229	—	—	—	30,229
Other Current Liabilities	18,603	127,493	785	1,633	13,493	162,007

This statement continued on next page.

STATE OF ALASKA
Statement of Net Position
Component Units
June 30, 2025
(Stated in Thousands)

STATEMENT 1.41

	University of Alaska	Alaska Housing Finance Corporation	Alaska Industrial Development and Export Authority	Alaska Energy Authority	Nonmajor Component Units	Total
Long-term Liabilities:						
Portion Due or Payable Within One Year:						
Claims, Judgments, Compensated Absences, and Pollution Remediation	16,856	2,478	—	—	7,649	26,983
Unearned Revenue	166,911	43,641	—	984	4,809	216,345
Notes, Bonds, Leases, and SBITAs Payable	17,199	95,170	—	4,299	69,719	186,387
Other Noncurrent Liabilities	—	—	—	2,188	—	2,188
Portion Due or Payable After One Year:						
Claims, Judgments, Compensated Absences, and Pollution Remediation	—	1,093	—	—	3,112	4,205
Notes, Bonds, Leases, and SBITAs Payable	234,269	2,707,478	—	191,616	878,396	4,011,759
Net Pension Liabilities	272,363	33,945	3,245	3,516	34,326	347,395
Other Noncurrent Liabilities	1,994	1,989	13,439	3,500	—	20,922
Total Liabilities	788,702	3,072,428	22,936	328,272	1,093,244	5,305,582
DEFERRED INFLOWS OF RESOURCES						
Total Deferred Inflows of Resources	21,695	12,200	163,791	34	808,905	1,006,625
NET POSITION						
Net Investment in Capital Assets	1,175,184	76,718	179,521	332,127	459,354	2,222,904
Restricted for:						
Permanent Funds:						
Nonexpendable	—	—	—	—	679,984	679,984
Expendable	—	—	—	—	258,272	258,272
Pension and OPEB	—	—	1,365	1,445	4,521	7,331
Education	768,227	—	—	—	—	768,227
Development	—	—	—	—	145,140	145,140
Debt Service	5	659,619	—	18,267	42,299	720,190
Other Purposes	—	305,370	38,960	1,229,553	6,830	1,580,713
Unrestricted	(85,103)	657,521	1,340,721	(155,880)	254,147	2,011,406
Total Net Position	\$ 1,858,313	\$ 1,699,228	\$ 1,560,567	\$ 1,425,512	\$ 1,850,547	\$ 8,394,167

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

STATE OF ALASKA
Statement of Activities
Component Units
For the Fiscal Year Ended June 30, 2025
(Stated in Thousands)

STATEMENT 1.42

	Expenses	Program Revenues		
		Charges for Services, Royalties and Other Fees	Operating Grants and Contributions	Capital Grants and Contributions
FUNCTIONS/PROGRAMS				
Component Units				
University of Alaska	\$ 1,043,850	\$ 173,920	\$ 439,979	\$ 17,230
Alaska Housing Finance Corporation	344,648	189,532	150,887	7,727
Alaska Industrial Development and Export Authority	41,602	51,706	1,391	2,335
Alaska Energy Authority	162,869	28,676	43,736	—
Nonmajor Component Units	371,929	281,333	131,411	4,772
Total Component Units	<u>\$ 1,964,898</u>	<u>\$ 725,167</u>	<u>\$ 767,404</u>	<u>\$ 32,064</u>

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Statement of Activities

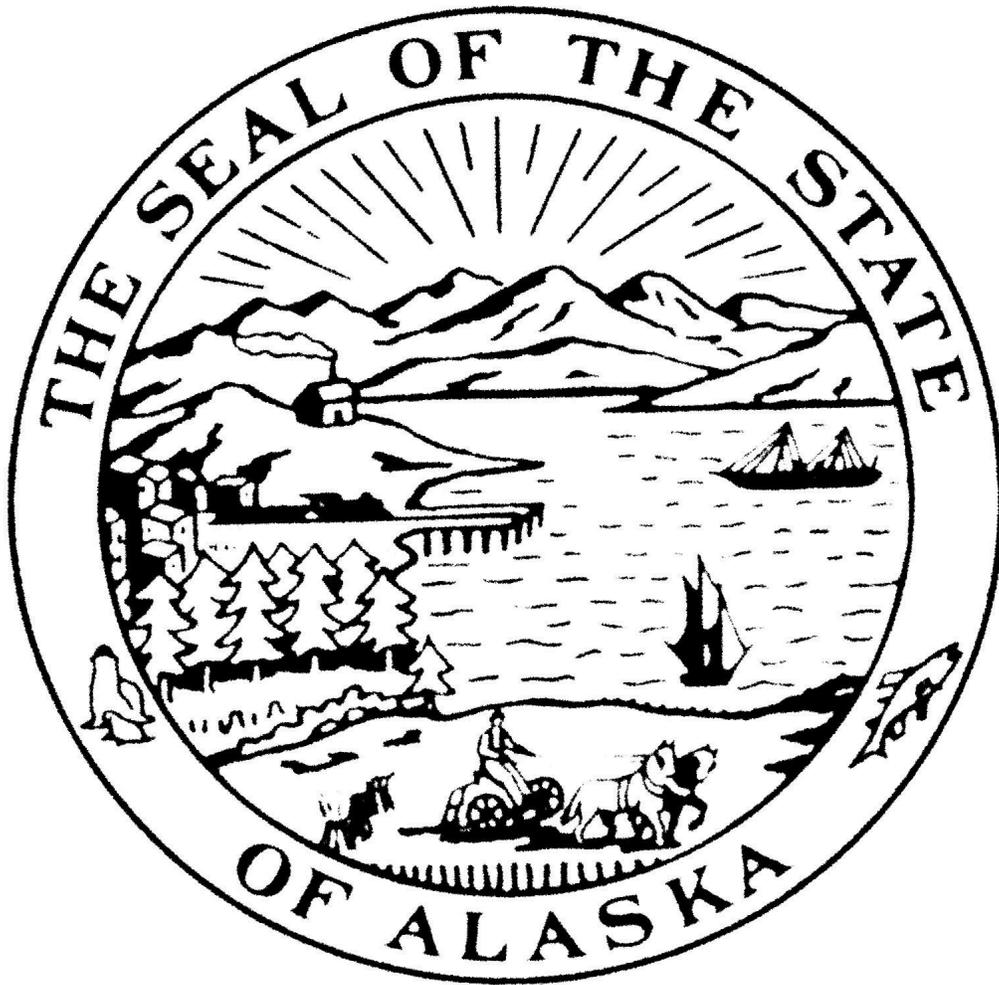
Component Units

For the Fiscal Year Ended June 30, 2025

(Stated in Thousands)

	Net (Expense) Revenue and Changes in Net Position					
	University of Alaska	Alaska Housing Finance Corporation	Alaska Industrial Development and Export Authority	Alaska Energy Authority	Nonmajor Component Units	Total Component Units
FUNCTIONS/PROGRAMS						
Component Units						
University of Alaska	\$ (412,721)	\$ —	\$ —	\$ —	\$ —	\$ (412,721)
Alaska Housing Finance Corporation	—	3,498	—	—	—	3,498
Alaska Industrial Development and Export Authority	—	—	13,830	—	—	13,830
Alaska Energy Authority	—	—	—	(90,457)	—	(90,457)
Nonmajor Component Units	—	—	—	—	45,587	45,587
Total Component Units	<u>(412,721)</u>	<u>3,498</u>	<u>13,830</u>	<u>(90,457)</u>	<u>45,587</u>	<u>(440,263)</u>
General Revenues:						
Interest and Investment Income (Loss)	42,296	36,267	53,301	106,954	20,019	258,837
Payments In from Primary Government	350,185	—	—	—	7,145	357,330
Other Revenues	3,603	6,627	—	—	699	10,929
Extraordinary Item	—	—	2,447	(2,447)	—	—
Total General Revenues, Contributions, and Extraordinary Items	<u>396,084</u>	<u>42,894</u>	<u>55,748</u>	<u>104,507</u>	<u>27,863</u>	<u>627,096</u>
Change in Net Position	(16,637)	46,392	69,578	14,050	73,450	186,833
Net Position - Beginning of Year (Restated)	1,874,950	1,652,836	1,490,989	1,411,462	1,777,097	8,207,334
Net Position - End of Year	<u>\$ 1,858,313</u>	<u>\$ 1,699,228</u>	<u>\$ 1,560,567</u>	<u>\$ 1,425,512</u>	<u>\$ 1,850,547</u>	<u>\$ 8,394,167</u>

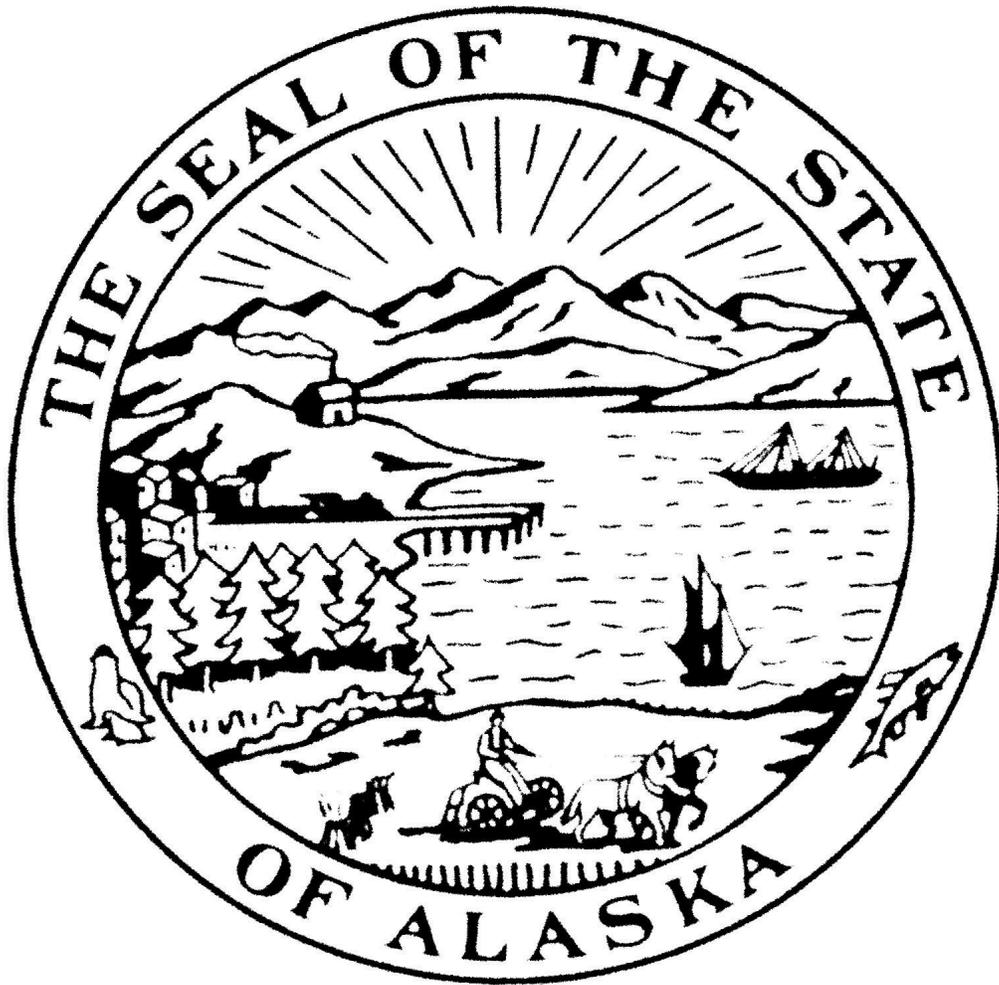
The notes to the financial statements are an integral part of this statement.



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Notes to the Basic Financial Statements

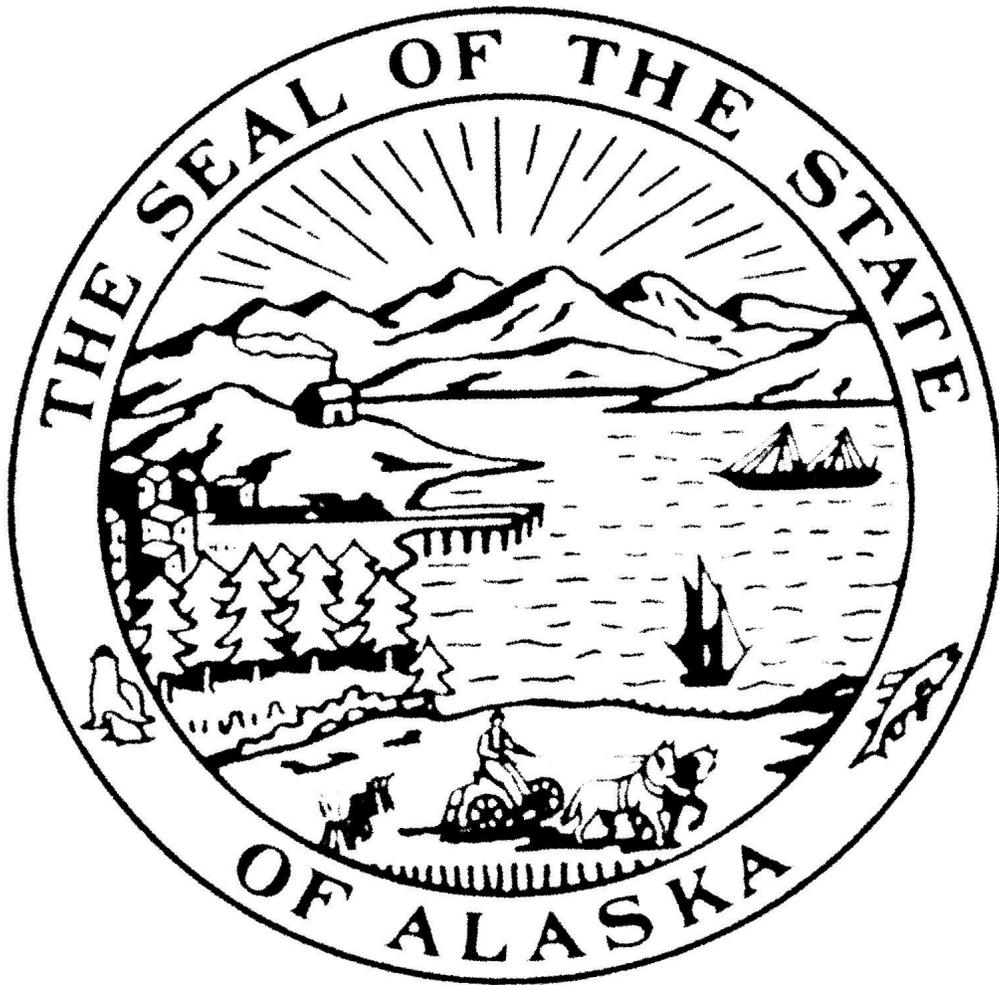




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STATE OF ALASKA
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For the Fiscal Year Ended June 30, 2025

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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 principles, which are primarily set forth in GASB's Codification of Governmental Accounting and Financial Reporting Standards. Preparation of financial statements in conformity with GAAP requires the use of estimates, as disclosed in the applicable notes.

A. THE FINANCIAL REPORTING ENTITY

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

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

BLENDED COMPONENT UNITS

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

The **Alaska Permanent Fund Corporation (APFC)** is a public corporation and government instrumentality in the Department of Revenue, Alaska Statute (AS) 37.13.040. A governor-appointed six-member board manages APFC. The Legislature approves APFC's budget. The purpose of APFC is to manage and invest the assets of the Alaska Permanent Fund (Fund) and other funds designated by law. The Fund is a savings device, restricted as to usage, which belongs to all the people of Alaska. It was created in 1976 when the voters approved an amendment to the State Constitution. The beneficiaries of the Fund are all present and future generations of Alaskans. The Fund represents 90 percent of the total cash and investments and 83 percent of total government-wide net position excluding discretely presented component units. The Fund is reported as a permanent fund (a governmental fund type), and APFC operations are included in the fund statements. Separately issued financial statements may be obtained from the Alaska Permanent Fund Corporation, P.O. Box 115500, Juneau, AK 99811-5500, or from their web site at www.apfc.org.

The **Alaska Sustainable Energy Corporation (ASEC)** is a non-profit corporation and government instrumentality of, but having a legal existence independent and separate from, the State (AS 18.56.010). ASEC is a subsidiary of, but separate and apart from, the Alaska Housing Finance Corporation (AHFC). ASEC shares board of directors with AHFC, which are appointed by the Governor and the legislature approves ASEC's budget. ASEC was formed for the purposes of financing or facilitating the financing of sustainable energy development in the State or delivering energy to the State. ASEC is reported within the governmental funds as a special revenue fund. ASEC financial statements may be obtained from the Alaska Housing Finance Corporation, P.O. Box 101020, Anchorage, AK 99510.

The **Northern Tobacco Securitization Corporation (NTSC)** is a non-profit corporation and government instrumentality of, but having a legal existence independent and separate from, the State. NTSC is a subsidiary of, but separate and apart from, the Alaska Housing Finance Corporation (AHFC). The commissioners of the departments of Revenue; Health; and Commerce,

Community and Economic Development; and two independent public members appointed by the Governor comprise the NTSC board of directors.

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

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

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

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

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

DISCRETELY PRESENTED COMPONENT UNITS

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

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

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

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

The **Alaska Gasline Development Corporation** (AGDC) is a public corporation and governmental instrumentality within the Department of Commerce, Community, and Economic Development, but having a legal existence independent and separate from the State (AS 31.25.010). Currently, the commissioners of the departments of Commerce, Community and Economic Development; and Labor and Workforce Development, and five independent public members appointed by the Governor and confirmed by the Legislature comprise the AGDC board of directors. The Legislature appropriates the budget for AGDC for the purpose of planning, constructing, and financing in-state natural gas pipeline projects. The corporation has the power to borrow money and issue bonds on its own behalf. AGDC financial statements may be obtained from the Alaska Gasline Development Corporation, 3201 C Street, Suite 505, Anchorage, AK 99503.

The **Alaska Housing Finance Corporation** (AHFC) is a public corporation, a government instrumentality within the Department of Revenue, but having a legal existence independent of and separate from the State (AS 18.56.020), and is a major component unit. The Governor appoints the board of directors of AHFC. The Legislature approves AHFC's budget. AHFC assists in providing decent, safe, and sanitary housing by financing mortgage loans. AHFC acts as the principal source of residential financing in the State and functions as a secondary mortgage market. AHFC financial statements may be obtained from the Alaska Housing Finance Corporation, P.O. Box 101020, Anchorage, AK 99510-1020.

The **Alaska Industrial Development and Export Authority** (AIDEA) is a public corporation of the State, a political subdivision within the Department of Commerce, Community and Economic Development (AS 44.88.020), and is a major component unit. The Governor appoints all members of the AIDEA board of directors and the Legislature approves AIDEA's budget. The purpose of AIDEA is to promote, develop, and advance the general prosperity and economic welfare of the people of Alaska; to relieve problems of unemployment; to create additional employment by providing various means of financing; and to facilitate the financing of industrial, manufacturing, export, and business enterprises within the State. AIDEA financial statements may be obtained from the Alaska Industrial Development and Export Authority, 813 W. Northern Lights Blvd., Anchorage, AK 99503.

The **Alaska Mental Health Trust Authority** (AMHTA) is established as a public corporation of the State within the Department of Revenue (AS 44.25.200). The Governor appoints the AMHTA board of trustees. The Legislature approves AMHTA's budget. The purpose of AMHTA is to ensure an integrated comprehensive mental health program. As provided in AS 37.14.009, AMHTA is to administer the trust established under the Alaska Mental Health Enabling Act of 1956. AMHTA financial statements may be obtained from the Alaska Mental Health Trust Authority, 3745 Community Park Loop, Suite 200, Anchorage, AK 99508.

The **Alaska Municipal Bond Bank Authority** (AMBBA) is a public corporation and an instrumentality of the State within the Department of Revenue, but with a legal existence independent of and separate from the State (AS 44.85.020). The Governor appoints members of the AMBBA board of directors. The Legislature approves AMBBA's budget. AMBBA was created for the purpose of making available to municipalities within the state, monies to finance their capital projects or for other authorized purposes by means of issuance of bonds by AMBBA and use of proceeds from such bonds to purchase from the municipalities their general obligation and revenue bonds. AMBBA commenced operations in August 1975. AMBBA financial statements may be obtained from the Alaska Municipal Bond Bank Authority, P.O. Box 110405, Juneau, AK 99801.

The **Alaska Railroad Corporation** (ARRC) is a public corporation and instrumentality of the State within the Department of Commerce, Community and Economic Development (AS 42.40.010). ARRC has a legal existence independent of and separate from the State. The powers of ARRC are vested in the board of directors. All members of the board of directors of ARRC are appointed by and serve at the pleasure of the Governor. ARRC was created by the State Legislature to own and operate the railroad and manage its rail, industrial, port, and other properties. The ARRC commenced operations on January 6, 1985. ARRC financial statements may be obtained from the Alaska Railroad Corporation, P.O. Box 107500, Anchorage, AK 99510-7500.

The **Alaska Student Loan Corporation** (ASLC) is a public corporation and government instrumentality within the Department of Education and Early Development but having a legal existence independent of and separate from the State (AS 14.42.100). ASLC is governed by a board of directors appointed by the Governor. The Legislature approves ASLC's budget.

The purpose of ASLC is to improve higher educational opportunities for residents of the State. ASLC financial statements may be obtained from the Alaska Commission on Postsecondary Education, P.O. Box 110505, Juneau, AK 99811-0505.

The **University of Alaska** is established as a corporation and is an instrumentality of the State (AS 14.40.040) and is a major component unit. A board of regents appointed by the Governor and confirmed by the Legislature governs the university. The Legislature approves the university's budget. The university is created and acts for the benefit of the State and the public in providing education in accordance with an express mandate of the constitution. The financial statements of the university include the assets, liabilities, and related activity of the University of Alaska Foundation, a legally separate nonprofit component unit. The university is not accountable for, nor has ownership of, the foundation's resources. The university's financial statements may be obtained from the University of Alaska, Statewide Fund Accounting, 2025 Yukon Drive, Suite 208C P.O. Box 756540, Fairbanks, AK 99775-6540.

The **Alaska Seafood Marketing Institute** (ASMI) is a public corporation of the State (AS 16.51.010). It is an instrumentality of the State with a legal existence independent of and separate from the State. ASMI is governed by a board of directors appointed by the Governor, and its budget is approved by the Legislature. The purpose of ASMI is to promote all species of seafood and their by-products harvested in Alaska for sale, and to develop market-oriented quality specifications. Exercise of the powers conferred by statute to ASMI is an essential governmental function. ASMI financial statements are included in the Combining Fund section of this ACFR with the Nonmajor Component Units. The Alaska Seafood Marketing Institute financial statements may be obtained from Alaska Seafood Marketing Institute, 311 N. Franklin Street, Suite 200, Juneau, AK 99801.

FIDUCIARY COMPONENT UNITS

The **Public Employees' Retirement System** (PERS) was established by AS 39.35.095 (defined benefit) and AS 39.35.700 (defined contribution). The Commissioner of the Department of Administration or the commissioner's designee is the administrator of PERS. The administrator is responsible for the administration of PERS in accordance with state statutes. The Commissioner of the Department of Administration adopts regulations to govern the operation of the PERS. Hearings and rulings on the appeal of the decision of the administrator are in the jurisdiction of the Office of Administrative Hearings (OAH). The Alaska Retirement Management Board (ARMB) approves employers' rates. PERS costs, based upon actuarial valuations, are funded by the State, participating governmental employers, and participants. PERS is reported in the fiduciary fund types as a pension (and other employee benefit) trust fund. ARMB is the fiduciary of PERS and consists of nine trustees: the Commissioners of the Department of Administration and Revenue; two members of the general public; one member who is employed as a finance officer for a political subdivision participating in either the PERS or Teachers' Retirement System (TRS); two members of PERS; and two members of TRS. All members of ARMB are appointed by and serve at the pleasure of the Governor.

The **Teachers' Retirement System** (TRS) was established by AS 14.25.009 (defined benefit) and AS 14.25.310 (defined contribution). The Commissioner of the Department of Administration or the commissioner's designee is the administrator of the system. The administrator is responsible for the administration of TRS in accordance with State statutes. The Commissioner of the Department of Administration adopts regulations to govern the operation of the TRS. Hearings and rulings on the appeal of the decision of the administrator are in the jurisdiction of the OAH. ARMB approves employers' rates. TRS costs, based upon actuarial valuations, are funded by the State, participating governmental employers, and participants. TRS is reported in the fiduciary fund types as a pension (and other employee benefit) trust fund. ARMB is the fiduciary of TRS.

The **Judicial Retirement System** (JRS) was established by AS 22.25.048. The Commissioner of the Department of Administration is responsible for the administration of JRS. JRS costs, based upon actuarial valuations, are funded by the State and participants. JRS is reported in the fiduciary fund types as a pension (and other employee benefit) trust fund. ARMB is the fiduciary of JRS.

The **Alaska National Guard and Alaska Naval Militia Retirement System** (NGNMRS) was established by AS 26.05.222. The Commissioner of the Department of Administration is responsible for the administration of NGNMRS. NGNMRS costs, based upon actuarial valuations, are funded by the State. NGNMRS is reported in the fiduciary fund types as a pension (and other employee benefit) trust fund. The ARMB is the fiduciary of NGNMRS.

The **Supplemental Benefits System** (SBS) was established by AS 39.30.150. The Commissioner of the Department of Administration is responsible for the administration of SBS. SBS is reported in the fiduciary fund types as a pension (and other employee benefit) trust fund. ARMB is the fiduciary of SBS.

The **Deferred Compensation Plan** (DCP) was established by AS 39.45.010. The Commissioner of the Department of Administration is responsible for the administration of DCP. DCP is reported in the fiduciary fund types as a pension (and other employee benefit) trust fund. ARMB is the fiduciary of DCP. Copies of the audited financial statements for the retirement systems, and for SBS and DCP, may be obtained from the Department of Administration, Division of Retirement and Benefits, P.O. Box 110203, Juneau, AK 99811-0203 or from their website at <http://doa.alaska.gov/drb/>.

B. BASIC FINANCIAL STATEMENTS

The basic financial statements include government-wide financial statements and fund financial statements (as well as these notes to the financial statements). The previous financial reporting model emphasized fund types (the total of all funds of a particular type), while the current financial reporting model focus is on either the State as a whole (government-wide statements), or on major individual funds (fund financial statements). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type.

The government-wide financial statements (Statement of Net Position and Statement of Activities) report information of all nonfiduciary activities of the State and its component units. For the most part, the effect of interfund activity has been removed from these government-wide statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services. Likewise, the primary government is reported separately from the component units for which the primary government is financially accountable.

The Statement of Net Position presents the reporting entity's nonfiduciary assets and deferred outflows of resources, less liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in three categories:

- **Net Investment in Capital Assets** consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other borrowing that are attributed to the acquisition, construction, or improvement of those assets.
- **Restricted Net Position** results when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** consists of net position that does not meet the definition of the two preceding categories. The unrestricted net position often is designated to indicate management does not consider them available for general operations (see note 1.F.). The unrestricted net position often has constraints on resources that are imposed by management but can be modified or removed.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, segment, or component unit. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not meeting the definition of program revenues are reported as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide statements. The fund financial statements focus on major funds, of which the State has three: the General Fund and the Alaska Permanent Fund, both of which are governmental funds; and the International Airports Fund, which is an enterprise fund. All nonmajor funds are summarized into a single column on the respective fund statements: governmental; proprietary, which includes enterprise and internal service fund types; and fiduciary, which includes pension (and other employee benefit) trust funds, investment trust funds, and custodial funds.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide financial statements are reported using the economic resource measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available to finance operations during the current year or to liquidate liabilities existing at the end of the year (collectible within 60 days of fiscal year end). When an asset is recorded in governmental fund financial statements, but the revenue is not available, the government reports a deferred inflow of resources until such time as the revenue becomes available. Major revenues that are determined to be susceptible to accrual include federal, charges for services, investment income, and petroleum related taxes and royalties.

Expenditures are recognized when a liability is incurred. However, expenditures related to debt service, compensated absences, and claims and judgments are recorded only when payment is due and payable.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All other revenues and expenses are reported as nonoperating.

When both restricted and unrestricted resources are available for use, it is the State's policy to use restricted resources first, then unrestricted resources as they are needed.

D. FINANCIAL STATEMENT PRESENTATION

The State reports three major funds: the General Fund, and the Alaska Permanent Fund, both of which are governmental funds, and the International Airports Fund which is a proprietary enterprise fund. The General Fund is the State's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund. The Alaska Permanent Fund was created in 1976 to save a portion of the State's one-time oil wealth to produce income to benefit current and future generations. The International Airports Fund was created in 1961 to equip, finance, maintain, and operate two international airports located in Anchorage and Fairbanks. In addition, the State reports the following fund types:

GOVERNMENTAL FUND TYPES

Special revenue funds are used to account for the proceeds of specific revenue sources that are generally legally restricted to expenditure for specified purposes.

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Capital project funds account for the acquisition or construction of major capital facilities financed by bond proceeds.

Permanent funds are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that benefit the government or its citizenry. In addition to the Alaska Permanent Fund (major fund), the State has two other permanent funds, the Public School Trust Fund and the Alaska Mental Health Trust Authority (a discretely presented component unit).

PROPRIETARY FUND TYPES

Enterprise funds are used to report any activity for which a fee is charged to external users for goods and services.

Internal service funds are used to report any activity that provides goods or services primarily to other funds or agencies of the State, rather than to the general public. Internal service fund activities of the State include facilities management of State-owned buildings, self-insurance health care for State employees, vehicle and equipment maintenance and supplies, and computing and telecommunication services.

FIDUCIARY FUND TYPES

Pension (and other employee benefits) trust funds are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, and other postemployment benefit plans. These funds account for the Alaska National Guard and Alaska Naval Militia Retirement System, Deferred

Compensation, Judicial Retirement System, Public Employees' Retirement System, Supplemental Benefits System, and Teachers' Retirement System.

Investment trust funds are used to report resources invested on a commingled basis by the State on behalf of other governmental entities. These funds include damage recoveries arising out of the Exxon Valdez oil spill.

Custodial funds are used to report resources for which the State acts solely in a custodial capacity. These funds include resources from unclaimed property, wage and hour, offender trust accounts, and advocacy/guardianship trusts.

E. FISCAL YEAR ENDS

All funds and discretely presented component units of the State are reported using fiscal years which end on June 30, except the Alaska Railroad Corporation whose fiscal year ends on December 31.

F. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION / FUND BALANCE

CASH AND INVESTMENTS, CASH AND CASH EQUIVALENTS

The amounts shown on the statements of net position and the balance sheets as Cash and Investments represent cash on deposit in banks, petty cash, cash invested in various short-term instruments, and other investments of the State and its component units. Investments are stated at fair value, which approximates market value. Fair value is the amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Investment purchases and sales are recorded on a trade-date basis.

Marketable debt securities are valued each business day using prices obtained from a pricing service when such prices are available; otherwise, such securities are valued at the most current sale price or based on a valuation provided by investment managers. The noninterest bearing deposits are reported at cost, which approximates fair value.

Equity securities are valued each business day using prices obtained from a pricing service or prices quoted by one or more independent brokers.

Private equity investments are valued quarterly by the general partners and investment sponsors. Underlying assets comprise venture capital, buyout, restructuring and special situation investments through limited partnership agreements. Each manager independently determines the limited partnerships to invest in.

The energy related investments consist primarily of loans and preferred stock that are valued at fair value.

Real estate, farmland, private infrastructure, and timber investments are valued quarterly by investment managers and are appraised annually by independent appraisers or valued by valuation specialists.

Other alternative investments within the fixed income and opportunistic asset classes are valued monthly by the general partners. Underlying assets comprise hedge fund investments through limited partnership agreements. Each manager independently determines the limited partnerships to invest in.

Securities expressed in terms of foreign currencies are translated into U.S. dollars at the prevailing exchange rates. Forward currency contracts are valued at the mid-point of representative quoted bid and asked prices.

The Statement of Cash Flows for the enterprise funds shows changes in cash and cash equivalents. For the purpose of the Statement of Cash Flows, all highly liquid debt instruments with original maturities of three months or less are considered cash and cash equivalents. This includes all participants in the Short-Term Fixed Income Pool and the Short-term Treasury Fixed Income Pool.

RECEIVABLES

Receivables have been established and offset with proper provisions for estimated uncollectible accounts where applicable. The amount of noncurrent receivables does not constitute expendable available financial resources and therefore are not available for appropriation.

Practically all accounts receivable of Governmental Funds are due from oil companies and governmental entities, primarily the federal government, and are considered collectible. Accounts receivable in other funds have arisen in the ordinary course of business.

INTER/INTRAFUND TRANSACTIONS

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as due to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

INVENTORIES AND PREPAID ITEMS

Inventories reported for the internal service funds and the General Fund consist mainly of consumable materials and supplies. Inventories are carried at cost (average cost for Highway Equipment Working Capital; first in first out (FIFO) for the General Fund) and are accounted for on the consumption method. However, the majority of materials and supplies for State agencies are accounted for as expenditures at the time of purchase. Inventory of the University of Alaska is carried at the lower of cost or market. The Alaska Railroad Corporation carries their inventories at the lower of weighted average cost or market.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as other assets in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

CAPITAL ASSETS

Capital assets are reported in the Statement of Net Position at cost or estimated historical cost. Donated capital assets are recorded at acquisition value at the time of donation including Statehood entitlement land that is carried at an estimated value of \$1 per acre.

Capital assets are depreciated on the straight-line method over the estimated useful lives of the related assets.

All public domain infrastructure acquired by the State, such as highways, bridges, harbors, and rural airports is capitalized.

The State possesses certain capital assets that have not been capitalized and depreciated because the assets cannot be reasonably valued and/or the assets have inexhaustible useful lives. These assets include the State's art, library reserve, museum, and historical collections. These assets are held for public exhibition, education, or research rather than financial gain; protected, kept unencumbered, cared for, and preserved; and proceeds from the sale of collection items are used to acquire other items for collections.

Additional disclosures related to capital assets are provided in Note 5.

LEASES AND SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The State routinely engages in lease agreements and subscription based information technology arrangements (SBITA) to meet operational needs or serve the general public. The State's lease contracts generally relate to land, buildings and associated facilities, such as parking, and various machinery and equipment. For short-term leases and SBITAs with a maximum possible term of 12 months or less at commencement, the State recognizes periodic revenue or expense based on the provisions of the lease or SBITA contract. For all other contracts where the State is the lessee or subscriber, the State recognizes a lease or SBITA liability and an intangible right-to-use lease or SBITA asset based on the present value of future payments over the contracted term of the lease. Lease and SBITA right-to-use assets are reported with capital assets, and lease and SBITA liabilities are reported as long-term debt in the statement of net position. The right-to-use assets are amortized over the term of the lease or SBITA contract, as the State is not expected to lease assets or SBITAs beyond the underlying asset's useful life. For

all other contracts where the State is the lessor, the State recognizes a lease receivable and a deferred inflow of resources, based on the present value of the future lease payments expected to be received during the contracted lease term, and the deferred inflow of resources is amortized evenly over the life of the lease. For the fiscal year ended June 30, 2025, the statement of activities includes lease revenue and interest of \$2.00 million and \$0.82 million, respectively, for governmental activities, and \$6.70 million and \$0.48 million for business-type activities. There was no additional revenue for variable and other payments not included in the measurement of the lease receivable.

The State uses its estimated incremental borrowing rate (IBR) as the discount rate for leases and SBITAs unless the rate the lessor charges is known. The State's IBR is based on the MMD AAA scale from Thomson Reuters with an assumed escalator of 75 basis points. If amendments or other certain circumstances occur that are expected to significantly affect the amount of the lease or SBITA, the present value is remeasured and corresponding adjustments made. Many lease and SBITA contracts include increases to payments related to the consumer price index (CPI) or similar indices, and the available index increase is included in the present value at the commencement of the lease or SBITA or upon remeasurement. Payments based on future performance are not included in the remeasurement of the lease or SBITA liability or lease or SBITA receivable but recognized as revenue or expense in the period performed. Residual value guarantees and exercise options will be included in the measurement if they are reasonably certain to be paid or exercised.

A minimum dollar threshold was established for lease and SBITA reporting:

Lease and SBITA contracts - all categories \$ 250,000

IAF Regulated Leases

The IAF Operating Agreement and Passenger Terminal Lease provides for paying rentals, fees, and charges for airline use and occupancy of airfield and terminal facilities to allow the AIAS to recover all operating and maintenance expenses, bond debt service, and coverage on bond debt service allocable to the airfield and terminal cost centers. For regulated leases, AIAS recognized \$24.10 million in leasehold rentals revenue from terminal space (\$14.91 million), land (\$6.93 million), aircraft ramp parking (\$1.58 million), and tie-downs (\$.68 million) in FY 2025. All future payments for regulated leases are based on rates and fees calculated semi-annually, at the beginning of each fiscal year, and at mid-fiscal year, based on the budgeted revenues, expenses, and debt service requirements, and are allocated as per the IAF Operating Agreement and Passenger Terminal Lease. As a result, expected future minimum payments for regulated leases are indeterminable. Terminal gets, totaling 44 gates, are subject to preferential or common use by the counterparties to these agreements as follows: 24 gates are leased on a preferential basis; the remaining 20 gates are leased on a common-use basis.

Non-IAF Regulated Leases

The State has ten regulated leases with state airports consistent with Federal Aviation Administration regulations and guidelines to provide land to lessees to use predominately for hangar space. The leases have a lease term of 9 to 55 years. The State does not provide preferential or exclusive use of the hangars to the counterparties under existing lease agreements.

As of June 30, 2025, the total amount of regulated lease-related revenues consisted of the following (in thousands):

<u>Revenue Type</u>	<u>Amount</u>
Lease Revenue	\$ 861,349
Interest Revenue	2,001,089
Total	<u>\$ 2,862,438</u>

Expected future minimum revenues for regulated leases as of June 30, 2025 (in thousands):

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2026	\$ 880	\$ 1,982	\$ 2,862
2027	909	1,953	2,862
2028	939	1,924	2,863
2029	969	1,893	2,862
2030	788	1,862	2,650
2031-2035	4,270	8,907	13,177
2036-2040	4,903	8,166	13,069
2041-2045	5,771	7,297	13,068
2046-2050	6,793	6,275	13,068
2051-2055	7,997	5,072	13,069
2056-2060	9,413	3,655	13,068
2061-2065	5,871	2,312	8,183
2066-2070	5,721	1,313	7,034
2071-2075	4,373	448	4,821
2076-2080	335	12	347
Total	\$ 59,932	\$ 53,071	\$ 113,003

There are no debt issuances in which the principal and interest payments are secured by these lease receipts as of June 30, 2025.

COMPENSATED ABSENCES

Regulations governing annual/personal leave (vacation pay) provide that State employees will receive time off, or pay, for hours accumulated. Consequently, a liability exists with respect to accumulated annual/personal leave at any given time. This liability is recognized and reported in the government-wide and proprietary fund financial statements. As of June 30, 2025, the State’s estimated liability for compensated absences, as reported in the Government-wide Statement of Net Position, is \$243.9 million. Sick leave was assessed in accordance with GASB Statement No. 101, *Compensated Absences*, in fiscal year 2025. The State of Alaska allows sick leave to be earned each pay period and carried forward without limitation; unused leave is not payable upon termination.

DEFERRED OUTFLOW/INFLOW OF RESOURCES

A deferred outflow of resources represents a consumption of net position applicable to a future reporting period and therefore is not recognized as a current year expense. A deferred inflow of resources is an acquisition of net position applicable to a future reporting period and therefore is not recognized as current year revenue.

NET POSITION / FUND BALANCE

Fund assets and deferred outflows less liabilities and deferred inflows is “net position” on the government-wide, proprietary, and fiduciary fund statements, and is “fund balance” on the governmental fund statements.

FUND BALANCE COMPONENTS

The fund balance amounts for governmental funds are reported as nonspendable, restricted, committed, assigned, or unassigned.

- Nonspendable fund balance includes items that cannot be spent. This includes activity that is not in a spendable form (inventories, prepaid amounts, long-term portion of loans/notes receivable, or property held for resale unless the

proceeds are restricted, committed or assigned) and activity that is legally or contractually required to remain intact, such as a principal balance in a permanent fund.

- Restricted fund balance has constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.
- Committed fund balance can be used only for specific purposes pursuant to constraints imposed by a formal action of the Alaska Legislature, the State's highest level of decision-making authority. This formal action is the passage of law by the legislature, creating, modifying, or rescinding an appropriation.
- Assigned fund balance includes amounts that are constrained by the State's intent to be used for a specific purpose but are neither restricted nor committed. The Alaska Legislature is the body authorized by the Alaska State Constitution to assign amounts to a specific purpose. Alaska Statute 37.13.020 authorizes the Legislature to assign the funds in the Earnings Reserve Account, a component of the Alaska Permanent Fund.
- Unassigned fund balance is the residual amount of the General Fund not included in the four categories described above. Also, any deficit fund balances within the other governmental fund types are reported as unassigned.

Each fund has been analyzed to classify the fund balance in accordance with GASB Statement No. 54. Funds are created by the Legislature and money is authorized to be transferred to the fund for a particular purpose. At this point, balances in these funds are at least committed, and may be further restricted depending on whether there is an external party, constitutional provision, or enabling legislation constraint involved.

The appropriated balance in the General Fund and subfunds is restricted or committed, the amount that was appropriated for the upcoming fiscal year that is not fully funded is assigned, and the remaining balance is unassigned. The spendable portion of the Alaska Permanent Fund is classified as assigned. The Nonmajor Governmental Funds are predominantly presented as restricted or committed.

The State of Alaska Constitution, Article 9, Section 13, states that "No money shall be withdrawn from the treasury except in accordance with appropriations made by law. No obligation for the payment of money shall be incurred except as authorized by law. Unobligated appropriations outstanding at the end of the period of time specified by law shall be void."

Appropriations formally approved by the Legislature are then forwarded to the Governor for action which either become law or are vetoed.

Appropriations specify the funding source, and therefore the order in which restricted, committed, assigned, or unassigned fund balance gets spent.

Article 9, Section 17(d) of the Alaska Constitution, requires annual repayment from the General Fund and the subfunds of the General Fund for amounts borrowed from the Constitutional Budget Reserve Fund. To implement this provision, unassigned balances are used first, then committed balances.

The following shows the composition of the fund balance of the governmental funds for the fiscal year ended June 30, 2025 (in thousands):

	General	Permanent	Special Revenue	Debt Service	Capital Projects
Nonspendable:					
Inventory	\$ 39,656	\$ —	\$ —	\$ —	\$ —
Principal	—	73,408,648	—	—	—
Advances and Prepaid Items	65,504	—	112	—	—
Total Nonspendable	<u>105,160</u>	<u>73,408,648</u>	<u>112</u>	<u>—</u>	<u>—</u>
Restricted:					
Debt Service	4,678	—	—	16,448	—
Education	18,475	—	1,096	—	—
Health & Human Services	46,495	—	18,384	—	—
Development	37,998	—	94,499	—	34,377
Other Purposes	6,902	—	217	—	—
Total Restricted	<u>114,548</u>	<u>—</u>	<u>114,196</u>	<u>16,448</u>	<u>34,377</u>
Committed:					
Education					
School Foundation Support	18,511	—	—	—	—
Pupil Transportation	1,258	—	—	—	—
Education Services	548,415	—	22	—	—
Construction & Maintenance	145,370	—	—	—	—
Health & Human Services	233,150	—	—	—	—
Public Protection	317,289	—	402	—	—
Permanent Fund					
Dividend Payments	21,908	—	—	—	—
Development					
Natural Resources	184,565	—	—	—	—
Transportation	738,737	—	—	—	—
Other	238,335	—	140,659	—	—
Other Purposes	248,708	3,798,888	—	—	—
Total Committed	<u>2,696,246</u>	<u>3,798,888</u>	<u>141,083</u>	<u>—</u>	<u>—</u>
Assigned:					
Education	2,211	—	—	—	—
Public Protection	7	—	—	—	—
Development	99	—	—	—	—
Assigned for Future Appropriations					
Realized Earnings	—	6,432,637	—	—	—
Unrealized Appreciation on Invested Assets	—	2,371,621	—	—	—
Total Assigned	<u>2,317</u>	<u>8,804,258</u>	<u>—</u>	<u>—</u>	<u>—</u>
Unassigned	<u>2,565,203</u>	<u>—</u>	<u>(66)</u>	<u>—</u>	<u>—</u>
Total Fund Balance	<u>5,483,474</u>	<u>86,011,794</u>	<u>255,325</u>	<u>16,448</u>	<u>34,377</u>

NET POSITION RESTRICTED BY ENABLING LEGISLATION

The Government-wide statement of net position reports \$77.3 billion of restricted net position for the primary government, of which \$19.5 million is restricted by enabling legislation.

G. GUARANTY DEPOSITS

The state is the custodian of guaranty deposits held to protect consumers, to secure the State's deposits in financial institutions, and to ensure payment of taxes and fulfillment of obligations to the State. Guaranty deposits of securities and other properties are not shown on the financial statements.

NOTE 2 – BUDGETING, BUDGETARY CONTROL, AND LEGAL COMPLIANCE

Once money received is deposited in the state treasury, it may not be withdrawn from the treasury except in accordance with an appropriation made by law. Those amounts received by component units are disbursed in accordance with their particular statutory authority.

The budgetary process is used to establish a balancing of estimated revenues coming into a fund with requested appropriations for that fund. Except for capital project funds, which prepare only project-length budgets, annual operating (and project-length) budgets are prepared for practically every fund and are submitted to the legislature for the enactment of appropriations. An appropriation is an authorization to spend money and to incur obligations. Each appropriation is limited as to purpose, time, and amount, and each of these limitations is legally binding. The legal level of budgetary control is maintained at the appropriation level as specified in the enabling legislation, which is generally at the program level within a department.

Appropriations, as enacted by the legislature and signed by the governor, are entered into the accounting records. The balance of an appropriation is reduced when funds are expended or encumbered. Appropriations are encumbered for anticipated expenditures in the form of purchase orders, contracts, and other obligations. Encumbrances outstanding at year-end are reported within restricted, committed or assigned fund balance based upon the resources that eventually will fund those grants or contracts, and do not constitute expenditures or liabilities. See Note 12 for additional information on encumbrances within the governmental funds. Unencumbered balances of annual appropriations lapse at the end of the fiscal year.

Expenditures of funds are made only upon properly approved requests for payment. The total of expenditures and encumbrances (obligations) may not exceed the appropriations to which they pertain. Generally, transfers between appropriations are not authorized. Agencies faced with potential over expenditure of appropriations must (1) reduce the rate of expenditures, (2) seek relief through supplemental appropriations, or (3) request necessary approvals to receive and expend additional funds. In order to provide sufficient funding for several programs during FY 2025, supplemental appropriations within the operating and capital budgets were enacted. The total supplemental appropriations for the FY 2025 operating budget was \$374.4 million, of which \$73.9 million was from the General Fund, \$80.3 million was from other funds, and \$220.2 million was from federal receipt authority. In addition, total supplemental appropriations for the FY 2025 capital budget was \$71.9 million, of which \$8.9 million was appropriated from the General Fund, and \$63.0 million was from federal receipt authority.

Governmental funds with annually approved budgets include the General Fund, Special Revenue Funds (with the exception of the Alaska Housing Capital Corporation, Northern Tobacco Securitization Corporation, and Reclamation Bonding Pool), and all Permanent Funds.

SPENDING LIMITS

In 1982, the voters of Alaska approved an amendment to the Alaska Constitution to control State spending. Article IX, section 16, establishes an annual appropriation limit of \$2.5 billion plus adjustments for changes in population and inflation since July 1, 1981. Appropriations for permanent fund dividends, revenue bond proceeds, general obligation bond debt, and money received from non-state entities held in trust for a specific purpose are excluded from this limit. For FY 2025, the Office of Management and Budget estimated the appropriation limit to be approximately \$12.3 billion. The FY 2025 budget, not counting the excluded appropriations, was \$6.5 billion, or \$5.8 billion less than the constitutional limit.

CONSTITUTIONAL BUDGET RESERVE FUND

In 1990, the voters of Alaska approved an amendment to the Alaska Constitution to establish a budget reserve fund (CBRF). Article IX, section 17, states, in part, "Except for money deposited into the permanent fund under Section 15 of this article, all money received by the State after July 1, 1990, as a result of the termination, through settlement or otherwise, of an administrative proceeding or of litigation in a state or federal court involving mineral lease bonuses, rentals, royalties, royalty

sale proceeds, federal mineral revenue sharing payments or bonuses, or involving taxes imposed on mineral income, production, or property, shall be deposited in the budget reserve fund.”

The fund was established to enhance budget stability by depositing certain monies into the CBRF (where they could not be easily spent) rather than into the General Fund (where they would be readily available for appropriation for expenditure). Money may be appropriated from the fund in accordance with the provisions of section 17(b) and (c).

The constitution further provides that all money appropriated from the fund must be repaid to the fund. Section 17(d) states “If an appropriation is made from the budget reserve fund, until the amount appropriated is repaid, the amount of money in the General Fund available for appropriation at the end of each succeeding fiscal year shall be deposited in the budget reserve fund. The legislature shall implement this subsection by law.” All borrowing from the CBRF was completely repaid in FY 2010 and no borrowing activity from the CBRF occurred during FY 2011 through FY 2014.

The following is a schedule of amounts appropriated from the CBRF, the amounts transferred back to the CBRF from the General Fund as provided in section 17(d) (in s). The paragraphs following the schedule provide an explanation of the entries.

Chapter 18, SLA 2014, Section 48	3,000,000
Subtotal FY 2015	<u>3,000,000</u>
Chapter 1, SSLA 2015, Section 12(b)	3,617,867
Article IX, Section 17(d) Alaska Constitution (FY 2016)	(522,510)
Subtotal FY 2016	<u>3,095,357</u>
Chapter 3, 4SSLA 2016, Section 35(a)	522,510
Chapter 3, 4SSLA 2016, Section 35(b)	3,033,935
Article IX, Section 17(d) Alaska Constitution (FY 2017)	(479,729)
Subtotal FY 2017	<u>3,076,716</u>
Chapter 1, SSSLA 2017, Section 45(a)	479,729
Chapter 1, SSSLA 2017, Section 45(b) and (c)	1,866,095
Correction of Prior Year Error	(1,170,209)
Article IX, Section 17(d) Alaska Constitution (FY 2018)	(431,688)
Subtotal FY 2018	<u>743,927</u>
Chapter 17, SLA 2018, Section 29(a)	431,688
Chapter 17, SLA 2018, Section 29(b) and (c)	504,530
Article IX, Section 17(d) Alaska Constitution (FY 2019)	(1,728,029)
Subtotal FY 2019	<u>(791,811)</u>
Chapter 1, SSSLA 2019, Section 17(a)	1,728,029
Chapter 1, SSSLA 2019, Section 1	37,499
Chapter 1, SSSLA 2019, Section 4	12
Chapter 1, SSSLA 2019, Section 7	256
Chapter 8, SLA 2020, Section 38(y)	5,000
Chapter 1, SSSLA 2019, Section 17(b) and (c)	1,178,728
Article IX, Section 17(d) Alaska Constitution (FY 2020)	(1,509,566)
Subtotal FY 2020	<u>1,439,958</u>
Chapter 8, SLA 2020, Section 45(a)	1,509,566
Chapter 1, SSSLA 2019, Section 1	2,406
Chapter 1, SSSLA 2019, Section 4	2,534
Chapter 1, SSSLA 2019, Section 7	2,901
Chapter 8, SLA 2020, Section 8	19,142
Chapter 8, SLA 2020, Section 23(d)	320,000
Chapter 8, SLA 2020, Section 41(a) and (b)	84,640
Chapter 8, SLA 2020, Section 45(b) and (c)	711,319

Article IX, Section 17(d) Alaska Constitution (FY 2021)	(437,916)
Subtotal FY 2021	<u>2,214,592</u>
Chapter 1, SSSLA 2019, Section 1	16,399
Chapter 1, SSSLA 2019, Section 4	275
Chapter 1, SSSLA 2019, Section 7	1,786
Article IX, Section 17(d) Alaska Constitution (FY 2022)	(1,568,791)
Subtotal FY 2022	<u>(1,550,331)</u>
Chapter 1, SSSLA 2019, Section 1	8,277
Chapter 1, SSSLA 2019, Section 7	759
Chapter 11, SLA 2022, Section 39	198
Chapter 1, SLA 2023, Section 5	103,633
Article IX, Section 17(d) Alaska Constitution (FY 2023)	(20,507)
Subtotal FY 2023	<u>92,360</u>
Chapter 1, SSSLA 2019, Section 1	5,223
Chapter 1, SSSLA 2019, Section 7	541
Chapter 11, SLA 2020, Section 39	178
Article IX, Section 17(d) Alaska Constitution (FY 2024)	(444,859)
Subtotal FY 2024	<u>(438,917)</u>
Chapter 1, SSSLA 2019, Section 1	3,721
Chapter 11, SLA 2022, Section 39	425
Article IX, Section 17(d) Alaska Constitution (FY 2025)	(168,785)
Subtotal FY 2025	<u>(164,639)</u>
Total appropriated from the CBRF	<u>\$ 10,717,212</u>

The schedule above shows the effect of Article IX, Section 17(d), of the Alaska Constitution, which provides that the amount of money in the general fund available for appropriation at the end of each succeeding fiscal year shall be deposited in the budget reserve fund until the amount appropriated is repaid. The amount was fully repaid at the end of FY 2010, so this schedule shows the repayment activity that has occurred since then.

SLA 2014, Chapter 18, Section 48(a) appropriated the sum of \$1 billion to the defined benefit plan account in the Public Employees Retirement and (b) appropriated \$2 billion to the defined benefit plan account in the Teachers' Retirement System from the CBRF as additional state contributions for FY 2015, which results in a liability of the General Fund.

SSLA 2015, Chapter 1, Section 12(b) appropriated additional amounts from the CBRF to the general fund to fund any shortfalls between state revenue and general fund appropriations for FY 2016.

SSLA 2016, Chapter 3, Section 35(b) appropriated additional amounts from the CBRF to the general fund to fund any shortfalls between state revenue and general fund appropriations for FY 2017.

SSSLA 2017, Chapter 1, Section 45(b) and (c) appropriated additional amounts from the CBRF to the general fund to fund any shortfalls between state revenue and general fund appropriations for FY 2018.

SLA 2018, Chapter 17, Section 29(b) and (c) appropriated additional amounts from the CBRF to the general fund to fund any shortfalls between state revenue and general fund appropriations for FY 2019.

SSSLA 2019, Chapter 1, Section 17(b) and (c) appropriated additional amounts from the CBRF to the general fund to fund any shortfalls between state revenue and general fund appropriations for FY 2020.

SSSLA 2019, Chapter 1, Section 1, Section 4 and Section 7 appropriated amounts from CBRF to fund miscellaneous capital projects and grants.

SLA 2020, Chapter 8, Section 28(b), appropriated amounts from CBRF for responding to the COVID-19 public health disaster emergency. Chapter 8, SLA 2020, Section 38(y), appropriated funds to the disaster relief fund. SLA 2020, Chapter 8,

Section 18(a) and (b) changed CBRF as a funding source for some appropriations made in SSSLA 2019, Chapter 1, Section 1. SLA 2020, Chapter 8, Section 23(d) appropriated a transfer to the permanent dividend division fund. SLA 2020, Chapter 8, Section 8, appropriated amounts from CBRF to fund miscellaneous capital projects and grants. SLA 2020, Chapter 8, Section 41(a) and (b) appropriated a transfer to the PERS and TRS.

SLA 2023, Chapter 1, Section 5(a) and (b), appropriated amounts from CBRF to the general fund to fund any shortfalls between state revenue and general fund appropriations for FY 2023.

SLA 2023, Chapter 1, Section 79(b) appropriated amounts from the General Fund to the CBRF.

SLA 2024, Chapter 7, Section 56(b) appropriated amounts from the General Fund to the CBRF.

During prior tax years 1997 through 2017, amounts paid to the State of Alaska as a result of Federal Regulatory Commission (FERC) disputes were erroneously deposited into the CBRF. As determined by the Alaska Attorney General, a FERC case is not an administrative proceeding or litigation involving production tax or royalty for the purposes of the CBRF fund amendment. The amount due to be repaid to the CBRF from the General Fund has been reduced by these amounts.

The CBRF fund balance as of June 30, 2025, was \$14.24 billion.

STATUTORY BUDGET RESERVE FUND

The Statutory Budget Reserve Fund (SBRF) was created through Alaska Statute 37.05.540. Once the full debt of CBRF was repaid in FY 2010, the legislature began to make appropriated transfers from the General Fund into the SBRF in addition to directing any year-end available fund balance of the General Fund to be transferred to the SBRF. As the balance of this fund continued to increase so did the political and public interest; therefore, the presentation of SBRF was added to the Combining Balance Sheet for the General Fund for Statements 3.01 and 3.02.

A legislative transfer from the General Fund to SBRF totaling \$250 million was made at the beginning of FY 2013 in accordance with SLA 2012, Chapter 15, Section 32(b). Section 32(c) states that if the unrestricted amount available for appropriation in the fiscal year ending June 30, 2013, is insufficient to cover General Fund appropriations, the amount necessary to balance revenue and General Fund appropriations or to prevent a cash deficiency in the General Fund is appropriated from the SBRF to the General Fund. For FY 2013, this resulted in a year-end transfer from the SBRF to the General Fund for \$776 million, for a net impact to the SBRF of \$526 million.

SLA 2013, Chapter 14, Section 34, outlines the appropriation to the General Fund giving authority to take from the SBRF if the unrestricted state revenue available for appropriation in the fiscal year ending June 30, 2014, is insufficient to cover General Fund appropriations made for the fiscal year ending June 30, 2014, the amount necessary to balance revenue and General Fund appropriations or to prevent a cash deficiency in the General Fund. For FY 2014, this resulted in a year-end transfer from the SBRF to the General Fund for \$1,920 million.

SLA 2014, Chapter 16, Section 34, states that if the unrestricted state revenue available for appropriation in the fiscal year ending June 30, 2015, is insufficient to cover General Fund appropriations made for the fiscal year ending June 30, 2015, the amount necessary to balance revenue and general fund appropriations or to prevent a cash deficiency in the General Fund is appropriated from the budget reserve fund (AS 37.05.540(a)) to the General Fund. For FY 2015, this resulted in a year-end transfer from the SBRF to the General Fund for \$2,503 million.

SSSLA 2021, Chapter 1, Section 77(a), states that the unencumbered balance of any unrestricted general fund appropriation that is determined to be available for lapse at the end of the fiscal year ending June 30, 2021, after the appropriations made in sec. 24, ch. 8, SLA 2020, and sec. 15(a) of this Act, is appropriated to the budget reserve fund. For FY 2021, this resulted in a year-end transfer from the General Fund to the SBRF for \$156 million. SSSLA 2021, Chapter 1, Section 77(b) states that for FY 2021, funds were appropriated from the General Fund to the SBRF. This resulted in a year-end transfer from the General Fund to the SBRF for \$325 million.

SSSLA 2021, Chapter 1, Section 10 and 68(l), appropriated amounts from SBRF to fund miscellaneous capital projects and grants. TSSLA 2021, Chapter 1, Section 10 appropriated a \$330 million transfer to the permanent dividend division fund. SLA 2022, Chapter 11, Section 30, states that for FY 2022, funds were appropriated from the General Fund to the SBRF. This resulted in a year-end transfer from the General Fund to the SBRF for \$300 million.

SLA 2022, Chapter 11, Section 11, appropriated \$150 million in funds from SBRF to fund grants to municipalities. SLA 2022, Chapter 11, Section 35(b), appropriated \$100 million from SBRF to fund Port of Alaska modernization project.

SLA 2022, Chapter 11, Section 85(b), states that if the unrestricted state revenue available for appropriation in FY 2023 is insufficient to cover the general fund appropriations that take effect in FY 2023, not including the appropriation made in sec. 78(u) of this Act, the amount necessary to balance revenue and general fund appropriations that take effect in FY 2023, not including the appropriation made in sec. 78(u) of this Act, is appropriated to the general fund from the budget reserve fund (AS 37.05.540(a)). For FY 2023, this resulted in a year end transfer of over \$20.8 million.

SLA 2023, Chapter 1, Section 78, states that if the unrestricted state revenue available for appropriation in FY 2024 is insufficient to cover the general fund appropriations that take effect in FY 2024, the amount necessary to balance revenue and general fund appropriations that take effect in FY 2024 or to prevent a cash deficiency in the general fund in FY 2024, is appropriated to the general fund from the budget reserve fund (AS 37.05.540(a)). For FY 2024, this resulted in no year end transfer.

SLA 2024, Chapter 7, Section 55, states that if the unrestricted state revenue available for appropriation in FY 2025 is insufficient to cover the general fund appropriations that take effect in FY 2025, the amount necessary to balance revenue and general fund appropriations that take effect in FY 2025 or to prevent a cash deficiency in the general fund in FY 2025 is appropriated to the general fund from the budget reserve fund (AS 37.05.540(a)). SLA 2024, Chapter 7, Section 56(a), appropriated amounts from the General Fund to the SBRF.

Article IX, Section 17(d), of the Alaska Constitution, which provides that the amount of money in the general fund available for appropriation at the end of each succeeding fiscal year shall be deposited in the budget reserve fund until the amount appropriated is repaid.

Superior court litigation—*Alaska Federation of Natives v. Dunleavy*—has prompted new interpretation and created uncertainty concerning the statutory budget reserve fund status as subject to the sweep. New interpretation of the statutory budget reserve funds sweep status is based primarily on two facts. First, the description of the statutory budget reserve fund in AS 37.05.540 is described as a separate fund in the state treasury. Second, the superior court decision in *Alaska Federal of Natives v. Dunleavy* distinguished between the general fund and the power cost equalization fund. Given these facts, beginning in FY 2021, the Division of Finance did not sweep the fund as historically was the case.

The SBRF fund balance as of June 30, 2025, was \$143.75 million.

NOTE 3 – DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

In the fund financial statements, governmental funds reported deferred inflows of resources of \$947,552 thousand comprised of \$895,992 thousand in revenues that are earned and measurable but not available within two months of the end of the reporting period, deferred inflows from leases of \$34,332 thousand, and future tobacco settlement revenues of \$17,228 thousand.

Deferred Outflows and Inflows of Resources reported in the Government-wide Statement of Net Position as of June 30, 2025 consisted of the following (in thousands):

Deferred Outflows and Inflows of Resources

	Primary Government		Discrete Component Units
	Governmental Activities	Business-Type Activities	
Deferred Outflows:			
Change in Fair Value-Interest Rate Swaps	\$ —	\$ —	\$ 30,229
Deferred Charge on Bond Refundings	(1,722)	—	15,921
Deferred Outflows Related to OPEB	96,359	2,303	17,444
Deferred Outflows Related to Pensions	554,821	10,943	28,302
Total Deferred Outflows	<u>\$ 649,458</u>	<u>\$ 13,246</u>	<u>\$ 91,896</u>
Deferred Inflows:			
Unearned Grant Revenue	\$ —	\$ —	\$ 529,390
Deferred Inflows Related to Bond Refundings	—	6,077	—
Deferred Inflows Related to Derivatives	—	—	1,701
Deferred Inflows Related to OPEB	31,567	888	14,312
Deferred Inflows Related to Pensions	597	—	3,664
Deferred Inflows Related to Leases	34,332	35,814	457,558
Total Deferred Inflows	<u>\$ 66,496</u>	<u>\$ 42,779</u>	<u>\$ 1,006,625</u>

Internal service funds predominantly serve the governmental funds. Accordingly, deferred outflows and deferred inflows for internal service funds are included as part of the above totals for governmental activities. Note 6 provides additional information on these deferred outflows/inflows.

The deferred outflows for the internal service funds is made up of the following (in thousands):

	Related to OPEB	Related to Pensions
Highways Equipment Working Capital Fund	488	2,318
Information Services Fund	1,212	5,754
Alaska Public Building Fund	268	1,272

The deferred inflows for the internal service funds is made up of the following (in thousands):

	Related to OPEB	Related to Pensions
Highways Equipment Working Capital Fund	188	—
Information Services Fund	468	—
Alaska Public Building Fund	103	—

The deferred outflows for the business-type activities is made up of the following (in thousands):

	Related to OPEB	Related to Pensions
International Airports Fund	2,189	10,398
Commercial Fishing Revolving Loan Fund	99	468
Fisheries Enhancement Revolving Loan Fund	14	66
Commercial Charter Fisheries Revolving Loan Fund	—	2
Mariculture Revolving Loan Fund	—	2
Alaska Microloan Revolving Loan Fund	—	1
Bulk Fuel Loan Fund	1	6

The deferred inflows for the business-type activities is made up of the following (in thousands):

	Related to OPEB	Related to Pensions	Related to Leases	Related to Bond Refundings
International Airports Fund	845	—	35,814	6,077
Commercial Fishing Revolving Loan Fund	38	—	—	—
Fisheries Enhancement Revolving Loan Fund	5	—	—	—

Note 6 provides additional information on the business-type activities deferred outflows/inflows.

The deferred outflows for the component units is made up of the following (in thousands):

	Change in Fair Value-Interest Rate Swaps	Deferred Charge on Bond Refundings	Deferred Outflows Related to OPEB	Deferred Outflows Related to Pensions
Alaska Railroad Corporation	—	—	5,836	6,746
Alaska Housing Finance Corporation	30,229	13,207	3,492	2,485
Alaska Energy Authority	—	—	89	422
Alaska Aerospace Corporation	—	—	20	94
Alaska Gasline Development Corporation	—	—	45	164
Alaska Industrial Development Export Authority	—	—	82	390
Alaska Seafood and Marketing Institute	—	—	84	399
University of Alaska	—	2,714	7,559	16,475
Alaska Mental Health Trust Authority	—	—	237	1,127

The deferred inflows for the component units is made up of the following (in thousands):

	Deferred Inflows Related to Derivatives	Unearned Grant Revenue	Deferred Inflows Related to OPEB	Deferred Inflows Related to Pensions	Deferred Inflows Related to Leases
Alaska Railroad Corporation	—	529,390	8,163	3,664	259,132
Alaska Housing Finance Corporation	1,701	—	438	—	10,061
Alaska Energy Authority	—	—	34	—	—
Alaska Aerospace Corporation	—	—	8	—	—
Alaska Gasline Development Corporation	—	—	26	—	—
Alaska Industrial Development Export Authority	—	—	32	—	163,759
Alaska Seafood and Marketing Institute	—	—	32	—	—
University of Alaska	—	—	5,488	—	16,207
Alaska Mental Health Trust Authority	—	—	91	—	8,399

Note 6 provides additional information on the component units activity for deferred outflows/inflows related to postretirement benefits and pensions.

NOTE 4 – DEPOSIT AND INVESTMENT RISK

Deposits and investments may be exposed to various types of risks. These risks are interest rate risk, credit risk, custodial credit risk, concentration of credit risk, and foreign currency risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Custodial credit risk is the risk that deposits may not be returned in the event of a bank failure. Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment.

A. DEPOSITS AND INVESTMENTS UNDER THE FIDUCIARY RESPONSIBILITY OF THE COMMISSIONER OF REVENUE

By law, all deposits and investments are under the fiduciary responsibility of the Commissioner of the Department of Revenue (Commissioner) except where the legislature has delegated that responsibility to other entities or boards responsible for separate subdivisions of component units of the State. Those agencies and component units that manage their own cash and investments are: Alaska Permanent Fund Corporation, Alaska Energy Authority, Alaska Housing Finance Corporation, Alaska Industrial Development and Export Authority, Alaska Municipal Bond Bank Authority, Alaska Railroad Corporation, Alaska Retirement Management Board, Alaska Student Loan Corporation, University of Alaska, Alaska Mental Health Trust Authority, and the Exxon Valdez Oil Spill Trustee Council.

Invested assets under the fiduciary responsibility of the Commissioner are comprised of the General Fund and Other Non-Segregated Investments (GeFONSI), Constitutional Budget Reserve Fund, International Airports Fund, Retiree Health Insurance Fund, Power Cost Equalization Endowment Fund, General Obligation Bond Fund, Mine Reclamation Trust Fund, as well as the Public School and Investment Loss trust funds (all collectively, Funds).

As the fiduciary, the Commissioner has the statutory authority (AS 37.10.070-37.10.071) to invest the assets under the prudent investor rule which requires that investments shall be made with the judgment and care under circumstances then prevailing that an institutional investor of ordinary professional prudence, discretion, and intelligence exercises in managing large investment portfolios.

The Department of Revenue, Treasury Division (Treasury) has created a pooled environment by which it manages the investments for which the Commissioner has fiduciary responsibility. Actual investing is performed by investment officers in Treasury or by contracted external investment managers. Specifically, the Domestic Equity and the International Equity Pools are managed externally. Treasury manages the Short-term Fixed Income Pool, Real Estate Investment Trust (REIT) Pool, Intermediate-term Fixed Income Pool, and Broad Market Fixed Income Pool in addition to acting as oversight manager for all externally managed investments.

Additional information related to the various pools and investments is disclosed in the financial schedules issued by the Department of Revenue, Treasury Division. These financial schedules are available through the Department of Revenue, Treasury Division, P.O. Box 110405, Juneau, AK 99811-0405 or at <http://treasury.dor.alaska.gov/>.

Combined schedule of invested assets as of June 30, 2025 is as follows:

Investment Type	Fair Value (in thousands)							
	Cash and Cash Equivalents	Short-term Fixed Income Pool	Intermediate -term Fixed Income Pool	Broad Market Fixed Income Pool	Domestic Equity Pool	International Equity Pools	Real Estate Investment Trust Pool	Income Receivable (Payable)
General Fund and GeFONSI	\$ 85,734	\$ 2,706,403	\$ 756,105	\$ 124,166	\$ 230,609	\$ 140,832	\$ 20,722	\$ 9,634
Constitutional Budget Reserve Fund	—	2,878,904	—	—	—	—	—	10,695
Public School Trust Fund	—	7,343	—	258,639	365,915	235,823	43,163	30
Investment Loss Trust Fund	—	3,735	—	—	—	—	—	14
General Obligation Bond Fund	—	36,024	—	—	—	—	—	136
International Airports Fund	—	227,945	40,285	—	—	—	—	834
International Airports Construction Fund	—	21,063	—	—	—	—	—	93
Retiree Health Insurance Fund								
Major Medical	—	20,767	—	—	—	—	—	77
Long-Term Care	—	6,879	—	647,022	153,075	112,859	37,558	23
Mine Reclamation Fund	—	14	—	500	707	455	83	—
Alaska Student Loan Corporation Investment Fund	—	1,366	—	81,406	32,453	20,755	4,087	5
Alaska Mental Health Trust Reserve Fund	—	637	—	29,402	24,380	19,149	—	3
Exxon Valdez Oil Spill Investment Fund	—	25,454	47,424	—	—	—	—	95
Total Invested Assets	\$ 85,734	\$ 5,936,534	\$ 843,814	\$ 1,141,135	\$ 807,139	\$ 529,873	\$ 105,613	\$ 21,639

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. At June 30, 2025 all fixed income portfolios were in compliance with Treasury's duration policies.

Short-term Fixed Income Pool

As a means of limiting its exposure to fair value losses arising from increasing interest rates, Treasury's investment policy limits individual fixed-rate securities to 14 months to maturity or 14 months expected average life for amortizing securities upon purchase. Floating rate securities are limited to 3 years to maturity or 3 years expected average life for amortizing securities upon purchase. These constraints apply to trade date, except for securities bought at new issue, for which settlement date applies. At June 30, 2025, all securities within the Short-term Fixed Income Pool met these compliance metrics.

Intermediate and Broad Market Fixed Income Pools

Duration is a measure of interest rate risk which measures a security's sensitivity to a 100-basis point change in interest rates. The duration of a pool is the average fair value weighted duration of each security in the pool taking into account all related

cash flows. Through its investment policy, Treasury manages its exposure to fair value losses arising from increasing interest rates by limiting the effective duration of its other fixed income pool portfolios to the following:

Intermediate-term Fixed Income Pool - \pm 20% of the Bloomberg 1-3 Year Government Total Return Bond Index.

Broad Market Fixed Income Pool - \pm 20% of the Bloomberg U.S. Aggregate Total Return Bond Index.

At June 30, 2025, the effective duration by investment type was as follows:

	<u>Effective Duration (in years)</u>
Corporate Bonds	2.95
Mortgage Backed	5.11
Other Asset Backed	0.25
U.S. Government Agency	2.65
U.S. Treasury Bills, Notes, and Bonds	0.75
Yankee Corporate Bonds	1.64
Yankee Government Bonds	2.71
Portfolio Effective Duration	0.91

Credit Risk

Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations.

Short-Term Fixed Income Pool investments can include instruments with long-term credit ratings of at least A3 or equivalent, short-term credit ratings of at least P-1 or equivalent, commercial paper rated at least P-1 or equivalent, institutional money market funds rated Aaa or equivalent, and asset-backed and non-agency mortgage-backed and commercial mortgage-backed securities rated at least A3 or equivalent. Asset-backed securities, non-agency mortgage securities, and commercial mortgaged-backed securities may be rated by one agency if rated at least Aaa or equivalent.

Intermediate-term Fixed Income Pool investments can include instruments with long-term credit ratings of at least Baa3 or equivalent, short-term credit ratings of at least P-1 or equivalent, commercial paper rated at least P-1 or equivalent, corporate debt securities, asset-backed securities, non-agency mortgage-backed securities, and commercial mortgage-backed securities rated at least investment grade. Asset-backed securities, non-agency mortgage securities and commercial mortgaged-backed securities may be rated by one agency if rated at least Aaa or equivalent.

Broad Market Fixed Income Pool investments can include instruments with investment grade credit ratings, some high yield credit ratings, short-term credit ratings of at least P-1 or equivalent, commercial paper rated at least P-1 or equivalent, corporate debt securities, asset-backed securities, non-agency mortgage-backed securities, and commercial mortgage-backed securities rated at least investment grade. Asset-backed securities, non-agency mortgage securities and commercial mortgaged-backed securities may be rated by one agency if rated at least Aaa or equivalent.

At June 30, 2025 the State's internally managed Pools consisted of investments with credit quality ratings issued by nationally recognized statistical rating organizations as follows (using Standard and Poor's Corporation rating scale, in thousands):

	Short-term Fixed Income	Intermediate-term Fixed Income Pool	Broad Market Fixed Income
AAA	\$ 2,289,509	\$ 17,537	\$ 8,811
AA	54,109	27,117	8,568
A	223,855	184,342	114,224
A-1	11,777	—	—
BBB	—	86,784	154,210
BB	—	—	743
U.S. Government Agency	—	186,809	102,447
U.S. Treasury Bills, Notes, and Bonds	3,600,512	315,404	240,882
Not Rated	833,848	71,261	532,777
	<u>\$ 7,013,610</u>	<u>\$ 889,254</u>	<u>\$ 1,162,662</u>

Custodial Credit Risk

Custodial credit risk is the risk that deposits may not be returned in the event of a bank failure. Treasury's investment policy requires the State's depository banks to collateralize State deposits to the extent they exceed insurance coverage provided by the Federal Deposit Insurance Corporation (the FDIC provides \$250 thousand of coverage). In accordance with Treasury policy, they are required to retain collateral equal to 100 percent of uninsured deposits. Treasury also requires the State's custodial banks to hold investment securities in the name of the Treasury (on behalf of the Treasury).

Concentration of Credit Risk

Treasury's policies prohibit the purchase of more than 5 percent of the individual pool's holdings in corporate bonds backed by any one company or affiliated group, 10 percent of a corporate bond issue, or 5 percent of the outstanding stock of a company.

Foreign Currency Risk

The Commissioner of Revenue formally adopts asset allocation policies for each fund at the beginning of each fiscal year, which places policy limitations on the amount of international equity each fund may be exposed to. The following policies were in place during FY 2025 and invested assets included the following holdings at June 30, 2025, for the funds invested in the International Equity Pool:

	Policy	Actual
GeFONSI - Education Endowment Fund	25% +/- 5%	25.89 %
GeFONSI - GeFONSI II	2% - 2% /+ 5%	2.19 %
GeFONSI - Higher Education Fund	25% +/- 5%	25.90 %
Public School Trust Fund	25% +/- 5%	25.89 %
Retiree Health Insurance Fund, Long Term Care	11% +/- 5%	11.79 %
Mine Reclamation Fund	25% +/- 5%	25.89 %

At June 30, 2025, the funds invested in the International Equity Pool had no direct exposure to foreign currency risk.

Fair Value Measurements

Generally Accepted Accounting Principles establishes a hierarchy of inputs used to value investments emphasizing observable inputs and minimizing unobservable inputs. These inputs are summarized as follows:

Level 1 - Quoted or published prices (unadjusted) for identical assets in an active market.

Level 2 - Inputs, other than quoted or published prices included within level 1, that are observable for the asset, either directly or indirectly.

Level 3 - Unobservable inputs. Unobservable inputs should only be used to the extent that observable inputs are not available for a particular asset.

The Commissioner categorizes fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Commissioner has the following recurring fair value measurements as of June 30, 2025 (in thousands):

Investment by Fair Value Level	Total	Level 1	Level 2	Level 3
Cash Equivalents				
Deposits	40,989	\$ 40,989	\$ —	\$ —
Repurchase Agreement	765,200	—	765,200	—
Total Cash Equivalents	806,189	40,989	765,200	—
Debt Securities				
Corporate Bonds	646,998	—	646,998	—
Mortgage Backed	258,560	—	258,560	—
Other Asset Backed	2,441,125	—	2,441,125	—
U.S. Government Agency	289,256	—	289,256	—
U.S. Treasury Bills, Notes, and Bonds	4,156,798	—	4,156,798	—
Yankee Corporate Bonds	213,994	—	213,994	—
Yankee Government Bonds	21,488	—	21,488	—
Commingled Debt Funds	231,380	231,380	—	—
Total Debt Securities	8,259,599	231,380	8,028,219	—
Equity				
Commingled Equity Funds	1,337,424	1,337,424	—	—
Real Estate Inv Trust	108,432	108,432	—	—
Total Equity	1,445,856	1,445,856	—	—
Total Investments Measured at Fair Value	\$ 10,511,644			

Securities classified as level 1 are valued using prices quoted or published in active markets for those securities. Securities classified as level 2 are valued using matrix pricing with various defined pricing sources.

Foreign Exchange, Foreign Exchange Contracts, Off-Balance Sheet Risk, and Derivative Exposure

The Commissioner has no policy of requiring collateral or other security to support derivative instruments subject to credit risk. Additionally, the Commissioner has no policy regarding entering into netting arrangements when it enters into derivative instrument transactions with a counterparty, nor does the Commissioner have a policy on contingencies.

The International Equity Pool contains no separate or actively managed accounts. The pool consists of one commingled investment, the SSGA MSCI ACWI Ex-US Common Trust Fund. The commissioner is not directly exposed to any foreign exchange, derivative contract, or off-balance sheet risk in this pool.

Tobacco Revenue Sale Proceeds

Proceeds from the bonds issued by NTSC are used to make a payment to the State in exchange for an interest in future Tobacco Settlement Revenues (TSRs). For the bonds to maintain their tax exempt status, federal law requires these proceeds be used only for debt service and capital projects. As prescribed under the bond indenture and the custodial agreement, the State's share of bond proceeds is held in custodial accounts at U.S. Bank, and disbursements are directed by NTSC. Investments are limited to those permitted for State funds and must comply with federal tax requirements, including 26 U.S.C. § 148.

As of June 30, 2025, the fair value of investments, held in a money market investment under the custodial agreement totaled:

	Fair Value (in thousands)
Proceeds Account	\$ 20,581
Interest Earnings Account	11,597
Total Invested Assets	<u>\$ 32,178</u>

These amounts are legally restricted for debt service and capital projects under the Master Settlement Agreement (MSA), bond indenture, and applicable state law.

Investments are reported at fair value in accordance with GASB 72 and are generally valued using observable market inputs. Investments are subject to interest rate and credit risk consistent with bond indenture requirements and U.S. Bank investment guidelines. Custodial credit risk is mitigated through third-party safekeeping arrangements. NTSC does not hold foreign currency investments, and contractual provisions limit concentration risk by restricting investments to high-quality, short-term instruments.

B. DEPOSITS AND INVESTMENTS UNDER CONTROL OF THE ALASKA RETIREMENT MANAGEMENT BOARD

The Alaska Retirement Management Board (ARMB) is the investment oversight authority for the State of Alaska's Retirement and Benefits Plans (Plans). These Plans are made up of six systems: the Public Employees' Retirement System (PERS), Teachers Retirement System (TRS), Judicial Retirement System (JRS), National Guard and Naval Militia Retirement Systems (NGNMRS), Supplemental Benefits System (SBS), and Deferred Compensation Plan (DCP). The systems comprise a mix of individual Defined Benefit and Defined Contribution Retirement Plans. Fiduciary responsibility for the ARMB's invested assets is pursuant to Alaska Statutes 37.10.210-390.

Alaska Statute 37.10.071 provides that investments shall be made with the judgment and care under circumstances then prevailing that an institutional investor of ordinary professional prudence, discretion and intelligence exercises in managing large investment portfolios.

Additional information related to the various pools and investments is disclosed in the financial schedules issued by the ARMB. These schedules of invested assets and of investment income and changes in invested assets are those of the six systems' invested assets and not the systems as a whole and are available through the Department of Revenue, Treasury Division, P.O. Box 110405, Juneau, AK 99811-0405 or at <http://treasury.dor.alaska.gov/armb/>.

Investments and Related Policies

Investments, except for SICs (Synthetic Investment Contracts), are reported at fair value. SICs are reported at contract value. Securities are valued each business day using prices obtained from a pricing service when such prices are available; otherwise, such securities are valued at the most current sale price or based on a valuation provided by investment managers. Fair values of investments that have no readily determinable fair value are generally reported by using the net asset value per share (or its equivalent) of the investment. Pooled participant directed accounts and the collective investment funds are valued based on a unit value determined by the managers or trustees multiplied by the total units held by the Plan. The unit value is determined by the respective managers or trustees based on the fair value of the underlying assets. Investment purchases and sales are recorded on a trade-date basis.

Fair Value Measurements

U.S. generally accepted accounting principles (GAAP) establishes a hierarchy of inputs used to value investments emphasizing observable inputs and minimizing unobservable inputs. These inputs are summarized as follows:

Level 1 - Quoted or published prices (unadjusted) for identical assets in an active market

Level 2 - Inputs, other than quoted or published prices included in level 1, that are observable for an asset, either directly or indirectly

Level 3 - Unobservable inputs. Unobservable inputs should only be used to the extent that observable inputs are not available for a particular asset.

The ARMB categorizes fair value measurements within the fair value hierarchy established by GAAP. The ARMB has the following fair value measurements at June 30, 2025 (in thousands):

	Total	Level 1	Level 2	Level 3
Investment by Fair Value Level				
Cash Equivalents				
Deposits	\$ 28,216	\$ 28,216	\$ —	\$ —
Money Market	67,782	—	67,782	—
Repurchase Agreement	76,449	—	76,449	—
Total Cash Equivalents	<u>172,447</u>	<u>28,216</u>	<u>144,231</u>	<u>—</u>
Debt Securities				
Commingled Debt Funds	2,326,839	2,326,839	—	—
Corporate Bonds	1,540,933	—	1,539,708	1,225
Mortgage Backed	1,674,743	—	1,674,743	—
Other Asset Backed	290,942	—	290,942	—
U.S. Government Agency	469,534	—	469,534	—
U.S. Treasury Bills, Notes, and Bonds	2,052,789	—	2,052,789	—
Yankee Corporate Bonds	313,811	—	313,811	—
Yankee Government Bonds	75,877	—	75,877	—
Total Debt Securities	<u>8,745,468</u>	<u>2,326,839</u>	<u>6,417,404</u>	<u>1,225</u>
Equity				
Commingled Equity Funds	630,250	630,250	—	—
Common and Preferred Equity	13,422,012	13,421,957	5	50
Depository Receipts	242,934	242,934	—	—
Futures	18	18	—	—
Real Estate Investment Trust	835,081	835,081	—	—
Rights	19	19	—	—
Warrants	92	92	—	—
Total Equity	<u>15,130,406</u>	<u>15,130,351</u>	<u>5</u>	<u>50</u>
Participant Directed				
Money Market	139,411	—	139,411	—
Balanced Funds	2,202,903	—	2,202,903	—
Target Date Funds	4,589,312	—	4,589,312	—
Commingled Debt Funds	543,279	—	543,279	—
Commingled Equity Funds	2,970,898	—	2,970,898	—
Total Participant Directed	<u>10,445,803</u>	<u>—</u>	<u>10,445,803</u>	<u>—</u>
Total Investments by Fair Value Level	<u>\$ 34,494,124</u>	<u>\$ 17,485,406</u>	<u>\$ 17,007,443</u>	<u>\$ 1,275</u>
Investments Measured at the NAV				
Multi-Asset	\$ 1,271,590			
Energy	32,233			
Farmland	1,091,283			
Infrastructure	973,415			
Private Equity	5,322,492			
Real Estate	1,551,137			
Timber	420,898			
Total Investments Measured at NAV	<u>10,663,048</u>			
Total Investments Measured at Fair Value	<u>\$ 45,157,172</u>			
Synthetic Investment Contracts at Contract Value	\$ 703,008			
Total Investments	<u>\$ 45,860,180</u>			

Securities classified as level 1 are valued using prices quoted or published in active markets for those securities. Securities classified as level 2 are valued using matrix pricing with various defined pricing sources or based on published prices in inactive markets. Each balanced and target date option classified as level 2 is priced daily by the investment managers based on the prevailing market values of the underlying security portfolios. Securities classified as level 3 are valued using the last traded price or a price determined by the investment manager's valuation committee.

Investments in multi-asset, energy, farmland, infrastructure, private equity, real estate, and timber are measured at net asset value (NAV) per share of the investments (or its equivalent) of the capital account balance nearest to the balance sheet date, adjusted for subsequent contributions and distributions. These investments undergo annual independent financial statement audits. Additional information about these investments is listed in the following table (in thousands):

	Fair Value	Redemption Frequency (if currently available)	Redemption Notice Period
Multi-Asset	\$ 1,271,590	Quarterly	2-90 days
Energy	32,233	N/A	No redemptions
Farmland	1,091,283	N/A	N/A
Infrastructure	973,415	Quarterly	30-90 days
Private Equity	5,322,492	N/A	No redemptions
Real Estate	1,551,137	Varied	Varied
Timber	420,898	N/A	N/A
Total Investments Measured at NAV	<u>\$ 10,663,048</u>		

Multi-Asset: Investment strategies include pooled investment vehicles and securities in a variety of markets.

Energy: This type includes investments in three energy funds which invest in the debt and equity of energy-related companies. These investments can never be redeemed. The nature of these investments is such that distributions are received through the liquidation of underlying assets of the funds. These investments are expected to be funded for 10 years after the commitment date of the most recent commitment.

Farmland: This type includes investments of one wholly-owned fund. This fund is for the purpose of owning and managing real estate property devoted to agricultural use. Investment properties include row crops, permanent crops and vegetable crops. The nature of this investment is such that properties held in the fund can be liquidated at the discretion of the ARMB through the fund advisor.

Infrastructure: This includes investments in two open-ended infrastructure funds. Investments include electricity generation, transmission, toll roads, pipelines, bridges, and other infrastructure-related assets. Funds can be redeemed on a quarterly basis with proper notice.

Private Equity: This type includes investments in 44 private equity funds including two gatekeeper managers who invest on behalf of the ARMB. These funds are diversified in various sectors including but not limited to venture capital, acquisitions, debt, and special situations. These investments can never be redeemed. The nature of these investments is such that distributions are received through the liquidation of underlying assets of the funds. These investments are expected to be funded for 10 years after the commitment date of the most recent commitment.

Real Estate: This type includes investments in 20 real estate funds that invest primarily in U.S. commercial real estate including value-added, opportunistic and core investments. Of these funds, three are open-ended and two others are separately managed accounts that can be liquidated at any time. For the remaining 15 funds, investments can never be redeemed. The nature of these investments is such that distributions are received through the liquidation of underlying assets. These funds are expected to be liquidated 10 years after the commitment date of the most recent commitment.

Timber: This investment in one wholly owned fund that invests in timberland property and related opportunities.

Synthetic Investment Contracts (SICs): The ARMB's investment manager entered into investment contracts, on behalf of the ARMB, with five financial institutions. These institutions provide wrap contracts that cover separately managed SIC portfolios. The accounts are credited with earnings and investment deposits, less administrative expenses charged by the financial institutions and investment withdrawals. The contracts are included in the ARMB's statements at contract value. They are fully benefit-responsive. There are no reserves against contract value for the credit risk of the contract issuer or otherwise. The crediting interest rate is based on the approximate rate of interest that will amortize differences between contract and market value over the portfolio's average duration. Accounts and terms of SICs in effect at June 30, 2025 are as follows (in thousands):

Contract Provider	Contract Value of Investment Contract	Market Value of Portfolio	Average Crediting Rate
American General Life Insurance Co.	\$ 138,059	\$ 128,469	2.49
Massachusetts Mutual Life Insurance Co.	137,285	127,191	2.39
New York Life Insurance and Annuity Co.	137,263	127,215	2.35
Pacific Life Insurance Co.	138,093	128,169	2.43
Prudential Insurance Company of America	137,865	127,923	2.41

Interest Rate Risk

The ARMB invests its cash in the State of Alaska, Treasury Division's (Treasury) Short-Term Fixed Income Pool. As a means of limiting its exposure to fair value losses arising from increasing interest rates, Treasury's investment policy limits individual fixed rate securities to 14 months to maturity or 14 months expected average life for amortizing securities upon purchase. Floating rate securities are limited to three years to maturity or three years expected average life for amortizing securities upon purchase. These constraints apply to trade date, except for securities bought at new issue, for which settlement date applies.

Duration is a measure of interest rate risk. It measures a security's sensitivity to a 100-basis point change in interest rates. The duration of a pool is the average fair value weighted duration of each security in the pool taking into account all related cash flows. Through its investment policy, the ARMB manages its exposure to fair value losses arising from increasing interest rates by limiting the effective duration of its domestic fixed income pool portfolios to +/- 20 percent of the Bloomberg U.S. Aggregate Total Return Bond Index. At June 30, 2025, the ARMB's effective duration by investments type, was as follows:

	<u>Effective Duration (in years)</u>
Corporate Bonds	6.85
Mortgage-backed	5.47
Other Asset Backed	0.81
U.S. Government Agency	3.55
U.S. Treasury Bills, Notes, and Bonds	6.43
Yankee Corporate Bonds	5.02
Yankee Government Bonds	3.92
Total Portfolio	5.62

Synthetic Investment Contracts

The ARMB contracts with an external investment manager who is given the authority to invest in SICs and a reserve. This external manager also manages the securities underlying the SICs. In the case of the ARMB's constant duration SICs, duration is the fair value weighted average term to maturity of all fixed income securities underlying the contracts and their related cash flows. Duration of the Plan's structured payout SICs is the weighted average maturity of the contract payments. Through the ARMB's investment policy, exposure to fair value losses arising from increasing interest rates is managed by limiting the duration on SICs as follows:

The duration of constant duration SICs cannot exceed the longer of six years or the duration of the Bloomberg U.S. Aggregate Total Return Bond Index plus one-half year. The weighted average duration of the constant duration SICs was 4.39 years at June 30, 2025. The duration of the Bloomberg U.S. Aggregate Total Return Bond Index was 6.06 years at June 30, 2025. The account's weighted average effective duration will generally not exceed the effective duration of the Bloomberg U.S. Aggregate Intermediate Total Return Bond Index plus 10%. The weighted average duration of the account was 4.39 years at June 30, 2025. The duration of the Bloomberg U.S. Aggregate Intermediate Total Return Bond Index was 4.39 years at June 30, 2025. The balance of the reserve is invested in the custodian's Institutional Treasury Money Market Fund and the external manager's Cash Reserves Trust Fund. The account did not hold any buy-and-hold SICs or structured payout SICs investments at June 30, 2025.

Credit Risk

Domestic Fixed Income investments can include instruments with investment grade credit ratings, some high yield credit ratings, commercial paper rated at least P-1 or equivalent, and corporate debt securities rated at least investment grade.

At June 30, 2025, ARMB’s invested assets consisted of fixed income securities with credit quality ratings issued by nationally recognized statistical rating organizations (NRSROs). Securities lending collateral was invested in a registered 2(a)-7 money market fund that was not rated. Using Standard & Poor’s Corporation rating scale, the values for ARMB’s individually held debt securities by rating are as follows (in thousands):

Rating	U.S. Dollar
AAA	\$ 297,093
AA	76,666
A	758,468
A-1	1,177
BBB	998,380
BB	4,908
U.S. Government Agency	469,534
U.S. Treasury Bills, Notes, and Bonds	2,052,789
Not Rated	1,836,063
	<u>\$ 6,495,078</u>

Synthetic Investment Contracts

The ARMB’s investment policy has the following credit risk limitations for SICs, investments underlying the SICs and the reserve:

SIC issuers must have an investment grade rating by at least one NRSROs. Obligations of supranational agencies, foreign governments, and foreign government entities must have a minimum rating of A- or equivalent by at least one NRSRO. Corporate debt securities must have a minimum rating of BBB- or equivalent by at least one NRSRO. Maximum exposure to corporate debt securities rated BBB- to BBB+ or equivalent by two or more NRSROs is 20% of the account's total value. The ratings assigned to issuers of money market instruments must have the highest rating assigned to such instruments by at least one NRSRO. Asset-backed securities must have a minimum rating of AAA or equivalent by at least one NRSRO. This limitation does not apply to the investment funds maintained by the custodian.

Custodial Credit Risk

The ARMB does not have a policy in relation to custodial credit risk for deposits. At June 30, 2025, the ARMB’s invested assets had uncollateralized and uninsured foreign currency deposits of \$23,964 thousand. Treasury requires the State's custodial banks to hold investment securities in the name of the State of Alaska.

Foreign Currency Risk

The ARMB’s Stable Value Fund policy requires that all investments underlying a SIC be denominated in U.S. dollars. For all other funds, through its asset allocation, the ARMB limits risk by limiting total investments in foreign currencies to the following as of June 30, 2025:

Pension System	Multi-Asset	Global Equity Ex-U.S.	Private Equity Pool	Real Assets Pool
Public Employees' Retirement System	10 %	21 %	21 %	21 %
Teachers' Retirement System	10	21	21	21
Judicial Retirement System	10	21	21	21
Alaska National Guard and Naval Militia Retirement System	10	13	12	11

At June 30, 2025, the ARMB had exposure to foreign currency risk with the following deposits and investments (in thousands):

Currency	Equity	Deposits	Futures	Private Equity	Rights & Warrants
Australian Dollar	\$ 155,287	\$ 311	\$ —	\$ 82	\$ —
Brazilian Real	73,058	126	—	—	—
Canadian Dollar	313,192	9,797	10	—	—
Chilean Peso	3,001	17	—	—	—
Colombian Peso	698	17	—	—	—
Czech Koruna	5,572	9	—	—	—
Danish Krone	72,140	415	—	—	—
Euro Currency	1,283,169	760	—	465,345	—
Hong Kong Dollar	324,877	1,368	—	—	—
Hungarian Forint	1,587	99	—	—	—
Indian Rupee	101,906	69	—	—	2
Indonesian Rupiah	11,702	140	—	—	—
Japanese Yen	795,496	4,924	—	—	—
Kazakhstan Tenge	389	—	—	—	—
Kuwaiti Dinar	6,653	77	—	—	—
Malaysian Ringgit	8,700	46	—	—	95
Mexican Peso	47,232	62	—	—	—
New Israeli Sheqel	21,176	847	—	—	—
New Taiwan Dollar	198,877	154	—	—	—
New Zealand Dollar	5,004	174	—	—	—
Norwegian Krone	26,737	293	—	—	—
Philippine Peso	2,752	56	—	—	—
Polish Zloty	25,140	107	—	—	—
Pound Sterling	515,800	847	—	76,789	—
Qatari Rial	3,201	16	—	—	—
Russian Ruble	—	1,480	—	—	—
Saudi Riyal	23,576	91	—	—	—
Singapore Dollar	73,000	177	—	—	—
South African Rand	18,932	67	—	—	—
South Korean Won	180,509	195	—	—	14
Swedish Krona	132,915	40	—	10,089	—
Swiss Franc	313,291	147	—	—	—
Thailand Baht	16,153	47	—	—	—
Turkish Lira	3,701	51	—	—	—
Uae Dirham	24,384	47	—	—	—
Yuan Renminbi	98,381	(10,002)	—	—	—
Yuan Renminbi Offshore	—	10,893	—	—	—
	<u>\$ 4,888,188</u>	<u>\$ 23,964</u>	<u>\$ 10</u>	<u>\$ 552,305</u>	<u>\$ 111</u>

Concentration of Credit Risk

The ARMB's policy regarding concentration of credit risk for domestic fixed income are as follows:

The account manager is prohibited from purchasing more than ten percent of the currently outstanding par value of any corporate bond issue or more than five percent of the account's assets of high yield securities.

The account manager may not invest more than forty percent of the account's assets in investment grade corporate debt, more than the benchmark weight plus five percent of debt securities rated below A- or equivalent, more than twenty-five percent of the account's assets in any one corporate sector defined by the Bloomberg U.S. Aggregate Total Return Bond Index, or more than five percent of the account's assets in corporate bonds of any one company or affiliated group.

The ARMB's policy regarding concentration of credit risk for domestic and international equities are as follow:

The ARMB may not invest more than five percent of total shares outstanding of any security or more than ten percent of any international account benchmarked against the MSCI EAFE Index or MSCI EAFE Small Cap Index in emerging markets.

Synthetic Investment Contracts

The ARMB's policy regarding concentration of credit risk for the underlying investments and the reserve are as follows:

No investment will be made if, at the time of purchase, total investment in any single issuer of investment contracts would exceed thirty-five percent of the account's total value.

No investment will be made if, at the time of the purchase, the total investment in any single issuer or in all issuers of the securities held as supporting investments under the SICs would exceed the respective percentage of the account's total value in the table below.

Investment Type	Maximum Per Issuer	Maximum for all Issuers
U.S. Treasuries, U.S. Agency, and U.S. Government Entity Securities-Full Faith and Credit	100 %	100 %
U.S. Agency Securities and U.S. Government Entity Securities-Non Full Faith and Credit	100	100
Agency Mortgage-Backed Securities	50	50
Non-Agency Mortgage-Backed Securities	5	50
Asset-Backed Securities	5	50
Domestic and Foreign Corporate Debt Securities	5	50
Supranational Agency, Foreign Government, and Foreign Government Entity Securities	5	50
Money Market Instruments - Nongovernment/Agency	5	100
Custodian Short-term	100	100

No investment will be made if, at the time of purchase, the total investment in all domestic and foreign corporate debt securities of any one industry would exceed twenty-five percent of the account's total value.

For the reserve, no investment will be made if, at the time of purchase, the total investment of any single issuer of money market instruments exceeds five percent of the total account's value. This limitation does not apply to the investment funds maintained by the custodian and obligations of the U.S. Government or U.S. Government Agencies.

For corporate debt securities rated BBB- to BBB+ or equivalent by two of more NRSROs, the maximum exposure is limited to twenty percent of the account's total value.

Derivatives, Foreign Exchange, and Counterparty Credit Risk

The ARMB is exposed to credit risk on investment derivative instruments that are in asset positions. The ARMB has no policy of requiring collateral or other security to support derivative instruments subject to credit risk. Additionally, the ARMB has no policy regarding entering into netting arrangements when it enters into derivative instrument transactions with a counterparty, nor does the ARMB have a policy for contingencies. On June 30, 2025, the ARMB had the following derivative instruments (in thousands):

	Change in Fair Value		Fair Value		
	Classification	Amount	Classification	Amount	Notional
Fixed Income Futures Long	Investment Income	\$ (131)	Futures	\$ —	\$ —
FX Forwards	Investment Income	(1,156)	Long Term Instruments	(1,195)	46,215
Index Futures Long	Investment Income	2,126	Futures	—	7
Index Futures Short	Investment Income	1	Futures	—	—
Rights	Investment Income	18	Common Stock	19	43
Warrants	Investment Income	100	Common Stock	92	489

The Global equity ex-U.S. pool includes foreign currency forward contracts to buy and sell specified amounts of foreign currencies at specified rates on specified future dates for the purpose of hedging existing security positions. The counterparties to the foreign currency forward contracts consist of a diversified group of financial institutions. Credit risk exposure exists to the extent of nonperformance by these counterparties; however, the risk of default is considered to be remote. The market risk is limited to the difference between contractual rates and forward rates at the balance sheet date. At June 30, 2025, the ARMB had the following foreign currency risk related to derivatives (in thousands):

Currency Name	Options	Receivables	Payables	Total Exposure
Euro Currency	\$ —	\$ 386	\$ (1,457)	\$ (1,071)
Pound Sterling	—	—	(56)	(56)
Indian Rupee	2	—	—	2
Japanese Yen	—	19	(87)	(68)
South Korean Won	14	—	—	14
Malaysian Ringgit	95	—	—	95
	<u>\$ 111</u>	<u>\$ 405</u>	<u>\$ (1,600)</u>	<u>\$ (1,084)</u>

At June 30, 2025 the ARMB had no counterparty credit and counterparty concentration risk associated with its investment derivative positions.

Securities Lending

Alaska Statute 37.10.071 authorizes the ARMB to lend assets, under an agreement and for a fee, against deposited collateral of equivalent fair value. The ARMB lends marketable debt and equity securities through a contract with State Street Bank and Trust (the Bank). International equity security loans were collateralized at not less than 105 percent of their fair value. All other security loans were collateralized at not less than 102 percent of their fair value. Loaned securities and collateral were marked to market daily and collateral was received or delivered the following day, as necessary, to maintain collateral levels. The ARMB cannot pledge or sell collateral received until and unless a borrower defaults. At June 30, 2025, the ARMB had no credit risk exposure to the borrowers because the amounts the ARMB owes to the borrowers exceeded the amounts the borrowers owe the ARMB.

The fair value of securities on loan at June 30, 2025, was approximately \$28.1 million. At June 30, 2025, cash collateral received totaling \$29.3 million is reported as obligations under security lending and the fair value of the re-invested cash collateral totaling \$29.3 million is reported as security lending collateral in the Statement of Net Position.

Cash collateral was invested in a registered 2(a)-7 money market fund. Maturities of investments in the money market fund generally did not match the maturities of the loaned securities because the lending agreements were terminable at will. Securities under loan, cash collateral and cash collateral payable are recorded on the Statement of Net Position at fair value. The Bank and the ARMB received a fee from earnings on invested collateral. The Bank and the ARMB shared the fee paid by the borrower.

There was limited credit risk associated with the lending transactions since the ARMB was indemnified by the Bank against any loss resulting from counterparty failure or default on a loaned security or its related income distributions. The Bank further indemnified the ARMB against loss due to borrower rebates in excess of earnings on cash collateral. Indemnifications were subject to limitation relating to a force majeure event as outlined in the contract.

For the year ended June 30, 2025 there were no losses incurred as a result of securities lending transactions and there were no violations of legal or contractual provisions nor failures by any borrowers to return loaned securities.

DEFERRED COMPENSATION PLAN

The State's Internal Revenue Code Section 457 Deferred Compensation Plan (DCP) holds investments in several collective investment funds, Pooled Investments Funds, and Stable Value Fund. At June 30, 2025, Deferred Compensation Plan investments totaled \$1.28 billion.

Each participant designates how their contribution is to be allocated among the investment options. Each participant's account is credited with the participant's contributions, adjusted for the appreciation or depreciation in unit value for the investment funds, and reduced for administrative fees.

The carrying values of participant-directed investments at June 30, 2025 are as follows (in thousands):

	<u>FY 2025</u>
S&P 500 Stock Index Fund	\$ 356,706
Stable Value Fund	145,103
U.S. Small-Cap Trust	100,635
Alaska Long-Term Balanced Trust	97,341
Russell 3000 Index Fund	75,001
Passive U.S. Bond Index Fund	65,364
Alaska Balanced Trust	43,900
Environmental, Social, and Governance Fund	41,500
World Equity Ex-U.S. Index Fund	41,086
International Equity Fund	38,351
Alaska Target Date Retirement 2030 Trust	37,266
Alaska Target Date Retirement 2025 Trust	31,255
Alaska Target Date Retirement 2035 Trust	30,644
State Street Institutional Treasury Money Market	29,544
Alaska Target Date Retirement 2040 Trust	25,161
Alaska Target Date Retirement 2020 Trust	22,301
Alaska Target Date Retirement 2045 Trust	20,603
Alaska Target Date Retirement 2050 Trust	19,562
Blackrock Strategic Completion Fund	16,711
Alaska Target Date Retirement 2055 Trust	13,655
Alaska Target Date Retirement 2015 Trust	8,315
Fidelity Core Plus Fund	5,747
Mid Capitalization Equity Index Fund	5,304
Alaska Target Date Retirement 2060 Trust	3,665
Alaska Target Date Retirement 2065 Trust	2,686
Alaska Target Date Retirement 2010 Trust	2,648
MassMutual Equity Fund	2,408
S&P 600 Equity Index Fund	1,052
MassMutual Bond Fund	12
	<u>\$ 1,283,526</u>

Additional investment information is disclosed in the financial statements issued by the Department of Administration, Division of Retirement and Benefits. These financial statements are available through the Department of Administration, Division of Retirement and Benefits, P.O. Box 110203, Juneau, AK 99811-0203 or at <http://doa.alaska.gov/drb/>.

Risk and Uncertainty

DCP invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of fiduciary net position.

DCP may invest in pooled separate accounts that include securities with contractual cash flows, which may include asset-backed securities, collateralized mortgage obligations, and commercial mortgage-backed securities. The value, liquidity, and related income of these securities are sensitive to changes in economic conditions, including real estate value, delinquencies or defaults, or both, and may be adversely affected by shifts in the market's perception of the issuers and changes in interest rates.

SUPPLEMENTAL BENEFITS SYSTEM

The State's Supplemental Benefits System (SBS) holds investments in several collective investment funds, a Stable Value Fund and the Pooled Investment Funds. At June 30, 2025, SBS investments totaled \$5.56 billion.

Each participant designates how their contributions are to be allocated among the investment options. Each participant's account is credited with the participant's contributions, adjusted for the appreciation or depreciation in unit value for the investment funds, and reduced for administrative fees.

The carrying values of participant-directed investments at June 30, 2025 are as follows (in thousands):

	FY 2025
Alaska Balanced Trust	\$ 1,054,833
Alaska Long-term Balanced Trust	851,984
S&P 500 Stock Index Fund	746,873
Stable Value Fund	385,088
Alaska Target Date Retirement 2055 Trust	232,528
Russell 3000 Index Fund	215,368
Alaska Target Date Retirement 2050 Trust	213,199
Alaska Target Date Retirement 2045 Trust	187,870
Alaska Target Date Retirement 2035 Trust	166,523
U.S. Small Cap Trust	165,108
Alaska Target Date Retirement 2030 Trust	161,203
Passive U.S. Bond Index Fund	155,516
Alaska Target Date Retirement 2040 Trust	155,228
World Equity Ex-U.S. Index Fund	135,173
Alaska Target Date Retirement 2025 Trust	131,774
Environmental, Social, and Governance Fund	100,474
International Equity Fund	89,001
State Street Institutional Treasury Money Market Fund	82,809
Alaska Target Date Retirement 2020 Trust	81,108
Alaska Target Date Retirement 2015 Trust	66,807
Blackrock Strategic Completion Fund	49,623
Alaska Target Date Retirement 2060 Trust	44,160
Alaska Target Date Retirement 2065 Trust	31,859
Mid Capitalization Equity Fund	19,610
Fidelity Core Plus Fund	18,268
Alaska Target Date Retirement 2010 Trust	12,420
S&P 600 Stock Index Fund	2,620
	<u>\$ 5,557,027</u>

Additional investment information is disclosed in the financial statements issued by the Department of Administration, Division of Retirement and Benefits. These financial statements are available through the Department of Administration, Division of Retirement and Benefits, P.O. Box 110203, Juneau, AK 99811-0203 or at <http://doa.alaska.gov/drb/>.

Risk and Uncertainty

SBS invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of fiduciary net position. SBS may invest in pooled separate accounts that include securities with contractual cash flows, which may include asset-backed securities, collateralized mortgage obligations, and commercial mortgage-backed securities. The value, liquidity, and related income of these securities are sensitive to changes in economic conditions, including real estate value, delinquencies or defaults, or both, and may be adversely affected by shifts in the market's perception of the issuers and changes in interest rates.

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

There are many component units of the State that maintain their accounts outside of the State treasury. However, the overwhelming majority of the activity is within the Alaska Permanent Fund Corporation (APFC). Information on deposits and investments maintained by the other component units are available within their separately issued audit reports.

ALASKA PERMANENT FUND CORPORATION

APFC is managed by a six member board of trustees (the “Trustees” or “Board”) consisting of the Department of Revenue Commissioner, one other head of a principal State department, and four public members with recognized competence and experience in finance, investments, or other business management-related fields. The board employs an executive director who in turn employs additional staff as necessary. The Alaska Permanent Fund (the “Fund”) assets are diversified across a wide variety of investments, in accordance with statutes, regulations, and APFC investment policies.

Investments and Related PoliciesCarrying value of investments

The Fund considers all of its ownership interests in securities and other assets to be investments because they are held for the purpose of income or profit and have a present service capacity based solely on their ability to generate cash or be sold to generate cash. Investments are reported at fair value in the financial statements. Investments without a readily determinable fair value are generally reported by using the NAV per share (or its equivalent) of the investment. Securities transactions are recorded on the trade date that securities are purchased or sold. Unrealized gains and losses are reported as components of net change in fund balance.

State investment regulations

In accordance with Alaska Statute 37.13.120(a), the Trustees have adopted regulations designating the types of assets eligible for Fund investment. The regulations follow the prudent investor rule, requiring the exercise of judgment and care under the circumstances then prevailing that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the designation and management of large investments entrusted to it, not in regard to speculation, but in regard to the permanent disposition of funds, considering preservation of the purchasing power of the Fund over time while maximizing the expected total return from both income and the appreciation of capital.

Investment policy - Asset allocation

The Trustees have established a long-term goal of achieving a five percent real rate of return over time on the Fund’s investment portfolio. To help achieve this goal, the Trustees allocate the Fund’s investments among various asset classes.

At June 30, 2025, the APFC’s strategic asset allocation targets were as follows:

Asset Class	Asset Class Target
Public Equities	32%
Fixed Income	20%
Private Equity	18%
Real Estate	11%
Private Income	10%
Absolute Return	7%
Tactical Opportunities	1%
Cash	1%

To allow for market fluctuations and to minimize transaction costs, the Trustees have adopted ranges that permit percentage deviations from the strategic asset allocation targets in accordance with specified reporting requirements and other procedures. Generally, for each asset class, the APFC’s Chief Investment Officer has discretionary authority to permit target deviations

within one specified range (referred to as the “green zone” in the investment policy); the APFC’s Executive Director can approve target deviations for up to 90 days within a broader range (the “yellow zone”); and the Board can approve operating for longer than 30 days within a third range (the “red zone”). For example, the target dollar allocation for the public equities class is 32 percent, with the green zone range set at plus or minus five percent, the yellow zone range set at zero to five percent beyond the green zone, and red zone range set at greater than five percent beyond the green zone. In a similar manner, the APFC investment policy also requires the APFC to monitor relative risk (the expected investment portfolio’s risk and return relative to the risk benchmark using standard industry risk measures), active budget risk (risk due to active management decisions made by managers), and limits on private investments and future commitments.

Interest Rate Risk

The APFC manages the Fund’s exposure to interest rate risk in part through tracking error guidelines set forth in the APFC investment policy. Duration is an indicator of a portfolio’s market sensitivity to changes in interest rates. In general, the major factors affecting duration are, in order of importance: maturity, prepayment frequency, level of market interest rates, size of coupon, and frequency of coupon payments. Rising interest rates generally translate into the value of fixed income investments declining, while falling interest rates are generally associated with increasing value. Effective duration attempts to account for the price sensitivity of a bond to changes in prevailing interest rates, including the effect of embedded options. As an example, for a bond portfolio with a duration of 5 years, a one percentage point parallel decline in interest rates would result in an approximate price increase on that bond portfolio of five percent.

At June 30, 2025, the Fund held fixed income investments with floating, variable, step, and zero interest rates, valued at \$1.7 billion. The current annual interest rates ranging from zero to nine percent.

Credit Risk

The APFC requires that its investment grade fixed income managers invest in domestic and non-domestic bonds that have an explicit or implied investment grade rating. Should the required ratings on an existing fixed income security fall below the minimum standards, the security must be sold within seven months. Certain high yield investment managers are allowed to invest a specified amount of funds in bonds rated below investment grade.

Custodial Credit Risk

The APFC generally requires that all investment securities at custodian banks be held in the name of the Fund or the APFC (on behalf of the Fund). For the Fund’s non-domestic securities held by most sub-custodians, the APFC’s primary custodian provides contractual indemnities against sub-custodial credit risk. Excess cash in custodial accounts is swept daily to a money market fund. Late deposits of cash which miss the money market sweep deadline are deposited to an interest-bearing account at the custodian. These deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250 thousand. At times, balances in individual accounts exceed this limit.

Concentration of Credit Risk

The APFC manages the Fund’s concentration of credit risk by following its strategic asset allocation policy, diversifying investments among managers with varying investment styles and mandates, and monitoring tracking error. Tracking error is a measure of how closely a portfolio follows the index to which it is benchmarked. The APFC’s policy for mitigating this risk of loss for fixed income and equity investments is to ensure compliance with APFC investment policy and investment manager contracts. There is no single-issuer exposure within the APFC portfolio that comprises five percent or more of the overall portfolio. Therefore, no concentration of credit risk is reported in the notes to the financial statements.

Foreign Currency Risk

Foreign currency risk is managed through foreign currency forward contracts and by diversifying assets into various countries and currencies.

Forward Exchange Contracts

Fund managers enter into a variety of forward currency contracts in their trading activities and management of foreign currency exchange rate risk exposure. These contracts are typically intended to neutralize the effect of foreign currency fluctuations and

the contract amounts do not appear on the balance sheet. Realized gains and losses are included in the net increase/decrease in the fair value of investments at the time the contract is settled and determined based on the difference between the contract rate and the market rate at the time of maturity or closing. Unrealized gains and losses are also included in the net increase/decrease in the fair value of investments, and are calculated based on the difference between the contract rate and a forward market rate determined as of the balance sheet date.

A portion of the investment in forward exchange contracts is intended to manage, rather than neutralize, foreign currency fluctuations. Certain managers seek to control the effect of fluctuations in foreign exchange rates within their overall portfolio strategy rather than on a security by security basis. They attempt to optimize their foreign currency exposure in a market rather than accept the natural geographical exposure to the market's currency.

Futures

Certain equity and fixed income managers for the Fund are permitted to buy and sell equity and interest rate index futures. The gross contract and fair value of futures do not appear in the balance sheets. The net unrealized gain or loss on open futures trades is included in investments on the balance sheets, based on the difference between the future's purchase price and the current value of such futures. Realized gains and losses on futures are included in the net increase/decrease in the fair value of investments at the time the futures contract expires. The net change in unrealized gains and losses is also included in the net increase/decrease in the fair value of investments.

Cash and Temporary Investments

The amounts shown on the balance sheets as cash and temporary investments include cash on deposit at the custodian bank, cash swept to overnight investment funds, cash collateral held at derivatives brokers, U.S. Treasury bills, commercial paper, and the net fair value of foreign exchange forward contracts. The APFC's asset allocation includes approximately one percent in cash. APFC's investment policy specifies that funds dedicated to this portion of the asset allocation will be invested in money market funds or fixed income securities with weighted-average maturities of no greater than 24 months.

Cash and temporary investments, which include the market values of foreign currency (FX) and FX forward exchange contracts, are summarized as follows at June 30, 2025 (in thousands):

Cash	\$ 240,230
Pooled Funds	1,601,479
U.S. Treasury Bills	1,993,359
FX Forward Exchange Contracts	<u>(37,787)</u>
Total Cash and Temporary Investments	<u>\$ 3,797,281</u>

Uninvested cash was held at the custodian, sub-custodian, or derivatives broker banks, primarily in interest-bearing accounts. All pooled funds were invested in a money market fund. U.S. Treasury bills are explicitly guaranteed by the U.S. government. Late deposits of cash that miss the money market sweep deadline and foreign currency are deposited in an interest-bearing account at the custodian. Cash held outside Bank of New York was \$85 million on June 30, 2025. Deposit amounts at Bank of New York that exceeded the FDIC insurance limit were \$155 million on June 30, 2025.

Marketable Debt Securities

Marketable debt securities categorized by debt instrument type at June 30, 2025 are summarized as follows (in thousands):

	Cost	Fair Value	Unrealized Gains/(Losses)
Mortgage-backed Securities	\$ 2,675,438	\$ 2,600,950	\$ (74,488)
U.S. Treasury and Government Notes/Bonds	2,592,090	2,594,136	2,046
U.S. Corporate Bonds	6,757,376	6,601,598	(155,778)
U.S. Commercial Mortgage/Asset-backed Securities	624,492	613,105	(11,387)
U.S. Exchange Traded Funds	104,077	107,620	3,543
Non-U.S. Government Bonds	2,201,193	2,268,048	66,855
Non-U.S. Corporate Bonds	1,167,394	1,157,493	(9,901)
Non-U.S. Commercial Mortgage/Asset-backed Securities	19,441	19,254	(187)
Non-U.S. Exchange Traded Funds	24,416	25,268	852
Total Marketable Debt Securities	<u>\$ 16,165,917</u>	<u>\$ 15,987,472</u>	<u>\$ (178,445)</u>

Marketable Debt Credit Ratings

To manage credit risk for marketable debt securities, the APFC monitors fair values of all securities daily and routinely reviews its investment holdings' credit ratings. For accounts with an investment grade mandate, issues falling below the minimum standards are required to be sold within seven months of the downgrade date. Minimum standards are a Standard & Poor's Corporation rating of BBB or better, or Moody's Investors Service, Inc. rating of Baa or better, or a comparable rating by another Nationally Recognized Statistical Rating Organizations (NRSRO) or by a recognized rating service in the jurisdiction of the issuer. Accounts with high yield mandates are allowed to hold positions in assets with below investment grade ratings (high yield bonds). For purposes of this note, if credit ratings differ among the NRSROs used, the rating with the highest degree of risk (the lowest rating) is reported.

At June 30, 2025, the Fund's credit ratings for its marketable debt securities are as follows (in thousands):

NRSRO Quality Rating	Domestic	Non-Domestic	Total Fair Value	Percent of Holdings
AAA	\$ 521,134	\$ 260,564	\$ 781,698	4.89 %
AA	399,822	529,584	929,406	5.81 %
A	1,952,459	429,567	2,382,026	14.90 %
BBB	2,799,952	860,329	3,660,281	22.90 %
BB	1,115,906	267,625	1,383,531	8.65 %
B	363,243	89,203	452,446	2.83 %
CCC	—	729	729	0.01 %
D	—	69,367	69,367	0.43 %
Total Fair Value of Rated Debt Securities	7,152,516	2,506,968	9,659,484	60.42 %
Exchange Traded Funds	107,620	25,268	132,888	0.83 %
Not Rated	77,096	937,827	1,014,923	6.35 %
U.S. Government Explicitly Backed by the U.S. Government	3,211,944	—	3,211,944	20.09 %
U.S. Government Implicitly Backed by the U.S. Government	1,968,233	—	1,968,233	12.31 %
Total Fair Value Debt Securities	<u>\$ 12,517,409</u>	<u>\$ 3,470,063</u>	<u>\$ 15,987,472</u>	<u>100.00 %</u>

Marketable Debt Duration

To manage its interest rate risk on marketable debt securities, the APFC monitors fair values daily and routinely reviews portfolio duration in comparison to established benchmarks. At June 30, 2025, the effective duration by investment type, based on fair value, is as follows:

	Percentage of Holdings	Duration
Domestic Bonds		
Mortgage-Backed Securities	20.78 %	5.55
Treasury and Government Notes/Bonds	20.72	5.62
Corporate Bonds	52.74	6.57
Commercial Mortgage and Asset-backed Securities	4.9	1.79
Exchange Traded Funds	0.86	—
Total Domestic Bonds	<u>100.00 %</u>	<u>5.87</u>
Non-domestic Bonds		
Treasury and Government Bonds	65.36 %	7.43
Corporate Bonds	33.36	6.42
Commercial Mortgage and Asset-backed Securities	0.55	0.99
Exchange Traded Funds	0.73	—
Total Non-domestic Bonds	<u>100.00 %</u>	<u>7.00</u>

Preferred and Common Stock

Direct investments in preferred and common stock are held by the APFC's custodian bank on behalf of the Fund. The Fund also invests in commingled stock funds, which are held by the custodian bank of the fund manager on behalf of fund investors, and equity index futures, which are held at the prime broker.

Preferred and common stocks and commingled stock funds at June 30, 2025 are summarized as follows (in thousands) which include the net fair value of equity index futures of \$(2.5) million:

	Cost	Fair Value	Unrealized Gains/ (Losses)
Direct Investments			
Domestic Stock	\$ 12,660,505	\$ 16,148,076	\$ 3,487,571
Non-domestic Stock	9,934,338	11,986,838	2,052,500
Commingled Funds	179,898	238,091	58,193
Total Preferred and Common Stock	<u>\$ 22,774,741</u>	<u>\$ 28,373,005</u>	<u>\$ 5,598,264</u>

Foreign Currency Exposure

Foreign currency risk is managed by the international investment managers in part through their decisions to enter into foreign currency forward contracts. Foreign currency risk is also managed through the diversification of assets in various countries and currencies.

At June 30, 2025, the Fund's cash holdings, foreign currency forward exchange contracts, non-domestic public and private equity, and debt securities had exposure to foreign currency risk as follows (shown in U.S. dollar equivalent at fair value and based on the currency in which the securities are held and traded) (in thousands):

Foreign Currency	Cash and Cash Equivalents	Foreign Exchange Forward Contracts	Equity, Private Debt, Real Estate, Infrastructure	Marketable Debt	Total Foreign Currency Exposure
Australian Dollar	\$ 4,597	\$ (51,109)	\$ 347,778	\$ 28,572	\$ 329,838
Brazil Real	969	29	106,125	—	107,123
Canadian Dollar	2,314	(62,280)	717,118	52,794	709,946
Chilean Peso	133	—	6,884	—	7,017
Chinese Yuan Renminbi	6,802	(324,473)	277,605	317,766	277,700
Columbian Peso	182	—	2,062	—	2,244
Czech Koruna	365	(11,232)	1,796	10,637	1,566
Danish Krone	348	(11,046)	154,359	10,785	154,446
Egyptian Pound	52	—	1,139	—	1,191
Euro Currency	67,931	(941,230)	4,386,861	759,362	4,272,924
Hong Kong Dollar	5,365	(23,635)	927,268	—	908,998
Hungarian Forint	329	(3,273)	11,214	2,943	11,213
Indian Rupee	1,645	(292)	404,462	—	405,815
Indonesian Rupiah	444	(26,519)	60,216	25,785	59,926
Israeli Shekel	1,139	(14,049)	63,495	13,710	64,295
Japanese Yen	26,317	(523,881)	1,347,954	503,410	1,353,800
Kuwaiti Dinar	330	(235)	10,306	—	10,401
Malaysian Ringgit	621	(25,631)	28,558	25,241	28,789
Mexican Peso	145	(16,540)	66,843	16,437	66,885
New Taiwan Dollar	1,257	—	560,099	—	561,356
New Zealand Dollar	(373)	(21,878)	16,433	17,980	12,162
Norwegian Krone	480	(3,483)	52,190	3,395	52,582
Pakistan Rupee	3	—	4,887	—	4,890
Peruvian Sol	543	(17,702)	—	16,748	(411)
Phillipines Peso	178	—	14,481	—	14,659
Polish Zloty	537	(100)	56,059	—	56,496
Pound Sterling	20,142	(299,519)	1,330,810	201,878	1,253,311
Qatari Riyal	(373)	484	16,550	—	16,661
Romanian Leu	770	(11,324)	—	9,826	(728)
Russian Ruble	—	—	122	—	122
Saudi Arabian Riyal	(118)	—	77,942	—	77,824
Singapore Dollar	(240)	(8,024)	101,452	8,775	101,963
South African Rand	(359)	586	80,659	—	80,886
South Korean Won	3,193	(62,525)	411,166	61,769	413,603
Swedish Krona	1,082	(1,172)	173,030	—	172,940
Swiss Franc	1,373	(11,168)	419,820	—	410,025
Thailand Baht	533	(20,610)	20,224	20,110	20,257
Turkish Lira	178	—	14,255	—	14,433
UAE Dirham	408	—	59,192	—	59,600
Total foreign currency exposure	<u>\$ 149,242</u>	<u>\$ (2,491,831)</u>	<u>\$ 12,331,414</u>	<u>\$ 2,107,923</u>	<u>\$ 12,096,748</u>

Cash amounts in the schedule include receivables, payables, and cash balances in each related currency. If payables exceed receivables and cash balances in a currency, then the total cash balance for that currency will appear as a negative value. The remaining Fund investments are denominated in U.S. dollars and are not included in the schedule above.

Real Estate

The Fund holds a variety of real estate interests, including directly owned real estate, real estate investment trusts, private real estate funds, and other entities in which the assets consist primarily of real property. The Fund also holds a portfolio of real estate loans collateralized by income-producing, institutional real estate in the United States that are administered by an external institutional real estate management firm. In recent years, the Fund expanded its real estate portfolio strategy with a "Build-to-Core" investment program, creating high-quality properties. The Fund's directly owned real estate is through ownership of interests in corporations, limited liability companies, and partnerships that hold title to the real estate. External institutional real estate management firms administer the majority of the Fund's directly owned real estate investments. An internal real estate program manages two directly owned real estate investments.

The APFC periodically reviews real estate investments for other than temporary impairment. During FY 2025, it was determined that three real estate holdings were impaired because it was more likely than not that the Fund would not recover the carrying cost over the remaining estimated holding period of the assets. In order to reflect the impairment in statutory net income and fund balance classifications, \$154 million of unrealized losses were realized through a write down of cost to fair value.

Real estate investments at June 30, 2025 are summarized as follows (in thousands):

	Cost	Fair Value	Unrealized Gains (Losses)
Real Estate Investment Trusts	\$ 710,534	\$ 806,778	\$ 96,244
Real Estate Funds and Notes	2,748,236	3,049,727	301,491
American Homes 4 Rent II	82,561	105,863	23,302
Directly Owned Real Estate			
Retail	788,786	1,389,605	600,819
Office	1,684,376	1,743,158	58,782
Hotel	58,643	65,299	6,656
Industrial	361,478	935,186	573,708
Multifamily	345,017	461,619	116,602
Development	639,242	734,794	95,552
Total Real Estate	<u>\$ 7,418,873</u>	<u>\$ 9,292,029</u>	<u>\$ 1,873,156</u>

Alternative Investments

Alternative investments include the Fund's investments in absolute return strategies, private credit, private equity, and infrastructure.

Absolute return strategies are investments in specialized funds that seek to deliver returns that are largely uncorrelated with traditional market driven asset classes. The Fund invested in two absolute return limited partnerships, in which the Fund was the only limited partner ("fund-of-one"); both are currently in liquidation. The Fund also holds direct hedge fund investments, in which the Fund is one of many limited partners. External investment management services for this strategy are provided by institutional investment managers who have acknowledged their status as fiduciaries to the Fund. Due to the off-exchange and private nature of many absolute return strategies, investments may have no readily determinable fair value, and the estimated fair values could differ significantly from values that would be obtained in a market transaction for the assets. Each manager provides the Fund with fair value estimates of partnership interests and undergoes an annual independent audit.

The Fund invests in private credit through limited partnerships that invest either directly in distressed or mezzanine debt, or in commingled limited liability funds with a distressed debt or credit opportunity focus. These investments are funded over time as opportunities arise. The limited partnerships and funds undergo annual independent audits. Private credit investments by their nature generally have no readily determinable fair value, and the estimated fair values may differ significantly from values that would be obtained in a market transaction for the assets.

The Fund holds private equity through investments in limited liability companies and limited partnerships that typically invest in unlisted, illiquid common and preferred stock and, to a lesser degree, subordinated and senior debt of companies that are in

most instances privately held. The APFC has hired external advisors to assist in the selection of private equity holdings diversified by geography and strategy. Private equity is funded slowly over time as opportunities are identified by APFC staff, the external advisors, and the underlying fund managers. The underlying private equity funds provide the Fund with fair value estimates of the investments utilizing the most current information available. In addition, the external advisors review the fair value estimates and the underlying private equity funds undergo annual independent audits. Private equity investments by their nature generally have no readily determinable fair value, and the estimated fair values may differ significantly from values that would be obtained in a market transaction for the assets.

Infrastructure investments involve ownership or operating agreements in essential long-term service assets with high barriers to entry. Examples of infrastructure assets include toll roads, airports, deep water ports, communication towers, and energy generation, storage and transmission facilities. Investments in this asset class are expected to have inflation protection attributes and exhibit low correlations with other major asset classes in the Fund's investment strategy. The Fund holds infrastructure investments through commingled funds organized as limited partnerships whose investment managers provide periodic fair value estimates and undergo annual independent audits. Infrastructure investments by their nature generally have no readily determinable fair value, and the estimated fair values may differ significantly from values that would be obtained in a market transaction for the assets.

Alternative investments at June 30, 2025 are summarized as follows (in thousands):

	Cost	Fair Value	Unrealized Gains
Absolute Return	\$ 3,805,560	\$ 5,836,798	\$ 2,031,238
Private Credit	2,399,522	2,760,821	361,299
Private Equity	9,971,004	14,875,225	4,904,221
Infrastructure	2,975,185	4,428,240	1,453,055
Total Alternative Investments	<u>\$ 19,151,271</u>	<u>\$ 27,901,084</u>	<u>\$ 8,749,813</u>

The Fund periodically reviews alternative investments for other than temporary impairment. During FY 2025, it was determined that five private credit funds, 27 private equity funds, and two infrastructure funds were impaired because it was more likely than not that the Fund would not recover the carrying cost over the remaining estimated holding period of the assets. In order to reflect the impairment in statutory net income and fund balance classifications, \$281 million of unrealized losses were realized through a write down of cost to fair value. These impairments have no impact on the carrying value of investments or on the net increase in the fair value of investments.

Securities Lending

State regulations at 15 AAC 137.510 and APFC investment policy authorize the APFC to enter into securities lending transactions on behalf of the Fund. Through a contract with the Bank of New York (the Bank), the Fund lends marketable debt and equity securities to borrowers who are banks and broker-dealers. The loans are collateralized with cash or certain marketable securities. Under APFC's contract with the Bank, the Bank must mark the loaned securities and collateral to the market daily, and the loan agreements require the borrowers to maintain the collateral at not less than 102 percent of the fair value of domestic loaned securities (and non-domestic loaned securities denominated in U.S. dollars) and not less than 105 percent of the fair value for other non-domestic loaned securities. The APFC can sell securities that are on loan. If a borrower fails to return the loaned securities (borrower default), the Bank can use cash collateral (and the proceeds on the sale of any non-cash collateral) to purchase replacement securities. Generally, the APFC is protected from credit risk associated with the lending transactions through indemnification by the Bank against losses resulting from counterparty failure, reinvestment of cash collateral, default on collateral investments, or a borrower's failure to return loaned securities.

Cash collateral received for loaned securities is reported on the Fund's balance sheets and invested by the Bank on behalf of the Fund. As of June 30, 2025, such investments were in overnight repurchase agreements that had a weighted average maturity of

one day. The average term of the loans was also one day. At June 30, 2025 the value of securities on loan is as follows (in thousands):

Fair Value of Securities on Loan, Secured by Cash Collateral	\$	3,930,579
Cash Collateral		4,016,702
Fair Value of Securities on Loan, Secured by Non-cash Collateral		7,096,069
Non-cash Collateral		7,708,733

The Fund receives 80 percent of earnings derived from securities lending transactions, and the Bank retains 20 percent. During the year ended June 30, 2025, the Fund incurred no losses from securities lending transactions. The Fund received income of \$25 million from securities lending for the year ended June 30, 2025.

Fair Value Measurement

Various inputs are used in valuing the investments held by the Fund. U.S. GAAP establishes a hierarchy of inputs used to value investments emphasizing observable inputs and minimizing unobservable inputs. These input levels are summarized as follows:

Level 1 - Published prices for identical assets in an active market.

Level 2 - Inputs, other than published prices, that are observable for the asset, either directly or indirectly.

Level 3 - Unobservable inputs should only be used to the extent that observable inputs are not available for a particular asset.

Investments measured using NAV per share as a practical expedient to fair value are not categorized into input levels. The input levels used to measure the Fund's investments at June 30, 2025 are summarized as follows (in thousands):

	Measured Using Input Levels			Measured Using	
	Level 1	Level 2	Level 3	NAV	Total
Marketable Debt Securities	\$ 2,727,387	\$ 13,259,647	\$ 438	\$ —	\$ 15,987,472
Preferred and Common Stock	28,215,288	17,256	39	140,422	28,373,005
Real Estate	806,778	—	—	8,485,251	9,292,029
Absolute Return	—	—	—	5,836,798	5,836,798
Private credit	—	—	—	2,760,821	2,760,821
Private equity	—	—	—	14,875,225	14,875,225
Infrastructure	—	—	—	4,428,240	4,428,240
Total Investments	<u>\$ 31,749,453</u>	<u>\$ 13,276,903</u>	<u>\$ 477</u>	<u>\$ 36,526,757</u>	<u>\$ 81,553,590</u>

Marketable debt securities and preferred and common stock classified as level 1 are valued using prices quoted in active markets for those securities. Marketable debt securities classified as level 2 are valued using matrix pricing and those classified at level 3 are term loans. Commingled funds reported at NAV use the capital account balance nearest to the balance sheet date, adjusted for subsequent contributions and distributions made prior to the balance sheet date.

Publicly traded real estate investment trusts are valued using prices quoted in active markets and are reported as level 1. Directly held real estate, private real estate funds, and real estate debt investments are reported at the NAV of the capital account balance nearest to the balance sheet date, adjusted for subsequent contributions and distributions made prior to the balance sheet date. The underlying directly owned real estate investments are subject to annual appraisals and audits.

Absolute return investments are reported at the NAV of the capital account balance nearest to the balance sheet date, adjusted for subsequent contributions and distributions made prior to the balance sheet date. Absolute return investments undergo annual independent financial statement audits. The redemption notice period is from 2-100 days and the frequency of redemption is monthly to semiannually.

Private credit investments are reported at NAV of the capital account balance nearest to the balance sheet date, adjusted for subsequent contributions and distributions made prior to the balance sheet date. Private credit investments undergo annual independent financial statement audits. Redemptions are not allowed and the usual life of these investments is 5-7 years.

Private equity and infrastructure investments are reported at the NAV of the capital account balance nearest to the balance sheet date, adjusted for subsequent contributions and distributions made prior to the balance sheet date. Private equity investments undergo annual independent financial statement audits. Redemptions are not allowed and the usual life of these investments is 10-12 years.

Investment Income by Source

Investment income during the year ended June 30, 2025, is summarized as follows (in thousands):

Interest	
Short-term	\$ 84,392
Marketable Debt Securities	592,932
Total Interest	<u>\$ 677,324</u>
Total Dividends	<u>\$ 617,716</u>
Real Estate and Other Income	
Real Estate Investment Trusts	\$ 29,573
Real Estate - Funds, Notes, Direct	308,466
Absolute Return	40
Private Credit	160,592
Private Equity	155,147
Infrastructure	21,289
Other - Class Action, Security Lending	26,939
Total Real Estate and Other Income	<u>\$ 702,046</u>

Foreign Exchange Contracts, Futures and Off-Balance Sheet Risk

Certain APFC external investment managers enter into foreign currency forward exchange contracts (FX forward contracts) to buy and sell specified amounts of foreign currencies for the Fund at specified rates and future dates for the purpose of managing or optimizing foreign currency exposure. The maturity periods for outstanding contracts at June 30, 2025 ranged between one and 100 days.

The counterparties to the FX forward contracts consisted of a diversified group of financial institutions. The Fund is exposed to credit risk to the extent of nonperformance by these counterparties. The Fund's market risk as of June 30, 2025 is limited to the difference between contractual rates and forward market rates determined at the end of the fiscal year.

FX forward contracts for FY 2025 are summarized as follows (in thousands):

Fair Value of FX Forward Contracts, Beginning of Year	\$ 27,603
Net Change in Fair Value of FX Forward Contracts	<u>(65,391)</u>
Fair Value of FX Forward Contracts, End of Year	<u>\$ (37,788)</u>
Notional Amount of FX Forward Contracts, End of Year	<u>\$ 6,800,721</u>

Certain APFC equity and fixed income investment managers are permitted to trade equity and U.S. Treasury index futures for the Fund's account. Equity index futures are traded in both domestic and non-domestic markets based on an underlying stock exchange value. Index futures are settled with cash for the net difference between the trade price and the settle price.

Futures in equity accounts for FY 2025 are summarized as follows (in thousands):

Fair Value of Equity Index Futures, Beginning of Year	\$ (732)
Net Change in Fair Value of Equity Index Futures	<u>(1,740)</u>
Fair Value of Equity Index Futures, End of Year	<u><u>\$ (2,472)</u></u>
Notional Amount of Equity Index Futures, End of Year	<u><u>\$ 5,657</u></u>

Futures in fixed income accounts for FY 2025 is summarized as follows (in thousands):

Fair Value of US Treasury Index Futures, Beginning of Year	\$ 135
Net Change in Fair Value of US Treasury Index Futures	<u>(3,561)</u>
Fair Value of US Treasury Index Futures, End of Year	<u><u>\$ (3,426)</u></u>
Notional Amount of US Treasury Index Futures, End of Year	<u><u>\$ 448,205</u></u>

NOTE 5 – CAPITAL ASSETS

PRIMARY GOVERNMENT

Capital assets, which include property, plant, equipment, intangibles, and infrastructure items (highways, bridges, and similar items) are reported in the applicable governmental and business-type activity columns of the government-wide financial statements. Intangibles are grouped with the asset class they most resemble except for leases, which are grouped under intangible assets. Easements and right of way are grouped with land, and software is grouped with equipment.

Capitalization policy and useful lives for capital assets are as follows:

Capital Asset	Governmental Activities		Business-Type Activities	
	Capitalize at Value	Useful Life	Capitalize at Value	Useful Life
Land	All	Indefinite	All	Indefinite
Infrastructure	\$ 1,000,000	15-75	\$ 100,000	5-40
Buildings	1,000,000	50	100,000	10-40
Intangible Assets and Computer Software	500,000	3-7		
Building Improvements	100,000	15	All	5-40
Machinery/Equipment	100,000	3-60	5,000	5-10
Construction in Progress				

When a proprietary or fiduciary fund has its own capitalization policy, capital assets will be capitalized under that policy rather than in accordance with the above table.

State of Alaska art, library reserve, and museum collections that are considered inexhaustible, in that their value does not diminish over time, are not capitalized. These assets are held for public exhibition, education, or research rather than financial gain, and are protected, kept unencumbered, cared for, and preserved. Proceeds from the sale of collection items are used to acquire other items for collections.

Capital asset activities for the fiscal year ended June 30, 2025, are as follows (in millions):

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated:				
Intangible - Easements and Right-of-Way	\$ 724	\$ 6	\$ —	\$ 730
Land	383	—	—	383
Construction in progress	2,007	712	(603)	2,116
Total capital assets not being depreciated	<u>3,114</u>	<u>718</u>	<u>(603)</u>	<u>3,229</u>
Capital assets being depreciated:				
Buildings	2,154	64	(19)	2,199
Intangible - Software	426	1	(1)	426
Equipment	1,288	88	(46)	1,330
Infrastructure	12,199	645	(1)	12,843
Total capital assets being depreciated	<u>16,067</u>	<u>798</u>	<u>(67)</u>	<u>16,798</u>
Less accumulated depreciation for:				
Buildings	(802)	(79)	11	(870)
Intangible - Software	(348)	(19)	1	(366)
Equipment	(726)	(62)	34	(754)
Infrastructure	(8,330)	(394)	—	(8,724)
Total accumulated depreciation	<u>(10,206)</u>	<u>(554)</u>	<u>46</u>	<u>(10,714)</u>
Total capital assets being depreciated, net	<u>5,861</u>	<u>244</u>	<u>(21)</u>	<u>6,084</u>
Capital assets, net	<u>\$ 8,975</u>	<u>\$ 962</u>	<u>\$ (624)</u>	<u>\$ 9,313</u>

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance
Lease and SBITA assets being amortized:				
Buildings	432	23	(11)	444
IT Subscriptions	101	80	—	181
Total lease and SBITA assets being amortized	<u>533</u>	<u>103</u>	<u>(11)</u>	<u>625</u>
Less accumulated amortization for:				
Buildings	(113)	(43)	9	(147)
IT Subscriptions	(31)	(41)	—	(72)
Total accumulated amortization	<u>(144)</u>	<u>(84)</u>	<u>9</u>	<u>(219)</u>
Total lease and SBITA assets being depreciated, net	<u>389</u>	<u>19</u>	<u>(2)</u>	<u>406</u>
Lease and SBITA assets, net	<u>\$ 389</u>	<u>\$ 19</u>	<u>\$ (2)</u>	<u>\$ 406</u>

Internal service funds predominantly serve the governmental funds. Accordingly, capital assets and lease assets for internal service funds are included as part of the above schedules for governmental activities.

Business-Type Activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 31	\$ —	\$ —	\$ 31
Construction in Progress	26	72	(65)	33
Total capital assets not being depreciated	57	72	(65)	64
Capital assets being depreciated:				
Buildings	1,163	19	—	1,182
Equipment	166	10	(9)	167
Infrastructure	1,258	36	—	1,294
Total capital assets being depreciated	2,587	65	(9)	2,643
Less accumulated depreciation for:				
Buildings	(663)	(33)	—	(696)
Equipment	(132)	(8)	9	(131)
Infrastructure	(746)	(39)	—	(785)
Total accumulated depreciation	(1,541)	(80)	9	(1,612)
Total capital assets being depreciated, net	1,046	(15)	—	1,031
Capital assets, net	\$ 1,103	\$ 57	\$ (65)	\$ 1,095

The following relates to the land owned by the State:

The total state entitlement amounts to approximately 105.8 million acres, 102.6 million of which was received through the Statehood Act. In accordance with the Alaska Statehood Act section 6(g), Alaska Native Claims Settlement Act, and the Alaska National Interest Lands Conservation Act, section 906(c), 100.6 million acres have been patented or “tentatively approved.”

The State disposes of various land parcels through several programs. However, the State generally retains the subsurface rights of the land upon disposal.

Depreciation and amortization expense was charged to the functions of the primary government as follows (in millions):

Governmental Activities:	<u>Capital Assets</u>	<u>Leases / SBITAs</u>
General Government	\$ 25	\$ 12
Education	29	1
Health and Human Services	19	18
Law and Justice	5	9
Natural Resources	4	5
Development	1	3
Public Protection	25	8
Transportation	413	6
University	1	—
Depreciation on capital assets held by the state's internal service funds is charged to the various functions based on their use of the assets.	33	21
Total Depreciation Expense - Governmental Activities	<u>\$ 555</u>	<u>\$ 83</u>
Business-Type Activities:		
Enterprise	\$ 79	

DISCRETELY PRESENTED COMPONENT UNITS

The estimated useful lives of capital assets range from 4 to 50 years. Intangibles are reported separately in the notes to the financial statements; however, on the face of the financial statements, intangibles that are not depreciated are grouped with the asset class they most resemble.

Capital asset activities for the fiscal year ended June 30, 2025, are as follows (in millions):

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 137	\$ 3	\$ (22)	\$ 118
Museum Collections	7	—	—	7
Construction in Progress	484	220	(203)	501
Total capital assets not being depreciated	<u>628</u>	<u>223</u>	<u>(225)</u>	<u>626</u>
Capital assets being depreciated/depleted:				
Intangible - Software	2	—	—	2
Intangible - Right of Use	21	2	—	23
Land	4	—	—	4
Library Books	54	—	(3)	51
Buildings	2,873	42	(3)	2,912
Equipment	1,101	48	(19)	1,130
Infrastructure	2,088	102	(4)	2,186
Total capital assets being depreciated/depleted	<u>6,143</u>	<u>194</u>	<u>(29)</u>	<u>6,308</u>
Less accumulated depreciation/depletion for:				
Intangible - Software	(2)	—	—	(2)
Intangible - Right of Use	(14)	(1)	—	(15)
Land	(1)	—	—	(1)
Library Books	(48)	(1)	2	(47)
Buildings	(1,642)	(80)	1	(1,721)
Equipment	(760)	(52)	17	(795)
Infrastructure	(1,224)	(64)	2	(1,286)
Total accumulated depreciation/depletion	<u>(3,691)</u>	<u>(198)</u>	<u>22</u>	<u>(3,867)</u>
Total capital assets being depreciated/depleted, net	<u>2,452</u>	<u>(4)</u>	<u>(7)</u>	<u>2,441</u>
Capital assets, net	<u>\$ 3,080</u>	<u>\$ 219</u>	<u>\$ (232)</u>	<u>\$ 3,067</u>

University of Alaska art and museum collections, which are capitalized but not depreciated, are held for public exhibition, education, or research rather than financial gain, and are protected, kept unencumbered, cared for, and preserved. Proceeds from the sale of collection items are used to acquire other items for collections.

	Beginning Balance	Additions	Deletions	Ending Balance
Lease and SBITA assets being amortized:				
Land	4	—	—	4
IT Subscriptions	9	6	—	15
Buildings	15	1	(8)	8
Equipment	14	4	(1)	17
Infrastructure	1	—	—	1
Total lease and SBITA assets being amortized	43	11	(9)	45
Less accumulated amortization for:				
Land	(1)	—	—	(1)
Buildings	(5)	(1)	1	(5)
IT Subscriptions	(4)	(4)	—	(8)
Equipment	(4)	(4)	1	(7)
Total accumulated amortization	(14)	(9)	2	(21)
Total lease and SBITA assets being amortized, net	29	2	(7)	24
Lease and SBITA assets, net	\$ 29	\$ 2	\$ (7)	\$ 24

NOTE 6 – SHORT-TERM DEBT, BONDS PAYABLE AND OTHER LONG-TERM OBLIGATIONS

A. SUMMARY OF CHANGES

Short-Term Debt

Two enterprise funds, the Alaska Clean Water Fund and the Alaska Drinking Water Fund issued revenue anticipation bonds during FY 2025 totaling \$977 thousand and \$932 thousand respectively. The proceeds were used to fund the State share of loan distributions and administration costs. In accordance with the Environmental Protection Agency regulations, interest and investment earnings were then used to retire the revenue anticipation notes.

Long-Term Liabilities

The following table summarizes changes in long-term liabilities for Governmental Activities for the fiscal year ended June 30, 2025 (in thousands):

Governmental Activities	Beginning Balance (Restated)	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Revenue bonds payable	\$ 285,875	\$ 3,592	\$ 12,934	\$ 276,533	\$ 4,290
General obligation debt	572,544	210,061	268,930	513,675	43,299
Leases, transfer of ownership and SBITAs	522,611	102,758	108,982	516,387	82,565
Unearned revenue	89,533	307,965	322,090	75,408	23,860
Certificates of participation	14,781	—	2,719	12,062	2,831
Compensated absences	224,695	212,690	193,508	243,877	184,679
Claims and judgments	198,924	23,239	29,203	192,960	42,569
Pollution remediation	120,495	4,830	4,873	120,452	12,045
Other noncurrent liabilities	34,142	71,980	69,993	36,129	585
Net pension liability	4,190,319	359,483	—	4,549,802	—
Total	\$ 6,253,919	\$ 1,296,598	\$ 1,013,232	\$ 6,537,285	\$ 396,723

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for internal service funds are included as part of the above totals for governmental activities.

The General Fund in which the leases and transfer of ownership contracts are recorded typically liquidate these liabilities. The compensated absence obligations are typically liquidated by the funds incurring the related salaries and wages. Claims and judgments attributable to governmental activities will generally be liquidated by the General Fund, except for the payments by Capital Project Funds for the rebate of arbitrage. Certain claims and judgment liquidations will receive proportional federal reimbursement. Other non-current liabilities due within one year will be liquidated by the General Fund and those due after one year will be liquidated by the Reclamation Bonding Pool, a special revenue fund.

The Internal Revenue Code and arbitrage regulations issued by the Internal Revenue Service require rebate to the federal government of excess investment earnings on bond proceeds if the yield on those earnings exceeds the effective yield on the related tax-exempt bonds issued. Arbitrage rebates payable are reported under claims and judgments.

The following table summarizes changes in long-term liabilities for business-type activities for the fiscal year ended June 30, 2025 (in thousands):

Business-Type Activities	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Revenue bonds payable	\$ 254,971	\$ 74,118	\$ 101,196	\$ 227,893	\$ 13,580
Unearned revenue	33,798	16,666	8,969	41,495	41,495
Compensated absences	6,446	6,196	5,055	7,587	4,588
Pollution remediation	14,323	500	1,825	12,998	1,300
Other noncurrent Liabilities	42,323	5,456	—	47,779	—
Net pension liability	89,734	6,674	5,230	91,178	—
Total	\$ 441,595	\$ 109,610	\$ 122,275	\$ 428,930	\$ 60,963

B. NET PENSION LIABILITY

Net pension liability is recorded in the schedule of long-term liabilities above. The PERS and TRS total pension liability for the June 30, 2024 measurement date was determined by actuarial valuations as of June 30, 2023, which were rolled forward to June 30, 2024. The JRS and NGNMRS total pension liability for the June 30, 2024 measurement date was determined by actuarial valuations as of June 30, 2022, which were rolled forward to June 30, 2024. The actuarial valuations used the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2024:

System	Investment Rate of Return	Inflation Rate	Salary Scale Increases
PERS	7.25%, net of pension plan investment expenses. This is based on an average inflation of 2.50% and a real return of 4.75%	2.5%	Based on service, from 8.50% to 3.85% for Peace Officer/Firefighter and from 6.75% to 2.85% for all others
TRS	7.25%, net of pension plan investment expenses. This is based on an average inflation rate of 2.50% and a real return of 4.75%	2.5%	Based on service, from 7.00% to 2.85%
JRS	7.25%, net of pension plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return 4.75%	2.5%	8.33% for FY 2024, 3.00% per year thereafter
NGNMRS	5.75%, net of pension plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 3.25%	2.5%	None

PERS pre-commencement and post-commencement mortality rates were based upon the 2017-2021 actual experience. Pre-commencement mortality rates were based on 100 percent of the Pub-2010 Safety/General Employee table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for Peace Officers/Firefighters were based on the Pub-2010 Safety Employee table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for others were based on 98 percent of male and 106 percent of female rates of the

Pub-2010 General Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates were based on 98 percent of male and 106 percent of female rates of the Pub-2010 General Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-disability mortality in accordance with the Pub-2010 Safety/Non-safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Disabilities are assumed to be occupational 70 percent of the time for Peace Officer/Firefighters, and 35 percent of the time for others. The actuarial assumptions used in the June 30, 2023 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2017 to June 30, 2021. The new demographic and economic assumptions were adopted by the Board to better reflect expected future experience and were effective for the June 30, 2022 valuation.

TRS pre-commencement and post-commencement mortality rates were based upon the 2017-2021 actual experience. Pre-commencement mortality rates were based on 100 percent of the Pub-2010 Teachers Employee table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates were based on 97 percent of male and 97 percent of female rates of the Pub-2010 Teachers Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 15 percent of the time. Post-disability mortality in accordance with the Pub-2010 Non-Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement. The actuarial assumptions used in the June 30, 2023 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021. The assumptions used in the June 30, 2023 actuarial valuation are the same as those used in the June 30, 2021 valuation except the amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from plan assets. The new demographic and economic assumptions were adopted by the Board to better reflect expected future experience and were effective for the June 30, 2022 valuation.

JRS pre-commencement and post-commencement mortality rates were based on the 2017-2021 actual experience, to the extent the experience was statistically credible. In accordance with Pub-2010 general employee/retiree table, above median, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement beneficiary mortality in accordance with Pub-2010 contingent survivor table, above-median, amount-weighted, and projected with MP-2021 generational improvement. The beneficiary mortality table is applied only after the death of the original member. The actuarial assumption used in the June 30, 2024 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021. For the June 30, 2024 actuarial valuation, the salary increase and pensioner benefit increase assumptions were modified to be 8.50 percent for FY 2025, and 3.00 percent per year thereafter to better reflect expected short-term experience. The amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from plan assets.

NGNMRS pre-commencement and post commencement mortality rates were based on the Pub-2010 safety employee/retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement beneficiary mortality in accordance with Pub-2010 contingent survivor table, amount-weighted, and projected with MP-2021 generational improvement. The actuarial assumptions used in the June 30, 2023 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021. The new demographic and economic assumptions were adopted to better reflect expected future experience and were effective for the June 30, 2022 valuation.

For PERS, TRS, JRS, and NGNMRS, the long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2024 are summarized in the next table (note that the rates shown exclude the inflation component):

System	Asset Class	Long-term Expected Real Rate of Return	Allocation	Range
PERS/TRS	Domestic Equity	5.48%	26.00%	+/- 6%
	Global Equity (ex-U.S.)	7.14	17.00	+/- 4
	Global Equity	5.79	—	—
	Aggregate Bonds	2.10	21.00	+/- 10
	Multi-Asset	—	8.00	+/- 4
	Real Assets	4.63	14.00	+/- 7
	Private Equity	8.84	14.00	+/- 7
	Cash Equivalents	0.77	—	—
JRS	Domestic Equity	5.48	26.00	+/- 6
	Global Equity (ex-U.S.)	7.14	17.00	+/- 4
	Global Equity	5.79	—	—
	Aggregate Bonds	2.10	21.00	+/- 10
	Multi-Asset	—	8.00	+/- 4
	Real Assets	4.63	14.00	+/- 7
	Private Equity	8.84	14.00	+/- 7
	Cash Equivalents	0.77	—	—
NGNMRS	Domestic Equity	6.17	20.00	+/- 6
	Global Equity (non-U.S.)	6.55	13.00	+/- 4
	Aggregate Bonds	1.63	44.00	+/- 10
	Opportunistic	—	8.00	+/- 4
	Real Assets	4.87	7.00	+/- 4
	Private Equity	11.57	8.00	+/- 4
	Cash Equivalents	0.49	—	—

The discount rate used to measure the total pension liability was 7.25 percent for PERS, TRS and JRS which is no change from the June 30, 2023 measurement. The discount rate used to measure the total pension liability was 5.75 percent for NGNMRS which no change from the June 30, 2023 measurement. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the System Pension Plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability in accordance with the method prescribed by GASB 68. In the event benefit payments are not covered by the plan's fiduciary net position, a municipal bond rate would be used to discount the benefit payments not covered by the System Pension Plans' fiduciary net position. The S&P Municipal Bond 20-Year High Grade Index rate was 4.21 percent as of June 30, 2024.

The following presents the net pension liability/(asset) for each plan as of June 30, 2024, calculated using the discount rate, as well as what the respective plans' net pension liability/(asset) would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate (in thousands):

	1% Decrease 6.25%	Discount Rate 7.25%	1% Increase 8.25%
Primary Government's proportionate share of the PERS net pension liability/(asset)	\$ 3,623,685	\$ 2,720,291	\$ 1,955,805
Discrete Component Units' proportionate share of the PERS net pension liability/(asset)	401,074	301,085	216,471
Primary Government's proportionate share of the TRS net pension liability/(asset)	19,285	13,293	8,221
Discrete Component Units' proportionate share of the TRS net pension liability/(asset)	38,968	26,861	16,612
Primary Government's JRS net pension liability/(asset)	22,742	(3,019)	(24,920)
	1% Decrease 4.75%	Discount Rate 5.75%	1% Increase 6.75%
Primary Government's NGNMRS net pension liability/(asset)	\$ (11,691)	\$ (14,833)	\$ (17,515)

The State's proportion of the net pension liability for the defined benefits multiple employer plans were based on projections of the present value of the State's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers from July 1, 2024 to a projected fully funded year of 2039. At June 30, 2024 the proportionate share of the net pension liability attributed to the State was 55.09 percent (49.60 percent for the primary government and 5.49 percent for the discrete component units) for the Public Employees' Retirement System (PERS) and 2.17 percent (0.72 for the primary government and 1.45 for the discrete component units) for the Teacher's Retirement System (TRS). This was a increase of 0.72 percent (0.51 percent increase for the primary government and 0.21 percent increase for the discrete component units) for PERS and an increase of 0.13 percent (0.07 percent increase for the primary government and 0.06 percent increase for the discrete component units) for TRS from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the State recognized pension expense of \$549,140 thousand (\$474,410 thousand for the primary government and \$74,730 thousand for the discrete component units) broken out by plan as follows (in thousands):

<u>Systems</u>	<u>Pension Expense</u>
Public Employees' Retirement System - Primary Government	\$ 463,181
Public Employees' Retirement System - Discrete Component Units	69,607
Teachers' Retirement System - Primary Government	3,320
Teachers' Retirement System - Discrete Component Units	5,123
Judicial Retirement System - Primary Government	6,237
Alaska National Guard and Alaska Naval Militia Retirement System - Primary Government	1,672

At June 30, 2025, the State reported deferred outflows of resources and deferred inflows of resources related to pension plans from the following sources by plan (in thousands):

		Deferred Outflows of Resources	Deferred Inflows of Resources
PERS			
Primary Government	Difference Between Projected and Actual Investment Earnings	\$ 26,187	\$ —
	Contributions Subsequent to the Measurement Date	300,317	—
Discrete Component Units	Difference Between Projected and Actual Investment Earnings	2,898	—
	Contributions Subsequent to the Measurement Date	34,760	—
TRS			
Primary Government	Difference Between Projected and Actual Investment Earnings	222	—
	Contributions Subsequent to the Measurement Date	1,296	—
Discrete Component Units	Difference Between Projected and Actual Investment Earnings	448	—
	Contributions Subsequent to the Measurement Date	1,980	—
JRS			
Primary Government	Difference Between Projected and Actual Investment Earnings	1,133	—
	Difference Between Expected and Actual Experience	4,243	—
	Changes in Assumptions	16,256	597
	Contributions Subsequent to the Measurement Date	5,425	—
NGNMRS			
Primary Government	Difference Between Projected and Actual Investment Earnings	1,223	—
	Difference Between Expected and Actual Experiences	1,175	—
	Changes in Assumptions	154	—

\$343,778 thousand reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in fiscal year 2026 (\$307,038 thousand for the primary government and \$36,740 thousand for discrete component units).

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense for each plan as follows (in thousands):

Year Ending June 30	PERS - Primary Government	PERS - Discrete Component Units	TRS - Primary Government	TRS - Discrete Component Units	JRS - Primary Government	NGNMRS - Primary Government
2026	\$ (72,909)	\$ (8,070)	\$ (611)	\$ (1,235)	\$ 6,346	\$ 656
2027	135,732	15,023	1,114	2,251	15,370	1,585
2028	(20,036)	(2,218)	(152)	(307)	75	275
2029	(16,601)	(1,837)	(129)	(261)	(757)	36
2030	—	—	—	—	—	—
Thereafter	—	—	—	—	—	—

SPECIAL FUNDING SITUATION

Under Governmental Accounting Standards Board Statement No. 68, a special funding situation exists when a nonemployer entity is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity or entities and either (1) the amount of contributions for which the nonemployer entity legally is responsible is not dependent upon one or more events unrelated to pensions or (2) the nonemployer is the only entity with a legal obligation to make contributions directly to a pension plan.

In an opinion dated August 3, 2015, the Department of Law advised that AS 39.35.280 and AS 14.25.085 did not create “legal responsibility” in the State to make contributions for non-State PERS and TRS participating employers, and that a “special funding situation” did not exist for purposes of GASB 68. The Department of Law further advised that the State should only report on its balance sheet those net pension liabilities attributable to the State as a participating employer. That opinion is incorporated by reference to this note.

On November 25, 2015, however, GASB staff advised the Department of Administration and the Department of Law that the term “legally responsible” for purposes of GASB 68 should not be construed in a legally enforceable sense, and that the reporting of net pension liability attributable to special funding situations on the State’s balance sheet does not mean that the State is legally obligated for such underlying net pension liabilities. Rather, the reporting of such amounts merely reflects an “economic reality” that the State is making state assistance payments on behalf of participating employers pursuant to AS 39.35.280 and AS 14.25.085. Nevertheless, GASB staff advised that the existence of such statutes, irrespective of their constitutional validity, required the State to report these amounts as liabilities on its balance sheet. Moreover, in a memo dated December 16, 2015, the Division of Legislative Audit stated that the constitutional prohibition against dedicated revenue and limitations on one legislature binding the appropriation power of a subsequent legislature are not permissible exceptions to this accounting rule.

Accordingly, the State is reporting such amounts on its balance sheet, but the State affirmatively disclaims any and all legal responsibility or obligation, in a legally enforceable sense, for the non-State employer GASB 68 net pension liabilities reported as liabilities on the basic financial statements herein. The State acknowledges that municipalities and school districts have taken the position that they are not claiming responsibility for liabilities beyond the obligations they report in their financial statements.

The assumptions for the portion of the net pension liability attributed to the special funding situation for both the PERS and TRS plans are the same as those previously listed. The proportionate share of the net pension liability attributed to the special funding situation was based on a projection of the present value of the State’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers from July 1, 2025 to a projected fully funded year of 2039.

The following presents the State’s proportionate share of the net pension liability calculated using the discount rate, as well as what the State’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage point higher than the current rate for the special funding situation portion (in thousands):

	1% Decrease 6.25%	Discount Rate 7.25%	1% Increase 8.25%
PERS net pension liability	\$ 994,159	\$ 746,313	\$ 536,575
TRS net pension liability	1,684,417	1,161,081	718,073

At June 30, 2024 the proportionate share of the net pension liability attributed to the State for the special funding situation was 13.61 percent for the Public Employee’s Retirement System (PERS) and 62.77 percent for the Teacher’s Retirement System (TRS), which was a increase of 1.01 percent and an increase of 1.92 percent from its proportion measured as of June 30, 2023 for PERS and TRS respectively.

For the year ended June 30, 2025, the State recognized expenses of \$354,442 thousand in relation to the special funding situation broken out by plan as follows (in thousands):

<u>Systems</u>	<u>Pension Expense</u>
Public Employees’ Retirement System	\$ 140,820
Teachers’ Retirement System	213,622

At June 30, 2025, the State reported deferred outflows of resources and deferred inflows of resources related to pension plans for the special funding situation amounts from the following sources by plan (in thousands):

		Deferred Outflows of Resources	Deferred Inflows of Resources
PERS	Difference Between Projected and Actual Investment Earnings	7,184	—
	Contributions Subsequent to the Measurement Date	59,149	—
TRS	Difference Between Projected and Actual Investment Earnings	19,358	—
	Contributions Subsequent to the Measurement Date	122,442	—

\$181,591 thousand reported as deferred outflows of resources related to the special funding situation resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in fiscal year 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the special funding situation will be recognized as expenses for each plan as follows (in thousands):

<u>Year Ending June 30</u>	<u>PERS</u>	<u>TRS</u>
2026	\$ (20,003)	\$ (53,376)
2027	37,238	97,307
2028	(5,497)	(13,284)
2029	(4,554)	(11,289)
2030	—	—
Thereafter	—	—

STATE ADMINISTERED SINGLE EMPLOYER PLANS

The schedules of changes in plan net pension liability/(asset) for the JRS and NGNMRS defined benefit pension plan as of the measurement date, June 30, 2024 are below (in thousands):

JRS	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at June 30, 2023	\$ 215,814	\$ 239,743	\$ (23,929)
Changes for the year:			
Service Cost	5,320	—	5,320
Interest	15,400	—	15,400
Differences between expected and actual experience	6,138	—	6,138
Changes in assumptions	23,998	—	23,998
Contributions - employer	—	5,601	(5,601)
Contributions - employee	—	933	(933)
Contributions - nonemployer (State)	—	2,593	(2,593)
Net investment income	—	20,949	(20,949)
Benefit payments, including refunds of employee contributions	(16,350)	(16,350)	—
Administrative expense	—	(129)	129
Net Changes	34,506	13,597	20,909
Balances at June 30, 2024	\$ 250,320	\$ 253,340	\$ (3,020)
NGNMRS	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a)-(b)
Balances at June 30, 2023	\$ 28,323	\$ 44,501	\$ (16,178)
Changes for the year:			
Service Cost	741	—	741
Interest	1,618	—	1,618
Differences between expected and actual experience	1,234	—	1,234
Net investment income	—	2,609	(2,609)
Benefit payments, including refunds of employee contributions	(1,711)	(1,711)	—
Administrative expense	—	(361)	361
Net Changes	1,882	537	1,345
Balances at June 30, 2024	\$ 30,205	\$ 45,038	\$ (14,833)

NON-STATE ADMINISTERED SINGLE EMPLOYER PLANS

The Alaska Railroad Corporation (ARRC) is a component unit of the State of Alaska. The ARRC has a single-employer defined benefit pension plan administered by the Tax Deferred Savings and Pension Committee covering all regular represented and non-represented employees who are not covered by the Civil Service Retirement System. The net pension liability/(asset) was measured as of December 31, 2024, and the total pension liability/(asset) used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of January 1, 2024. The actuarial valuation used the following actuarial assumptions:

Actuarial Assumption	
Inflation	2.5%
Salary increases	2.5% CPI plus merit based rates
Long term rate of return	7.25%
Cost of living allowance	1.25%
Retirement, disablement, and termination	Based on 2015-2019 experience study
Administrative expenses	0.71% of payroll, based on current year actual expense

Mortality rates were based on the Society of Actuaries RP-2014 healthy annuitant mortality table, rolled back to 2006 using MP-2014 and projected forward to 2015 using MP-2017, adjusted 91 percent for males and 96 percent for females and the Scale MP-2021 generational mortality improvement in longevity that management expects to occur in the future.

The long-term expected rate of return on pension plan investments of 7.25 percent was determined by management using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the intermediate-term and long-term expected rates of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Target allocation	Intermediate-term expected real rate of return	Long-term expected real rate of return
U.S. Treasury Inflation-Protected Securities (TIPS)	5.00%	(0.49)%	2.00%
Total Return Bond	13.00	(0.10)	2.68
Global Bond	5.00	0.63	2.68
High Yield Bond	7.00	2.15	3.66
Domestic Large Cap	20.00	3.61	5.85
Domestic Mid Cap	12.00	4.59	6.10
Domestic Small Cap	8.00	4.83	6.34
International Equity	13.00	4.34	5.61
Commodities	2.00	3.32	3.90
Real Estate	15.00	3.56	4.63
Total	<u>100.00%</u>		

The discount rate used to measure the total pension liability/(asset) was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and the ARRC contributions will be made based on the actuarially determined contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the net pension liability/(asset) calculated using the discount rate of 7.25 percent as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1-percentage point lower or higher than the current rate (in thousands):

	<u>1% Decrease (6.25%)</u>	<u>Current discount rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
Net pension liability/(asset)	\$ 60,360	\$ 19,448	\$ (14,347)

For the year ended December 31, 2024, the ARRC recognized pension expense of \$1.8 million and the following deferred outflows and deferred inflows (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 4,196	\$ 1,945
Changes in assumptions	146	1,719
Net difference between actual and projected earnings on investments	2,404	—

Deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

	<u>Amount</u>
Year ending December 31,	
2025	\$ 548
2026	6,995
2027	(2,949)
2028	(1,512)
2029	—
Thereafter	—
	<u>\$ 3,082</u>

Changes in the net pension liability/(asset) are as follows (in thousands):

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Asset (a)-(b)</u>
Balances at January 1, 2024	<u>\$ 286,115</u>	<u>\$ 259,895</u>	<u>\$ 26,220</u>
Changes for the year:			
Service cost	6,507	—	6,507
Interest	20,751	—	20,751
Difference between expected and actual experience	1,992	—	1,992
Contributions - employer	—	3,212	(3,212)
Contributions - employee	—	5,774	(5,774)
Net investment income	—	27,464	(27,464)
Benefit payments, including refunds of employee contributions	(12,803)	(12,803)	—
Administrative expense	—	(428)	428
Net Changes	<u>16,447</u>	<u>23,219</u>	<u>(6,772)</u>
Balances at December 31, 2024	<u>\$ 302,562</u>	<u>\$ 283,114</u>	<u>\$ 19,448</u>

C. NET OTHER POST-EMPLOYMENT BENEFITS LIABILITY/ASSET

Net other post-employment benefits (OPEB) liability is recorded in the schedule of long-term liabilities above. The total OPEB liability for the June 30, 2024 measurement date for all plans except JRS was determined by actuarial valuations as of June 30, 2023, which were rolled forward to June 30, 2024. The total OPEB liability for the June 30, 2024 measurement date for JRS was determined by an actuarial valuation as of June 30, 2024. Projections are based on an established pattern of practice. The actuarial valuations used the following actuarial assumptions, applied to all periods included in the measurement, as of June 30, 2024:

System	Investment Rate of Return	Inflation Rate	Salary Scale Increases	Healthcare Cost Trend Rates
PERS*	7.25%, net of postretirement healthcare plan investment expenses. This is based on an average inflation of 2.50% and a real rate of return of 4.75%	2.5%	Based on service, from 8.50% to 3.85% for Peace Officer/Firefighter. Based on service from 6.75% to 2.85% for all others	Pre-65 medical; 6.7% grading down to 4.5% Post-65 medical; 5.5% grading down to 4.5% Rx/EGWP; 7.2% grading down to 4.5%
TRS*	7.25%, net of postretirement healthcare plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.75%	2.5%	Based on service, from 7.00% to 2.85% for ARHCT, from 7.25% to 2.85% for ODD/RMP	Pre-65 medical; 6.7% grading down to 4.5% Post-65 medical; 5.5% grading down to 4.5% Rx/EGWP; 7.2% grading down to 4.5%
JRS	7.25%, net of post-retirement healthcare investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.75%	2.5%	5.00% for FY 2023, 8.338% for FY 2024, 3.00% per year thereafter	Pre-65 Medical; 6.7% grading down to 4.5% Post-65 medical; 5.5% grading down to 4.5% Rx/EGWP; 7.2% grading down to 4.5%

* Healthcare Cost Trend Rates applicable to Alaska Retiree Healthcare Trust and Retiree Medical Plans within PERS and TRS systems.

PERS pre-commencement and post-commencement mortality rates were based upon the 2017-2021 actual experience. Pre-commencement mortality rates for Peace Officers and Firefighters were based on 100 percent of the Pub-2010 Safety Employee table, headcount-weighted, and projected with MP-2021 generational improvement. Pre-commencement mortality rates for others were based on 100 percent of the Pub-2010 General Employee table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for Peace Officers and Firefighters were based on 100 percent of the Pub-2010 Safety Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for others were based on 101 percent of the male rates and 110 percent of the female rates of the Pub-2010 General Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-disability mortality in accordance with the Pub-2010 Safety/Non-Safety Disabled Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Disabilities are assumed to be occupational 70 percent of the time for peace officers/firefighters, 35 percent of the time for all others. The actuarial assumptions used in the June 30, 2023 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2017 to June 30, 2021. The new demographic and economic assumptions were effective for the June 30, 2022 actuarial valuation. For the ARHCT and RMP, the per capita claims costs were updated to reflect recent experience for the June 30, 2023 actuarial valuation.

TRS pre-commencement mortality rates were based on the Pub-2010 Teachers Employee table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates were based on 98 percent of male and 100 percent of female rates of the Pub-2010 Teachers Retiree table headcount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to be occupational 15 percent of the time. Post-disability mortality in accordance with the Pub-2010 Non-Safety Disabled Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. The actuarial assumption used in the June 30, 2023 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2017 to June 30, 2021. The new demographic and economic assumptions were effective for the June 30, 2022 actuarial valuation. For the ARHCT and RMP, the per capita claims costs were updated to reflect recent experience for the June 30, 2023 actuarial valuation.

JRS pre-commencement and post-commencement mortality rates were based upon the 2017-2021 actual experience, to the extent the experience was statistically credible. In accordance with Pub-2010 general employee/retiree table, above median, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement beneficiary mortality in accordance with Pub-2010 contingent survivor table, above-median, headcount-weighted, and projected with MP-2021

generational improvement. The beneficiary mortality table is applied only after the death of the original member. The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on the experience study for the period from July 1, 2017 to June 30, 2021, resulting in changes in actuarial assumptions effective for the June 30, 2022 actuarial valuation, which were adopted by the board to better reflect expected future experience.

The long-term expected rate of return on plan investments for each plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in the postretirement healthcare plans' target asset allocation are summarized in the following table as of June 30, 2024 (note that the following rates exclude the inflation):

System	Asset Class	Long-term Expected Real Rate of Return	Allocation	Range
PERS/TRS/JRS	Broad Domestic Equity	5.48%	26.00%	+/- 6%
	Global Equity non-U.S.	7.14	17.00	+/- 4
	Global Equity	5.79	—	—
	Aggregate Bonds	2.10	21.00	+/-10
	Multi-Asset	—	8.00	+/- 4
	Real Assets	4.63	14.00	+/- 7
	Private Equity	8.84	14.00	+/- 7
	Cash Equivalents	0.77	—	—

The discount rate used to measure the total OPEB liability/(asset) for each plan was 7.25 percent which is no change from the June 30, 2023 measurement. The projection of cash flows used to determine the discount rate assumed that employer and state contributions will continue to follow the current funding policy, which meets state statutes. Based on those assumptions, the fiduciary net position for each plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability/(asset) in accordance with the method prescribed by GASB 75. In the event benefit payments are not covered by the plan's fiduciary net position, a municipal bond rate would be used to discount the benefit payments not covered by the System Pension Plan's fiduciary net position. The S&P Municipal Bond 20-Year High Grade Index rate was 4.21 percent as of June 30, 2024.

The following presents the net OPEB liability/(asset) for each plan as of June 30, 2024, calculated using the discount rate, as well as what the respective plans' net OPEB liability/(asset) would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate (in thousands):

	1% Decrease 6.25%	Discount Rate 7.25%	1% Increase 8.25%
Primary Government's proportionate share of the PERS Alaska Retiree Healthcare Trust Plan net OPEB liability/(asset)	\$ (691,726)	\$ (1,092,455)	\$ (1,429,677)
Discrete Component Units' proportionate share of the PERS Alaska Retiree Healthcare Trust Plan net OPEB liability/(asset)	(76,694)	(121,124)	(158,512)
Primary Government's proportionate share of the PERS Occupational Death and Disability net OPEB liability/(asset)	(27,645)	(29,432)	(30,833)
Discrete Component Units' proportionate share of the PERS Occupational Death and Disability net OPEB liability/(asset)	(3,477)	(3,771)	(3,878)
Primary Government's proportionate share of the PERS Retiree Medical Plan net OPEB liability/(asset)	3,891	(22,464)	(42,608)
Discrete Component Units' proportionate share of the PERS Retiree Medical Plan net OPEB liability/(asset)	585	(3,375)	(6,402)
Primary Government's proportionate share of the TRS Alaska Retiree Healthcare Trust Plan net OPEB liability/(asset)	(4,940)	(7,168)	(9,032)
Discrete Component Units' proportionate share of the TRS Alaska Retiree Healthcare Trust Plan net OPEB liability/(asset)	(10,361)	(15,034)	(18,944)
Primary Government's proportionate share of the TRS Occupational Death and Disability net OPEB liability/(asset)	(58)	(58)	(57)
Discrete Component Units' proportionate share of the TRS Occupational Death and Disability net OPEB liability/(asset)	(275)	(274)	(273)
Primary Government's proportionate share of the TRS Retiree Medical Plan net OPEB liability/(asset)	(43)	(164)	(255)
Discrete Component Units' proportionate share of the TRS Retiree Medical Plan net OPEB liability/(asset)	(204)	(773)	(1,202)
Primary Government's JRS net OPEB liability/(asset)	(23,399)	(25,739)	(27,708)

The following presents the net OPEB liability/(asset) for each applicable plan as of June 30, 2024, calculated using the healthcare cost trend rates as summarized in the actuarial valuation reports, as well as what the respective plans' net OPEB liability/(asset) would be if it were calculated using trend rates that are one-percentage-point lower or one-percentage-point higher than the current healthcare cost trend rate (in thousands):

	1% Decrease	Current Trend Rate	1% Increase
Primary Government's proportionate share of the PERS Alaska Retiree Healthcare Trust Plan net OPEB liability/(asset)	\$ (1,468,176)	\$ (1,092,455)	\$ (646,123)
Discrete Component Units' proportionate share of the PERS Alaska Retiree Healthcare Trust Plan net OPEB liability/(asset)	(162,781)	(121,124)	(71,638)
Primary Government's proportionate share of the PERS Retiree Medical Plan net OPEB liability/(asset)	(45,266)	(22,464)	8,133
Discrete Component Units' proportionate share of the PERS Retiree Medical Plan net OPEB liability/(asset)	(6,801)	(3,375)	1,222
Primary Government's proportionate share of the TRS Alaska Retiree Healthcare Trust Plan net OPEB liability/(asset)	(9,235)	(7,168)	(4,697)
Discrete Component Units' proportionate share of the TRS Alaska Retiree Healthcare Trust Plan net OPEB liability/(asset)	(19,371)	(15,034)	(9,852)
Primary Government's proportionate share of the TRS Retiree Medical Plan net OPEB liability/(asset)	(266)	(164)	(26)
Discrete Component Units' proportionate share of the TRS Retiree Medical Plan net OPEB liability/(asset)	(1,254)	(773)	(121)
Primary Government's JRS net OPEB liability/(asset)	(27,918)	(25,739)	(23,125)

The State's proportion of the net OPEB liability/(asset) for the Alaska Retiree Healthcare Trust plans were based on projections of the present value of the State's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers from July 1, 2025 to a projected fully funded year of 2039. The State's proportion of net OPEB liability/(asset) for the Occupational Death and Disability and the Retiree Medical plans were based on employer retiree medical contributions made during the measurement year. The following represents the proportionate share of the multiple employer net OPEB liability/(asset) attributed to the state at June 30, 2024 and the associated change from its proportion measured as of June 30, 2023:

	2024	2025	Increase/ (Decrease)
PERS Alaska Retiree Healthcare Trust Plan	54.37 %	55.11 %	0.74 %
Primary Government	49.10	49.61	0.51
Discrete Component Units	5.27	5.50	0.23
PERS Occupational Death and Disability Plan	54.59	55.62	1.03
Primary Government	48.85	49.30	0.45
Discrete Component Units	5.74	6.32	0.58
PERS Retiree Medical Plan	54.53	55.43	0.90
Primary Government	47.87	48.19	0.32
Discrete Component Units	6.66	7.24	0.58
TRS Alaska Retiree Healthcare Trust Plan	2.08	2.23	0.15
Primary Government	0.65	0.72	0.07
Discrete Component Units	1.43	1.51	0.08
TRS Occupational Death and Disability Plan	3.67	4.16	0.49
Primary Government	0.58	0.72	0.14
Discrete Component Units	3.09	3.44	0.35
TRS Retiree Medical Plan	3.67	4.17	0.50
Primary Government	0.58	0.73	0.15
Discrete Component Units	3.09	3.44	0.35

For the year ended June 30, 2025 the State recognized OPEB expense of \$34,068 thousand (\$35,773 thousand for the primary government and (\$1,705) thousand for the discrete component units) broken out by plan as follows (in thousands):

<u>Systems</u>	<u>OPEB Expense</u>
PERS Alaska Retiree Healthcare Trust Plan - Primary Government	\$ 35,370
PERS Alaska Retiree Healthcare Trust Plan - Discrete Component Units	(1,691)
PERS Occupational Death and Disability Plan - Primary Government	(917)
PERS Occupational Death and Disability Plan - Discrete Component Units	(209)
PERS Retiree Medical Plan - Primary Government	2,789
PERS Retiree Medical Plan - Discrete Component Units	434
TRS Alaska Retiree Healthcare Trust Plan - Primary Government	(471)
TRS Alaska Retiree Healthcare Trust Plan - Discrete Component Units	(222)
TRS Occupational Death and Disability Plan - Primary Government	(5)
TRS Occupational Death and Disability Plan - Discrete Component Units	(21)
TRS Retiree Medical Plan - Discrete Component Units	4
Judicial Retirement System - Primary Government	(993)

At June 30, 2025 the State reported deferred outflows of resources and deferred inflows of resources related to OPEB plans from the following sources by plan (in thousands):

		Deferred Outflows of Resources	Deferred Inflows of Resources	
PERS Alaska Retiree Healthcare Trust Plan				
Primary Government	Difference Between Expected and Actual Experience	\$ 592	\$ —	
	Difference Between Projected and Actual Investment Earnings	16,636	—	
	Changes in Proportions and Difference Between Employer Contributions and Proportionate Share of Contributions	—	1,639	
	Changes in Assumptions	29,331	—	
Discrete Component Units	Difference Between Expected and Actual Experience	66	—	
	Difference Between Projected and Actual Investment Earnings	1,844	—	
	Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	147	1,397	
	Changes in Assumptions	3,252	—	
PERS Occupational Death and Disability Plan				
Primary Government	Difference Between Expected and Actual Experience	—	6,895	
	Difference Between Projected and Actual Investment Earnings	580	—	
	Changes in Proportions and Difference Between Employer Contributions and Proportionate Share of Contributions	138	238	
	Changes in Assumptions	—	73	
Discrete Component Units	Contributions Subsequent to the Measurement Date	3,603	—	
	Difference Between Expected and Actual Experience	—	867	
	Difference Between Projected and Actual Investment Earnings	67	—	
	Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	24	477	
	Changes in Assumptions	—	9	
Discrete Component Units	Contributions Subsequent to the Measurement Date	396	—	
	PERS Retiree Medical Plan			
	Primary Government	Difference Between Expected and Actual Experience	\$ 565	\$ 2,496
		Difference Between Projected and Actual Investment Earnings	317	—
		Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	2	106
Changes in Assumptions		7,601	15,101	
Contributions Subsequent to the Measurement Date		9,856	—	
Discrete Component Units	Difference Between Expected and Actual Experience	85	375	
	Difference Between Projected and Actual Investment Earnings	48	—	
	Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	77	124	
	Changes in Assumptions	1,142	2,269	
	Contributions Subsequent to the Measurement Date	1,317	—	

		Deferred Outflows of Resources	Deferred Inflows of Resources
TRS Alaska Retiree Healthcare Trust Plan			
Primary Government	Difference Between Expected and Actual Experience	18	—
	Difference Between Projected and Actual Investment Earnings	273	—
	Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	—	10
	Changes in Assumptions	—	105
Discrete Component Units	Difference Between Expected and Actual Experience	40	—
	Difference Between Projected and Actual Investment Earnings	596	—
	Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	212	—
	Changes in Assumptions	—	228
TRS Occupational Death and Disability Plan			
Primary Government	Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	1	6
	Difference Between Projected and Actual Investment Earnings	1	—
	Difference Between Expected and Actual Experience	—	6
	Contributions Subsequent to the Measurement Date	4	—
Discrete Component Units	Difference Between Projected and Actual Investment Earnings	4	—
	Difference Between Expected and Actual Experience	—	34
	Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	4	34
	Contributions Subsequent to the Measurement Date	17	—
TRS Retiree Medical Plan			
Primary Government	Difference Between Expected and Actual Experience	23	11
	Difference Between Projected and Actual Investment Earnings	2	—
	Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	1	31
	Changes in Assumptions	31	64
	Contributions Subsequent to the Measurement Date	32	—
Discrete Component Units	Difference Between Expected and Actual Experience	108	53
	Difference Between Projected and Actual Investment Earnings	11	—
	Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	3	111
	Changes in Assumptions	144	300
	Contributions Subsequent to the Measurement Date	144	—
JRS Alaska Retiree Healthcare Trust Plan			
Primary Government	Difference Between Projected and Actual Investment Earnings	132	—
	Difference Between Expected and Actual Experience	467	—
	Changes in Assumptions	317	599
	Contributions Subsequent to the Measurement Date	1,037	—

\$15,199 thousand reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or increase of the net OPEB asset in fiscal year 2026 (\$13,033 thousand for the primary government \$2,166 thousand for discrete component units). Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in OPEB expense for each plan as follows (in thousands):

	Year Ending June 30					
	2026	2027	2028	2029	2030	Thereafter
PERS Alaska Retiree Healthcare Trust Plan - Primary Government	\$ (33,127)	\$ 110,187	\$ (17,661)	\$ (14,480)	\$ —	\$ —
PERS Alaska Retiree Healthcare Trust Plan - Discrete Component Units	(4,741)	12,217	(1,958)	(1,605)	—	—
PERS Occupational Death and Disability Plan - Primary Government	(2,009)	(1,041)	(1,435)	(1,188)	(756)	(544)
PERS Occupational Death and Disability Plan - Discrete Component Units	(346)	(210)	(253)	(222)	(156)	(129)
PERS Retiree Medical Plan - Primary Government	(3,185)	67	(3,291)	(2,305)	(1,297)	794
PERS Retiree Medical Plan - Discrete Component Units	(464)	15	(501)	(355)	(207)	95
TRS Alaska Retiree Healthcare Trust Plan - Primary Government	(312)	607	(100)	(82)	—	—
TRS Alaska Retiree Healthcare Trust Plan - Discrete Component Units	(601)	123	(210)	(172)	—	—
TRS Occupational Death and Disability Plan - Primary Government	(4)	(3)	(4)	(3)	(3)	(5)
TRS Occupational Death and Disability Plan - Discrete Component Units	(17)	(10)	(16)	(14)	(13)	(17)
TRS Retiree Medical Plan - Primary Government	(15)	1	(13)	(12)	(6)	(4)
TRS Retiree Medical Plan - Discrete Component Units	(68)	8	(56)	(51)	(23)	(8)
JRS - Primary Government	(578)	1,080	(63)	(123)	—	—

SPECIAL FUNDING SITUATION

Under Governmental Accounting Standards Board Statement No. 75, a special funding situation exists when a nonemployer entity is legally responsible for providing certain forms of financial support for OPEB of the employees of another entity. Such support is a special funding situation if either (1) the amount of contributions or benefits, as applicable, for which the nonemployer entity legally is responsible is not dependent upon one or more events unrelated to OPEB or (2) the nonemployer is the only entity with a legal obligation to make contributions directly to an OPEB plan or to make benefit payments as OPEB comes due, as applicable.

As with net pension liability, the State is reporting such amounts on its balance sheet, but the State affirmatively disclaims any and all legal responsibility, right, or obligation, in a legally enforceable sense, for the non-State employer GASB 75 net OPEB liabilities/(assets) reported on the basic financial statements herein. The State acknowledges that municipalities and school districts have taken the position that they are not claiming responsibility for liabilities beyond the obligations they report in their financial statements.

The assumptions for the portion of the net OPEB liability attributed to the special funding situation for both the PERS and TRS plans are the same as those previously listed. The proportionate share of the net OPEB liability attributed to the special funding situation was based on a present value of the State's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers from July 1, 2025 to a projected fully funded year of 2039.

The following presents the State’s proportionate share of the net OPEB liability/(asset) associated with the special funding situation calculated using the discount rate, as well as what the State’s proportionate share of the net OPEB liability/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage point higher than the current rate for the special funding situation portion (in thousands):

	1% Decrease	Discount Rate	1% Increase
	6.25%	7.25%	8.25%
PERS Alaska Retiree Healthcare Trust Plan	\$ (188,859)	\$ (298,268)	\$ (390,339)
TRS Alaska Retiree Healthcare Trust Plan	(422,142)	(612,510)	(771,816)

The following presents the net OPEB liability/(asset) associated with the special funding situation for each applicable plan as of June 30, 2024, calculated using the healthcare cost trend rates as summarized in the actuarial valuation reports, as well as what the respective plans' net OPEB liability/(asset) would be if it were calculated using trend rates that are one-percentage-point lower or one-percentage-point higher than the current healthcare cost trend rate (in thousands):

	1% Decrease	Current Trend Rate	1% Increase
PERS Alaska Retiree Healthcare Trust Plan	\$ (400,850)	\$ (298,268)	\$ (176,408)
TRS Alaska Retiree Healthcare Trust Plan	(789,209)	(612,510)	(401,403)

At June 30, 2024 the proportionate share of the net OPEB liability/(asset) attributed to the State for the special funding situation was 13.54 percent for the Public Employee’s Retirement System (PERS) and 61.39 percent for the Teacher’s Retirement System (TRS), which was an increase of 0.85 percent and an increase of 1.64 percent from its proportion measured as of June 30, 2023 for PERS and TRS respectively.

For the year ended June 30, 2025, the State recognized expenses of \$(19,465) thousand in relation to the special funding situation broken out by plan as follows (in thousands):

<u>Systems</u>	<u>OPEB Expense</u>
Public Employees’ Retirement System	\$ (10,338)
Teachers’ Retirement System	(9,127)

For the year ended June 30, 2025, the State reported deferred outflows of resources and deferred inflows of resources related to pension plans for the special funding situation amounts from the following sources by plan (in thousands):

		Deferred Outflows of Resources	Deferred Inflows of Resources
PERS	Difference Between Expected and Actual Experience	\$ 162	\$ —
	Difference Between Projected and Actual Investment Earnings	4,542	—
	Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	—	3,400
	Changes in Assumptions	8,008	—
TRS	Difference Between Expected and Actual Experience	—	150
	Difference Between Projected and Actual Investment Earnings	7,761	—
	Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	—	1,570
	Changes in Assumptions	7,232	—

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the special funding situation will be recognized as expenses for each plan as follows (in thousands):

Year Ending June 30	PERS	TRS
2026	\$ (11,997)	\$ (23,042)
2027	30,084	51,859
2028	(4,822)	(8,540)
2029	(3,953)	(7,004)
2030	—	—
Thereafter	—	—

STATE ADMINISTERED SINGLE EMPLOYER PLANS

The schedules of changes in plan net OPEB liability/(asset) for the JRS defined benefit OPEB plan as of the measurement date, June 30, 2024 are below (in thousands):

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB asset (a)-(b)
Balances at June 30, 2023	\$ 19,235	\$ 43,040	\$ (23,805)
Changes for the year:			
Service Cost	938	—	938
Interest	1,412	—	1,412
Difference between expected and actual experience	39	—	39
Changes of assumptions	416	—	416
EGWP rebates	215	215	—
Other	—	14	(14)
Contributions - employer	—	940	(940)
Contributions - RDS	—	2	(2)
Net investment income	—	3,825	(3,825)
Benefit payments, including refunds of employee contributions	(1,616)	(1,617)	1
Administrative expense	—	(40)	40
Net Changes	<u>1,404</u>	<u>3,339</u>	<u>(1,935)</u>
Balances at June 30, 2024	<u>\$ 20,639</u>	<u>\$ 46,379</u>	<u>\$ (25,740)</u>

NON-STATE ADMINISTERED SINGLE EMPLOYER PLANS

The Alaska Railroad Corporation (ARRC) is a component unit of the State of Alaska. The ARRC has a single-employer defined benefit retiree health care plan administered by the Non-represented Tax Deferred Saving, 457 and Health Care Trust Plan Committee covering non-represented and Alaska Railroad Workers represented employees, who became employed prior to November 4, 2014. The plan also covers regular represented employees hired before April 2, 2015 for Carmen's Division of Transportation Communication International Union, March 4, 2016 for United Transportation Union, April 26, 2016 for International Brotherhood of Teamsters Local 959, and June 28, 2019 for American Train Dispatchers Association as specified in the labor agreements.

The net OPEB asset was measured as of December 31, 2024, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of January 1, 2024. The actuarial valuation used the following actuarial assumptions:

<u>Actuarial Assumption</u>	<u>December 31, 2024</u>
Discount Rate	6.00% Based on crossover test
Inflation	2.5%
Salary increases	2.5% CPI plus merit based rates
Long-term rate of return	6.00%
Retirement, disablement, and termination	Based on 2015-2019 experience study
Administrative expenses	0.36% of payroll, based on current year actual expenses
Participation Rates	Varies from 30% to 85%
Medical Trend	Non Medicare 8.5%, decreasing to an ultimate rate of 3.45% in 2076. Medicare 7.5%, decreasing to an ultimate rate of 3.45% in 2076.

Mortality rates were based on the Society of Actuaries headcount-weighted Pub-2010 General healthy annuitant table adjusted 101 percent for males and 110 percent for females and the Scale MP-2021 generational mortality improvement in longevity that management expects to occur in the future.

The long-term expected rate of return on OPEB plan investments of 6.00 percent was determined by management using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. The target allocation and best estimates of nominal rate of return for each major asset class are summarized in the following table:

Asset Class	Target allocation	Intermediate-Term Expected Real Rate of Return	Long Term Expected Real Rate of Return
U.S. Treasury Inflation-Protected Securities (TIPS)	6.00%	(0.15)%	2.44%
Short Term Bond	5.00	(0.20)	1.22
Total Bond Return	31.00	0.10	2.68
Global Bond	7.00	0.20	2.44
High Yield Bond	11.00	1.66	3.66
Domestic Large Cap	11.00	3.32	5.37
Domestic Mid Cap	7.00	4.05	5.90
Domestic Small Cap	4.00	4.39	6.10
U.S. Healthcare (Equity)	4.00	3.80	5.85
International Equity	6.00	4.05	6.10
Real Estate	8.00	3.41	4.39
Total	100.00%		

The discount rate used to measure the total OPEB liability/(asset) was 6.00 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate, and contributions from employers will be made based on the actuarially determined contribution rate. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected payments to determine the total OPEB liability.

The following presents the net OPEB liability/(asset) calculated as of December 31, 2024 using the discount rate of 6.00 percent, as well as what the net OPEB liability/(asset) would be if it were calculated using a discount rate that is 1-percentage point lower or higher than the current rate (in thousands):

	1% decrease 5.00%	Current discount rate 6.00%	1% Increase 7.00%
Net OPEB liability/(asset) \$	(42,881)	(44,762)	(46,333)

The following presents the net OPEB liability/(asset) calculated using the medical cost trend rate of 8.50 percent (Non-Medicare) and 7.50 percent (Medicare) beginning in 2025, decreasing to an ultimate rate of 3.45 percent in 2076+ as of December 31, 2024 as well as what the net OPEB liability/(asset) would be if it were calculated using a trend rate that is 1-percentage point lower or higher than the current rate (in thousands):

	1% Decrease	Medical Cost Trend Rate	1% Increase
Net OPEB liability/(asset) \$	(46,722)	(44,762)	(42,341)

For the year ended December 31, 2024, the ARRC recognized net OPEB expense of (\$2.0) million and the following deferred outflows and deferred inflows (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,738	\$ 6,120
Changes in assumptions	1,477	2,043
Net difference between actual and projected earnings on investments	1,621	—

Deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense or income as follows (in thousands):

	<u>Amount</u>
Year ending December 31,	
2025	\$ 74
2026	507
2027	(1,352)
2028	(738)
2029	(341)
Thereafter	(477)
	<u>\$ (2,327)</u>

Changes in the net OPEB liability/(asset) are as follows (in thousands):

	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net OPEB Asset (a)-(b)</u>
Balances at January 1, 2024	\$ 16,726	\$ 55,568	\$ (38,842)
Changes for the year:			
Service Cost	393	—	393
Interest	831	—	831
Difference between expected and actual experience	(2,898)	—	(2,898)
Changes in assumptions	(21)	—	(21)
Net investment income	—	4,339	(4,339)
Benefit payments, net of retiree premiums	(700)	(700)	—
Administrative expense	—	(114)	114
Net Changes	<u>(2,395)</u>	<u>3,525</u>	<u>(5,920)</u>
Balances at December 31, 2024	<u>\$ 14,331</u>	<u>\$ 59,093</u>	<u>\$ (44,762)</u>

D. GENERAL OBLIGATION BONDS AND REVENUE BONDS AND OTHER LONG-TERM DEBT

GENERAL OBLIGATION BONDS

Under Article IX, Section 8 of the State Constitution and AS 37.15, the State Bonding Act, general obligation bonds must be authorized by law and ratified by voters and generally must be issued for capital improvements. There is no statutory limit on the amount of State general obligation bonds that may be authorized.

The full faith, credit, and resources of the State are pledged to secure payment of general obligation bonds. As of June 30, 2025, the following were the general obligation bond debt outstanding (in millions):

Year Ending June 30	Principal	Interest	Total
2026	\$ 43.2	\$ 21.0	\$ 64.2
2027	42.9	20.2	63.1
2028	44.2	18.0	62.2
2029	45.6	15.7	61.3
2030	47.4	13.3	60.7
2031-2035	183.5	36.4	219.9
2036-2040	56.0	6.4	62.4
2041-2045	6.0	0.1	6.1
Total debt service requirements	468.8	<u>\$ 131.1</u>	<u>\$ 599.9</u>
Unamortized bond premium	44.9		
Total principal outstanding	<u>\$ 513.7</u>		

The General Obligation Bond Series 2009A Bonds were issued for the purpose of paying \$165 million of the costs of State transportation projects. The Series 2010A and B Bonds were issued for the purpose of paying \$164.57 million of the costs of State education projects. The Series 2012A Bonds were issued for the purpose of refunding \$191.41 million on the 2003A Series Bonds resulting in an economic gain of \$27.1 million and an aggregate difference in debt service of \$33.0 million. The Series 2013A and B Bonds were issued for the purpose of paying \$162.48 million of the costs of State education projects. The Series 2015B Bonds were issued for the purpose of refunding \$100.62 million on the 2009A Series Bonds resulting in an economic gain of \$7.5 million and an aggregate difference in debt service of \$8.8 million. The Series 2016A bonds were issued for the purpose of long-term financing, over short-term financing, of \$155.2 million of the costs of State transportation projects. The Series 2016B bonds were issued for the purpose of paying \$128.3 million of the costs of State transportation projects. The Series 2020A bonds were issued for the purpose of paying \$84.56 million of the costs of State transportation projects. The General Obligation Refunding Bonds, Series 2023A, was issued in February 2023 to refund a portion of the State's General Obligation Bonds, the Series 2012A and Series 2013B. The State issued \$55.9 million of General Obligation Refunding Bonds to refund \$57.625 million of outstanding general obligation bonds. The issuance of the new bonds achieved a total debt service savings of approximately \$1.81 million and a net present value savings of approximately \$1.75 million. The General Obligation Refunding Bonds, Series 2024A, were issued in June 2024 to refund the outstanding General Obligation Bonds, Series 2010A (Taxable Build America Bonds – Direct Payment). The State issued \$110.08 million of General Obligation Refunding Bonds to refund \$119.57 million of outstanding general obligation bonds. The issuance of the refunding bonds achieved total debt service savings of approximately \$4.5 million and a net present value savings of approximately \$4.0 million.

The General Obligation Refunding Bonds, Series 2024B and 2025A (Forward Delivery), were issued in August 2024 and May 2025, respectively. The Bonds refunded a portion of the outstanding general obligation and refunding bonds, Series 2015B, 2016A, and 2016B. The State issued approximately \$190.4 million of General Obligation Refunding Bonds to refund \$203.9 million of outstanding general obligation and refunding bonds. The issuance of the refunding bonds achieved total debt service savings of approximately \$19.5 million and a net present value savings of \$16.5 million.

Federal subsidies related to the interest payments made during the year on the bonds were \$2.9 million.

At June 30, 2025, the amount of general obligation bonds authorized was \$1,015.7 million with \$1,015.7 million issued.

REVENUE BONDS AND OTHER LONG-TERM DEBT

As of June 30, 2025, the following were the revenue bonds and other long-term debt outstanding (in millions):

Year Ending June 30	Governmental Activities		Business-Type Activities	
	Bonds		Bonds	
	Principal	Interest	Principal	Interest
2026	\$ 4.3	\$ 6.3	\$ 13.6	\$ 9.7
2027	4.9	6.1	14.5	9.0
2028	5.2	5.8	15.4	8.2
2029	5.4	5.5	16.0	7.5
2030	5.4	5.3	16.6	6.7
2031-2035	26.9	22.4	103.5	19.2
2036-2040	29.8	16.5	25.1	0.6
2041-2045	28.2	10.5	—	—
2046-2050	36.2	5.1	—	—
2051-2055	—	—	—	—
2066-2070	94.6	335.7	—	—
Total debt service requirements	240.9	<u>\$ 419.2</u>	204.7	<u>\$ 60.9</u>
Unamortized bond (discounts)/ premiums	21.9		23.2	
Plus accreted value	13.7		—	
Total principal outstanding	<u>\$ 276.5</u>		<u>\$ 227.9</u>	

Between the 2056-2065 period, no principal or interest is due, therefore those years are not shown in the table above.

Northern Tobacco Securitization Corporation Revenue Bonds

The governmental activities revenue bonds include bond issuances by the Northern Tobacco Securitization Corporation (NTSC). The NTSC bonds were issued to purchase the right to a share of Tobacco Settlement Revenues (TSRs) received by the State of Alaska. These revenue bonds are secured by and payable solely from the TSRs and investment earnings pledged under the respective bond indentures and amounts established and held in accordance with those bond indentures. Neither Alaska Housing Finance Corporation nor the State of Alaska is liable for any debt issued by NTSC. NTSC revenue bond total at June 30, 2025 includes \$240.9 million in principal, \$21.9 million in unamortized premium, and \$13.7 million in accreted value on the Series 2021 Bonds. This debt is reported in the Governmental Activities column of the Government-wide Statement of Net Position.

On July 1, 2021, NTSC issued \$282.5 million of its Tobacco Settlement Asset-Backed Bonds, Series 2021, A, B-1, and B-2. These bonds were issued to fully redeem the series 2006 bonds.

Internal Service Fund Direct Borrowing

The Public Building Fund and the Information Service Fund both had direct borrowing activity. Both agreements state that if there is an event of default, notwithstanding any return of the subject property, the agency shall pay upon demand all remaining amounts due and anticipated to be due during the current fiscal year.

International Airports Revenue Bonds

The business activities revenue bonds include bond issuances by the International Airports Fund. Gross revenues derived from the operation of the international airports at Anchorage and Fairbanks are pledged to secure the payment of principal and

interest on International Airports Revenue Bonds. This debt is reported in the business-type activities column of the Government-wide Statement of Net Position. There are \$23.2 million of bonds authorized by the Alaska Legislature that have not been issued. During FY 2025 International Airports paid \$23.2 million of bonds that had matured. At June 30, 2025 there was no bond interest arbitrage rebate liability. International Airports Revenue Bond total at year end includes \$204.7 million in principal, \$60.9 million in interest, and \$23.2 million in unamortized premiums/discounts and deferred gains/losses.

E. LEASES, CONTRACTS THAT TRANSFER OWNERSHIP & SBITA's

The State routinely leases office facilities, office and computer equipment, and subscription-based information technology arrangements (SBITA) instead of purchasing assets. In addition, the State routinely acquires certain capital assets using contracts that transfer ownership arrangements. The lease contracts, at times, include variable payments, residual value guarantees, or termination penalties that are not known or certain to be exercised at the time of the lease liability valuation. These are recognized in the period that they occur. There were no variable payments or residual guarantee expenses for the fiscal year ended June 30, 2025.

The following is a schedule by fiscal year of future minimum payments due for leases, contracts that transfer ownership and SBITAs, together with the present value of the net minimum lease payments as of June 30, 2025 (in millions):

Year Ending June 30	Contracts that Transfer Ownership			Lease Liabilities			SBITA Liabilities		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 11.3	\$ 4.8	\$ 16.1	\$ 39.9	\$ 6.8	\$ 46.7	\$ 31.3	\$ 2.6	\$ 33.9
2027	12.8	4.8	17.6	39.5	5.9	45.4	26.7	1.8	28.5
2028	13.6	4.2	17.8	37.2	5.0	42.2	8.5	1.2	9.7
2029	14.2	3.5	17.7	30.8	4.1	34.9	6.3	1.0	7.3
2030	14.9	2.8	17.7	25.8	3.5	29.3	4.7	0.8	5.5
2031-2035	48.9	3.7	52.6	78.3	10.3	88.6	18.4	2.6	21.0
2036-2040	—	—	—	24.4	4.6	29.0	7.9	0.3	8.2
2041-2045	—	—	—	15.0	1.6	16.6	—	—	—
2046-2050	—	—	—	2.7	0.6	3.3	—	—	—
2051-2055	—	—	—	0.3	0.4	0.7	—	—	—
2056-2060	—	—	—	0.2	0.3	0.5	—	—	—
2061-2065	—	—	—	0.2	0.3	0.5	—	—	—
2066-2070	—	—	—	0.3	0.3	0.6	—	—	—
2071-2075	—	—	—	0.3	0.2	0.5	—	—	—
2076-2080	—	—	—	0.4	0.2	0.6	—	—	—
2081-2085	—	—	—	0.4	0.2	0.6	—	—	—
2086-2090	—	—	—	0.4	0.1	0.5	—	—	—
2091-2095	—	—	—	0.5	0.1	0.6	—	—	—
2096-2100	—	—	—	0.3	—	0.3	—	—	—
Total	<u>\$ 115.7</u>	<u>\$ 23.8</u>	<u>\$ 139.5</u>	<u>\$ 296.9</u>	<u>\$ 44.5</u>	<u>\$ 341.4</u>	<u>\$ 103.8</u>	<u>\$ 10.3</u>	<u>\$ 114.1</u>

Leases, contracts that transfer ownership, and SBITAs at June 30, 2025 are reported by the State of Alaska within governmental activities and business-type activities, as applicable.

F. CERTIFICATES OF PARTICIPATION

The State has lease purchase agreements funded through certificates of participation (COPs). These leases are for the purchase or construction of buildings. Third-party leasing companies assigned their interest in the lease to underwriters, which issued certificates for the funding of these obligations. The COPs represent an ownership interest of the certificate holder in a lease purchase agreement. While the State is liable for lease payments to the underwriters, the State is not liable for payments to holders of the certificates.

The following schedule presents future minimum payments as of June 30, 2025 (in millions):

Governmental Activities Year Ending June 30	Certificates of Participation		
	Principal	Interest	Total
2026	\$ 2.8	\$ 0.5	\$ 3.3
2027	3.0	0.4	3.4
2028	3.1	0.3	3.4
2029	3.2	0.1	3.3
2030	—	—	—
2031-2035	—	—	—
2036-2040	—	—	—
Total	<u>\$ 12.1</u>	<u>\$ 1.3</u>	<u>\$ 13.4</u>

G. DISCRETELY PRESENTED COMPONENT UNITS

Debt service requirements are (in millions):

Year Ending June 30	Bonds		Notes from Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
2026	\$ 174.0	\$ 168.6	\$ 4.5	\$ 1
2027	179.1	161.2	4.7	0.8
2028	206.6	153.4	4.9	0.7
2029	204.4	145.1	5	0.5
2030	202.6	138.6	3.4	0.3
2031-2035	1,151.7	560.4	6.8	0.4
2036-2040	802.2	362.5	—	—
2041-2045	552.6	204.4	—	—
2046-2050	408.9	94.5	—	—
2051-2055	156.2	16.0	—	—
2056-2060	—	—	—	—
Total debt service requirements	4,038.3	<u>\$ 2,004.7</u>	<u>\$ 29.3</u>	<u>\$ 3.7</u>
Unamortized (discounts)/premiums	99.6			
Unamortized swap termination penalty	(1.6)			
Total principal outstanding	<u>\$ 4,136.3</u>			

The preceding schedule excluded conduit debt of the Alaska Municipal Bond Bank Authority. Under the Coastal Energy Loan Program, the Authority issued \$5 million 1986 Series A Coastal Energy Bonds payable to the National Oceanic and Atmospheric Administration (NOAA). The proceeds of these bonds were used to purchase port revenue bonds from the City of Nome. The City of Nome entered into a tripartite agreement with NOAA and the Authority effective August 2, 1994 to defer payment of the principal and accrual of interest for ten years. Effective January 29, 2009, a second amendment to the tripartite agreement was executed. The amendment authorized the issuance of 2009A Bonds for the purpose of refunding by exchange the outstanding City of Nome, Alaska, Port Revenue Bond 1986 Series A. As of June 30, 2025 the aggregate amount outstanding for conduit debt obligations was \$3.0 million. Also under the Coastal Energy Loan Program, the Alaska Municipal Bond Bank Authority issued \$6.6 million 1987 Series A Coastal Energy Bonds payable to NOAA. The proceeds of these bonds were used to purchase port revenue bonds from the City of St. Paul. The City of St. Paul entered into a tripartite agreement with NOAA and the Authority effective December 14, 2000 to modify and defer payment. As of June 30, 2025 the aggregate amount outstanding for the City of St. Paul conduit debt obligations was \$6.0 million.

The preceding schedule excluded conduit debt of the Alaska Industrial Development and Export Authority (AIDEA). AS 44.88.080 authorizes AIDEA to borrow money and issue taxable and tax-exempt bonds for the purpose of acquiring ownership interests in projects and to provide development project financing. These bonds may be issued in an amount not to exceed \$400 million in a 12-month period and the maturities are limited to no more than 40 years from the date of issuance. There are no outstanding bond issuances for which AIDEA is financially responsible. However, AIDEA has acted as a conduit and utilized the services of trustees to issue bonds for the benefit of third-parties. The third-parties, which receive the benefit from the proceeds of these issuances, are legally responsible for the payment of principal and interest. In 2007, AIDEA issued Community Provider Revenue Bonds to finance the acquisition of a residential adolescent treatment center in Fairbanks for Boys and Girls Home and Family Services, Inc., a 501(c)(3) corporation that is a subsidiary of Boys and Girls Home and Family Services in Sioux City, Iowa. The bonds were in default in 2010 due to failure to make principal and interest payments, and the bonds were cancelled and forever discharged on May 16, 2025. The default and discharge of the bonds had no financial impact on AIDEA as AIDEA did not guarantee the bonds and bore no liability for repayment. As of the end of June 30, 2025, there was approximately \$299.0 million in conduit debt obligations outstanding. AIDEA has not made any moral obligation or appropriation pledges; financial guarantees; pledges of its own property, revenue or assets; or any other type of voluntary or additional commitment for payment of principal or interest of these bonds. The only commitment AIDEA has made is the limited commitment to maintain the tax-exempt status of tax-exempt bond issuances.

The preceding schedule excluded conduit debt of the Alaska Housing Finance Corporation (AHFC). AHFC has issued debt to assist private-sector entities in the acquisition or construction of facilities that help the Corporation fulfill its mission of making housing affordable for all Alaskans. The bonds are secured by the properties financed and are payable from rents, payments received on the underlying mortgage loans, as well as tax credits, grants and other subsidy funding. Neither the Corporation nor the State is obligated in any manner for repayment of the bonds. Accordingly, the bonds and any related assets are not reported as assets or liabilities in the accompanying financial statements.

A summary of the all AHFC conduit debt as of June 30, 2025 follows (in thousands):

	Balance as of June 30, 2025
Revenue bonds, 2025 (ACAH Valdez)	\$ 894
Revenue bonds, 2024 (Chenana)	7,460
Revenue bonds, 2023 (Spenard East Phase II)	10,000
Revenue bonds, 2023 (Brewsters MT View 21)	5,446
Revenue bonds, 2021 (Little Dipper Project)	4,276
Total	<u>\$ 28,076</u>

H. ALASKA HOUSING FINANCE CORPORATION DERIVATIVES

The Alaska Housing Finance Corporations (AHFC) entered into certain derivatives contracts to reduce its overall cost of capital and protect against the risk of rising interest rates. AHFC's derivatives consist of interest rate swap agreements entered into in connection with its long-term variable rate bonds. The interest rate swaps are pay-fixed, receive-variable agreements, and were entered into at a cost less than what AHFC would have paid to issue conventional fixed-rate debt.

The swaps are recorded and disclosed as either hedging derivatives or investment derivatives. The synthetic instrument method was used to determine whether or not the derivatives constitute effective hedges. The fair values of the hedgeable derivatives and investment derivatives are presented in the Statement of Net Position, either as a derivative liability (negative fair value amount) or as a derivative asset (positive fair value amount). If a swap changes from a hedgeable derivative to an investment derivative, the hedge is considered terminated and the accumulated change in fair value is no longer deferred but recognized as a revenue item.

AHFC categorizes its fair value measurements within the fair value hierarchy established by Generally Accepted Accounting Principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The fair value amounts, obtained from mark to market statements from the respective counterparties and reconciled to present value calculations done by AHFC, represent mid-market valuations that approximate the current economic value using market averages, reference rates, and/or mathematical models. These measurements are Level 2 inputs. Actual trade prices may vary significantly from these estimates as a result of various factors, which may include (but are not limited to) portfolio composition, current trading intentions, prevailing credit spreads, market liquidity, hedging costs and risks, position size, transaction and financing costs, and the use of capital profit. The fair value represents the current price to settle swap assets or liabilities in the marketplace if a swap were to be terminated.

AHFC's interest rate swaps require that if the ratings on the associated bonds fall to "BBB+/Baa1", AHFC would have to post collateral of up to 100 percent of the swap's fair value. As of June 30, 2025, AHFC had not posted any collateral and was not required to post any collateral.

HEDGING DERIVATIVES

The significant terms and credit ratings of AHFC's hedging derivatives as of June 30, 2025, are shown below:

Related Bond Issue	Effective Date	Fixed Rate Paid	Variable Rate Received	Swap Termination Date	Counterparty Credit Rating ¹
GP01B ²	8/2/2001	4.1127%	67% of 1M Fallback Rate (SOFR) ³	12/1/2030	A+/Aa2
E021A ⁴	10/9/2008	2.9800%	70% of 3M Fallback Rate (SOFR) ³	6/1/2032	AA-/Aa2
E071AB ⁴	5/31/2007	3.7345%	70% of 3M Fallback Rate (SOFR) ³	12/1/2041	AA-/Aa2
E071BD ⁴	5/31/2007	3.7200%	70% of 3M Fallback Rate (SOFR) ³	12/1/2041	AA-/Aa2
E091A ⁴	5/28/2009	3.7610%	70% of 3M Fallback Rate (SOFR) ³	12/1/2040	A+/Aa2
E091B ⁴	5/28/2009	3.7610%	70% of 3M Fallback Rate (SOFR) ³	12/1/2040	AA-/Aa2
E091ABD ⁴	5/28/2009	3.7400%	70% of 3M Fallback Rate (SOFR) ³	12/1/2040	AA-/Aa2
SC19A ⁵	6/1/2019	3.2220%	100% of 1M Fallback Rate (SOFR) ³	12/1/2029	A/Aa3

¹ Standard & Poor's/Moody's

² Governmental Purpose Bonds

³ SOFR-Secured Overnight Finance Rate

⁴ Home Mortgage Revenue Bonds

⁵ State Capital Project Bonds II

The change in fair value and ending balance of AHFC's hedging derivatives as of June 30, 2025, is shown below (in thousands). The fair value is reported as a deferred outflow/inflow of resources in the Statement of Net Position.

Related Bond Issue	Notional Amounts	Present Values	Fair Values June 30, 2025	Fair Values June 30, 2024	Change in Fair Value
GP01B	\$ 26,650	\$ 27,964	\$ (1,314)	\$ (1,276)	\$ (38)
E021A	21,255	21,547	(292)	39	(331)
E071AB	112,890	121,281	(8,391)	(7,597)	(794)
E071BD	75,260	80,799	(5,539)	(5,022)	(517)
E091A	60,315	64,749	(4,434)	(3,972)	(462)
E091B	60,315	64,749	(4,434)	(3,972)	(462)
E091ABD	80,420	86,245	(5,825)	(5,218)	(607)
SC19A	140,000	138,299	1,701	6,207	(4,506)
	<u>\$ 577,105</u>	<u>\$ 605,633</u>	<u>\$ (28,528)</u>	<u>\$ (20,811)</u>	<u>\$ (7,717)</u>

As of June 30, 2025, debt service requirements of AHFC's outstanding variable-rate debt and net swap payments are displayed in the following schedule (in thousands). As interest rates vary, variable-rate bond interest payments and net swap payments will also vary.

Fiscal Year Ending June 30	Outstanding Variable- Rate Debt Principal	Outstanding Variable- Rate Debt Interest	Swap Net Payment	Total Payment
2026	\$ 23,495	\$ 14,599	\$ 512	\$ 38,606
2027	24,630	14,112	381	39,123
2028	25,820	13,627	242	39,689
2029	27,045	13,055	99	40,199
2030	168,345	9,432	810	178,587
2031-2035	125,655	23,743	6,416	155,814
2036-2040	148,840	11,146	3,050	163,036
2041-2045	33,275	544	147	33,966
	\$ 577,105	\$ 100,258	\$ 11,657	\$ 689,020

Interest Rate Risk

AHFC is exposed to interest rate risk on all of its interest rate swaps. As underlying indices such as SOFR or SIFMA change, AHFC's net payment on all its swaps will also change accordingly.

Credit Risk

As of June 30, 2025, AHFC was exposed to credit risk on its State Capital Project Bonds II 2019 Series A, to the extent of the associated swap's positive fair value of \$1.70 million. AHFC was not exposed to credit risk on its remaining swap agreements because these swaps all have negative fair values. AHFC's swap agreements require full collateralization of the fair value amount of the swap should the counterparty's rating fall to BBB+/Baa1. AHFC currently has swap agreements with five separate counterparties. Approximately 60.7 percent of the total notional amount of the swaps is held with two counterparties rated "AA-/Aa2". Another 24.3 percent of the total notional amount of the swaps is held with another counterparty rated "A/Aa3". The remaining swaps are held by two counterparties rated "A+/Aa2", approximating 15.1 percent, of the total notional amount of the swaps.

Basis Risk

AHFC is exposed to basis risk when the variable payment received on an interest rate swap is based on an index that differs from the index on which AHFC's variable-rate payment to its bondholders is based. In such instance, the float payment received from the swap counterparty may not fully offset the variable rate paid on the bonds. As of June 30, 2025, AHFC's interest rate swaps were based on the SOFR index, while its variable rate bonds were based on SOFR or SIFMA indexes. The relative ratios among such indices have fluctuated since AHFC's swap agreements became effective and will continue to do so as market conditions change.

Termination Risk

Termination risk is the risk of an unscheduled termination of a swap prior to its planned maturity. If any of the swaps are terminated, the associated floating rate bonds would no longer carry synthetic fixed interest rates and AHFC would be exposed to interest rate risk on the bond. This risk is mitigated by the fact that the termination payment could be used to enter into an identical swap at the termination date of the existing swap. Further, if any of the swaps have a negative fair value at termination, AHFC would be liable to the counterparty for payments equal to the swaps' fair value. AHFC or the counterparty may terminate any of the swaps if the other party fails to perform under the terms of the agreement, including downgrades and events of default.

Rollover Risk

Rollover risk occurs when there is a mismatch in the amortization of the swap versus the amortization of the floating rate bonds. AHFC has structured the swaps to amortize at the same rate as scheduled or anticipated reductions in the associated floating rate bonds outstanding.

NOTE 7 – DEFINED BENEFIT PENSION PLANS**DESCRIPTION OF PLANS****The Public Employees' Retirement System - Defined Benefit (PERS-DB)**

PERS-DB is a defined benefit, cost-sharing, multiple-employer public employee retirement plan established and administered by the State to provide pension and postemployment healthcare benefits for eligible State and local government public employees and public organizations. Benefit and contribution provisions are established by Chapter 35 of Alaska Statute (AS) Title 39, and may be amended only by the state legislature. The 24th Alaska State Legislature enacted into law Senate Bill 141, which closed the PERS-DB to new members effective July 1, 2006, and created a Public Employees' Retirement System Defined Contribution Retirement Plan (PERS-DCR). Information regarding PERS-DCR is disclosed in Note 8.

Senate Bill 55 (SB 55), an Act relating to employer contributions to the System, made changes to (AS) 39.35.255 that indicated the State of Alaska, as a participating employer, shall contribute to the System every payroll period an amount sufficient to pay the full actuarially determined employer normal cost, all contributions required under AS 39.30.370 (Health Reimbursement Arrangement (HRA)) and AS 39.35.750 (all DCR costs - employer match, Occupational Death and Disability (ODD), Retiree Medical Plan (RMP)), and past service costs for members at the contribution rate adopted by the Board under AS 37.10.220 for the fiscal year for that payroll period. The State of Alaska, as an employer, pays the full actuarial determined employer contribution rate adopted by the Board each fiscal year effective July 1, 2021.

Prior to July 1, 2008, PERS was a defined benefit, agent, multiple-employer public employee retirement plan. The Alaska Legislature passed Senate Bill 125, which was signed by the Governor on April 2, 2008. This law converted the PERS to a cost-sharing plan under which the unfunded liability will be shared among all employers. This legislation also established a uniform contribution rate of 22 percent of participating employees' covered payroll.

Prior to July 1, 1997, postemployment healthcare benefits were provided by the payment of premiums to an insurance company. Beginning July 1, 1997, the Retiree Health Fund (RHF), another enterprise fund of the State, was established. The RHF is self-funded and originally provided major medical, dental, vision, audio, and long-term care coverage to retirees of the PERS-DB, the Teacher's Retirement System - Defined Benefit (TRS-DB), and the Judicial Retirement System (JRS) plans. Due to the establishment of the Alaska Retiree Healthcare Trust (ARHCT) effective July 1, 2007, the RHF now provides major medical coverage to those retirees and their dependents not eligible to participate in the ARHCT, along with optional dental, vision, audio, and voluntary long-term care insurance coverage to all retirees and their dependents in these plans. The plan retains the risk of loss of allowable claims. The RHF issues a financial report that may be obtained from the Division of Retirement and Benefits, P.O. Box 110203, Juneau, AK 99811-0203.

The PERS-DB Plan is a plan within the Public Employees' Retirement System (PERS). PERS is a fiduciary component unit of the State of Alaska financial reporting entity. PERS includes the PERS-DB and ARHCT. Senate Bill 123 was passed during the 2007 legislative session and created the ARHCT. ARHCT is self-funded and provides major medical coverage to retirees of PERS. PERS retains the risk of loss of allowable claims for eligible members. ARHCT began paying member healthcare claims on March 1, 2008. Prior to that time, healthcare claims were paid for by the RHF.

The PERS component unit is comprised of the PERS-DB, PERS-DCR Plans, and the ARHCT. PERS issues a separate stand-alone financial report that includes financial statements and required supplementary information. PERS is also reported as a pension (and other employee benefit) trust fund by the State. Participants should refer to the plan agreement for more complete information. Copies of the audited financial statements and reports listing "Information Required Under Governmental Accounting Standards Board Statement Nos. 68 and 75 as of June 30, 2025," may be obtained from the Division of Retirement and Benefits, P.O. Box 110203, Juneau, AK 99811-0203 or from their website at <http://drb.alaska.gov>.

For purposes of measuring the net pension liability, net other post employment benefit liability (OPEB), deferred outflows of resources and deferred inflows of resources related to pension and OPEB liability/asset, and pension and OPEB expense, information about the fiduciary net position of the PERS defined benefits plans (the Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. Contributions are due to the Plans when employee services have been performed and paid. Contributions are recognized as revenues when due pursuant

to statutory requirements. Benefits and refunds are recognized when due and payable and expenses are recorded when the corresponding liabilities are incurred, regardless of when contributions are received, or payment is made. Additional information about the Plans' fiduciary net position can be found in the Plans' audited financial statements.

Members hired prior to July 1, 1986, with five or more paid-up years of credited service, are entitled to monthly pension benefits beginning at normal retirement age, 55, or early retirement age, 50. For members hired after June 30, 1986, the normal and early retirement ages are 60 and 55, respectively. Members with 30 or more years of credited service (20 years for peace officers and firefighters) may retire at any age and receive a normal benefit.

The normal monthly pension benefit is based on years of service and average monthly compensation. For members hired prior to July 1, 1996, and all peace officers and firefighters, the average monthly compensation is based upon the member's three highest, consecutive years' salaries. For all other members hired after June 30, 1996, average monthly compensation is based upon the members' five highest consecutive years' salaries.

The benefit related to all years of service prior to July 1, 1986, and for years of service through a total of 10 years for general members is equal to 2 percent of the member's average monthly compensation for each year of service. The benefit for each year over 10 years of service subsequent to June 30, 1986, is equal to 2.25 percent of the member's average monthly compensation for the second 10 years and 2.5 percent for all remaining years of service. For peace officers and firefighters, the benefit for years of service through a total of 10 years is equal to 2 percent of the member's average monthly compensation and 2.5 percent for all remaining years of service.

PERS-DB has two types of postretirement pension adjustment (PRPA). The automatic PRPA is issued annually to all eligible benefit recipients when the cost of living increases in the previous calendar year. The automatic PRPA increase is paid beginning July 1 of each year. The discretionary PRPA may be granted to eligible recipients by the PERS-DB Plan's Administrator if the funding ratio of the PERS-DB Plan meets or exceeds 105 percent. If both an automatic and discretionary PRPA are granted, and a retiree is eligible for both adjustments, the one that provides the retiree the greater increase will be paid.

PERS-DB employee contribution rates are 6.75 percent of compensation (7.5 percent for peace officers and firefighters and 9.6 percent for some school district employees). Employee contributions are deducted before federal income tax is withheld.

The PERS-DB funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual-covered payroll, are sufficient to accumulate assets to pay both pension and postemployment healthcare benefits when due. Employer contributions are accumulated in both the pension and the healthcare funds based on the approved contribution rate for the fiscal year. The employer rate for the State of Alaska for the year ended June 30, 2025, was 26.76 percent of compensation.

The State's employer contributions to PERS-DB for the fiscal years ended June 30, 2025, 2024, and 2023 were \$335.1, \$283.4, and \$261.3 million respectively for the year. For the FY 2025 contributions, \$335.1 million (\$302.6 million for the primary government and \$32.5 million for the discretely presented component units) was for pensions and \$2.1 thousand (\$1.9 thousand for the primary government and \$0.2 thousand for the discretely presented component units) was for postemployment benefits. The contributions were equal to the required contributions in FY 2025.

AS 39.35.280 requires that additional state contributions are to be paid each July 1 or as soon after July 1 as funds become available for the ensuing fiscal year that when combined with the total employer contributions is sufficient to pay the PERS-DB past service liability at the contribution rate adopted by the Alaska Retirement Management Board (ARMB) for that fiscal year. Additionally, there is a Defined Benefit Unfunded Liability (DBUL) amount levied against the Defined Contribution Retirement Pension Plan payroll. The DBUL amount is computed as the difference between:

- A. The amount calculated for the statutory employer effective contribution rate of 22 percent on eligible salary (except for the State of Alaska which pays the full actuarially determined contribution rate) less

- B. The total of the employer contributions for:
- a. The defined contribution employer matching amount;
 - b. Major medical;
 - c. Occupational death and disability; and
 - d. Health reimbursement arrangement.

- C. But not less than zero.

The difference is deposited based on an actuarial allocation into the DB Plan's pension and healthcare funds. For FY 2025, the DBUL is allocated 100 percent to the DB Pension Plan and 0 percent to the DB ARHCT Plan.

The 33rd Alaska State Legislature, CCSHB 268 2024 Section 51(a) appropriated \$59.1 million from the General Fund to PERS-DB as an additional state contribution for FY 2025. The portion of this payment attributable to State of Alaska employers is \$8.8 million (for the discretely presented component units as nonemployer contributions) for pensions.

Postemployment healthcare benefits are provided to retirees and their surviving spouses at no premium cost for all members first hired before July 1, 1986, and employees who are disabled, regardless of initial hire dates. Employees first hired on or after July 1, 1986, and their surviving spouses with five years of credited service (or 10 years of credited service for those first hired after July 1, 1996) must pay the full monthly premium if they are under age 60, and receive benefits at no premium cost if they are over age 60. Members hired on or after June 30, 1996 with between 5 and 10 years of credited service must pay the full monthly premium regardless of their age. Members hired after June 30, 1986 with less than five years of credited service are not eligible for postemployment healthcare benefits. Members hired after June 30, 1986, but before June 30, 1996, who are receiving a conditional benefit, and are age eligible, are eligible for postemployment healthcare benefits. Peace officers and their surviving spouses with 25 years of membership and all other employees and their surviving spouses with 30 years of membership service also receive benefits at no premium cost, regardless of their age or date of hire. Peace officers who are disabled between 20 and 25 years must pay the full monthly premium.

The Teachers' Retirement System - Defined Benefit (TRS-DB)

TRS-DB is a defined benefit, cost-sharing, multiple-employer public employee retirement plan established and administered by the State to provide pension and postemployment healthcare benefits for teachers and other eligible participants. Benefit and contribution provisions are established by Chapter 25 of Alaska Statute Title 14 and may be amended only by the state legislature. TRS-DB provides for normal pension benefits, as well as death, disability, and postemployment healthcare benefits. The 24th Alaska State Legislature enacted into law Senate Bill 141, which closed the TRS-DB to new members effective July 1, 2006, and created a Teachers' Retirement System Defined Contribution Retirement Plan (TRS-DCR). Information regarding TRS-DCR is disclosed in Note 8.

Prior to July 1, 1997, postemployment healthcare benefits were provided by the payment of premiums to an insurance company. Beginning July 1, 1997, the RHF, another agency enterprise fund of the State, was established. The RHF is self-funded and originally provided major medical, dental, vision, audio, and long-term care coverage to retirees of the PERS-DB, TRS-DB, and JRS plans. Due to the establishment of the ARHCT, effective July 1, 2007, the RHF now provides major medical coverage to those retirees and their dependents not eligible to participate in the ARHCT, along with optional dental, vision, audio, and voluntary long-term care insurance coverage to all retirees and their dependents in these plans. The plan retains the risk of loss of allowable claims. The RHF issues a financial report that may be obtained from the Division of Retirement and Benefits, P.O. Box 110203, Juneau, AK 99811-0203.

The TRS-DB Plan is a plan within the Teachers' Retirement System (TRS). TRS is a fiduciary component unit of the State of Alaska financial reporting entity. TRS includes the TRS-DB and the ARHCT Fund. Senate Bill 123 was passed during the 2007 legislative session and created the ARHCT. ARHCT is self-funded and provides major medical coverage to retirees of TRS. TRS retains the risk of loss of allowable claims for eligible members. ARHCT began paying member healthcare claims on March 1, 2008. Prior to that time, healthcare claims were paid for by the RHF.

The TRS component unit is comprised of the TRS-DB, TRS-DCR plans, and ARHCT. TRS issues a separate stand-alone financial report that includes financial statements and required supplementary information. TRS is also reported as a pension (and other employee benefit) trust fund by the State. Participants should refer to the plan agreement for more complete information. Copies of the audited financial statements and reports listing "Information Required Under Governmental

Accounting Standards Board Statement Nos. 68 and 75 as of June 30, 2025," may be obtained from the Division of Retirement and Benefits, P.O. Box 110203, Juneau, AK 99811-0203 or from their website at <http://drb.alaska.gov>.

For purposes of measuring the net pension liability, net OPEB liability/asset, deferred outflows of resources and deferred inflows of resources related to pension and OPEB liability/asset, and pension and OPEB expense, information about the fiduciary net position of the TRS defined benefits plans (the Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. Contributions are due to the Plans when employee services have been performed and paid. Contributions are recognized as revenues when due pursuant to statutory requirements. Benefits and refunds are recognized when due and payable and expenses are recorded when the corresponding liabilities are incurred, regardless of when contributions are received, or payment is made. Additional information about the Plans' fiduciary net position can be found in the Plans' audited financial statements.

Vested members hired prior to July 1, 1990, are entitled to monthly pension benefits beginning at normal retirement age, 55, or early retirement age, 50. For members hired after June 30, 1990, the normal and early retirement ages are 60 and 55, respectively. Members may retire at any age and receive a normal benefit when they accumulate the required credited service.

The normal annual pension benefit is based on years of service and average base salary. The average base salary is based upon the member's three highest contract years' salaries.

The benefit related to all years of credited service prior to July 1, 1990, and for years of service through a total of 20 years equal to 2 percent of the employee's average base salary. The benefit for each year over 20 years of service subsequent to June 30, 1990, is equal to 2.5 percent of the employee's base salary.

TRS-DB has two types of postretirement pension adjustment (PRPA). The automatic PRPA is issued annually to all eligible benefit recipients when the cost of living increases in the previous calendar year. The automatic PRPA increase is paid beginning July 1 of each year. The discretionary PRPA may be granted to eligible recipients by the TRS-DB Plan's administrator if the funding ratio of the TRS-DB Plan meets or exceeds 105 percent. If both an automatic and discretionary PRPA are granted, and a retiree is eligible for both adjustments, the one that provides the retiree the greater increase will be paid.

TRS-DB Plan members contribute 8.65 percent of their base salary, as required by statute. Employee contributions are deducted before federal income tax is withheld.

The TRS DB funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual-covered payroll, as an amount that, when combined, is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The employer rate for the State of Alaska for the year ended June 30, 2025, was 12.56 percent of compensation. Employer contributions are accumulated in both the pension and healthcare funds based on the approved contribution rate for the fiscal year. Additionally, there is a Defined Benefit Unfunded Liability amount levied against the Defined Contributions Retirement Pension Plan payroll.

The State's employer contributions to TRS-DB for the fiscal years ended June 30, 2025, 2024, and 2023 were \$2.4, \$2.5, and \$2.6 million respectively, equal to the required contributions for each year. For the FY 2025 contributions, \$2.4 million (\$0.4 million for the primary government and \$2.0 million for the discretely presented component units) was for pensions and \$0.0 thousand was for postemployment benefits (\$0.0 thousand for the primary government and \$0.0 thousand for the discretely presented component units).

AS 14.25.085 requires that additional state contributions are to be paid each July 1 or as soon after July 1 as funds become available for the ensuing fiscal year that when combined with the total employer contributions is sufficient to pay the TRS-DB past service liability at the contribution rate adopted by the Alaska Retirement Management Board (ARMB) for that fiscal year. Additionally, there is a Defined Benefit Unfunded Liability (DBUL) amount levied against the Defined Contribution Retirement Pension Plan payroll. The DBUL amount is computed as the difference between:

- A. The amount calculated for the statutory employer effective contribution rate of 12.56 percent on eligible salary (except for the State of Alaska which pays the full actuarially determined contribution rate) less

- B. The total of the employer contributions for:
- a. The defined contribution employer matching amount;
 - b. Major medical;
 - c. Occupational death and disability; and
 - d. Health reimbursement arrangement.

- C. But not less than zero.

The difference is deposited based on an actuarial allocation into the DB Plan's pension and healthcare funds. For FY 2025, the DBUL is allocated 100 percent to the DB Pension Plan and 0 percent to the DB ARHCT Plan.

The 33rd Alaska State Legislature, CCSHB 268 2024 Section 51(b) appropriated \$123.4 million from the General Fund to the TRS-DB as an additional state contribution for FY 2025. The portion of this payment attributable to State of Alaska employers is \$5.5 million (\$0.9 million for the primary government as an employer contribution and \$4.6 million for the discretely presented component units as nonemployer contributions) for pensions.

Postemployment healthcare benefits are provided when pension benefits begin, without cost to all employees first hired before July 1, 1990, employees hired after July 1, 1990, with 25 years of membership service, and employees who are disabled or age 60 or older, regardless of initial hire dates. Employees first hired after June 30, 1990, may receive postemployment healthcare benefits prior to age 60 by paying premiums.

The Judicial Retirement System (JRS)

JRS is a defined benefit, single-employer retirement plan established and administered by the State to provide pension and postemployment healthcare benefits for eligible state judges and justices.

Prior to July 1, 1997, postemployment healthcare benefits were provided by the payment of premiums to an insurance company. Beginning July 1, 1997, the RHF, an other agency enterprise fund of the State, was established. The RHF is self-funded and originally provided major medical, dental, vision, audio, and long-term care coverage to retirees of the PERS-DB, TRS-DB, and JRS Plans. Due to the establishment of the ARHCT, effective July 1, 2007, the RHF now provides major medical coverage to those retirees and their dependents not eligible to participate in the ARHCT, along with optional dental, vision, audio, and voluntary long-term care insurance coverage to all retirees and their dependents in these plans. The plan retains the risk of loss of allowable claims. The RHF issues a financial report that may be obtained from the Division of Retirement and Benefits, P.O. Box 110203, Juneau, AK 99811-0203.

Senate Bill 123 was passed during the 2007 legislative session and which created the ARHCT beginning July 1, 2007. The ARHCT is self-funded and provides major medical coverage to retirees of the JRS. JRS retains the risk of loss of allowable claims for eligible members. ARHCT began paying member healthcare claims on March 1, 2008. Prior to that time, healthcare claims were paid for by the RHF.

JRS is considered a fiduciary component unit of the State of Alaska financial reporting entity. JRS issues a separate stand-alone financial report that includes financial statements and required supplementary information. JRS is also reported as a pension (and other employee benefit) trust fund by the State. Copies of the audited financial statements may be obtained from the Division of Retirement and Benefits, P.O. Box 110203, Juneau, AK 99811-0203 or from their website at <http://drb.alaska.gov>.

For purposes of measuring the net pension liability/asset, net OPEB liability/asset, deferred outflows of resources and deferred inflows of resources related to pension and OPEB liability/asset, and pension and OPEB expense, information about the fiduciary net position of the JRS defined benefits plans (the Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. Contributions are due to the Plan when employee services have been performed and paid. Contributions are recognized as revenues when due pursuant to statutory requirements. Benefits and refunds are recognized when due and payable and expenses are recorded when corresponding liabilities are incurred, regardless of when contributions are received, or payment is made. Additional information about the Plans' fiduciary net position can be found in the Plans' audited financial statements.

Benefit and contribution provisions are established by Chapter 25 of Alaska Statute Title 22 and may be amended only by the state legislature. JRS provides for normal pension benefits, as well as death, disability, and postemployment healthcare benefits.

Members with five or more paid-up years of credited service are entitled to annual pension benefits beginning at normal retirement at age 60 or early retirement at age 55. Members who are under age 60 and have 20 or more years of credited service may retire at any age and receive an actuarially reduced benefit.

The normal monthly pension benefit is based on the member's years of service and the current authorized salary for the position from which they retired. The pension benefit is equal to 5 percent for each year of service up to a maximum of 75 percent of the current base salary for an active judge in the month the benefit is paid. In the event of salary increases for active judges, the monthly pension benefit for retired judges also increases.

Upon the death of a member who has served for at least two years, the surviving spouse is entitled to receive monthly benefits equal to one-half of the monthly retirement pay the member would have been entitled to receive if retired at the time of death. If the member was not eligible to retire or would have been entitled to less than 60 percent of the monthly authorized salary, the spouse is entitled to monthly benefits not less than 30 percent of the authorized salary. The benefits continue until the surviving spouse dies.

If there is no eligible surviving spouse, the member's surviving dependent child(ren) are entitled to receive a benefit equal to 50 percent of the above survivor's benefit. Each child will receive an equal share of the benefit while they are dependent. If there is no surviving spouse or dependent child(ren), the member's beneficiary(ies) shall receive the difference between contributions made and interest accrued in the Plan less benefits paid by the Plan.

Members who are involuntarily retired for incapacity and have a minimum of five years of service at the time of retirement for incapacity are eligible for pension benefits.

Members contribute seven percent of their compensation to JRS, as required by statute. The contributions are deducted before federal income tax is withheld. Contributions are not required after members have made contributions for 15 years, or from members first appointed before July 1, 1978.

The JRS funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual-covered payroll, an amount that, when combined, is expected to finance the costs of both pension and postemployment healthcare benefits earned by plan members during the year. The employer rate for the State of Alaska for the year ended June 30, 2025, was 59.24 percent of compensation.

Total employer contributions for FY 2025 were \$5.4 million for pensions, and \$1.0 million for postemployment benefits. The 34th Alaska State Legislature did not appropriate funds to the JRS for FY 2025.

The Alaska National Guard and Alaska Naval Militia Retirement System (NGNMRS)

NGNMRS is a defined benefit, single-employer retirement plan (the Plan) established and administered by the State to provide pension benefits for eligible members of the Alaska National Guard and Alaska Naval Militia.

NGNMRS is considered a fiduciary component unit of the State of Alaska financial reporting entity. NGNMRS issues a separate stand-alone financial report that includes financial statements and required supplementary information. The plan is also reported as a pension (and other employee benefit) trust fund by the State. Additional information on the NGNMRS plan may be obtained from the Division of Retirement and Benefits, P.O. Box 110203, Juneau, AK 99811-0203.

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to the pension asset and pension expense, information about the fiduciary net position of the NGNMRS defined benefits plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. Contributions are due to the Plan when employee services have been performed and paid. Contributions are recognized as revenue when due pursuant to statutory requirements. Benefits and refunds are recognized when due and payable and expenses are recorded when the corresponding liabilities are incurred, regardless of when contributions are received or when payment is made.

Benefit and contribution provisions are established by Chapter 5 of Alaska Statute Title 26 and may be amended only by the state legislature. NGNMRS provides for normal pension benefits and death benefits. Postemployment healthcare benefits are not provided.

Members who voluntarily retire from the Alaska National Guard or Alaska Naval Militia after at least five years of Alaska Guard service and a total of at least 20 years of U.S. military service or members who involuntarily leave the Alaska Guard service due to federal standards imposed on the Alaska Guard, regardless of length of service, are eligible for a retirement

pension. The retirement pension is \$100 per month for each month of Alaska Guard service and may be paid to the member monthly or in a one-time lump sum.

Upon the death of an eligible member, the member’s designated beneficiary is entitled to a lump-sum benefit equal to the original pension amount less any payments already paid to the member.

No contributions are required from plan members. NGNMRS’s funding policy provides for annual employer contributions by the Alaska Department of Military and Veterans’ Affairs at actuarially determined amounts that are sufficient to accumulate assets to pay benefits when due. State contributions are determined using the entry age normal actuarial cost method.

The 34th Alaska State Legislature did not appropriate funds to the NGNMRS for FY 2025.

PLAN MEMBERSHIPS

The table below includes the plan membership counts from the separately issued financial statements for the various plans as of June 30, 2025.

	<u>PERS</u>	<u>TRS</u>	<u>JRS</u>	<u>NGNMRS</u>
Retired plan members or beneficiaries				
currently receiving benefits	37,449	13,716	151	694
Inactive plan members entitled to but				
not yet receiving benefits	4,154	573	3	669
Inactive plan members not entitled to benefits	9,562	1,426	—	—
Active plan members	7,179	2,173	73	4,507
Total	<u>58,344</u>	<u>17,888</u>	<u>227</u>	<u>5,870</u>

NOTE 8 – DEFINED CONTRIBUTION PENSION PLANS

STATE ADMINISTERED PLANS

DESCRIPTION OF PLANS

A. The Public Employees’ Retirement System - Defined Contribution Retirement Plan (PERS-DCR)

PERS-DCR is a defined contribution, multiple-employer public employee retirement plan established by the State to provide pension and postemployment healthcare benefits for eligible state and local government employees. Benefit and contribution provisions are established by state law and may be amended only by the State Legislature. The 24th Alaska Legislature enacted into law Senate Bill 141, which created PERS-DCR effective July 1, 2006. The PERS-DCR Plan savings are accumulated in an individual retirement account for exclusive benefit of the members or beneficiaries.

The PERS-DCR Plan is a plan within the Public Employees’ Retirement System (PERS). PERS is a component unit of the State of Alaska financial reporting entity. The PERS component unit is comprised of the PERS-DB (see note 7), PERS-DCR Plans, and the PERS Retiree Medical Plan (RMP) and Health Reimbursement Arrangement Plan (HRA), and Occupational Death and Disability (OD&D). PERS is reported as a pension (and other employee benefit) trust fund by the State. PERS separately issued financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. Participants should refer to the plan agreement for more complete information. Copies of the audited financial statements and required supplementary information may be obtained from the Division of Retirement and Benefits, P.O. Box 110203, Juneau, AK 99811-0203 or from their website at <http://doa.alaska.gov/drb/>.

A participating member is immediately and fully vested in that member’s contributions and related earnings (losses). A member shall be fully vested in the employer contributions made on that member’s behalf, and related earnings (losses), after five years of service. A member is partially vested in the employer contributions made on that member’s behalf, and the related earnings, in the ratio of (a) 25 percent with two years of service; (b) 50 percent with three years of service; (c) 75 percent with four years of service; and (d) 100 percent with five years of service. Any forfeited employer contributions are used to reduce pension expense in the fiscal year it is forfeited.

PERS-DCR pension contribution rates are eight percent for PERS-DCR members, as required by statute. The employer shall deduct the contribution from the member’s compensation at the end of each payroll period, and the contribution shall be

credited by the plan to the member's individual account. The contributions shall be deducted from the member's compensation before the computation of applicable federal taxes. An employer shall contribute to each member's individual pension account an amount equal to five percent of the member's compensation. Participant accounts under the PERS-DCR Plan are self-directed with respect to investment options.

The PERS-DCR pension contributions for the year ended June 30, 2025 by the State of Alaska employees were \$95,817 thousand and the State of Alaska employers were \$55,625 thousand. The State of Alaska PERS other postemployment contributions for the year ended June 30, 2025 were \$46,911 thousand (\$3,714 thousand for OD&D, \$33,244 thousand for HRA, and \$9,953 thousand for RMP).

For the year ended June 30, 2025 the State of Alaska recognized \$56,150 thousand in pension expense for the PERS-DCR as an employer. Forfeitures of \$(4,218) thousand are reflected in the pension expense amount.

On July 1, 2006, three other postemployment benefit trust funds were created within PERS; RMP, HRA, and OD&D. RMP allows eligible members who retire directly from the plan to obtain medical benefits. The HRA allows medical care expenses to be reimbursed from individual savings accounts established for eligible persons. OD&D provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within the system. PERS-DCR participants are eligible members of RMP and HRA and their postemployment healthcare benefits are paid out of these funds.

The employer RMP contribution rate for FY 2025 for each member's compensation was 0.83 percent for medical coverage and 0.24 percent for death and disability (0.69 percent for peace officers and firefighters). HRA is \$198.90 per month for full time employees and \$1.53 per hour for part time employees.

B. The Teachers' Retirement System - Defined Contribution Retirement Plan (TRS-DCR)

TRS-DCR is a defined contribution, multiple-employer public employee retirement plan established by the State to provide pension and postemployment healthcare benefits for teachers and other eligible members. Benefit and contribution provisions are established by state law and may be amended only by the State Legislature. The 24th Alaska Legislature enacted into law Senate Bill 141, which created TRS-DCR effective July 1, 2006. TRS-DCR Plan savings are accumulated by an individual retirement account for exclusive benefit of the members or beneficiaries.

The TRS-DCR Plan is a plan within the Teachers' Retirement System (TRS). TRS is a component unit of the State of Alaska financial reporting entity. The TRS component unit is comprised of the TRS-DB (see note 7), TRS-DCR Plans, TRS Retiree Medical Plan (RMP) and Health Reimbursement Arrangement Plan (HRA), and Occupational Death and Disability (OD&D). TRS is reported as a pension (and other employee benefit) trust fund by the State. TRS separately issued financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. Participants should refer to the plan agreement for more complete information. Copies of the audited financial statements and required supplementary information may be obtained from the Division of Retirement and Benefits, P.O. Box 110203, Juneau, AK 99811-0203 or from their website at <http://doa.alaska.gov/drb/>.

A participating member is immediately and fully vested in that member's contributions and related earnings (losses). A member shall be fully vested in the employer contributions made on that member's behalf, and related earnings (losses), after five years of service. A member is partially vested in the employer contributions made on that member's behalf, and the related earnings, in the ratio of (a) 25 percent with two years of service; (b) 50 percent with three years of service; (c) 75 percent with four years of service; and (d) 100 percent with five years of service. Any forfeited employer contributions are used to reduce pension expense in the fiscal year it is forfeited.

TRS-DCR pension contribution rates are eight percent for TRS-DCR members, as required by statute. The employer shall deduct the contribution from the member's compensation at the end of each payroll period, and the contribution shall be credited by the plan to the member's individual account. The contributions shall be deducted from the member's compensation before the computation of applicable federal taxes. An employer shall contribute to each member's individual pension account an amount equal to seven percent of the member's compensation. Participant accounts under the TRS-DCR Plan are self-directed with respect to investment options.

The TRS-DCR pension contributions for the year ended June 30, 2025 by the employees were \$2,002 thousand and the State of Alaska employers were \$1,641 thousand. The State of Alaska TRS other postemployment contributions for the year ended June 30, 2025 were \$803 thousand (\$20 thousand for ODD, \$612 thousand for HRA and \$171 thousand for RMP).

For the year ended June 30, 2025 the State of Alaska recognized \$1,709 thousand in pension expense for the TRS-DCR as an employer. Forfeitures of \$114 thousand are reflected in the pension expense amount.

On July 1, 2006, two other postemployment benefit trust funds were created in TRS, the RMP and HRA. The TRS OD&D other postemployment benefit trust fund was created on July 1, 2007. RMP allows eligible members who retire directly from the plan to obtain major medical benefits. The HRA allows medical care expenses to be reimbursed from individual savings accounts established for eligible persons. OD&D provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within the system. TRS-DCR participants are eligible members of RMP and HRA and their postemployment healthcare benefits are paid out of these funds. The employer RMP contribution rate for FY 2025 for each member's compensation was 0.68 percent for medical coverage and 0.08 percent for death and disability. HRA is \$198.90 per month for full-time employees while part-time employees are based on the contract percentage worked multiplied by the full-time employee rate.

C. Supplemental Benefits System

In addition to the pension plans (note 7) and deferred compensation plan (note 9), all state employees, as well as employees of political subdivisions which have elected to participate in the program, are covered under the Alaska Supplemental Benefits System (SBS). SBS is comprised of the Supplemental Annuity Plan. The Supplemental Annuity Plan is a defined contribution plan that was created under Alaska statutes effective January 1, 1980, to provide benefits in lieu of those provided by the federal Social Security System (Social Security). All State employees, who would have participated in Social Security if the State had not withdrawn, participate in SBS. Other employers whose employees participate in the State Public Employees' Retirement System and meet other requirements are eligible to have their employees participate in SBS as provided by Alaska Statute. As of June 30, 2025, there were 21 employers participating in SBS and there were 53,013 participants in the Plan. The Division of Retirement and Benefits is responsible for administration and record keeping.

SBS is considered a component unit of the State financial reporting entity. SBS issues a separate stand-alone financial report that includes financial statements and required supplementary information, and SBS is also reported as a pension (and other employee benefit) trust fund by the State. Copies of the audited financial statements may be obtained from the Division of Retirement and Benefits, P.O. Box 110203, Juneau, AK 99811-0203 or from their website at <http://doa.alaska.gov/dr/b/>.

Mandatory contributions are made to the Supplemental Annuity Plan. Participating employees are vested at all times. Supplemental Annuity Plan contributions are made in lieu of contributions to Social Security. The State and other participating employers are required to contribute 12.26 percent of an employee's wages up to the taxable wage base in effect under Social Security regulations. Each employee is considered to have agreed to a wage reduction equal to one-half the contribution made on the employee's behalf. The State's mandatory contributions for the year ended June 30, 2025, were \$192,292 thousand of that amount contributed by employees were \$96,140 thousand. The State's covered payroll was \$1,568,360 thousand. For the year ended June 30, 2025 the State of Alaska recognized \$96,152 thousand in pension expense for the SBS as an employer.

Employees are eligible to withdraw from the Supplemental Annuity Plan 60 days after termination. Benefits are payable in the form of a lump sum or a periodic payment option, unless the participant elects to defer commencement of benefits. Various annuities can also be purchased from an insurance carrier, which are excluded from Plan assets. The SBS administrator issues lump-sum payments through its contracted record keeper. Employees may request a hardship withdrawal for an unforeseeable emergency, within the definition allowed by the Internal Revenue Code. Hardship withdrawals are disbursed as lump sums and must be approved by the plan administrator.

Supplemental annuity contributions were deposited with investment managers under contract with SBS for the year ended June 30, 2025. Participant accounts under the Supplemental Annuity Plan are self-directed with respect to investment options. Each participant designates how their contribution is to be allocated among the investment options. Each participant's account is credited with the participants contributions, adjusted for the appreciation or depreciation in unit value for the investment funds, and reduced for administrative fees.

D. University of Alaska Optional Retirement Plan - Defined Contribution (ORP)

The ORP is an employer funded defined contribution plan which operates in conjunction with a companion mandatory tax-deferred annuity plan. The ORP is comprised of three layers of participants: the original ORP or ORP Tier 1 which was created for participants hired prior to July 1, 2005; ORP Tier 2, which was created for participants hired between July 1, 2005 and June 30, 2006; and ORP Tier 3, which was created for participants hired on or after July 1, 2006. For ORP Tier 1 and ORP Tier 2,

faculty classified as regular and certain administrators made a one-time election to participate in the ORP as an alternative to participation in the defined benefit plans, PERS-DB or TRS-DB. The ORP Tier 2 plan was available for new ORP benefit-eligible employees hired in fiscal year 2006. As of July 1, 2006, the ORP Tier 2 plan was no longer available to newly-hired ORP benefit-eligible employees. For ORP Tier 3, each new eligible employee was able to make a one-time election to participate in the University of Alaska Retirement Program (includes ORP Tier 3 and the University of Alaska Pension Plan) as an alternative to participation in the State of Alaska defined contribution plans, PERS-DC or TRS-DC. Beginning July 1, 2015 the ORP was closed to new hired regular staff, but is still available for faculty and certain administrators.

University contributions are remitted to the plan's authorized employee-selected annuity providers or investment managers. The contribution rates and amounts for fiscal year 2024 were as follows (in thousands):

	ORP Tier 1	ORP Tier 2	ORP Tier 3
Employee Contribution Rates	8.65%	8.65%	8.00%
University Contribution Rates	14.00%	12.00%	12.00%
Covered Payroll	\$23,309	\$2,241	\$113,461
University Contributions	\$3,263	\$269	\$13,615

At June 30, 2025, plan assets (participants' accounts attributable to employer contributions) for ORP Tier 1, Tier 2, and Tier 3 had a net value to \$549.5 million. ORP Tier 1 and ORP Tier 2 participants are 100 percent vested at all times. University contributions for ORP Tier 3 participants are 100 percent vested after three years of service.

University of Alaska Pension Plan

In addition to the other retirement plans, substantially all regular employees (hired before July 1, 2006) and certain faculty classified as temporary, participate in the Pension plan which was established January 1, 1982, when the University withdrew from the federal social security program. Eligible employees, hired on or after July 1, 2006, who elected to participate in the University of Alaska Retirement Program also participate in the Pension plan.

For fiscal year 2025, employer contributions for regular employees were 7.65 percent of covered wages up to \$52.0 thousand. For certain faculty classified as temporary, the employer contributions were 7.65 percent of covered wages up to \$176.1 thousand. The plan provides for employer contributions to be invested in accordance with participant-directed investment elections. Participants hired before July 1, 2006 are 100 percent vested at all times. University contributions for participants hired on or after July 1, 2006 are 100 percent vested after three years of service. Regular staff hired on or after July 1, 2015 are also 100 percent vested after three years of service of the employer contributions of the pension plan.

The University's total covered payroll for the Pension plan was \$217.0 million. The University's gross costs to fund and administer the plan totaled \$16.6 million for the year ended June 30, 2025. At June 30, 2025, plan assets (participants' accounts) had a net value of \$608.8 million.

NOTE 9 – DEFERRED COMPENSATION PLAN

The State of Alaska Deferred Compensation Plan was created by Alaska statutes issued May 31, 1974 and was most recently amended effective August 30, 2021. It is a deferred compensation plan under Section 457 of the Internal Revenue Code and is available to all permanent and long-term non-permanent employees, elected officials of the State, and members of State boards and commissions, as well as employees of participating local government employers and public organizations. Participants authorize their employer to reduce their current salary or compensation so that they can receive the amount deferred at a later date. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency, within the definition allowed by the applicable Internal Revenue Code. All amounts deferred are held in a trust for the exclusive benefit of employees and beneficiaries. Additionally, participants may also have their contributions directed as a ROTH contribution. Those amounts are post-tax contributions and earnings on ROTH contributions are not taxable when properly withdrawn from the plan. As of June 30, 2025 the Deferred Compensation Plan had 12,396 participants.

The Division of Retirement and Benefits is responsible for Deferred Compensation Plan administration and record keeping. The Alaska Retirement Management Board is responsible for the specific investment of monies in the Deferred Compensation Plan.

Employers participating in the Plan may offer and make matching contributions. Currently, there is one employer actively matching employee contributions.

Participant accounts are self-directed with respect to investment options. Each participant designates how their contributions are to be allocated among the investment options. Each participant’s account is credited with the participant’s contributions and the appreciation or depreciation in unit value for the investment funds.

Deferred Compensation Plan net position as of June 30, 2025 was \$1,289,720 thousand. The Deferred Compensation Plan is reported in the accompanying financial statements as a pension (and other employee benefit) trust fund.

NOTE 10 – INTERFUND TRANSACTIONS

The following schedules summarize individual interfund receivable and payable balances at June 30, 2025, and interfund transfers for the year then ended (in thousands):

INTERFUND RECEIVABLE / PAYABLE BALANCES

Due to Other Funds	Due from Other Funds							Total
	General Fund	Alaska Permanent Fund	Nonmajor Governmental Funds	Nonmajor Enterprise Funds	Internal Service Funds	Fiduciary Funds	Other	
General Fund	\$ —	\$ 36,228	\$ 1,813	\$ 3,037	\$ 41,011	\$ 52,982	\$ 1,052	\$ 136,123
Alaska Permanent Fund	31,327	—	—	—	—	—	—	31,327
Nonmajor Governmental Funds	8,218	—	—	—	—	—	—	8,218
International Airports	2,567	—	—	—	—	—	—	2,567
Nonmajor Enterprise Funds	935	—	—	—	—	—	—	935
Internal Service Funds	1,922	—	—	—	—	—	—	1,922
Fiduciary Funds	37,737	—	—	—	—	—	—	37,737
Other	2,732	—	—	—	—	—	—	2,732
Total	\$ 85,438	\$ 36,228	\$ 1,813	\$ 3,037	\$ 41,011	\$ 52,982	\$ 1,052	\$ 221,561

The \$2.7 million reported in the Other row consists of a \$1.7 million receivable to Department of Revenue from the Alaska Permanent Fund that was not included in the Alaska Permanent Fund outside audit. This amount is immaterial to their audited financial statements thus the audit was not restated. The Other row also consists of a \$1.0 million discrepancy between the PERS/TRS audit and the State of Alaska. This amount is immaterial to their audited financial statements thus the audit was not restated. The \$1.1 million reported in the Other column consists of a discrepancy between the PERS/TRS audit and the State of Alaska. This amount is immaterial to their audited financial statements thus the audit was not restated.

INTERFUND TRANSFERS

Transfers From	Transfers to				Total
	General Fund	Nonmajor Governmental Funds	Nonmajor Enterprise Funds	Internal Service Funds	
General Fund	\$ —	\$ 65,425	\$ 3,354	\$ 28,033	\$ 96,812
Alaska Permanent Fund	3,688,590	—	—	—	3,688,590
Nonmajor Governmental Funds	35,171	95	—	—	35,266
Nonmajor Enterprise Funds	322	—	—	—	322
Fiduciary Funds	5,500	—	—	—	5,500
Total	\$ 3,729,583	\$ 65,520	\$ 3,354	\$ 28,033	\$ 3,826,490

The general purpose for transfers is to move monies from funds required by statute to collect them to the funds required by statute or budget to expend them, to move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments come due, and transfer accumulated surpluses from “Other” funds to the General Fund.

The transfer from the Alaska Permanent Fund to the General Fund includes a \$3.7 billion transfer for payment of the Permanent Fund dividends, administrative and associated costs of the dividend program, and to fund various State operating expenses. Additionally, a \$31.3 million transfer to the Alaska Capital Income Fund.

NOTE 11 – RELATED PARTY ACTIVITY

In December 2020, AEA borrowed \$17 million from AIDEA to acquire an approximately 39.3-mile 115 kV electricity transmission line system between the Sterling Substation and Quartz Creek Substation ("SSQ Line") from Homer Electric Association and to incorporate as part of the Bradley Lake Hydroelectric Project. The loan, bearing interest at 3.5%, requires semiannual interest and annual principal payments with a final maturity date of July 2040.

On September 30, 2010, pursuant to legislation and an agreement with AEA, AIDEA purchased 37 loans from AEA. Under the agreement, AEA must repurchase any loan upon default. As of June 30, 2025, 28 loans have been repaid and 9 have balances remaining, which are expected to be paid in full by FY 2037.

The Department of Transportation and Public Facilities (DOTPF) provides administrative and technical services benefiting all State-owned airports and seaplane bases. These costs are allocated based upon budgetary estimates of the *pro rata* portion that are borne by the various facilities as set forth in the annual appropriation and budget document of the State. Costs allocated to the International Airport Fund (IAF) and included in operating expenses totaled \$725 thousand for the year ended June 30, 2025. Capital project management services are performed by DOTPF personnel and are capitalized to IAF construction in progress. These costs totaled \$3.20 million during the year ended June 30, 2025.

NOTE 12 – COMMITMENTS, CONTINGENCIES, AND CONCENTRATIONS

A. SCHOOL DEBT

Under a program enacted in 1970 (AS 14.11.100), the State may reimburse municipalities up to 60, 70, 80, 90, or 100 percent of debt service on bonds issued to finance school construction. The percentage depends on the year in which the costs are incurred. The 60 percent limitation, enacted in 2002, applies to fiscal years after June 30, 1999.

Although the statute provides that the State may reimburse school districts 60, 70, 80, 90, or 100 percent of construction costs, the actual funding for the program is dependent on annual legislative appropriations to the school construction account. When amounts in the account are insufficient, the available funds are allocated *pro rata* among the eligible school districts. There is no contractual commitment by the State to make these payments. The amount for FY 2025 expended for school debt was \$56.34 million, which was 100% of the entitlement. The total debt requirement, assuming the State makes full payment of its share of school debt service, would be approximately \$314.04 million. The State is able to, and has in the past, appropriated less than the full amount anticipated by municipalities.

B. RISK MANAGEMENT AND SELF-INSURANCE

PRIMARY GOVERNMENT

The State maintains a risk management program that is administered by the Department of Administration, Division of Risk Management. The Division of Risk Management's objective is to protect the financial assets and operations of the State of Alaska from accidental loss through a comprehensive self-insurance program for normal and expected property and casualty claims of high frequency and low severity, combined with high-limit, broad-form excess insurance protection for catastrophic loss exposures.

Risk Management acts as the insurance carrier for each state agency, funding all sudden and accidental property and casualty claims. The annual premiums allocated by Risk Management are the maximum each agency is called upon to pay. This planning for accidental and catastrophic losses forestalls the need for the affected agency to request a supplemental appropriation or disrupt vital state services after a major property loss, adverse civil jury award, or significant workers' compensation claim.

By effectively managing the State's property and liability exposures through a comprehensive self-insurance program, Risk Management expends less public funds than would be paid to private insurance companies, while at the same time providing streamlined claims services utilizing professional adjusting firms located in the State of Alaska.

Property insurance with all-risk (including earthquake and flood) coverage is provided on a replacement cost basis for all state-owned or leased property; buildings (including contents, museum fine arts, etc.), aircraft, and watercraft (Alaska Marine Highway System ferries and other agency vessels).

Casualty coverages protect each state agency and their personnel from third-party civil (tort) liability claims alleged to have arisen from combined liability - general (premises/operations), automobile, professional (errors and omissions), medical malpractice, aviation (aircraft and airport), or marine (passenger injuries).

Additional specialty coverage includes blanket public employee faithful performance, accidental death and disability (including medical expenses) for volunteers, computer fraud and foreign liability, mechanical breakdown, etc. These insurance programs continually evolve, responding to new activities and special projects undertaken by each state agency. The State has not incurred a loss in excess of its insurance program.

In FY 2025, the State completely self-insured all statutory workers' compensation claims, general (premises and operations) and professional liability, automobile, property (buildings), cyber, and aircraft liability. The State had Self-Insured Retention (SIR) levels of \$250 thousand for marine risks and \$250 thousand per incident for airport liability exposures. Limits of excess insurance vary by risk: \$1 billion per occurrence for marine, \$125 million for fine arts, and \$500 million for airport.

Both domestic and international insurance companies and various Lloyd's of London underwriting syndicates participate in the State of Alaska's excess insurance program. Independent brokers provide marketing. The State obtains an annual independent actuarial assessment of the State insurance program as required by AS 37.05.287(b) which calculates unfunded claims and allocated loss adjustment expenses (ALAE).

An unconstrained audit of the State of Alaska's overall property and casualty insurance program performed by an independent risk management consultant found the retention levels and excess insurance coverage purchased are appropriate.

Risk Management's budget is funded entirely through interagency receipts annually billed to each agency through a "Cost of Risk" premium allocation system. The Risk Management Information System generates the annual cost of risk allocation to each agency, reflecting their proportionate share of the State's overall cost of risk. Designed to achieve equitable distribution of the self-insurance program costs, it factors exposure values subject to loss and considers the past five years' actual claims experience incurred by each department.

For most cost of risk allocations, 80 percent of the premium billing is based on the average of the past five years' actual claims experience. This provides a direct fiscal incentive to each agency to reduce or control their claim costs.

The program compiles a property inventory schedule of all owned or leased buildings used or occupied by state agencies, listing age and type of building construction, occupancy, fire protection services and sprinkler systems, and projected replacement cost value. Individual premiums are then determined and allocated to each department.

The "Cost of Risk" premium is collected through two methods from individual state agency operating budgets. Reimbursable service agreements (RSAs) are used for all categories of insurance other than Workers' Compensation and Combined Liability (general, auto, and professional), which are assessed on a rate per \$100 payroll applied monthly to each agency's actual payroll until the allocated premium is paid.

The table below presents changes in policy claim liabilities for the fiscal years ending June 30, 2024, and June 30, 2025, (in thousands). The State records its related liability using discounted amounts provided by actuaries. The amount of unpaid claim liabilities for Risk Management are presented at their present value using a 3.0 percent discount interest rate for FY 2024 and for FY 2025. Claims payment amounts include allocated loss adjustment expenses (legal and adjusting).

Fiscal Year	Beginning Balance	Current Year Claims and Changes in Estimates	Claim Payments	Ending Balance
2024	\$ 150,908	\$ 25,562	\$ (27,620)	\$ 148,850
2025	148,850	14,402	(29,203)	134,049

The Group Health and Life Fund is an Internal Service Fund of the State of Alaska, the plan is self-insured for all benefits. The plan's funding policy provides for the collection of insurance premiums from all employees, if applicable, and the State.

Insurance premium amounts are actuarially determined on an annual basis and adjusted as necessary. The State retains the risk of loss of allowable claims.

The liability for claims incurred but not reported (IBNR) represents the estimated amounts necessary to settle all outstanding claims as of the balance sheet date. The plan's reserve estimate for IBNR are based primarily on historical development patterns adjusted for current trends that would modify experience. Claims are re-evaluated periodically to consider the effects of inflation, claims settlement trends, and other economic factors. The process of establishing loss reserves is subject to uncertainties that are normal, recurring and inherent in the healthcare business.

Changes in the balances of claims liabilities during the years ended June 30, 2025 and 2024 were as follows (in thousands):

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Health Care Benefits</u>	<u>Benefits Paid</u>	<u>Ending Balance</u>
2024	\$ 17,409	\$ 179,056	\$ (172,649)	\$ 23,816
2025	23,816	195,350	(194,363)	24,803

UNIVERSITY OF ALASKA

The University is exposed to a wide variety of risks including property loss, bodily and personal injury, intellectual property, errors and omissions, cyber-attacks, aviation and marine exposures. These risks are managed through a combination of self-insurance and commercial insurance.

The University is self-insured up to \$2.0 million per occurrence for casualty claims and retains a \$250 thousand minimum for property claims. Commercial insurance covers coverage amounts beyond these limits. Health care, workers' compensation and unemployment claims are fully self-insured. Liabilities have been established through actuarial analysis to cover estimates for both reported losses and unreported losses based upon past experience modified for current trends, along with projected costs for investigating and settling claims. No settled claims have exceeded coverage limits in the past three years.

Changes in applicable self-insured liability amounts follow (in thousands):

	<u>Balance July 1, 2024</u>	<u>Provision for Claims</u>	<u>Claims Payments</u>	<u>Balance June 30, 2025</u>
Health	\$ 6,894	\$ 76,062	\$ (75,354)	\$ 7,602
General Liability	4,406	535	(407)	4,534
Workers' Compensation	3,424	889	(1,278)	3,035
Unemployment	29	224	(205)	48
	<u>\$ 14,753</u>	<u>\$ 77,710</u>	<u>\$ (77,244)</u>	<u>\$ 15,219</u>

C. LITIGATION AND ADMINISTRATIVE APPEALS

The State is involved in a number of legal actions. The Department of Law estimates the probable maximum liability for the cases associated with the governmental fund types to be approximately \$50.18 million, with an additional possible liability of \$78.0 million. The probable loss amount has been reported as long-term debt obligations.

The amount of revenue recognized by the Northern Tobacco Securitization Corporation could be adversely impacted by certain third party litigation involving tobacco companies and others.

The Division of Retirement and Benefits was a defendant in a class action lawsuit against the State alleging that the passage of Senate Bill (SB) 141 violated the Alaska Constitution by extinguishing a former member's ability to re-enter the PERS/TRS defined benefits plan. According to SB 141, a PERS/TRS defined benefit former member would have to re-employ into an eligible defined benefit position by June 30, 2010 or lose that former member's status (tier standing). If that former member re-entered the workforce in a valid PERS/TRS position but after June 30, 2010, that person would become a defined contribution retirement plan member, rather than reinstated into their prior defined benefit status (tier standing). The lawsuit challenged the effect of SB 141 as an unconstitutional diminishment of a promised defined benefit.

In April 2022, the Alaska Supreme Court found that a former member's ability to reinstate PERS/TRS status is an accrued benefit protected by Article XII, Section 7 of the Alaska Constitution. The Court held that not allowing former members to buy

back into PERS/TRS defined benefit status resulted in an unconstitutional diminishment. The Division continues to determine the impact of this decision on PERS and TRS. The Division has notified class members of their right to seek reinstatement into the defined benefit plan and the procedures to do so and is working with impacted former members who meet the requirements to reestablish their position in the defined benefits plan. During fiscal year 2025, the System transferred \$7 thousand from the PERS DCR-Occupational Death and Disability fund to the PERS DB Pension fund, \$29 thousand from the PERS DCR-Retiree Medical fund to the PERS DB Alaska Retiree Health Trust fund, and \$145 thousand from the PERS DCR-Health Reimbursement Arrangement plans to the PERS DB Alaska Retiree Healthcare Trust fund to re-establish certain former members' position in the defined benefits plan. It is unclear exactly how many former members will seek to reinstate to the defined benefits plan or the precise cost of the reintroduction of those former members to the defined benefits plan.

The Department of Revenue Tax Division's Oil and Gas Production Tax Audit Group performs periodic audits of oil and gas companies that file Alaska's oil and gas production tax returns. The audits mostly result in additional tax assessments and associated interest. The companies sometimes choose to pay the additional assessment "under protest" to avoid accruing interest. Because these prepayments are deposited in the Constitutional Budget Reserve Fund (CBRF) but are still under dispute, the tax assessment revenues recognized in the CBRF could be adversely affected by a potential refund resulting from a decision issued by the Department of Revenue Tax Division's Appeals Group, by the Department of Administration's Office of Administrative Hearings, by an Alaska Superior Court ruling, or by an Alaska Supreme Court ruling. The amount subject to potential refund could not be estimated.

In August of 2018, the U.S. Department of Health & Human Services (USDHHS), Office of Inspector General (OIG) released audit report number A-04-17-08059, in which the OIG found that the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA) overpaid the State of Alaska an estimated \$8.9 million in bonus payments due to the State including individuals that did not qualify because of their basis-of-eligibility category. The State of Alaska disagrees with this finding and joined several other states by entering into the formal appeals process through the USDHHS Department of Appeals Board (DAB) based on the states following the statutory criteria for the CHIPRA bonus payments and preparing current enrollment numbers in accordance with Centers for Medicare & Medicaid Services (CMS) guidance.

During FY 2021, USDHHS DAB issued a decision that required additional action by both the State and CMS. According to USDHHS DAB, the previous methodology used for determining the bonus awards was invalid; therefore, CMS could not pursue collecting the estimated overpayments. However, the decision allowed CMS the opportunity to recalculate the baseline year (2007) for determining eligibility and pursue an overpayment collection in accordance with this new calculation. As of June 30, 2025, USDHHS is evaluating the potential overpayment and the amount to potentially be repaid is unknown.

The Department of Natural Resource's Division of Oil and Gas performs periodic audits of oil and gas companies that file Alaska's oil and gas Royalty and Net Profit Share (NPS) reports. The audits mostly result in additional royalty and NPS payments and associated interest. The companies sometimes pay the additional assessment "under protest" to avoid accruing interest. Per Alaska Statutes 37.14.150 and 37.13.010, royalty payments are split between the Constitutional Budget Reserve Fund, Public School Trust Fund, and the Alaska Permanent Fund. Since the royalty and NPS revenues are still under dispute the funds could be adversely affected by a potential refund resulting from a decision issued by the Department of Natural Resource's Commissioner, by an Alaska Superior Court ruling, or by an Alaska Supreme Court ruling. As of the end of fiscal year June 30, 2025, there were no pending prepayments or payments made "under protest". If there were, we would not be able to estimate the amount of potential refund.

D. 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.

E. 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.

F. FUTURE LOAN COMMITMENTS AND GUARANTEES

As of June 30, 2025, the Alaska Clean Water and the Alaska Drinking Water Funds are committed to funding loans for which they have entered into agreements for communities, but funds have not yet been disbursed. The total amounts to be disbursed under these agreements are uncertain as not all of the loans are expected to be fully drawn and some loans may increase with changes in scope of the underlying projects; accordingly, they are not included in the financial statements for these funds. As of June 30, 2025, the Alaska Clean Water and the Alaska Drinking Water Funds have entered into binding commitments, as evidenced by signed loan agreements, for which funds remain to be disbursed totaling \$88.87 million and \$41.37 million respectively.

As of June 30, 2025, the Department of Commerce, Community and Economic Development identified outstanding loan commitments. Agreements have been entered into, but funds have not yet been disbursed. The open loan commitments include the Alaska Commercial Fishing Revolving Loan Fund for \$1.49 million and the Alaska Fisheries Enhancement Revolving Loan Fund for \$2.53 million.

As of June 30, 2025, the Alaska Energy Authority (AEA) had Power Project Fund loan commitments of \$0.49 million.

As of June 30, 2025, the Alaska Industrial Development and Export Authority (AIDEA) had loan guarantees of \$1.2 million.

On May 15, 2024, AIDEA's Board approved Resolution G24-04, committing up to \$70 million to Alyeschem, LLC to support the financing of construction and long-term operation of the first petrochemical facility on Alaska's North Slope. As of June 30, 2025, no loans had been issued to Alyeschem, LLC and the full commitment remains outstanding.

On October 23, 2024, AIDEA's Board approved Resolution G24-12, extending a \$50 million revolving line of credit to Hex Cook Inlet, LLC to support increased natural gas production and supply in the Cook Inlet. As of June 30, 2025, Hex cook Inlet, LLC had drawn \$15 million from the line of credit, leaving \$35 million available.

On June 17, 2025, AIDEA's Board approved Resolution G25-03, committing up to \$17 million to Greensparc, Inc. to support the financing of a new data center in Cordova, Alaska. As of June 30, 2025, no loans had been issued to Greensparc, Inc., and the full commitment remains outstanding.

G. POTENTIAL DEVELOPMENT PROJECTS

Exclusive of the Alaska LNG Project, and regarding the development of a proposed in-state natural gas pipeline from the North Slope to Cook Inlet (Bullet Line), the Alaska Gasline Development Corporation (AGDC) entered into a 2010 agreement where \$5.0 million would become due and payable when (a) the State awards permits, work product, and other results of a Bullet Line Preliminary Development Project to a Qualified Builder (other than a public corporation owned by the State); or (b) the State determines it will construct the Bullet Line itself, either through a public corporation owned by the State or otherwise, and (i) the Legislature of the State of Alaska appropriates some or all of the funding for the Bullet Line Development and Construction Expenses, or (ii) bonds are issued by the State or a public corporation owned by the State intended to finance some or all of the Bullet Line Development and Construction Expenses.

H. INVESTMENT COMMITMENTS

As of June 30, 2025, the Alaska Permanent Fund Corporation (APFC), on behalf of the Alaska Permanent Fund, had outstanding future funding commitments of \$305 million for real estate fund investments.

As of June 30, 2025, the APFC, on behalf of the Alaska Permanent Fund, had outstanding future funding commitments of \$21 million for absolute return, \$1.5 billion for private credit, \$4.2 billion for private equity, and \$1.3 billion for infrastructure investments. Many alternative investments have liquidity constraints and may not be available for cash withdrawal until a specified period of time has elapsed.

The Alaska Housing Finance Corporation is obligated under contracts and other commitments to purchase and/or modernize certain fixed assets. The total commitment, including amounts to be funded buy third parties, was \$9.33 million as of June 30, 2025.

The Alaska Retirement Management Board (ARMB) has entered into agreements with external investment managers to provide funding for future pension fund investments. As of June 30, 2025, ARMB's unfunded commitments were as follows (in thousands):

Investment Type	
Multi-Asset	\$ 891,488
Energy	30,275
Infrastructure	75,000
Private Equity	2,284,215
Real Estate	308,347
	\$ 3,589,325

I. POLLUTION REMEDIATION

Governmental Accounting Standards Board Statement (GASBS) 49 provides guidance for state and local governments in estimating and reporting the potential costs of pollution remediation. While GASBS 49 does not require the State to search for pollution, it does require the State to reasonably estimate and report a remediation liability when an obligating event occurs.

According to AS 46.03.010, it is the policy of the State to conserve, improve, and protect its natural resources and environment and control water, land, and air pollution, in order to enhance the health, safety, and welfare of the people of the State and their overall economic and social well-being. It is also the policy of the State to improve and coordinate the environmental plans, functions, powers, and programs of the State, in cooperation with the federal government, local governments, other public and private organizations, and concerned individuals, and to develop and manage the basic resources of water, land, and air to the end that the State may fulfill its responsibility as trustee of the environment for the present and future generations.

The State has the knowledge and expertise to estimate the remediation obligations presented in the statements based on prior experience in identifying and funding similar remediation activities. GASBS 49 requires the State to calculate pollution remediation liabilities using the expected cash flow technique. Where the State cannot reasonably estimate a pollution remediation obligation, it does not report a liability.

The remediation obligation estimates that appear in this report are subject to change over time. Cost may vary due to price fluctuations, changes in technology, changes in potential responsible parties, results of environmental studies, changes to statutes or regulations or other factors. Prospective recoveries from responsible parties may reduce the State's obligation.

At July 1, 2024, the General Fund had pollution remediation obligations of \$120,495 thousand. As of June 30, 2025, the State had an increase to the obligations of \$4,830 thousand and recognized a decrease of \$4,873 thousand, for an ending balance of \$120,452 thousand in pollution remediation obligation related activities. The State has an estimated potential recovery of \$680 thousand from other responsible parties.

Additionally, the International Airports Fund (IAF) reported pollution remediation liabilities for which IAF is in whole or in part a responsible party. The liabilities were valued using the estimated mean of the future cash flows of costs and recovery associated with those sites, measured at current value. Amounts recorded as current and long-term portions of these estimated liabilities were respectively \$1,300 thousand and \$11,698 thousand at the end of FY 2025.

J. ENCUMBRANCES

The State of Alaska utilizes encumbrance accounting to identify fund obligations. The following shows encumbrances within the governmental funds for the fiscal year ended June 30, 2025:

	Amount (in thousands)	
General Fund	\$	761,453
Special Revenue Funds		106,047
Capital Project Funds		434
Total Encumbrances	\$	867,934

A review of the appropriations with encumbrance balances over \$5 million were identified and analyzed below:

The Department of Commerce, Community and Economic Development administers projects related to transportation projects for \$147.50 million. These projects are funded by the SBR Fund and general funds.

The Department of Commerce, Community and Economic Development administers projects related to community assistance for \$5.03 million. This project is funded by community revenue sharing funds.

The Department of Health administers projects related to the COVID-19 pandemic for \$7.18 million. This project is funded by general funds.

The Department of Commerce, Community and Economic Development administers the Alaska Reinsurance Program which was established under AS 21.55 to stabilize the health insurance market in Alaska. The program provides a reinsurance mechanism for insurers issuing policies that cover certain high-risk individuals through the Comprehensive Health Insurance Association. The program has \$53.5 million remaining obligated in the Alaska Comprehensive Health Insurance Fund from revenues collected under Title 21 of the Alaska Statutes.

The Governor's Office administers projects related to deferred maintenance for \$6.62 million. These projects are funded by Alaska Capital Income Funds.

The Department of Corrections administers projects related to prison healthcare for \$8.14 million. These projects are funded by general funds.

The Department of Education and Early Development administers projects related to school repairs for \$89.80 million. These projects are funded by general funds.

The Department of Military and Veteran's Affairs administers projects related to storm cleanup for \$25.04 million. These projects are funded by disaster relief funds.

The Department of Health administers projects related to administrative services for \$8.90 million. These projects are funded by general funds.

The Department of Commerce, Community and Economic Development administers grants for the Alaska Impact Grant Program for \$62.31 million. This is funded by the National Petroleum Reserve Fund.

The Department of Commerce, Community and Economic Development administers construction projects for \$27.65 million. These are funded by general funds.

The Department of Commerce, Community and Economic Development administers a grant for the Exxon Valdez Oil Spill funded "EVOSTC" for \$5.80 million. These are funded by the Exxon Valdez Settlement Trust Fund.

The Department of Transportation administers projects related to transportation projects for \$35.89 million. These projects are funded by general funds.

The Department of Natural Resources administers projects related to fire suppression for \$12.90 million. These projects are funded by general funds.

K. MEDICAID

The Department of Health used two Medicaid Management Information Systems, Alaska Health Enterprise (AHE) and Optum Behavioral Health System (OBHS) FACETS, to process Medicaid and Children's Health Insurance Program medical claims submitted by service providers. Some claims are suspended during normal processing for reasons including third party insurance verification, verification of medical necessity, and provider claim submission errors. Due to the complexity of claim processing, the cost of settling the suspended claims cannot be reasonably estimated. The Optum Behavioral Health System (OBHS) FACETS was phased out midyear and is no longer applicable moving forward.

L. FINANCIAL GUARANTEES

In accordance with AS 18.56.098 (i), the State has guaranteed the Veterans Mortgage Program Bonds issued by the Alaska Housing Finance Corporation (AHFC) in the amount of \$156.7 million at June 30, 2025. The guarantees extend through the life of the bonds, with a final maturity date of the longest series in 2053. In the event that AHFC cannot make the bond payments, the State would be responsible for the principal and interest.

M. CONCENTRATIONS

In FY 2025, the most significant sources of revenues were federal, taxes, and rents and royalties; which make up 89.4 percent of total revenues. With a large portion of total revenues coming from federal sources (57.7 percent), a large decrease in federal funding could impact the stability of the State. Additionally, with the volatility in petroleum related revenues, taxes, and rents and royalties continue to be a significant concern for the State of Alaska.

NOTE 13 – SUBSEQUENT EVENTS

A. ALASKA MUNICIPAL BOND BANK AUTHORITY

On July 23, 2025, the Authority issued \$100.85 million in general obligation and refunding bonds, the 2025 Series Three (Tax-Exempt), with interest rate yields ranging between 2.62 percent and 4.04 percent and bond coupon rates of 5 percent. The Authority issued the bonds to current refund \$45.84 million in outstanding 2015 Series Three general obligation bonds of the Authority and provide \$57.80 million in new funding from the Authority to an authorized borrower to current refund outstanding debt. At the time of issuance, the 2025 Series Three Bonds produced estimated gross savings to the borrower of approximately \$11.0 million.

B. ALASKA CLEAN WATER FUND

Pursuant to legislative authorization obtained during the 2025 session of the Alaska Legislature, the Series A Revenue Bond Anticipations Note for FY 2025 was issued on December 10, 2025, in the amount of \$1.90 million. The borrowing is secured by interest earnings of the Alaska Clean Water Fund.

C. ALASKA DRINKING WATER FUND

Pursuant to legislative authorization obtained during the 2025 session of the Alaska Legislature, the Series B Revenue Bond Anticipation Note for FY 2025 was issued on December 10, 2025, in the amount of \$2.19 million. The borrowing is secured by interest earnings of the Alaska Drinking Water Fund.

D. ALASKA HOUSING FINANCE CORPORATION

On July 1, 2025, the Corporation delivered its \$133.0 million State Capital Project Bonds II, 2025 Series A. The Series A Bonds are tax-exempt general obligations of the Corporation having a final maturity of December 1, 2033, and paying interest each June 1 and December 1 at a fixed rate of 5.00 percent. Proceeds of the Series A Bonds will be used to refund certain outstanding obligations of the Corporation and for other authorized purposes.

On September 30, 2025, the Corporation delivered its \$100.0 million Collateralized Bonds (Veterans Mortgage Program) 2025 First Series. The First Series Bonds are tax-exempt general obligations of the Corporation having a final maturity of December 1, 2054, and paying interest each June 1 and December 1 at fixed rates ranging from 2.50 percent to 5.00 percent. Proceeds of

the First Series Bonds will be used to finance qualified veterans mortgage loans. Principal and interest on the First Series Bonds is further secured by the unconditional guarantee of the State.

On February 4, 2026, the Corporation executed a Bond Purchase Agreement for the issuance of \$106.4 million General Mortgage Revenue Bonds II, 2026 Series A. These are tax-exempt, fixed rate housing bonds to fund qualified first time homebuyer mortgage loans.

E. UNIVERSITY OF ALASKA

In July 2025, the University completed a bond refunding through the Alaska Municipal Bond Authority. The transaction retired portion of the outstanding General Revenue Bonds and CPA Lease Revenue Bonds through the issuance of a new General Obligation Refunding Bond. Following the refunding, total outstanding debt principal was \$228.8 million. The refunding resulted in gross debt service savings of \$11.0 million and net present value savings of \$8.3 million. The AHFC note payable was not included in the refunding.

F. ALASKA RAILROAD CORPORATION

On August 14, 2025, the Alaska Railroad Corporation (ARRC) priced and authorized the sale of Cruise Port Revenue Bonds, Series 2025 (the "Bonds") with a par amount of \$111.99 million. The transaction closed on August 26, 2025. The Bonds were sold at a premium, generating a total bond proceed of \$116.16 million before deductions. After subtracting the underwriter's discount, the purchase price to ARRC was \$115.27 million. Proceeds will be used to finance a portion of the purchase price of a new passenger terminal and dock facility to be constructed at the ARRC Seward Terminal Reserve in Seward, Alaska. The bonds have a final maturity date of October 1, 2054. The Series 2025 Bonds are a limited obligation of ARRC, payable solely from and secured solely by a pledge of the Gross Revenues and certain other securities (described as the "Trust Estate") as defined in the bond documents. The 2025 Bonds are not a general obligation of the ARRC and the revenues, funds, and assets of the ARRC (other than the Trust Estate) are not pledged or required to be pledged or required to be used for the payment of the 2025 Bonds or the interest. The 2025 Bonds do not constitute a debt, liability, or obligation of the State of Alaska or any political subdivision of the State. Neither the faith and credit nor the taxing power of the State or of a political subdivision of the State is pledged to the payment of the 2025 Bonds.

G. ALASKA INTERNATIONAL AIRPORT

On July 8, 2025, the Airport System closed the second and final phase of the forward delivery transaction that legally defeased the remaining principal for the Series 2016A and 2016B revenue bonds. The second transaction included the issuance of \$50.21 million in Series 2025B revenue refunding bonds with a bond premium of \$3.59 million. The transaction refunded \$23.76 million Series 2016A and \$38.10 million of Series 2016B revenue bonds for a combined refunding of \$61.85 million. Included in the transaction was a \$6.64 million Airport System cash contribution. The resulting Series 2025B revenue bonds were issued at a fixed rate. This phase of the bond transaction resulted in a total net decrease in debt service of approximately \$14.48 million. The transaction represents a net present value savings of \$4.20 million.

Management evaluated subsequent events through the date the financial statements were issued. In September 2025, New Pacific Airlines, Inc. (NPA) ceased operations at both Ted Stevens Anchorage International Airport and Fairbanks International Airport. Subsequent to year-end, the Alaska International Airport (AIAS) initiated the reconciliation of NPA's outstanding account balance to reflect the return of leased terminal and operational space to the System and the application of unallocated customer credits to outstanding invoices.

Management evaluates the collectability of accounts receivable based on specific identification of delinquent accounts, customer operating status, historical collection experience, and known economic or contractual factors. Based on this assessment, management determined that the remaining receivable balance associated with NPA is not collectible. Upon completion of the reconciliation, AIAS estimates that approximately \$4.5 million of accounts receivable related to NPA will be written off. Of the estimated write-off, \$2.3 million was recognized as bad debt expense during the year ended June 30, 2025. As of June 30, 2025, the total allowance for doubtful accounts was \$5.8 million, which management believes is sufficient to absorb the estimated write-off. Total net revenues for the year ended June 30, 2025, were \$78.5 million. This event did not require an adjustment to the financial statements as of June 30, 2025.

H. STATE OF ALASKA

On December 30, 2025, the State of Alaska has been awarded federal funding through the Centers for Medicare & Medicaid Services' (CMS) Rural Health Transformation Program (RHTP), a five-year, \$50 billion national initiative designed to strengthen, stabilize, and modernize health care systems in rural communities across the country. In each year of the program starting in 2026, Alaska will receive \$272.2 million to support targeted, system-level investments aimed at improving access to care while reinforcing the long-term stability of Alaska's health care infrastructure.

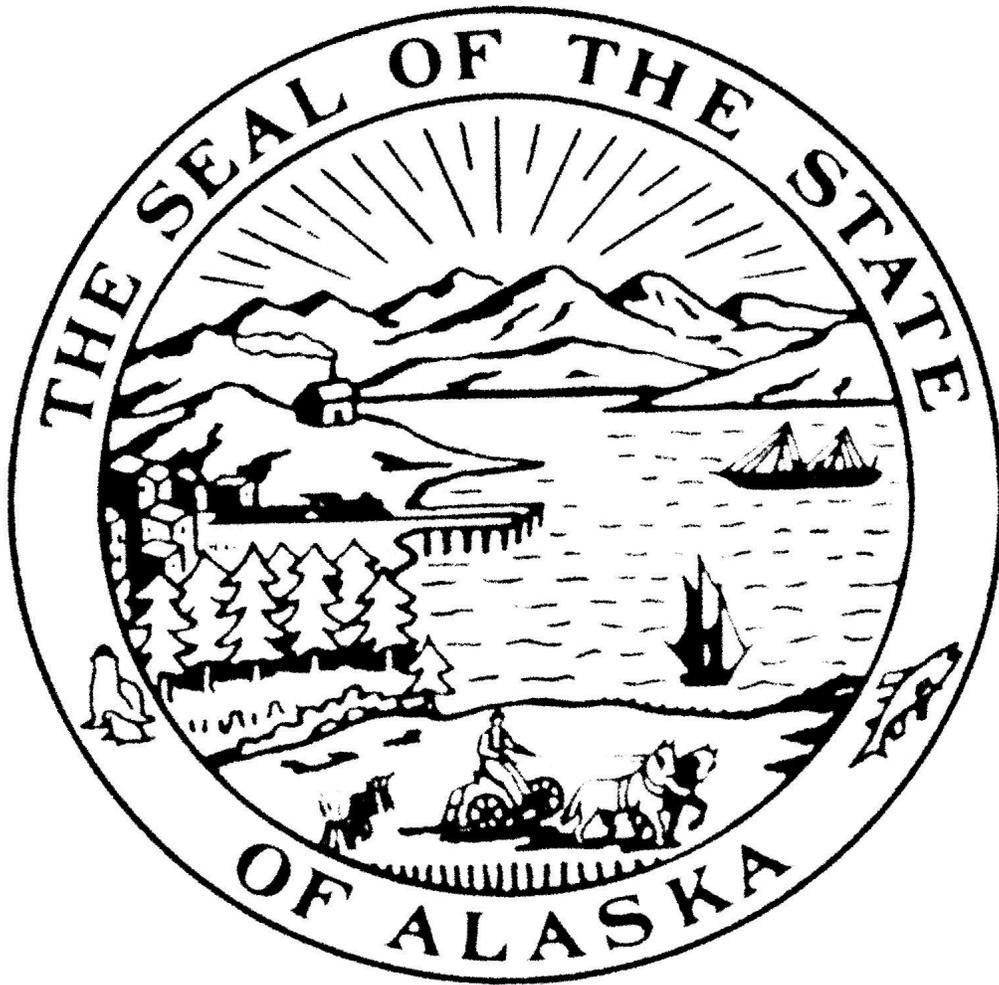
NOTE 14 – RESTATED BEGINNING NET POSITION AND EXTRAORDINARY ITEMS**Extraordinary Item**

In FY 2025, in conjunction with Alaska Energy Authority (AEA), Alaska Industrial Development and Export Authority (AIDEA) discontinued employing personnel that conduct business for AEA, who in turn began to employ these personnel. AIDEA allocated \$5.3 million of their pension liability and related deferred inflows and outflows at the start of 2025 to AEA. AIDEA further allocated the net Other Post-employment Benefits asset and associated deferred inflows and outflows in the amount of \$2.9 million to AEA.

Restated Beginning Net Position

Effective for fiscal year 2025, the state adopted the following new standards issued by the Governmental Accounting Standards Board (GASB): Statement No. 101, Compensated Absences. GASB Statement No. 101 updates the accounting and financial reporting requirements for compensated absences. This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. It also establishes guidance for measuring a liability for leave that has not been used. The June 30, 2024, compensated absence liability balances were restated as a result of this new standard. The compensated absence liabilities are reported as long-term liabilities on the government-wide Statement of Net Position, and as accrued liabilities and other long-term obligations on the proprietary fund Statement of Net Position. The effect of the adjustments (in thousands) are shown in the following table:

	June 30, 2024, as previously reported	Change in Accounting Principle	July 1, 2024, as restated
Government-Wide			
Governmental Activities	\$ 93,890,590	\$ (8,487)	\$ 93,882,103
Business-Type Activities	3,549,594	—	\$ 3,549,594
Total Primary Government	\$ 97,440,184	\$ (8,487)	\$ 97,431,697
Proprietary Funds			
International Airports	\$ 1,103,854	\$ —	\$ 1,103,854
Internal Service Funds	454,753	(32)	\$ 454,721
Total Proprietary Funds	\$ 1,558,607	\$ (32)	\$ 1,558,575
Discretely Presented Component Units			
Alaska Railroad Corporation	\$ 484,837	\$ (81)	\$ 484,756
Total Discretely Presented Component Units	\$ 484,837	\$ (81)	\$ 484,756



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Required Supplementary Information



STATE OF ALASKA
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2025
(Stated in Thousands)

STATEMENT 2.01

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Unrestricted:				
Taxes	\$ 1,676,570	\$ 1,676,570	\$ 1,652,539	\$ 24,031
Licenses and Permits	116,439	119,723	145,208	(25,485)
Charges for Services	178,011	395,335	182,882	212,453
Fines and Forfeitures	31,341	31,214	59,341	(28,127)
Rents and Royalties	1,118,900	1,116,333	1,078,990	37,343
Premiums and Contributions	1,193	926	877	49
Interest and Investment Income (Loss)	156,600	156,600	350,330	(193,730)
Payments In from Component Units	261,043	274,851	51,038	223,813
Other Revenues	92,700	92,700	49,366	43,334
Restricted:				
Federal Grants in Aid	15,051,179	14,399,558	4,628,655	9,770,903
Interagency	745,970	1,389,524	673,646	715,878
Payments In from Component Units	111,453	115,839	—	115,839
Other Revenues	7,986	9,798	8,581	1,217
Total Revenues	<u>19,549,385</u>	<u>19,778,971</u>	<u>8,881,453</u>	<u>10,897,518</u>
EXPENDITURES				
Current:				
General Government	749,502	838,972	675,630	163,342
Alaska Permanent Fund Dividend	1,086,247	1,086,247	1,074,243	12,004
Education	2,153,697	2,174,174	2,043,812	130,362
University	460,082	474,375	417,857	56,518
Health and Human Services	6,341,700	6,777,080	4,445,195	2,331,885
Law and Justice	400,316	426,889	378,269	48,620
Public Protection	1,265,632	1,644,138	1,135,191	508,947
Natural Resources	640,843	681,419	397,084	284,335
Development	1,821,077	1,902,105	191,218	1,710,887
Transportation	9,181,655	7,043,827	1,833,471	5,210,356
Intergovernmental Revenue Sharing	133,925	105,064	102,734	2,330
Debt Service:				
Principal	81,246	81,246	81,246	—
Interest and Other Charges	17,192	17,192	17,192	—
Total Expenditures	<u>24,333,114</u>	<u>23,252,728</u>	<u>12,793,142</u>	<u>10,459,586</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(4,783,729)</u>	<u>(3,473,757)</u>	<u>(3,911,689)</u>	<u>437,932</u>
OTHER FINANCING SOURCES (USES)				
Transfers In from Other Funds	6,249,852	6,249,852	6,249,852	—
Transfers (Out to) Other Funds	(2,551,597)	(2,551,597)	(2,551,597)	—
Total Other Financing Sources and Uses	<u>3,698,255</u>	<u>3,698,255</u>	<u>3,698,255</u>	<u>—</u>
Excess (Deficiency) of Revenues, Expenditures, Other Financing Sources, Special and Extraordinary Items, Budgetary Basis	<u>\$ (1,085,474)</u>	<u>\$ 224,498</u>	<u>(213,434)</u>	<u>\$ 437,932</u>
RECONCILIATION OF BUDGETARY / GAAP REPORTING:				
Adjust Expenditures for Encumbrances			9,395	
Basis Difference			<u>(103,755)</u>	
Excess (Deficiency) of Revenues, Expenditures, Other Financing Sources, Special and Extraordinary Items, GAAP Basis			<u>(307,794)</u>	
Fund Balances - Beginning of Year			5,791,268	
Fund Balances - End of Year			<u>\$ 5,483,474</u>	

**Note to Required Supplementary Information - Budgetary Reporting
For the Fiscal Year Ended June 30, 2025**

The Budgetary Comparison Schedule - General Fund presents comparisons of the original and final adopted budget with actual data on a budgetary basis. The State issues a separate legal basis budgetary report, which demonstrates legal compliance with the budget. A copy of this report may be obtained by contacting the State of Alaska, Department of Administration, Division of Finance, P.O. Box 110204, Juneau, AK 99811-0204, or may be viewed online at <http://doa.alaska.gov/dof/reports/annualreport.html>.

The legislature's legal authorization (appropriations) to incur obligations is enacted on a basis inconsistent with Generally Accepted Accounting Principles (GAAP). The reconciliation of the budgetary basis to GAAP is shown directly on the Budgetary Comparison Schedule - General Fund. Both the annual operating budget and the net continuing total budget are included.

The types of differences are as follows:

- Encumbrances are included for total authorized expenditures, although for GAAP purposes they are excluded.
- There was financial activity related to reimbursable services agreements (RSA) and interfund transactions that were recorded in the general fund and in other funds. For budgetary purposes, that activity was left in the general fund, but for GAAP purposes it was eliminated from the general fund.
- Basis differences arise when the budgetary basis of accounting differs from the basis of accounting applicable to fund type when reporting on operations in accordance with GAAP. This difference is comprised of the following in the general fund (in thousands):

Petroleum Severance Taxes and Royalties	\$ (70,965)
Medical Assistance Program	(37,084)
Tobacco Tax	(1,342)
Alcohol Tax	(73)
Tire Tax	(10)
Vehicle Rental Tax	(284)
Commercial Passenger Vessel Excise Tax	1,408
Marijuana Tax	(310)
Working Reserve	4,905
Total General Fund Basis Difference	\$ (103,755)

STATE OF ALASKA

STATEMENT 2.10

Proportionate Share of the Net Pension Liability Schedule

Public Employees' Retirement System - Pension

Last Ten Fiscal Years

As of Measurement Date

(Stated in Thousands)

	2025	2024	2023	2022	2021
Primary government's proportion of the net pension liability	49.60 %	49.09 %	49.36 %	48.96 %	49.09 %
Component unit's proportion of the net pension liability	5.49 %	5.28 %	5.18 %	5.77 %	4.79 %
Nonemployer contributing state's proportion of the net pension liability	13.61 %	12.60 %	10.88 %	6.03 %	14.86 %
Primary government's proportionate share of the net pension liability	\$ 2,720,291	\$ 2,545,223	\$ 2,515,767	\$ 1,796,269	\$ 2,896,625
Component unit's proportionate share of the net pension liability	\$ 301,085	\$ 274,012	\$ 264,052	\$ 211,646	\$ 282,741
Nonemployer contributing state's share of the net pension liability	\$ 746,313	\$ 653,370	\$ 554,547	\$ 221,236	\$ 876,821
Primary government's covered payroll	\$ 1,334,336	\$ 1,228,426	\$ 1,179,889	\$ 1,140,501	\$ 1,276,521
Component unit's covered payroll	\$ 79,018	\$ 76,646	\$ 80,973	\$ 91,176	\$ 102,596
Primary government's proportionate share of the net pension liability as a percentage of its covered payroll	203.87 %	207.19 %	213.22 %	157.50 %	226.92 %
Component unit's proportionate share of the net pension liability as a percentage of its covered payroll	381.03 %	357.50 %	326.10 %	232.13 %	275.59 %
Plan fiduciary net position as a percentage of the total pension liability	67.81 %	68.23 %	67.97 %	76.46 %	61.61 %

This schedule continued on next page.

STATE OF ALASKA

STATEMENT 2.10

Proportionate Share of the Net Pension Liability Schedule

Public Employees' Retirement System - Pension

Last Ten Fiscal Years

As of Measurement Date

(Stated in Thousands)

	2020	2019	2018	2017	2016
Primary government's proportion of the net pension liability	49.72 %	49.53 %	50.62 %	51.87 %	50.75 %
Component unit's proportion of the net pension liability	4.91 %	5.15 %	4.74 %	5.79 %	5.52 %
Nonemployer contributing state's proportion of the net pension liability	14.28 %	11.33 %	13.40 %	5.38 %	10.40 %
Primary government's proportionate share of the net pension liability	\$ 2,721,623	\$ 2,461,037	\$ 2,616,648	\$ 2,899,139	\$ 2,461,215
Component unit's proportionate share of the net pension liability	\$ 268,783	\$ 255,967	\$ 244,871	\$ 323,541	\$ 267,632
Nonemployer contributing state's share of the net pension liability	\$ 781,773	\$ 562,886	\$ 692,476	\$ 300,921	\$ 504,300
Primary government's covered payroll	\$ 1,102,180	\$ 1,093,705	\$ 1,092,504	\$ 1,090,607	\$ 1,148,502
Component unit's covered payroll	\$ 116,162	\$ 119,018	\$ 128,050	\$ 140,886	\$ 150,562
Primary government's proportionate share of the net pension liability as a percentage of its covered payroll	246.93 %	225.02 %	239.51 %	265.83 %	214.30 %
Component unit's proportionate share of the net pension liability as a percentage of its covered payroll	231.39 %	215.07 %	191.23 %	229.65 %	177.76 %
Plan fiduciary net position as a percentage of the total pension liability	63.42 %	65.19 %	63.37 %	59.55 %	63.96 %

Employer Contributions Schedule

Public Employees' Retirement System - Pension

Last Ten Fiscal Years

(Stated in Thousands)

	2025	2024	2023	2022	2021
Primary Government					
Statutorily required contribution	\$ 300,314	\$ 250,613	\$ 264,648	\$ 250,432	\$ 254,597
Contributions in relation to the statutorily required contribution	300,317	250,621	231,768	248,138	255,643
Contribution deficiency (excess)	<u>\$ (3)</u>	<u>\$ (8)</u>	<u>\$ 32,880</u>	<u>\$ 2,294</u>	<u>\$ (1,046)</u>
Covered payroll	\$ 1,467,611	\$ 1,334,336	\$ 1,228,426	\$ 1,179,889	\$ 1,140,501
Contributions as a percentage of covered payroll	20.46 %	18.78 %	18.87 %	21.03 %	22.41 %
Component Units					
Statutorily required contribution	\$ 17,973	\$ 18,633	\$ 17,702	\$ 14,121	\$ 13,890
Contributions in relation to the statutorily required contribution	34,760	32,782	29,501	23,737	21,861
Contribution deficiency (excess)	<u>\$ (16,787)</u>	<u>\$ (14,149)</u>	<u>\$ (11,799)</u>	<u>\$ (9,616)</u>	<u>\$ (7,971)</u>
Covered payroll	\$ 74,430	\$ 79,018	\$ 76,646	\$ 80,973	\$ 91,176
Contributions as a percentage of covered payroll	46.70 %	41.49 %	38.49 %	29.31 %	23.98 %
Primary Government Nonemployer Contribution					
Statutorily required contribution	\$ 59,149	\$ 37,942	\$ 33,933	\$ 97,700	\$ 102,429
Contributions in relation to the statutorily required contribution	59,149	37,942	33,933	97,700	101,383
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,046</u>

This schedule continued on next page.

STATE OF ALASKA
Employer Contributions Schedule
Public Employees' Retirement System - Pension
Last Ten Fiscal Years
(Stated in Thousands)

STATEMENT 2.11

	2020	2019	2018	2017	2016
Primary Government					
Statutorily required contribution	\$ 200,767	\$ 188,809	\$ 181,720	\$ 170,247	\$ 164,533
Contributions in relation to the statutorily required contribution	212,693	207,815	183,334	179,742	164,533
Contribution deficiency (excess)	<u>\$ (11,926)</u>	<u>\$ (19,006)</u>	<u>\$ (1,614)</u>	<u>\$ (9,495)</u>	<u>\$ —</u>
Covered payroll	\$ 1,276,521	\$ 1,102,180	\$ 1,093,885	\$ 1,092,504	\$ 1,090,607
Contributions as a percentage of covered payroll	16.66 %	18.85 %	16.76 %	16.45 %	15.09 %
Component Units					
Statutorily required contribution	\$ 16,074	\$ 17,626	\$ 20,590	\$ 19,693	\$ 17,969
Contributions in relation to the statutorily required contribution	19,763	17,718	20,590	19,693	17,969
Contribution deficiency (excess)	<u>\$ (3,689)</u>	<u>\$ (92)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Covered payroll	\$ 102,596	\$ 116,162	\$ 119,018	\$ 128,050	\$ 140,886
Contributions as a percentage of covered payroll	19.26 %	15.25 %	17.30 %	15.38 %	12.75 %
Primary Government Nonemployer Contribution					
Statutorily required contribution	\$ 69,067	\$ 67,433	\$ 36,399	\$ 40,360	\$ 43,535
Contributions in relation to the statutorily required contribution	79,486	67,857	36,770	50,027	43,535
Contribution deficiency (excess)	<u>\$ (10,419)</u>	<u>\$ (424)</u>	<u>\$ (371)</u>	<u>\$ (9,667)</u>	<u>\$ —</u>

Notes to required schedule

Significant methods and assumptions used in calculating the actuarially determined contribution are presented in Note 6.

During the 32nd Legislature, Senate Bill 55 made changes to Alaska Statute (AS) 39.35.255 that indicated the State of Alaska shall contribute to the System every payroll period an amount sufficient to pay the full actuarially determined employer normal cost.

STATE OF ALASKA

STATEMENT 2.12

Proportionate Share of the Net OPEB Liability Schedule

Public Employees' Retirement System - Alaska Retiree Healthcare Trust Plan

Last Ten Fiscal Years

As of Measurement Date

(Stated in Thousands)

	2025	2024	2023	2022	2021
Primary government's proportion of the net OPEB liability or asset	49.61 %	49.10 %	49.37 %	48.95 %	49.10 %
Component unit's proportion of the net OPEB liability or asset	5.50 %	5.27 %	5.15 %	5.79 %	4.79 %
Nonemployer contributing state's proportion of the net OPEB liability or asset	13.54 %	12.69 %	11.16 %	5.85 %	14.89 %
Primary government's proportionate share of the net OPEB liability or (asset)	\$ (1,092,455)	\$ (1,129,681)	\$ (971,422)	\$ (1,255,765)	\$ (222,361)
Component unit's proportionate share of the net OPEB liability or (asset)	\$ (121,124)	\$ (121,352)	\$ (101,300)	\$ (148,506)	\$ (21,690)
Nonemployer contributing state's share of the net OPEB liability or (asset)	\$ (298,268)	\$ (292,043)	\$ (219,574)	\$ (150,200)	\$ (67,431)
Primary government's covered payroll	\$ 1,334,336	\$ 1,228,426	\$ 1,179,889	\$ 1,140,501	\$ 1,276,521
Component unit's covered payroll	\$ 92,423	\$ 89,120	\$ 92,476	\$ 100,856	\$ 110,704
Primary government's proportionate share of the net OPEB liability or asset as a percentage of its covered payroll	81.87 %	91.96 %	82.33 %	110.11 %	17.42 %
Component unit's proportionate share of the net OPEB liability or asset as a percentage of its covered payroll	131.05 %	136.17 %	109.54 %	147.25 %	19.59 %
Plan fiduciary net position as a percentage of the total OPEB liability	130.59 %	133.96 %	128.51 %	135.54 %	106.15 %

This schedule continued on next page.

Proportionate Share of the Net OPEB Liability Schedule

Public Employees' Retirement System - Alaska Retiree Healthcare Trust Plan

Last Ten Fiscal Years

As of Measurement Date

(Stated in Thousands)

	2020	2019	2018
Primary government's proportion of the net OPEB liability or asset	49.73 %	49.54 %	50.64 %
Component unit's proportion of the net OPEB liability or asset	4.91 %	5.15 %	4.74 %
Nonemployer contributing state's proportion of the net OPEB liability or asset	14.30 %	11.35 %	13.41 %
Primary government's proportionate share of the net OPEB liability or (asset)	\$ 73,794	\$ 508,456	\$ 427,754
Component unit's proportionate share of the net OPEB liability or (asset)	\$ 7,285	\$ 52,106	\$ 39,552
Nonemployer contributing state's share of the net OPEB liability or (asset)	\$ 21,218	\$ 116,512	\$ 113,255
Primary government's covered payroll	\$ 1,102,180	\$ 1,093,705	\$ 1,092,504
Component unit's covered payroll	\$ 116,162	\$ 119,018	\$ 128,050
Primary government's proportionate share of the net OPEB liability or asset as a percentage of its covered payroll	6.70 %	46.49 %	39.15 %
Component unit's proportionate share of the net OPEB liability or asset as a percentage of its covered payroll	6.27 %	43.78 %	30.89 %
Plan fiduciary net position as a percentage of the total OPEB liability	98.13 %	93.13 %	89.70 %

This schedule is intended to present information for ten years. Additional years will be displayed as they become available.

Employer Contributions Schedule

Public Employees' Retirement System - Alaska Retiree Healthcare Trust Plan

Last Ten Fiscal Years

(Stated in Thousands)

	2025	2024	2023	2022	2021
Primary Government					
Statutorily required contribution	\$ 2	\$ —	\$ 6	\$ 38,261	\$ 34,183
Contributions in relation to the statutorily required contribution	2	—	6	38,261	34,183
Contribution deficiency (excess)	<u>\$ —</u>				
Covered payroll	\$ 1,467,611	\$ 1,334,336	\$ 1,228,426	\$ 1,179,889	\$ 1,140,501
Contributions as a percentage of covered payroll	— %	— %	— %	3.24 %	3.00 %
Component Units					
Statutorily required contribution	\$ 676	\$ 689	\$ 638	\$ 5,729	\$ 7,015
Contributions in relation to the statutorily required contribution	—	344	329	5,547	6,574
Contribution deficiency (excess)	<u>\$ 676</u>	<u>\$ 345</u>	<u>\$ 309</u>	<u>\$ 182</u>	<u>\$ 441</u>
Covered payroll	\$ 89,644	\$ 92,423	\$ 89,120	\$ 92,476	\$ 100,856
Contributions as a percentage of covered payroll	— %	0.37 %	0.37 %	6.00 %	6.52 %
Primary Government Nonemployer Contribution					
Statutorily required contribution	\$ —	\$ —	\$ —	\$ —	\$ —
Contribution deficiency (excess)	<u>\$ —</u>				

This schedule continued on next page.

Employer Contributions Schedule

Public Employees' Retirement System - Alaska Retiree Healthcare Trust Plan

Last Ten Fiscal Years

(Stated in Thousands)

	2020	2019	2018
Primary Government			
Statutorily required contribution	\$ 64,223	\$ 87,606	\$ 44,192
Contributions in relation to the statutorily required contribution	53,167	50,848	41,929
Contribution deficiency (excess)	<u>\$ 11,056</u>	<u>\$ 36,758</u>	<u>\$ 2,263</u>
Covered payroll	\$ 1,276,521	\$ 1,102,180	\$ 1,093,885
Contributions as a percentage of covered payroll	4.16 %	4.61 %	3.83 %
Component Units			
Statutorily required contribution	\$ 6,073	\$ 6,825	\$ 6,060
Contributions in relation to the statutorily required contribution	8,142	6,614	6,060
Contribution deficiency (excess)	<u>\$ (2,069)</u>	<u>\$ 211</u>	<u>\$ —</u>
Covered payroll	\$ 110,704	\$ 116,162	\$ 119,018
Contributions as a percentage of covered payroll	7.35 %	5.69 %	5.09 %
Primary Government Nonemployer Contribution			
Statutorily required contribution	\$ 11,289	\$ 11,137	\$ 2,316
Contribution deficiency (excess)	<u>\$ 11,289</u>	<u>\$ 11,137</u>	<u>\$ 2,316</u>

This schedule is intended to present information for ten years. Additional years will be displayed as they become available.

Notes to required schedule

Significant methods and assumptions used in calculating the actuarially determined contribution are presented in Note 6.

Proportionate Share of the Collective Net OPEB Liability Schedule

Public Employees' Retirement System - Occupational Death & Disability Plan

Last Ten Fiscal Years

As of Measurement Date

(Stated in Thousands)

	2025	2024	2023	2022	2021
Primary government's proportion of the collective net OPEB liability or asset	49.30 %	48.85 %	48.48 %	48.63 %	48.77 %
Component unit's proportion of the collective net OPEB liability or asset	6.32 %	5.74 %	5.12 %	4.66 %	4.25 %
Primary government's proportionate share of the collective net OPEB liability or (asset)	\$ (29,432)	\$ (25,061)	\$ (21,252)	\$ (21,435)	\$ (13,294)
Component unit's proportionate share of the collective net OPEB liability or (asset)	\$ (3,771)	\$ (2,946)	\$ (2,245)	\$ (2,053)	\$ (1,160)
Primary government's covered payroll	\$ 1,334,336	\$ 1,228,426	\$ 1,179,889	\$ 1,140,501	\$ 1,276,521
Component unit's covered payroll	\$ 150,507	\$ 124,932	\$ 107,260	\$ 93,463	\$ 89,410
Primary government's proportionate share of the collective net OPEB liability or asset as a percentage of its covered payroll	2.21 %	2.04 %	1.80 %	1.88 %	1.04 %
Component unit's proportionate share of the collective net OPEB liability or asset as a percentage of its covered payroll	2.51 %	2.36 %	2.09 %	2.20 %	1.30 %
Plan fiduciary net position as a percentage of the total OPEB liability	346.81 %	349.24 %	348.80 %	374.23 %	283.80 %

This schedule continued on next page.

Proportionate Share of the Collective Net OPEB Liability Schedule

Public Employees' Retirement System - Occupational Death & Disability Plan

Last Ten Fiscal Years

As of Measurement Date

(Stated in Thousands)

	2020	2019	2018
Primary government's proportion of the collective net OPEB liability or asset	49.15 %	48.37 %	49.14 %
Component unit's proportion of the collective net OPEB liability or asset	4.30 %	4.58 %	4.03 %
Primary government's proportionate share of the collective net OPEB liability or (asset)	\$ (11,917)	\$ (9,395)	\$ (6,972)
Component unit's proportionate share of the collective net OPEB liability or (asset)	\$ (164)	\$ (140)	\$ (103)
Primary government's covered payroll	\$ 1,102,180	\$ 1,093,705	\$ 508,805
Component unit's covered payroll	\$ 116,162	\$ 119,018	\$ 65,874
Primary government's proportionate share of the collective net OPEB liability or asset as a percentage of its covered payroll	1.08 %	0.86 %	1.37 %
Component unit's proportionate share of the collective net OPEB liability or asset as a percentage of its covered payroll	0.14 %	0.12 %	0.16 %
Plan fiduciary net position as a percentage of the total OPEB liability	— %	— %	— %

This schedule is intended to present information for ten years. Additional years will be displayed as they become available.

Employer Contributions Schedule

Public Employees' Retirement System - Occupational Death & Disability Plan

Last Ten Fiscal Years

(Stated in Thousands)

	2025	2024	2023	2022	2021
Primary Government					
Statutorily required contribution (restated)	\$ 3,603	\$ 3,092	\$ 2,988	\$ 2,789	\$ 2,591
Contributions in relation to the statutorily required contribution	3,603	3,093	2,996	2,795	2,591
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ (1)</u>	<u>\$ (8)</u>	<u>\$ (6)</u>	<u>\$ —</u>
Covered payroll	\$ 1,467,611	\$ 1,334,336	\$ 1,228,426	\$ 1,179,889	\$ 1,140,501
Contributions as a percentage of covered payroll	0.25 %	0.23 %	0.24 %	0.24 %	0.23 %
Component Units					
Statutorily required contribution (restated)	\$ 365	\$ 392	\$ 326	\$ 279	\$ 308
Contributions in relation to the statutorily required contribution	396	410	348	298	251
Contribution deficiency (excess)	<u>\$ (31)</u>	<u>\$ (18)</u>	<u>\$ (22)</u>	<u>\$ (19)</u>	<u>\$ 57</u>
Covered payroll	\$ 149,412	\$ 150,507	\$ 124,932	\$ 107,260	\$ 93,463
Contributions as a percentage of covered payroll	0.27 %	0.27 %	0.28 %	0.28 %	0.27 %

This schedule continued on next page.

Employer Contributions Schedule

Public Employees' Retirement System - Occupational Death & Disability Plan

Last Ten Fiscal Years

(Stated in Thousands)

	2020	2019	2018
Primary Government			
Statutorily required contribution (restated)	\$ 2,137	\$ 2,007	\$ 1,088
Contributions in relation to the statutorily required contribution	2,137	2,008	1,088
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ (1)</u>	<u>\$ —</u>
Covered payroll	\$ 1,276,521	\$ 1,102,180	\$ 547,669
Contributions as a percentage of covered payroll	0.17 %	0.18 %	0.20 %
Component Units			
Statutorily required contribution (restated)	\$ 189	\$ 174	\$ 90
Contributions in relation to the statutorily required contribution	188	175	90
Contribution deficiency (excess)	<u>\$ 1</u>	<u>\$ (1)</u>	<u>\$ —</u>
Covered payroll	\$ 89,410	\$ 116,162	\$ 65,276
Contributions as a percentage of covered payroll	0.21 %	0.15 %	0.14 %

This schedule is intended to present information for ten years. Additional years will be displayed as they become available.

Notes to required schedule

Significant methods and assumptions used in calculating the actuarially determined contribution are presented in Note 6.

Proportionate Share of the Collective Net OPEB Liability Schedule
Public Employees' Retirement System - Retiree Medical Plan
Last Ten Fiscal Years
As of Measurement Date
(Stated in Thousands)

	2025	2024	2023	2022	2021
Primary government's proportion of the collective net OPEB liability or asset	48.19 %	47.87 %	47.68 %	48.08 %	47.99 %
Component unit's proportion of the collective net OPEB liability or asset	7.24 %	6.66 %	5.89 %	5.35 %	5.09 %
Primary government's proportionate share of the collective net OPEB liability or (asset)	\$ (22,464)	\$ (22,731)	\$ (16,560)	\$ (12,906)	\$ 3,404
Component unit's proportionate share of the collective net OPEB liability or (asset)	\$ (3,375)	\$ (3,163)	\$ (2,046)	\$ (1,436)	\$ 361
Primary government's covered payroll	\$ 916,538	\$ 818,842	\$ 747,777	\$ 680,616	\$ 809,874
Component unit's covered payroll	\$ 146,395	\$ 121,458	\$ 102,330	\$ 88,707	\$ 84,255
Primary government's proportionate share of the collective net OPEB liability or asset as a percentage of its covered payroll	2.45 %	2.78 %	2.21 %	1.90 %	0.42 %
Component unit's proportionate share of the collective net OPEB liability or asset as a percentage of its covered payroll	2.31 %	2.60 %	2.00 %	1.62 %	0.43 %
Plan fiduciary net position as a percentage of the total OPEB liability or asset	119.87 %	124.29 %	120.08 %	115.10 %	95.23 %

This schedule continued on next page.

Proportionate Share of the Collective Net OPEB Liability Schedule
Public Employees' Retirement System - Retiree Medical Plan
Last Ten Fiscal Years
As of Measurement Date
(Stated in Thousands)

	2020	2019	2018
Primary government's proportion of the collective net OPEB liability or asset	48.37 %	48.37 %	49.14 %
Component unit's proportion of the collective net OPEB liability or asset	5.17 %	4.58 %	4.03 %
Primary government's proportionate share of the collective net OPEB liability or (asset)	\$ 11,556	\$ 6,156	\$ 2,563
Component unit's proportionate share of the collective net OPEB liability or (asset)	\$ 1,236	\$ 582	\$ 210
Primary government's covered payroll	\$ 599,129	\$ 547,669	\$ 508,805
Component unit's covered payroll	\$ 116,162	\$ 65,276	\$ 65,874
Primary government's proportionate share of the collective net OPEB liability or asset as a percentage of its covered payroll	1.93 %	1.12 %	0.50 %
Component unit's proportionate share of the collective net OPEB liability or asset as a percentage of its covered payroll	1.06 %	0.89 %	0.32 %
Plan fiduciary net position as a percentage of the total OPEB liability or asset	83.17 %	88.17 %	94.00 %

This schedule is intended to present information for ten years. Additional years will be displayed as they become available.

STATE OF ALASKA
Employer Contributions Schedule
Public Employees' Retirement System - Retiree Medical Plan
Last Ten Fiscal Years
(Stated in Thousands)

STATEMENT 2.17

	2025	2024	2023	2022	2021
Primary Government					
Statutorily required contribution	\$ 9,856	\$ 8,044	\$ 8,963	\$ 8,045	\$ 8,914
Contributions in relation to the statutorily required contribution	9,856	8,044	8,989	8,062	8,914
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (26)</u>	<u>\$ (17)</u>	<u>\$ —</u>
Covered payroll	\$ 1,042,489	\$ 916,538	\$ 818,842	\$ 747,777	\$ 680,616
Contributions as a percentage of covered payroll	0.95 %	0.88 %	1.10 %	1.08 %	1.31 %
Component Units					
Statutorily required contribution	\$ 1,185	\$ 1,264	\$ 4,293	\$ 885	\$ 894
Contributions in relation to the statutorily required contribution	1,317	1,315	1,238	1,003	1,002
Contribution deficiency (excess)	<u>\$ (132)</u>	<u>\$ (51)</u>	<u>\$ 3,055</u>	<u>\$ (118)</u>	<u>\$ (108)</u>
Covered payroll	\$ 162,433	\$ 146,395	\$ 121,458	\$ 102,330	\$ 88,707
Contributions as a percentage of covered payroll	0.81 %	0.90 %	1.02 %	0.98 %	1.13 %

This schedule continued on next page.

Employer Contributions Schedule

Public Employees' Retirement System - Retiree Medical Plan

Last Ten Fiscal Years

(Stated in Thousands)

	2020	2019	2018
Primary Government			
Statutorily required contribution	\$ 8,555	\$ 6,156	\$ 5,641
Contributions in relation to the statutorily required contribution	8,555	5,670	5,641
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ 486</u>	<u>\$ —</u>
Covered payroll	\$ 809,874	\$ 599,129	\$ 547,669
Contributions as a percentage of covered payroll	1.06 %	0.95 %	1.03 %
Component Units			
Statutorily required contribution	\$ 896	\$ 582	\$ 532
Contributions in relation to the statutorily required contribution	914	604	532
Contribution deficiency (excess)	<u>\$ (18)</u>	<u>\$ (22)</u>	<u>\$ —</u>
Covered payroll	\$ 84,255	\$ 116,162	\$ 65,276
Contributions as a percentage of covered payroll	1.08 %	0.52 %	0.82 %

This schedule is intended to present information for ten years. Additional years will be displayed as they become available.

Notes to required schedule

Significant methods and assumptions used in calculating the actuarially determined contribution are presented in Note 6.

Proportionate Share of the Net Pension Liability Schedule

Teachers' Retirement System - Pension

Last Ten Fiscal Years

As of Measurement Date

(Stated in Thousands)

	2025	2024	2023	2022	2021
Primary government's proportion of the net pension liability	0.72 %	0.65 %	0.65 %	0.65 %	0.65 %
Component unit's proportion of the net pension liability	1.45 %	1.39 %	1.54 %	1.93 %	1.42 %
Nonemployer contributing state's proportion of the net pension liability	62.77 %	60.85 %	56.76 %	45.61 %	63.02 %
Primary government's proportionate share of the net pension liability	\$ 13,293	\$ 11,517	\$ 10,799	\$ 5,198	\$ 13,276
Component unit's proportionate share of the net pension liability	\$ 26,861	\$ 24,430	\$ 25,728	\$ 15,339	\$ 28,801
Nonemployer contributing state's share of the net pension liability	\$ 1,161,081	\$ 1,069,941	\$ 946,135	\$ 363,023	\$ 1,281,372
Primary government's covered payroll	\$ 6,955	\$ 5,893	\$ 6,307	\$ 5,349	\$ 5,143
Component unit's covered payroll	\$ 13,424	\$ 14,268	\$ 15,231	\$ 16,049	\$ 18,249
Primary government's proportionate share of the net pension liability as a percentage of its covered payroll	191.13 %	195.44 %	171.22 %	97.18 %	258.14 %
Component unit's proportionate share of the net pension liability as a percentage of its covered payroll	200.10 %	171.22 %	168.92 %	95.58 %	157.82 %
Plan fiduciary net position as a percentage of the total pension liability	77.07 %	77.62 %	78.33 %	89.43 %	72.81 %

This schedule continued on next page.

Proportionate Share of the Net Pension Liability Schedule
Teachers' Retirement System - Pension
Last Ten Fiscal Years
As of Measurement Date
(Stated in Thousands)

	2020	2019	2018	2017	2016
Primary government's proportion of the net pension liability	0.67 %	0.67 %	0.67 %	0.75 %	0.78 %
Component unit's proportion of the net pension liability	1.60 %	1.68 %	1.61 %	2.14 %	2.03 %
Nonemployer contributing state's proportion of the net pension liability	59.33 %	59.39 %	63.14 %	53.90 %	61.03 %
Primary government's proportionate share of the net pension liability	\$ 12,438	\$ 12,807	\$ 13,601	\$ 17,047	\$ 14,501
Component unit's proportionate share of the net pension liability	\$ 29,951	\$ 32,065	\$ 32,661	\$ 48,846	\$ 37,680
Nonemployer contributing state's share of the net pension liability	\$ 1,108,594	\$ 1,136,829	\$ 1,279,682	\$ 1,230,776	\$ 1,135,514
Primary government's covered payroll	\$ 5,312	\$ 4,768	\$ 4,853	\$ 5,388	\$ 5,620
Component unit's covered payroll	\$ 20,625	\$ 20,625	\$ 22,128	\$ 25,212	\$ 31,575
Primary government's proportionate share of the net pension liability as a percentage of its covered payroll	234.15 %	268.60 %	280.26 %	316.39 %	258.02 %
Component unit's proportionate share of the net pension liability as a percentage of its covered payroll	145.22 %	155.47 %	147.60 %	193.74 %	119.33 %
Plan fiduciary net position as a percentage of the total pension liability	74.68 %	74.10 %	72.40 %	68.40 %	73.82 %

STATE OF ALASKA
Employer Contributions Schedule
Teachers' Retirement System - Pension
Last Ten Fiscal Years
(Stated in Thousands)

STATEMENT 2.21

	2025	2024	2023	2022	2021
Primary Government					
Statutorily required contribution	\$ 1,296	\$ 1,263	\$ 1,001	\$ 1,147	\$ 1,120
Contributions in relation to the statutorily required contribution	1,296	1,263	1,001	1,147	1,120
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Covered payroll	\$ 6,430	\$ 6,955	\$ 5,893	\$ 6,307	\$ 5,349
Contributions as a percentage of covered payroll	20.16 %	18.16 %	16.99 %	18.19 %	20.94 %
Component Units					
Statutorily required contribution	\$ 1,458	\$ 1,686	\$ 1,792	\$ 923	\$ 907
Contributions in relation to the statutorily required contribution	1,980	2,075	2,206	923	907
Contribution deficiency (excess)	<u>\$ (522)</u>	<u>\$ (389)</u>	<u>\$ (414)</u>	<u>\$ —</u>	<u>\$ —</u>
Covered payroll	\$ 11,609	\$ 13,424	\$ 14,268	\$ 15,231	\$ 16,049
Contributions as a percentage of covered payroll	17.06 %	15.46 %	15.46 %	6.06 %	5.65 %
Primary Government Nonemployer Contribution					
Statutorily required contribution	\$ 123,358	\$ 98,766	\$ 91,029	\$ 142,665	\$ 134,070
Contributions in relation to the statutorily required contribution	122,442	97,951	90,412	141,739	134,070
Contribution deficiency (excess)	<u>\$ 916</u>	<u>\$ 815</u>	<u>\$ 617</u>	<u>\$ 926</u>	<u>\$ —</u>

This schedule continued on next page.

STATE OF ALASKA
Employer Contributions Schedule
Teachers' Retirement System - Pension
Last Ten Fiscal Years
(Stated in Thousands)

STATEMENT 2.21

	2020	2019	2018	2017	2016
Primary Government					
Statutorily required contribution	\$ 1,097	\$ 1,086	\$ 989	\$ 872	\$ 925
Contributions in relation to the statutorily required contribution	1,184	1,095	1,004	1,003	925
Contribution deficiency (excess)	<u>\$ (87)</u>	<u>\$ (9)</u>	<u>\$ (15)</u>	<u>\$ (131)</u>	<u>\$ —</u>
Covered payroll	\$ 5,143	\$ 5,312	\$ 4,768	\$ 4,853	\$ 5,388
Contributions as a percentage of covered payroll	23.02 %	20.61 %	21.06 %	20.67 %	17.17 %
Component Units					
Statutorily required contribution	\$ 1,465	\$ 1,830	\$ 1,859	\$ 2,003	\$ 1,973
Contributions in relation to the statutorily required contribution	1,735	1,735	1,859	2,003	1,973
Contribution deficiency (excess)	<u>\$ (270)</u>	<u>\$ 95</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Covered payroll	\$ 18,249	\$ 20,625	\$ 22,128	\$ 25,212	\$ 27,848
Contributions as a percentage of covered payroll	9.51 %	8.41 %	8.40 %	7.94 %	7.08 %
Primary Government Nonemployer Contribution					
Statutorily required contribution	\$ 126,831	\$ 127,371	\$ 105,888	\$ 94,775	\$ 89,957
Contributions in relation to the statutorily required contribution	140,219	127,365	111,042	115,980	89,957
Contribution deficiency (excess)	<u>\$ (13,388)</u>	<u>\$ 6</u>	<u>\$ (5,154)</u>	<u>\$ (21,205)</u>	<u>\$ —</u>

Notes to required schedule

Significant methods and assumptions used in calculating the actuarially determined contribution are presented in Note 6.

In FY 2017 the legislature appropriated \$2.0 billion to the Teacher's Retirement System's retirement funds from the Constitutional Budget Reserve Fund to help with the net pension liability.

STATE OF ALASKA

STATEMENT 2.22

Proportionate Share of the Collective Net OPEB Liability Schedule
Teachers' Retirement System - Alaska Retiree Healthcare Trust Plan
Last Ten Fiscal Years
As of Measurement Date
(Stated in Thousands)

	2025	2024	2023	2022	2021
Primary government's proportion of the collective net OPEB liability or asset	0.72 %	0.65 %	0.65 %	0.65 %	0.65 %
Component unit's proportion of the collective net OPEB liability or asset	1.51 %	1.43 %	1.57 %	2.00 %	1.41 %
Nonemployer contributing state's proportion of the collective net OPEB liability or asset	61.39 %	59.75 %	55.89 %	43.49 %	63.12 %
Primary government's proportionate share of the collective net OPEB liability or (asset)	\$ (7,168)	\$ (6,616)	\$ (5,682)	\$ (7,596)	\$ (2,335)
Component unit's proportionate share of the collective net OPEB liability or (asset)	\$ (15,034)	\$ (14,446)	\$ (13,800)	\$ (23,285)	\$ (5,054)
Nonemployer contributing state's share of the collective net OPEB liability or (asset)	\$ (612,510)	\$ (603,865)	\$ (489,910)	\$ (505,696)	\$ (225,823)
Primary government's covered payroll	\$ 6,955	\$ 5,893	\$ 6,307	\$ 5,349	\$ 5,143
Component unit's covered payroll	\$ 13,424	\$ 14,268	\$ 15,231	\$ 16,049	\$ 18,249
Primary government's proportionate share of the collective net OPEB liability or asset as a percentage of its covered payroll	103.06 %	112.27 %	90.09 %	142.01 %	45.40 %
Component unit's proportionate share of the collective net OPEB liability or asset as a percentage of its covered payroll	111.99 %	101.25 %	90.60 %	145.09 %	27.69 %
Plan fiduciary net position as a percentage of the total OPEB liability	137.40 %	140.49 %	134.84 %	145.41 %	113.78 %

This schedule continued on next page.

Proportionate Share of the Collective Net OPEB Liability Schedule
Teachers' Retirement System - Alaska Retiree Healthcare Trust Plan
Last Ten Fiscal Years
As of Measurement Date
(Stated in Thousands)

	2020	2019	2018
Primary government's proportion of the collective net OPEB liability or asset	0.67 %	0.67 %	0.67 %
Component unit's proportion of the collective net OPEB liability or asset	1.60 %	1.67 %	1.61 %
Nonemployer contributing state's proportion of the collective net OPEB liability or asset	59.41 %	59.47 %	63.26 %
Primary government's proportionate share of the collective net OPEB liability or (asset)	\$ (1,017)	\$ 2,080	\$ 1,234
Component unit's proportionate share of the collective net OPEB liability or (asset)	\$ (2,444)	\$ 5,196	\$ 2,955
Nonemployer contributing state's share of the collective net OPEB liability or (asset)	\$ (90,788)	\$ 184,929	\$ 116,351
Primary government's covered payroll	\$ 5,312	\$ 4,768	\$ 4,853
Component unit's covered payroll	\$ 20,625	\$ 20,625	\$ 22,128
Primary government's proportionate share of the collective net OPEB liability or asset as a percentage of its covered payroll	19.15 %	43.62 %	25.43 %
Component unit's proportionate share of the collective net OPEB liability or asset as a percentage of its covered payroll	11.85 %	25.19 %	13.35 %
Plan fiduciary net position as a percentage of the total OPEB liability	105.50 %	— %	93.80 %

This schedule is intended to present information for ten years. Additional years will be displayed as they become available.

Employer Contributions Schedule

Teachers' Retirement System - Alaska Retiree Healthcare Trust Plan

Last Ten Fiscal Years

(Stated in Thousands)

	2025	2024	2023	2022	2021
Primary Government					
Statutorily required contribution	\$ —	\$ —	\$ —	\$ 184	\$ 210
Contributions in relation to the statutorily required contribution	—	—	—	184	210
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Covered payroll	\$ 6,430	\$ 6,955	\$ 5,893	\$ 6,307	\$ 5,349
Contributions as a percentage of covered payroll	— %	— %	— %	2.92 %	3.93 %
Component Units					
Statutorily required contribution	\$ —	\$ —	\$ —	\$ 990	\$ 1,109
Contributions in relation to the statutorily required contribution	—	—	(11)	1,014	1,107
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 11</u>	<u>\$ (24)</u>	<u>\$ 2</u>
Covered payroll	\$ 11,609	\$ 13,424	\$ 14,268	\$ 15,231	\$ 16,049
Contributions as a percentage of covered payroll	— %	— %	(0.08)%	6.66 %	6.90 %
Primary Government Nonemployer Contribution					
Statutorily required contribution	\$ —	\$ —	\$ —	\$ —	\$ —
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

This schedule continued on next page.

Employer Contributions Schedule

Teachers' Retirement System - Alaska Retiree Healthcare Trust Plan

Last Ten Fiscal Years

(Stated in Thousands)

	2020	2019	2018
Primary Government			
Statutorily required contribution	\$ 241	\$ 141	\$ 186
Contributions in relation to the statutorily required contribution	154	141	153
Contribution deficiency (excess)	<u>\$ 87</u>	<u>\$ —</u>	<u>\$ 33</u>
Covered payroll	\$ 5,143	\$ 5,312	\$ 4,768
Contributions as a percentage of covered payroll	2.99 %	2.65 %	3.21 %
Component Units			
Statutorily required contribution	\$ 827	\$ 856	\$ 921
Contributions in relation to the statutorily required contribution	860	856	921
Contribution deficiency (excess)	<u>\$ (33)</u>	<u>\$ —</u>	<u>\$ —</u>
Covered payroll	\$ 18,249	\$ 20,625	\$ 22,128
Contributions as a percentage of covered payroll	4.71 %	4.15 %	4.16 %
Primary Government Nonemployer Contribution			
Statutorily required contribution	\$ 13,388	\$ —	\$ 5,154
Contribution deficiency (excess)	<u>\$ 13,388</u>	<u>\$ —</u>	<u>\$ 5,154</u>

This schedule is intended to present information for ten years. Additional years will be displayed as they become available.

Notes to required schedule

Significant methods and assumptions used in calculating the actuarially determined contribution are presented in Note 6.

Proportionate Share of the Collective Net OPEB Liability Schedule
Teachers' Retirement System - Occupational Death & Disability Plan
Last Ten Fiscal Years
As of Measurement Date
(Stated in Thousands)

	2025	2024	2023	2022	2021
Primary government's proportion of the collective net OPEB liability or asset	0.72 %	0.58 %	0.51 %	0.51 %	0.46 %
Component unit's proportion of the collective net OPEB liability or asset	3.44 %	3.09 %	2.63 %	2.46 %	2.29 %
Primary government's proportionate share of the collective net OPEB liability or (asset)	\$ (58)	\$ (40)	\$ (31)	\$ (31)	\$ (20)
Component unit's proportionate share of the collective net OPEB liability or (asset)	\$ (274)	\$ (214)	\$ (159)	\$ (150)	\$ (99)
Primary government's covered payroll	\$ 6,955	\$ 5,893	\$ 6,307	\$ 5,349	\$ 5,143
Component unit's covered payroll	\$ 19,203	\$ 15,966	\$ 12,831	\$ 11,145	\$ 9,766
Primary government's proportionate share of the collective net OPEB liability or asset as a percentage of its covered payroll	0.83 %	0.68 %	0.49 %	0.58 %	0.39 %
Component unit's proportionate share of the collective net OPEB liability or asset as a percentage of its covered payroll	1.43 %	1.34 %	1.24 %	1.35 %	1.01 %
Plan fiduciary net position as a percentage of the total OPEB liability	1,600.56 %	1,410.42 %	1,268.28 %	1,254.36 %	931.08 %

This schedule continued on next page.

Proportionate Share of the Collective Net OPEB Liability Schedule
Teachers' Retirement System - Occupational Death & Disability Plan
Last Ten Fiscal Years
As of Measurement Date
(Stated in Thousands)

	2020	2019	2018
Primary government's proportion of the collective net OPEB liability or asset	0.45 %	0.40 %	0.36 %
Component unit's proportion of the collective net OPEB liability or asset	2.47 %	2.28 %	2.30 %
Primary government's proportionate share of the collective net OPEB liability or (asset)	\$ (18)	\$ (14)	\$ (12)
Component unit's proportionate share of the collective net OPEB liability or (asset)	\$ (99)	\$ (80)	\$ (75)
Primary government's covered payroll	\$ 5,312	\$ 4,768	\$ 1,246
Component unit's covered payroll	\$ 9,654	\$ 9,654	\$ 8,200
Primary government's proportionate share of the collective net OPEB liability or asset as a percentage of its covered payroll	0.34 %	0.29 %	0.96 %
Component unit's proportionate share of the collective net OPEB liability or asset as a percentage of its covered payroll	1.03 %	0.83 %	0.91 %
Plan fiduciary net position as a percentage of the total OPEB liability	1,409.77 %	— %	— %

This schedule is intended to present information for ten years. Additional years will be displayed as they become available.

Employer Contributions Schedule

Teachers' Retirement System - Occupational Death & Disability Plan

Last Ten Fiscal Years

(Stated in Thousands)

	2025	2024	2023	2022	2021
Primary Government					
Statutorily required contribution	\$ 4	\$ 3	\$ 2	\$ 2	\$ 2
Contributions in relation to the statutorily required contribution	4	3	2	2	2
Contribution deficiency (excess)	<u>\$ —</u>				
Covered payroll	\$ 6,430	\$ 6,955	\$ 5,893	\$ 6,307	\$ 5,349
Contributions as a percentage of covered payroll	0.06 %	0.04 %	0.03 %	0.03 %	0.04 %
Component Units					
Statutorily required contribution	\$ 17	\$ 15	\$ 13	\$ 10	\$ 9
Contributions in relation to the statutorily required contribution	17	15	13	10	9
Contribution deficiency (excess)	<u>\$ —</u>				
Covered payroll	\$ 21,104	\$ 19,203	\$ 15,966	\$ 12,831	\$ 11,145
Contributions as a percentage of covered payroll	0.08 %	0.08 %	0.08 %	0.08 %	0.08 %

This schedule continued on next page.

Employer Contributions Schedule

Teachers' Retirement System - Occupational Death & Disability Plan

Last Ten Fiscal Years

(Stated in Thousands)

	2020	2019	2018
Primary Government			
Statutorily required contribution	\$ 1	\$ —	\$ —
Contributions in relation to the statutorily required contribution	1	1	—
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ (1)</u>	<u>\$ —</u>
Covered payroll	\$ 5,143	\$ 5,312	\$ 1,328
Contributions as a percentage of covered payroll	0.02 %	0.02 %	— %
Component Units			
Statutorily required contribution	\$ 8	\$ —	\$ —
Contributions in relation to the statutorily required contribution	8	8	—
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ (8)</u>	<u>\$ —</u>
Covered payroll	\$ 9,766	\$ 9,654	\$ 8,200
Contributions as a percentage of covered payroll	0.08 %	0.08 %	— %

This schedule is intended to present information for ten years. Additional years will be displayed as they become available.

Notes to required schedule

Significant methods and assumptions used in calculating the actuarially determined contribution are presented in Note 6.

Proportionate Share of the Collective Net OPEB Liability Schedule
Teachers' Retirement System - Retiree Medical Plan
Last Ten Fiscal Years
As of Measurement Date
(Stated in Thousands)

	2025	2024	2023	2022	2021
Primary government's proportion of the collective net OPEB liability or asset	0.73 %	0.58 %	0.50 %	0.51 %	0.46 %
Component unit's proportion of the collective net OPEB liability or asset	3.44 %	3.09 %	2.63 %	2.47 %	2.30 %
Primary government's proportionate share of the collective net OPEB liability or (asset)	\$ (127)	\$ (127)	\$ (98)	\$ (103)	\$ (45)
Component unit's proportionate share of the collective net OPEB liability or (asset)	\$ (773)	\$ (685)	\$ (509)	\$ (496)	\$ (227)
Primary government's covered payroll	\$ 4,021	\$ 2,971	\$ 2,494	\$ 2,307	\$ 1,782
Component unit's covered payroll	\$ 19,203	\$ 15,966	\$ 12,831	\$ 11,145	\$ 9,766
Primary government's proportionate share of the collective net OPEB liability or asset as a percentage of its covered payroll	3.16 %	4.27 %	3.93 %	4.46 %	2.53 %
Component unit's proportionate share of the collective net OPEB liability or asset as a percentage of its covered payroll	4.03 %	4.29 %	3.97 %	4.45 %	2.32 %
Plan fiduciary net position as a percentage of the total OPEB liability (restated)	134.72 %	140.71 %	140.73 %	142.54 %	125.59 %

This schedule continued on next page.

Proportionate Share of the Collective Net OPEB Liability Schedule
Teachers' Retirement System - Retiree Medical Plan
Last Ten Fiscal Years
As of Measurement Date
(Stated in Thousands)

	2020	2019	2018
Primary government's proportion of the collective net OPEB liability or asset	0.45 %	0.40 %	0.36 %
Component unit's proportion of the collective net OPEB liability or asset	2.46 %	2.28 %	2.30 %
Primary government's proportionate share of the collective net OPEB liability or (asset)	\$ (17)	\$ (13)	\$ (17)
Component unit's proportionate share of the collective net OPEB liability or (asset)	\$ (94)	\$ (73)	\$ (109)
Primary government's covered payroll	\$ 1,738	\$ 1,314	\$ 1,246
Component unit's covered payroll	\$ 9,654	\$ 9,654	\$ 8,200
Primary government's proportionate share of the collective net OPEB liability or asset as a percentage of its covered payroll	0.98 %	0.99 %	1.36 %
Component unit's proportionate share of the collective net OPEB liability or asset as a percentage of its covered payroll	0.97 %	0.76 %	1.33 %
Plan fiduciary net position as a percentage of the total OPEB liability (restated)	110.03 %	— %	— %

This schedule is intended to present information for ten years. Additional years will be displayed as they become available.

STATE OF ALASKA
Employer Contributions Schedule
Teachers' Retirement System - Retiree Medical Plan
Last Ten Fiscal Years
(Stated in Thousands)

STATEMENT 2.27

	2025	2024	2023	2022	2021
Primary Government					
Statutorily required contribution	\$ 32	\$ 29	\$ 26	\$ 21	\$ 22
Contributions in relation to the statutorily required contribution	32	29	26	21	22
Contribution deficiency (excess)	<u>\$ —</u>				
Covered payroll	\$ 4,099	\$ 4,021	\$ 2,971	\$ 2,494	\$ 2,307
Contributions as a percentage of covered payroll	0.78 %	0.72 %	0.88 %	0.84 %	0.95 %
Component Units					
Statutorily required contribution	\$ 144	\$ 157	\$ 139	\$ 107	\$ 104
Contributions in relation to the statutorily required contribution	144	157	138	107	104
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1</u>	<u>\$ —</u>	<u>\$ —</u>
Covered payroll	\$ 21,104	\$ 19,203	\$ 15,966	\$ 12,831	\$ 11,145
Contributions as a percentage of covered payroll	0.68 %	0.82 %	0.86 %	0.83 %	0.93 %

This schedule continued on next page.

Employer Contributions Schedule

Teachers' Retirement System - Retiree Medical Plan

Last Ten Fiscal Years

(Stated in Thousands)

	2020	2019	2018
Primary Government			
Statutorily required contribution	\$ 20	\$ 14	\$ 13
Contributions in relation to the statutorily required contribution	20	14	13
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Covered payroll	\$ 1,782	\$ 1,738	\$ 1,328
Contributions as a percentage of covered payroll	1.12 %	0.81 %	0.98 %
Component Units			
Statutorily required contribution	\$ 106	\$ 76	\$ 75
Contributions in relation to the statutorily required contribution	103	76	75
Contribution deficiency (excess)	<u>\$ 3</u>	<u>\$ —</u>	<u>\$ —</u>
Covered payroll	\$ 9,766	\$ 9,654	\$ 8,200
Contributions as a percentage of covered payroll	1.05 %	0.79 %	0.91 %

This schedule is intended to present information for ten years. Additional years will be displayed as they become available.

Notes to required schedule

Significant methods and assumptions used in calculating the actuarially determined contribution are presented in Note 6.

Changes in the Net Pension Liability and Related Ratios Schedule
Judicial Retirement System - Pension
Last Ten Fiscal Years
As of Measurement Date
(Stated in Thousands)

	2025	2024	2023	2022	2021
Total pension liability					
Service cost	\$ 5,320	\$ 5,237	\$ 5,851	\$ 5,851	\$ 6,580
Interest	15,400	15,107	15,992	15,493	17,340
Differences between expected and actual experience	6,138	—	2,627	—	4,075
Changes of assumptions	23,998	(164)	(1,190)	—	(38,010)
Benefit payments, including refunds of employee contributions	(16,350)	(16,071)	(14,770)	(14,369)	(14,178)
Net change in total pension liability	34,506	4,109	8,510	6,975	(24,193)
Total pension liability - beginning	215,814	211,705	218,717	211,742	235,935
Total pension liability - ending (a)	250,320	215,814	227,227	218,717	211,742
Plan fiduciary net position					
Contributions - employer	5,601	10,743	10,823	12,107	11,127
Contributions - employee	933	906	862	838	839
Net investment income	20,949	17,081	(14,674)	56,717	7,537
Other income	—	—	—	—	—
Benefit payments, including refunds of employee contributions	(16,350)	(16,071)	(14,770)	(14,369)	(14,178)
Administrative expenses	(129)	(98)	(107)	(97)	(107)
Net change in plan fiduciary net position	11,004	12,561	(17,866)	55,196	5,218
Plan fiduciary net position - beginning	239,743	227,182	245,048	189,844	184,626
Plan fiduciary net position - ending (b)	250,747	239,743	227,182	245,040	189,844
State's net pension liability (asset) - ending (a) - (b)	\$ (427)	\$ (23,929)	\$ 45	\$ (26,323)	\$ 21,898
Plan fiduciary net position as a percentage of the total pension liability or asset	100.17 %	111.09 %	99.98 %	112.04 %	89.66 %
Covered payroll	\$ 19,203	\$ 14,161	\$ 13,699	\$ 13,945	\$ 13,527
State's net pension liability or asset as a percentage of covered payroll	2.22 %	168.98 %	(0.33)%	188.76 %	161.88 %

This statement continued on next page.

Changes in the Net Pension Liability and Related Ratios Schedule
Judicial Retirement System - Pension
Last Ten Fiscal Years
As of Measurement Date
(Stated in Thousands)

	2020	2019	2018	2017	2016
Total pension liability					
Service cost	\$ 6,351	\$ 6,452	\$ 6,227	\$ 6,025	\$ 5,814
Interest	16,653	17,331	16,449	16,417	15,564
Differences between expected and actual experience	—	(12,076)	—	(10,791)	—
Changes of assumptions	—	10,344	—	—	—
Benefit payments, including refunds of employee contributions	(13,628)	(12,126)	(11,589)	(11,228)	(10,684)
Net change in total pension liability	9,376	9,925	11,087	423	10,694
Total pension liability - beginning	226,560	216,635	205,548	205,125	194,431
Total pension liability - ending (a)	235,936	226,560	216,635	205,548	205,125
Plan fiduciary net position					
Contributions - employer	10,257	10,528	11,086	11,710	10,222
Contributions - employee	813	833	886	802	811
Net investment income	10,448	13,590	18,910	(567)	4,349
Other income	—	—	—	2	—
Benefit payments, including refunds of employee contributions	(13,628)	(12,126)	(11,589)	(11,228)	(10,684)
Administrative expenses	(59)	(63)	(79)	(60)	(86)
Net change in plan fiduciary net position	7,831	12,762	19,214	659	4,612
Plan fiduciary net position - beginning	176,795	164,033	144,819	144,160	139,548
Plan fiduciary net position - ending (b)	184,626	176,795	164,033	144,819	144,160
State's net pension liability (asset) - ending (a) - (b)	\$ 51,310	\$ 49,765	\$ 52,602	\$ 60,729	\$ 60,965
Plan fiduciary net position as a percentage of the total pension liability or asset	78.25 %	78.03 %	75.72 %	70.46 %	70.28 %
Covered payroll	\$ 13,393	\$ 14,599	\$ 14,089	\$ 13,597	\$ 13,507
State's net pension liability or asset as a percentage of covered payroll	383.11 %	340.88 %	373.36 %	446.64 %	451.36 %

STATE OF ALASKA
Employer Contributions Schedule
Judicial Retirement System - Pension
Last Ten Fiscal Years
(Stated in Thousands)

STATEMENT 2.31

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Actuarially determined contribution	\$ 7,931	\$ 8,925	\$ 8,925	\$ 10,239	\$ 10,239
Contributions in relation to the actuarially determined contribution	5,425	8,194	10,743	10,823	12,108
Contribution deficiency (excess)	<u>\$ 2,506</u>	<u>\$ 731</u>	<u>\$ (1,818)</u>	<u>\$ (584)</u>	<u>\$ (1,869)</u>
Covered payroll	\$ 14,971	\$ 14,762	\$ 14,161	\$ 13,699	\$ 13,945
Contributions as a percentage of covered payroll	36.24 %	55.51 %	75.86 %	79.01 %	86.83 %

This statement continued on next page.

STATE OF ALASKA
Employer Contributions Schedule
Judicial Retirement System - Pension
Last Ten Fiscal Years
(Stated in Thousands)

STATEMENT 2.31

	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 9,388	\$ 9,454	\$ 10,632	\$ 10,471	\$ 11,183
Contributions in relation to the actuarially determined contribution	11,127	10,257	10,286	11,086	11,710
Contribution deficiency (excess)	<u>\$ (1,739)</u>	<u>\$ (803)</u>	<u>\$ 346</u>	<u>\$ (615)</u>	<u>\$ (527)</u>
Covered payroll	\$ 13,527	\$ 13,393	\$ 14,599	\$ 14,089	\$ 13,996
Contributions as a percentage of covered payroll	82.26 %	76.58 %	70.46 %	78.69 %	83.67 %

Notes to required schedule

Significant methods and assumptions used in calculating the actuarially determined contribution are presented in Note 6.

Changes in the Net OPEB Liability and Related Ratios Schedule
Judicial Retirement System - Alaska Retiree Healthcare Trust Plan
Last Ten Fiscal Years
As of Measurement Date
(Stated in Thousands)

	2025	2024	2023	2022	2021
Total OPEB liability					
Service cost	\$ 938	\$ 945	\$ 830	\$ 830	\$ 758
Interest	1,412	1,334	1,345	1,243	1,340
Differences between expected and actual experience	39	171	1,215	609	224
Changes of assumptions	416	(57)	(2,166)	—	(2,361)
Retiree Drug Subsidy	—	—	—	—	—
Pharmacy Rebates	215	198	165	167	109
Benefit payments, including refunds of employee contributions	(1,616)	(1,392)	(1,222)	(1,692)	(1,268)
Net change in total OPEB liability	1,404	1,199	167	1,157	(1,198)
Total OPEB liability - beginning	19,235	18,036	17,921	16,764	17,962
Total OPEB liability - ending (a)	20,639	19,235	18,088	17,921	16,764
Plan fiduciary net position					
Contributions - employer	940	922	622	654	730
Net investment income	3,825	3,070	(2,615)	10,025	1,378
Other income	—	—	—	—	290
Benefit payments, including refunds of employee contributions	(1,617)	(1,392)	(1,222)	(1,692)	(1,425)
Administrative expenses	(40)	(32)	(35)	(32)	(29)
Net change in plan fiduciary net position	3,108	2,568	(3,250)	8,955	944
Plan fiduciary net position - beginning	43,040	40,268	43,173	34,036	33,092
Plan fiduciary net position - ending (b)	46,148	42,836	39,923	42,991	34,036
State's net OPEB liability (asset) - ending (a) - (b)	<u>\$ (25,509)</u>	<u>\$ (23,601)</u>	<u>\$ (21,835)</u>	<u>\$ (25,070)</u>	<u>\$ (17,272)</u>
Plan fiduciary net position as a percentage of the total OPEB liability or asset	223.60 %	222.70 %	220.72 %	239.89 %	203.03 %
Covered payroll	\$ 14,762	\$ 14,161	\$ 13,699	\$ 13,945	\$ 13,527
State's net OPEB liability or asset as a percentage of covered payroll	172.80 %	166.66 %	159.39 %	179.78 %	127.69 %

This statement continued on next page.

Changes in the Net OPEB Liability and Related Ratios Schedule
Judicial Retirement System - Alaska Retiree Healthcare Trust Plan
Last Ten Fiscal Years
As of Measurement Date
(Stated in Thousands)

	2020	2019	2018
Total OPEB liability			
Service cost	\$ 801	\$ 690	\$ 734
Interest	1,270	1,391	1,318
Differences between expected and actual experience	(73)	(1,865)	83
Changes of assumptions	—	710	—
Retiree Drug Subsidy	74	21	64
Pharmacy Rebates	22	—	62
Benefit payments, including refunds of employee contributions	(979)	(1,576)	(1,031)
Net change in total OPEB liability	1,115	(629)	1,230
Total OPEB liability - beginning	16,847	17,476	16,246
Total OPEB liability - ending (a)	17,962	16,847	17,476
Plan fiduciary net position			
Contributions - employer	591	621	628
Net investment income	1,901	2,455	3,470
Other income	99	21	127
Benefit payments, including refunds of employee contributions	(978)	(1,576)	(1,031)
Administrative expenses	(18)	(15)	(51)
Net change in plan fiduciary net position	1,595	1,506	3,143
Plan fiduciary net position - beginning	31,497	29,991	26,848
Plan fiduciary net position - ending (b)	33,092	31,497	29,991
State's net OPEB liability (asset) - ending (a) - (b)	<u>\$ (15,130)</u>	<u>\$ (14,650)</u>	<u>\$ (12,515)</u>
Plan fiduciary net position as a percentage of the total OPEB liability or asset	184.23 %	186.96 %	171.61 %
Covered payroll	\$ 13,393	\$ 14,599	\$ 14,089
State's net OPEB liability or asset as a percentage of covered payroll	112.97 %	100.35 %	88.83 %

This schedule is intended to present information for ten years. Additional years will be displayed as they become available.

STATE OF ALASKA

STATEMENT 2.33

Employer Contributions Schedule

Judicial Retirement System - Alaska Retiree Healthcare Trust Plan

Last Ten Fiscal Years

(Stated in Thousands)

	2025	2024	2023	2022	2021
Actuarially determined contribution	\$ 1,020	\$ 994	\$ 911	\$ 805	\$ 805
Contributions in relation to the actuarially determined contribution	1,037	940	922	622	654
Contribution deficiency (excess)	<u>\$ (17)</u>	<u>\$ 54</u>	<u>\$ (11)</u>	<u>\$ 183</u>	<u>\$ 151</u>
Covered payroll	\$ 14,971	\$ 14,762	\$ 14,161	\$ 13,699	\$ 13,945
Contributions as a percentage of covered payroll	6.93 %	6.37 %	6.51 %	4.54 %	4.69 %

This statement continued on next page.

Employer Contributions Schedule

Judicial Retirement System - Alaska Retiree Healthcare Trust Plan

Last Ten Fiscal Years

(Stated in Thousands)

	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 579	\$ 599	\$ 632	\$ 631	\$ 501
Contributions in relation to the actuarially determined contribution	730	591	594	628	508
Contribution deficiency (excess)	<u>\$ (151)</u>	<u>\$ 8</u>	<u>\$ 38</u>	<u>\$ 3</u>	<u>\$ (7)</u>
Covered payroll	\$ 13,527	\$ 13,393	\$ 14,599	\$ 14,089	\$ 13,996
Contributions as a percentage of covered payroll	5.40 %	4.41 %	4.07 %	4.46 %	3.63 %

Changes in the Net Pension Liability and Related Ratios Schedule
Alaska National Guard and Alaska Naval Militia Retirement System
Last Ten Fiscal Years
As of Measurement Date
(Stated in Thousands)

	2025	2024	2023	2022	2021
Total pension liability					
Service cost	\$ 741	\$ 723	\$ 657	\$ 517	\$ 508
Interest	1,618	1,584	1,439	1,527	1,532
Differences between expected and actual experience	1,234	—	1,242	—	(587)
Changes of assumptions	—	—	816	2,573	—
Benefit payments, including refunds of employee contributions	(1,711)	(1,745)	(1,621)	(1,454)	(1,641)
Net change in total pension liability	1,882	562	2,533	3,163	(188)
Total pension liability - beginning	28,323	27,761	25,228	22,065	22,253
Total pension liability - ending (a)	30,205	28,323	27,761	25,228	22,065
Plan fiduciary net position					
Contributions - employer	—	—	—	—	861
Net investment income	2,609	2,453	(3,746)	9,474	2,142
Benefit payments, including refunds of employee contributions	(1,711)	(1,745)	(1,621)	(1,454)	(1,641)
Administrative expenses	(361)	(295)	(358)	(304)	(231)
Net change in plan fiduciary net position	537	413	(5,725)	7,716	1,131
Plan fiduciary net position - beginning	44,501	44,088	49,813	42,096	40,965
Plan fiduciary net position - ending (b)	45,038	44,501	44,088	49,812	42,096
State's net pension liability (asset) - ending (a) - (b)	\$ (14,833)	\$ (16,178)	\$ (16,327)	\$ (24,584)	\$ (20,031)
Plan fiduciary net position as a percentage of the total pension liability	155.46 %	155.46 %	158.81 %	197.45 %	190.78 %
Covered payroll	N/A	N/A	N/A	N/A	N/A
State's net pension liability or asset as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

This statement continued on next page.

Changes in the Net Pension Liability and Related Ratios Schedule
Alaska National Guard and Alaska Naval Militia Retirement System
Last Ten Fiscal Years
As of Measurement Date
(Stated in Thousands)

	2020	2019	2018	2017	2016
Total pension liability					
Service cost	\$ 496	\$ 611	\$ 611	\$ 603	\$ 604
Interest	1,497	2,266	2,170	2,660	2,554
Differences between expected and actual experience	—	(12,218)	—	(8,659)	—
Changes of assumptions	—	(174)	—	—	—
Benefit payments, including refunds of employee contributions	(1,344)	(1,360)	(1,485)	(1,729)	(1,564)
Net change in total pension liability	649	(10,875)	1,296	(7,125)	1,594
Total pension liability - beginning	21,604	32,480	31,184	38,309	36,715
Total pension liability - ending (a)	22,253	21,605	32,480	31,184	38,309
Plan fiduciary net position					
Contributions - employer	852	907	866	735	628
Net investment income	2,321	1,965	3,182	182	590
Benefit payments, including refunds of employee contributions	(1,344)	(1,360)	(1,485)	(1,729)	(1,564)
Administrative expenses	(282)	(226)	(257)	(242)	(241)
Net change in plan fiduciary net position	1,547	1,286	2,306	(1,054)	(587)
Plan fiduciary net position - beginning	39,418	38,132	35,826	36,880	37,467
Plan fiduciary net position - ending (b)	40,965	39,418	38,132	35,826	36,880
State's net pension liability (asset) - ending (a) - (b)	\$ (18,712)	\$ (17,813)	\$ (5,652)	\$ (4,642)	\$ 1,429
Plan fiduciary net position as a percentage of the total pension liability	184.09 %	182.45 %	117.40 %	114.89 %	96.27 %
Covered payroll	N/A	N/A	N/A	N/A	N/A
State's net pension liability or asset as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

Employer Contributions Schedule

Alaska National Guard and Alaska Naval Militia Retirement System

Last Ten Fiscal Years

(Stated in Thousands)

	2025	2024	2023	2022	2021
Actuarially determined contribution	\$ —	\$ —	\$ —	\$ —	\$ —
Contributions in relation to the actuarially determined contribution	—	—	—	—	—
Contribution deficiency (excess)	<u>\$ —</u>				
Covered payroll	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

This statement continued on next page.

STATE OF ALASKA

STATEMENT 2.41

Employer Contributions Schedule

Alaska National Guard and Alaska Naval Militia Retirement System

Last Ten Fiscal Years

(Stated in Thousands)

	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 861	\$ 852	\$ 907	\$ 867	\$ 735
Contributions in relation to the actuarially determined contribution	861	852	907	867	735
Contribution deficiency (excess)	<u>\$ —</u>				
Covered payroll	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

Notes to required schedule

Significant methods and assumptions used in calculating the actuarially determined contribution are presented in Note 6.

Changes in the Net Pension Liability and Related Ratios Schedule

Alaska Railroad Corporation Defined Benefits Pension Plan

Last Ten Fiscal Years

As of Measurement Date

(Stated in Thousands)

	2025	2024	2023	2022	2021
Total pension liability					
Service cost	\$ 6,507	\$ 6,321	\$ 6,500	\$ 6,176	\$ 6,106
Interest	20,751	19,459	18,796	18,302	17,659
Changes of benefits terms	—	—	—	—	—
Differences between expected and actual experience	1,992	—	(5,206)	837	(1,502)
Changes of assumptions	—	4,283	390	(8,735)	(3,929)
Benefit payments, including refunds of employee contributions	(12,803)	(12,064)	(10,226)	(9,966)	(9,116)
Net change in total pension liability	16,447	17,999	10,254	6,614	9,218
Total pension liability - beginning	286,115	268,116	257,862	251,248	242,030
Total pension liability - ending (a)	302,562	286,115	268,116	257,862	251,248
Plan fiduciary net position					
Contributions - employer	3,212	3,148	2,673	3,813	4,619
Contributions - employee	5,774	5,328	4,987	4,650	4,639
Net investment income	27,464	28,181	(32,967)	40,127	21,600
Benefit payments, including refunds of employee contributions	(12,803)	(12,064)	(10,226)	(9,966)	(9,116)
Administrative expenses	(428)	(427)	(365)	(306)	(273)
Net change in plan fiduciary net position	23,219	24,166	(35,898)	38,318	21,469
Plan fiduciary net position - beginning	259,895	235,729	271,627	233,309	211,840
Plan fiduciary net position - ending (b)	283,114	259,895	235,729	271,627	233,309
State's net pension liability (asset) - ending (a) - (b)	\$ 19,448	\$ 26,220	\$ 32,387	\$ (13,765)	\$ 17,939
Plan fiduciary net position as a percentage of the total pension liability or asset	93.57 %	90.84 %	87.92 %	105.34 %	92.86 %
Covered payroll	\$ 59,194	\$ 55,408	\$ 51,671	\$ 51,559	\$ 49,739
State's net pension liability or asset as a percentage of covered payroll	32.85 %	47.32 %	62.68 %	26.70 %	36.07 %

This statement continued on next page.

Changes in the Net Pension Liability and Related Ratios Schedule
Alaska Railroad Corporation Defined Benefits Pension Plan
Last Ten Fiscal Years
As of Measurement Date
(Stated in Thousands)

	2020	2019	2018	2017	2016
Total pension liability					
Service cost	\$ 5,835	\$ 5,676	\$ 5,777	\$ 5,853	\$ 5,834
Interest	16,059	15,221	14,230	13,244	11,832
Changes of benefits terms	—	—	154	—	—
Differences between expected and actual experience	(496)	(2,321)	(482)	6,368	—
Changes of assumptions	16,396	—	272	—	—
Benefit payments, including refunds of employee contributions	(8,086)	(7,062)	(6,197)	(5,541)	(4,920)
Net change in total pension liability	29,708	11,514	13,754	19,924	12,746
Total pension liability - beginning	212,322	200,808	187,054	167,130	154,384
Total pension liability - ending (a)	242,030	212,322	200,808	187,054	167,130
Plan fiduciary net position					
Contributions - employer	5,220	3,555	4,051	4,163	3,571
Contributions - employee	4,477	4,341	4,302	4,383	4,290
Net investment income	32,628	(8,075)	22,088	11,774	(199)
Benefit payments, including refunds of employee contributions	(8,086)	(7,062)	(6,197)	(5,541)	(4,920)
Administrative expenses	(269)	(312)	(409)	(593)	(550)
Net change in plan fiduciary net position	33,970	(7,553)	23,835	14,186	2,192
Plan fiduciary net position - beginning	177,870	185,423	161,588	147,402	145,210
Plan fiduciary net position - ending (b)	211,840	177,870	185,423	161,588	147,402
State's net pension liability (asset) - ending (a) - (b)	\$ 30,190	\$ 34,452	\$ 15,385	\$ 25,466	\$ 19,728
Plan fiduciary net position as a percentage of the total pension liability or asset	87.53 %	83.77 %	92.34 %	86.39 %	88.20 %
Covered payroll	\$ 48,228	\$ 48,228	\$ 47,804	\$ 48,705	\$ 47,660
State's net pension liability or asset as a percentage of covered payroll	62.60 %	71.44 %	32.18 %	52.29 %	41.39 %

STATE OF ALASKA

STATEMENT 2.51

Employer Contributions Schedule

Alaska Railroad Corporation Defined Benefits Pension Plan

Last Ten Fiscal Years

(Stated in Thousands)

	2025	2024	2023	2022	2021
Actuarially determined contribution	\$ 3,212	\$ 3,148	\$ 2,673	\$ 3,813	\$ 4,619
Contributions in relation to the actuarially determined contribution	3,212	3,148	2,673	3,813	4,619
Contribution deficiency (excess)	<u>\$ —</u>				
Covered payroll	64,111	59,194	55,408	51,671	51,559
Contributions as a percentage of covered payroll	5.01 %	5.32 %	4.82 %	7.38 %	8.96 %

This statement continued on next page.

Employer Contributions Schedule

Alaska Railroad Corporation Defined Benefits Pension Plan

Last Ten Fiscal Years

(Stated in Thousands)

	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 5,220	\$ 3,555	\$ 4,051	\$ 4,163	\$ 3,571
Contributions in relation to the actuarially determined contribution	5,220	3,555	4,051	4,163	3,571
Contribution deficiency (excess)	<u>\$ —</u>				
Covered payroll	49,739	48,288	47,804	48,705	47,660
Contributions as a percentage of covered payroll	10.49 %	7.36 %	8.47 %	8.55 %	7.49%

Notes to required schedule

Significant methods and assumptions used in calculating the actuarially determined contribution are presented in Note 6.

Changes in the Net OPEB Liability and Related Ratios Schedule

Alaska Railroad Corporation Defined Benefits Postretirement Medical Plan

Last Ten Fiscal Years

As of Measurement Date

(Stated in Thousands)

	2025	2024	2023	2022	2021
Total OPEB liability					
Service cost	\$ 393	\$ 455	\$ 404	\$ 446	\$ 522
Interest	831	978	796	857	972
Changes of benefits terms	—	—	—	—	—
Differences between expected and actual experience	(2,898)	2,233	(1,560)	1,879	(1,205)
Changes of assumptions	(21)	384	501	(3,371)	(353)
Benefit payments, net of Retiree Premiums	(700)	(1,095)	(567)	(740)	(491)
Net change in total OPEB liability	(2,395)	2,955	(426)	(929)	(555)
Total OPEB liability - beginning	16,726	13,771	14,197	15,126	15,681
Total OPEB liability - ending (a)	14,331	16,726	13,771	14,197	15,126
Plan fiduciary net position					
Net investment income	4,339	5,012	(6,547)	5,444	3,914
Benefit payments, net of Retiree Premiums	(700)	(1,095)	(567)	(740)	(491)
Administrative expenses	(114)	(95)	(62)	(60)	(59)
Net change in plan fiduciary net position	3,525	3,822	(7,176)	4,644	3,364
Plan fiduciary net position - beginning	55,568	51,746	58,922	54,278	50,914
Plan fiduciary net position - ending (b)	59,093	55,568	51,746	58,922	54,278
State's net OPEB liability (asset) - ending (a) - (b)	\$ (44,762)	\$ (38,842)	\$ (37,975)	\$ (44,725)	\$ (39,152)
Plan fiduciary net position as a percentage of the total OPEB liability	412.34 %	332.23 %	375.76 %	415.03 %	358.84 %
Covered payroll	\$ 57,134	\$ 33,720	\$ 33,280	\$ 32,015	\$ 32,154
State's net OPEB liability or asset as a percentage of covered payroll	78.35 %	115.19 %	114.11 %	139.70 %	121.76 %

This statement continued on next page.

Changes in the Net OPEB Liability and Related Ratios Schedule

Alaska Railroad Corporation Defined Benefits Postretirement Medical Plan

Last Ten Fiscal Years

As of Measurement Date

(Stated in Thousands)

	2020	2019	2018	2017	2016
Total OPEB liability					
Service cost	\$ 529	\$ 599	\$ 700	\$ 699	\$ 633
Interest	1,003	981	1,095	985	1,021
Changes of benefits terms	—	—	526	—	—
Differences between expected and actual experience	(1,998)	(4,511)	(165)	(1,832)	—
Changes of assumptions	1,186	1,461	—	1,442	—
Benefit payments, net of Retiree Premiums	(371)	(350)	(331)	(506)	(193)
Net change in total OPEB liability	349	(1,820)	1,825	788	1,461
Total OPEB liability - beginning	15,332	17,152	15,327	14,539	13,078
Total OPEB liability - ending (a)	15,681	15,332	17,152	15,327	14,539
Plan fiduciary net position					
Contributions - employer	—	—	—	—	—
Net investment income	6,096	(958)	4,295	2,670	(384)
Benefit payments, net of Retiree Premiums	(371)	(350)	(331)	(506)	(193)
Administrative expenses	(59)	(71)	(77)	(66)	(48)
Net change in plan fiduciary net position	5,666	(1,379)	3,887	2,098	(625)
Plan fiduciary net position - beginning	45,248	46,627	42,740	40,642	41,267
Plan fiduciary net position - ending (b)	50,914	45,248	46,627	42,740	40,642
State's net OPEB liability (asset) - ending (a) - (b)	\$ (35,233)	\$ (29,916)	\$ (29,475)	\$ (27,413)	\$ (26,103)
Plan fiduciary net position as a percentage of the total OPEB liability	324.69 %	295.12 %	271.85 %	278.85 %	279.54 %
Covered payroll	\$ 33,444	\$ 33,444	\$ 35,292	\$ 46,941	\$ 47,660
State's net OPEB liability or asset as a percentage of covered payroll	105.35 %	89.45 %	83.52 %	58.40 %	54.77 %

Employer Contributions Schedule

Alaska Railroad Corporation Defined Benefits Postretirement Medical Plan

Last Ten Fiscal Years

(Stated in Thousands)

	2025	2024	2023	2022	2021
Actuarially determined contribution	\$ —	\$ —	\$ —	\$ —	\$ —
Contributions in relation to the actuarially determined contribution	—	—	—	—	—
Contribution deficiency (excess)	<u>\$ —</u>				
Covered payroll	55,480	32,378	33,720	33,280	32,015
Contributions as a percentage of covered payroll	— %	— %	— %	— %	— %

This statement continued on next page.

Employer Contributions Schedule

Alaska Railroad Corporation Defined Benefits Postretirement Medical Plan

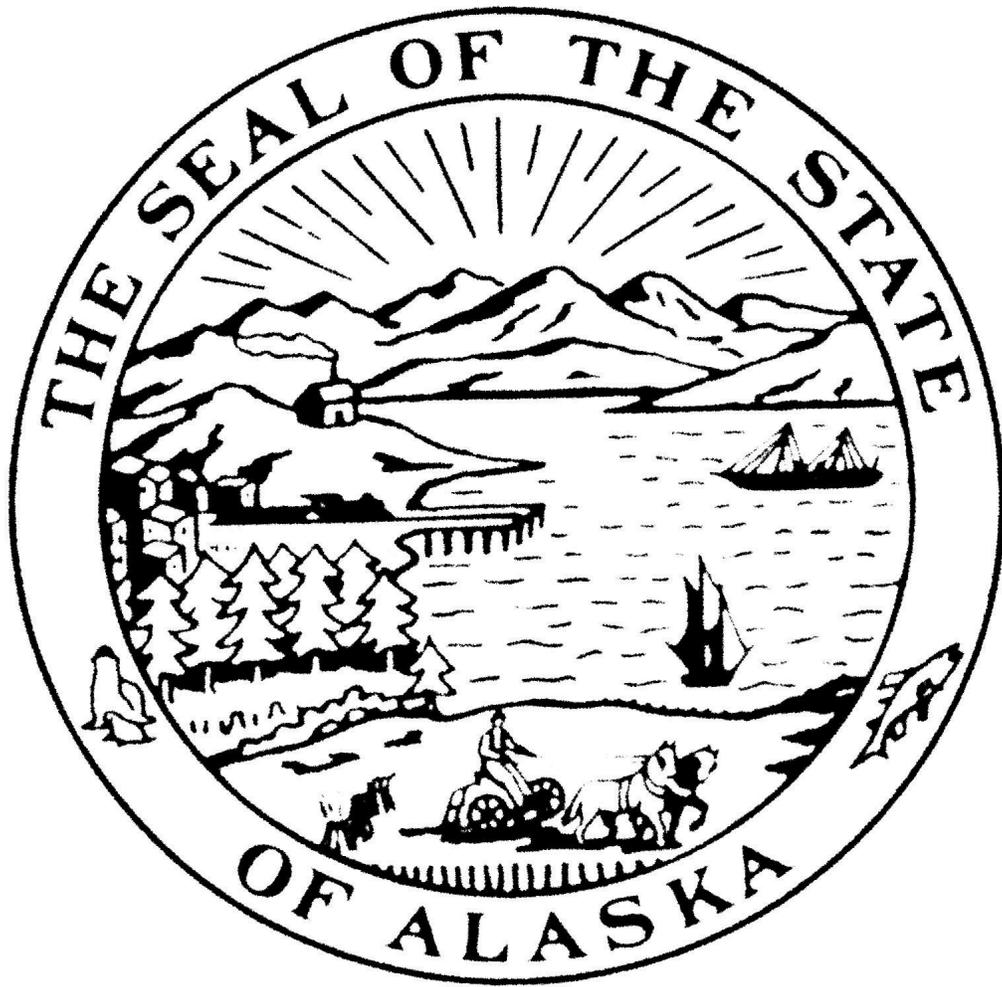
Last Ten Fiscal Years

(Stated in Thousands)

	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ —	\$ —	\$ —	\$ —	\$ —
Contributions in relation to the actuarially determined contribution	—	—	—	—	—
Contribution deficiency (excess)	<u>\$ —</u>				
Covered payroll	32,154	33,444	35,292	46,941	47,660
Contributions as a percentage of covered payroll	— %	— %	— %	— %	— %

Notes to required schedule

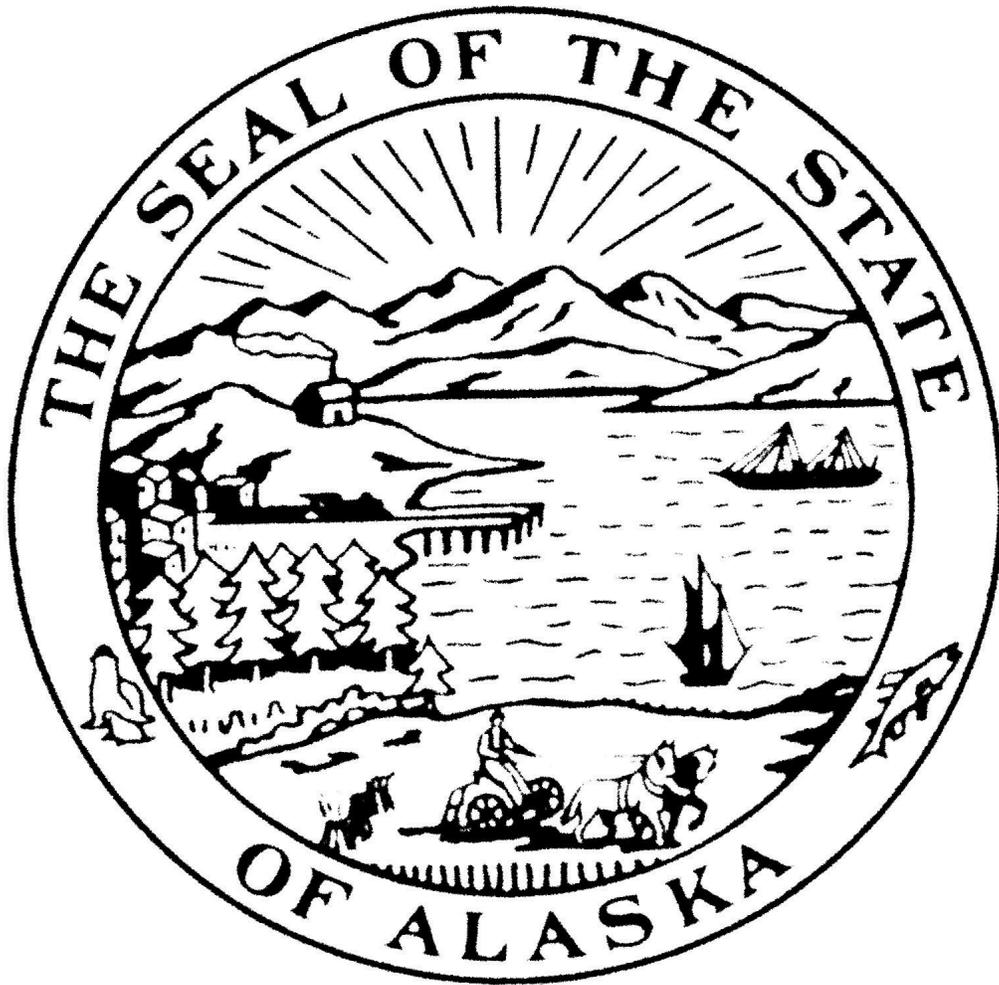
Significant methods and assumptions used in calculating the actuarially determined contribution are presented in Note 6.



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Combining Fund Section





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General Fund

The General Fund is the State's primary operating fund. All public monies and revenues coming into the state treasury, not specifically authorized by statute to be placed in a special fund, constitute the General Fund. Unlike other funds held in the name of the State, the General Fund has become a fundamental component of our fund structure without benefit of formal creation by the Constitution or the Alaska Statutes.

There are several accounts and funds that have been created by law which are considered a part of the General Fund. These are treated as subfunds of the General Fund and are accounted for as individual funds for accounting purposes, but they are included in the General Fund for annual financial reporting purposes. The following lists those funds and accounts.

- **1 Cent Response Surcharge Fund (Fund 3388)** - AS 46.08.020, AS 43.55.201 - Administered by the Department of Environmental Conservation (DEC). This fund is established to deposit the surcharge of \$.01 per barrel of oil produced from each lease or property in the state, less any oil the ownership or right to which is exempt from taxation.
- **4 Cent Prevention Surcharge Fund (Fund 3389)** - AS 46.08.020, AS 43.55.300 - Administered by the DEC. This fund is established to deposit the surcharge of \$.04 per barrel of oil produced from each lease or property in the state, less any oil the ownership or right to which is exempt from taxation.
- **Abandoned Motor Vehicles Fund (Fund 3223)** - AS 28.11.110 - Administered by the Department of Administration (DOA). This fund consists of money appropriated to the fund by the legislature and proceeds from the sale of abandoned motor vehicles. This fund was created to reimburse payment of services associated with impounding, advertising, and selling abandoned vehicles.
- **Adak Airport Operations Fund (Fund 1190)** - PL 101-510 - The Alaska Department of Transportation and Public Facilities (DOT&PF) and the United States Department of Defense entered into a cooperative agreement under which the State will undertake operation and maintenance of a portion of the former Naval Air Facility known as the Adak Airport. In accordance with the agreement, the Navy paid the State \$10,000,000 to operate and maintain the airport.
- **Alaska Capital Income Fund (Fund 1197)** - AS 37.05.565 - Administered by the Department of Revenue (DOR). This fund consists of money deposited to the fund from income earned on money awarded in, or received as a result of, State v. Amerada Hess, and of appropriations to the fund. Money may be appropriated from this fund for any public purpose, including covering annual debt service and reserves for debt service on bonds authorized by state law.
- **Alaska Children's Trust Grant Account (Fund 3231)** - AS 37.14.205 - This fund is established to deposit the receipts from Alaska children's trust plates, birth and marriage certificates, donations, and any other source. The board may use money in the grant account to make grants, obtain private and federal grants, to solicit contributions, gifts, and bequests, and to expend private donations in conformity with the donor's restrictions.
- **Alaska Comprehensive Health Insurance Fund (Fund 1248)** - AS 21.55.430 - Administered by the Department of Commerce, Community, and Economic Development (DCCED). The fund is established for the purpose of payment for claims under the reimbursement program.
- **Alaska Debt Retirement Fund (Fund 1044)** - AS 37.15.011 - Administered by the DOR. The fund consists of all money appropriated to it. The fund was established to help meet the General Fund debt obligations of the State and its political subdivisions, to fund lease-purchases, and to finance capital projects with money remaining after debt obligations are paid.
- **Alaska Higher Education Investment Fund (Fund 1226)** - AS 37.14.750 - Administered by the Department of Education and Early Development (DEED). This fund consists of appropriations, income earned on investments of fund assets, donations, and money redeposited under AS 14.43.915(c). This fund is used for making grants and scholarship payments.
- **Alaska Historical Commission Receipts Account (Fund 3205)** - AS 41.35.380 - Administered by the Department of Natural Resources (DNR). Consists of all monetary gifts, grants, bequests, royalties, and other income received by the Alaska Historical Commission and is used for commission projects.

- **Alaska Marine Highway System Fund (Fund Category 3106)** - AS 19.65.060 - Administered by the DOT&PF, Alaska Marine Highway System. Gross revenues of the Alaska Marine Highway System are deposited into the fund. The fund also consists of legislative appropriations of amounts necessary to provide stable services to the public, after consideration of gross revenue.
- **Alaska Marine Highway System Vessel Replacement Fund (Fund 1082)** - AS 37.05.550 - Administered by the DOT&PF. The fund consists of money appropriated to it by the legislature. The legislature may appropriate money from the fund for refurbishment of existing state ferry vessels, acquisition of additional state ferry vessels, or replacement of retired or outmoded state ferry vessels.
- **Alaska Technical and Vocational Education Program Fund (Fund 1151)** - AS 23.15.830 - Administered by the Department of Labor and Workforce Development (DOLWD). The fund consists of amounts collected under AS 23.15.835. The legislature may appropriate the annual estimated balance in the fund to the Alaska Workforce Investment Board to implement AS 23.15.820 - 23.15.850. The legislature may appropriate the lapsing balance of the fund to the Unemployment Compensation Fund established in AS 23.20.130.
- **Alaska Transportation Infrastructure Bank Fund (Fund Category 3107)** - Section 350 of the National Highway System Designation Act of 1995 Federal Law - Administered by the DOT&PF. This fund was established as a pilot program with the U.S. Department of Transportation to increase infrastructure investment in the private sector. The fund has the ability to make loans and provide other forms of credit assistance to public and private entities to carry out highway construction and transit capital projects.
- **Alaska Veterans' Memorial Endowment (Fund 1181)** - AS 37.14.700(a) - Administered by the Department of Military and Veterans' Affairs (DMVA). The fund is used to maintain and develop veteran or military memorials. The fund consists of appropriations to the fund, donations to the fund, and income earned on investments of fund assets.
- **Alcohol and Other Drug Abuse Treatment and Prevention Fund (Fund 1180)** - AS 43.60.050 - Administered by the DOH. The fund is used to establish and maintain programs for the prevention and treatment of alcoholism, drug abuse, and misuse of hazardous volatile materials and substances by inhalant abusers under AS 47.37.030.
- **Anatomical Gift Awareness Fund (Fund 1202)** - AS 13.50.160(a) - Administered by the DOA. This fund was established to promote gifts under AS 13.52 the Health Care Decisions Act and to administer the donation program established under AS 13.50.150. The fund consists of donations and fees collected to support the Donor Registry Program.
- **Art in Public Places Fund (Fund 1145)** - AS 44.27.060 - Administered by the Alaska State Council on the Arts. This fund consists of one percent of the construction cost of buildings exempt from AS 35.27. The money is used to commission or purchase art for public state-owned or leased buildings or facilities.
- **Assistive Technology Loan Guarantee Fund (Fund 3213)** - AS 23.15.125 - Administered by the DOLWD, Division of Vocational Rehabilitation (DVR). The fund consists of money appropriated to it. DVR may solicit and accept available public and private money for distribution from the fund. Money in the fund may be used to guarantee 90 percent of the principal amount of a loan or to subsidize the interest rate of a loan guaranteed by DVR for appropriate assistive technology.
- **Aviation Fuel Tax Fund (Fund 1239)** - AS 43.40.010(e) - Administered by the DOR. This fund is established to deposit 60 percent of all proceeds of the motor fuel taxes on aviation fuel. All other proceeds shall be paid into a special aviation fuel tax account in the state general fund.
- **Building Safety Account (Fund 1172)** - AS 44.31.025 - Administered by the DOLWD. The collection of fees associated with building inspection and the issuance of certificates of fitness will be deposited in the Building Safety Account. The legislature may appropriate money from the account for necessary costs incurred by the DOLWD in the administration of AS 18.60.180 - 18.60.395, 18.60.800 - 18.60.820 and AS 18.62 relating to building safety and certificates of fitness.
- **Broadband Parity Adjustment Fund (Fund 3402)** - CH 52 SLA 2022 - SEC 44.33.915 - Administered by the office of broadband. The fund consists of (1) money appropriated by the legislatures (2) gifts, bequests, contributions from other sources, and federal money (3) interest earned on the fund balance. The fund is created as a separate fund in the treasury for the purpose of (1) Offsetting the costs of broadband services for consumers (2) making grants to eligible beneficiaries to improve the performance of and access to broadband across the state.

- **Carbon Dioxide Storage Facility Administrative Fund (Fund 3401)** – CH 23 SLA 2024, SEC 41.06.160 – A storage operator shall pay to the commission a fee on each metric ton of carbon dioxide injected for carbon storage. The commission shall set the amount of the fee based on the anticipated expenses the commission will incur in regulating storage facilities during each phase, including the construction, operational, and pre-completion phases. The commission shall deposit a fee collected under this subsection in the carbon dioxide storage facility administrative fund. This fund was established in general fund. Money in this fund shall be separately accounted for under AS 37.05.142. The legislature may appropriate the money in the fund to the commission to carry out the purposes of AS 41.06.105 – 41.06.210.
- **Civil Legal Services Fund (Fund 1221)** - AS 37.05.590 - The fund consists of appropriations made to it. Annually, the legislature may only appropriate to the fund amounts deposited into the general fund of the state under AS 09.17.020(j). The legislature may make appropriations from the fund to organizations that provide civil legal services to low-income individuals.
- **Commercial Passenger Vessel Environmental Compliance Fund (Fund 1166)** - AS 46.03.482 - Administered by the Department of Environmental Conservation (DEC). Sources of income for this fund include: (1) money received by the department in payment of fees under AS 46.03.480; (2) money received as a result of a violation; (3) money appropriated to the fund by the legislature; (4) earnings on the fund. The legislature may make appropriations from this fund to the department to pay for the department's operational costs necessary to prepare reports that assess the information received by the department for the cruise ship seasons of 2000, 2001, 2002, and 2003 and for the department's operational costs necessary to carry out activities under AS 46.03.460 - 46.03.490 relating to commercial passenger vessels.
- **Commercial Vessel Passenger Tax Account (Fund Category 3105)** - AS 43.35.220, AS 43.52.230(a) - Administered by the DOR. The fund consists of proceeds from the tax on travel on commercial passenger vessels providing overnight accommodations in the state's marine water, and proceeds on gambling activities on large passenger vessels in the state. Money appropriated from this fund can be used for state-owned harbor facilities, other services to properly provide for vessel or watercraft visits, to enhance the safety and efficiency of interstate and foreign commerce, and such other lawful purposes as determined by the legislature.
- **Community Assistance Fund (Fund 3220)** - AS 29.60.850 - Administered by the DCCED. The Fund provides community revenue sharing payments to municipalities, reserves, and communities for any public purpose. The fund consists of appropriations. Income earned on money in the fund may be appropriated to the fund. The legislature may appropriate 20 percent of the money received by the State during the previous calendar year under AS 43.55.011(g).
- **Constitutional Budget Reserve Fund (Fund Type 3100)** - Alaska Constitution, Article IX, Section 17; AS 37.13 - Administered by the DOR. All money received by the State as a result of the termination of administrative proceedings or litigation in a state or federal court involving mineral lease bonuses, rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments or bonuses, or involving taxes imposed on mineral income, production, or property are deposited in the fund, except for the share of those proceeds that are deposited into the Alaska Permanent Fund.
- **Crime Victims Compensation Fund (Fund 1220)** - AS 18.67.162 - Administered by the Department of Public Safety (DPS), Violent Crimes Compensation Board. This fund consists of all money appropriated to it, including donations, recoveries of or reimbursements of awards made from the fund and investment income. The purpose of the fund is to facilitate and permit the payment of compensation to innocent persons as a result of certain serious crimes.
- **Derelict Vessel Prevention Program Fund (Fund 3391)** - AS 30.30.096 - Administered by the Department of Transportation and Public Facilities. The fund consists of money appropriated through donations, vessel sales, civil penalties, income from the fund and other program receipts, and boat registration fees. The purpose of the fund is to allow for reimbursing state and local governments for expenses related to removing derelict vessels from state and municipality property and waters; and developing, implementing, and subsidizing incentive programs and projects intended for derelict vessel prevention.
- **Disaster Relief Fund (Fund 1116)** - AS 26.23.300 - Administered by the Office of the Governor and the DMVA. This fund provides resources to alleviate the effects of disasters wherever and whenever they may occur in the State.
- **Dividend Raffle Fund (Fund 1257)** - AS 43.23.230 - Administered by the Department of Revenue. This fund consists of annual donations of part or all of an applicant's permanent fund dividend for educational purposes and to participate in the permanent fund dividend raffle. Donations are appropriated as follows: 25 percent to the Education Endowment Fund; 25 percent to the Dividend Raffle Fund; and 50 percent to the Department of Education and Early Development for supplemental grant distribution to school districts.
- **Donated Commodity Fee Fund (Fund 1014)** - USC 7 CFR, Part 250 - Administered by the DEED. This fund consists of monies from federal agencies and recipients of goods. It is intended to cover the cost of the distribution of federal surplus food to schools, childcare institutions, nonprofit camps for children, charitable institutions for minors, nutrition programs for the elderly, and assistance to needy persons.

- **Education Endowment Fund (Fund 1256)** - AS 43.23.220 - Administered by the Department of Revenue. The fund consists of a percentage of the money donated through the Dividend Raffle Fund and other appropriated money. The purpose of the fund is to allow for supplemental grant distribution to school districts.
- **Educational Facilities Maintenance and Construction Fund (Fund 1083)** - AS 37.05.560 - Administered by the DEED. Money in the fund may be appropriated to finance the design, construction, and maintenance of public school facilities and for maintenance of the University of Alaska facilities.
- **Election Fund (Fund 1185)** - Federal H.R. 3295, “The Help America Vote Act” - Administered by the Office of the Lieutenant Governor, Division of Elections. Funds will be used for election administration improvements, for replacement of voting equipment, to improve accessibility for individuals with disabilities, and to provide alternative language accessibility.
- **Employment Assistance and Training Program Account (Fund 1054)** - AS 23.15.625 - Administered by the DOLWD. The account consists of amounts collected under the provision of AS 23.15.630. The annual estimated balance in the account may be appropriated by the legislature to the department to implement AS 23.15.620 - 23.15.660. The legislature may appropriate the lapsing balance of the account to the Unemployment Compensation Fund established in AS 23.20.130.
- **FHWA - Airspace Leases Fund (Fund 3207)** - Administered by the DOT&PF. Section 156 of the Surface Transportation and Uniform Relocation Assistance Act of 1987 requires that the State shall charge fair market value for the sale, use, or lease rentals of right-of-way airspace and that the federal share of these net incomes be used by the State for highway projects. This fund accounts for those revenues. The revenues are available for appropriation by the legislature for highway projects.
- **FICA Administration Fund (Fund 1023)** - AS 39.30.050 - Administered by the DOA. The fund consists of the pro rata share of expenses incurred in the administration of AS 39.30.010 - 39.30.080 and collected from participating political subdivisions and from the State.
- **Fire Suppression Fund (Fund 3232)** – CH 15 SLA 1987, AS 41.15.210 – Administered by the Department of Natural Resources. A fire suppression fund is established in the state treasury for the use of the department. The fund shall be used for actual expenses incurred in the suppression of fires.
- **Fisheries Disaster Fund (Fund 3216)** - PL 108-7, Sec. 2, Division N, Title V - Fisheries Disasters, Sec. 501(a) - Administered by the Office of the Governor. \$35,000,000 shall be made available as a direct lump sum payment to the State of Alaska to make payments to persons or entities that have experienced significant economic hardship. Funds in Alaska shall be used to provide personal assistance; assistance for small businesses including fishermen, fish processors, and related business serving the fishing industry; assistance for local borough governments adversely affected by reductions in fish landing fees and other fishing-related revenue; and product development and marketing.
- **Fuel Emergency Fund (Fund 3206)** - AS 26.23.400 - Administered by the Office of the Governor. This fund is used when the governor determines that a shortage of fuel is sufficiently severe to justify state assistance to make grants to a city or borough, or to a village or unincorporated community to purchase emergency supplies of fuel.
- **Fund for the Improvement of School Performance (Fund 3210)** - AS 14.03.125 - Administered by the DEED. It is used to make grants to a district located in the State for the purpose of improving school performance.
- **General Fund Investment Fund (Fund 3390)** – MOU between DOR and Admin for interest posting related to GeFonsi II. Unappropriated available balance at year end will be unassigned. Interest collected for GF from GeFonsi II to be transferred to 1004 monthly and/or annually.
- **Major Maintenance Grant Fund (Fund 1193)** - AS 14.11.007 - Administered by the DEED. The fund is used to make grants for the cost of school major maintenance.
- **Marijuana Education and Treatment Fund (Fund 1254)** - AS 43.61.010. Administered by the Department of Administration. The fund consists of 25 percent of money collected under the marijuana tax. The purpose of the fund is to provide money for comprehensive marijuana education and treatment programs.
- **Memorial Education Revolving Loan Fund (Fund 3226)** - AS 14.43.255 - Administered by the DEED. The fund was created to pay tribute to the memory of Alaskans who, by example of their lives, or by their distinguished contribution and service to the State, their community, or their profession, exemplified the best that is the challenge of “The Great Land.” The funds shall be used to provide education loans to students selected under AS 14.43.250-325.
- **Municipal Capital Project Matching Grant Fund (Fund 1087)** - AS 37.06.010 - Administered by the DCCED. The money in the fund is held by the department in custody for each municipality. Each fiscal year the department allocates individual grants for each municipality.

- **Municipal Harbor Facility Grant Fund (Fund 3217)** - AS 29.60.800 - Administered by the DOT&PF. The money appropriated to the fund may be expended by the department for municipal harbor grants.
- **NTSC Bond Funding (Fund 1167)** – HB 381, SLA 2007 – This is money that has been received from the sale of bonds. AHFC is holding this money in a trust account. As expenditures are made against the appropriations, money in this account is transferred to the state.
- **Oil and Gas Tax Credit Fund (Fund 3219)** - AS 43.55.028 - Administered by the DOR. The purpose of this fund is to purchase certain transferable tax credit certificates issued under AS 43.55.023 and certain production tax credit certificates issued under AS 43.55.025. The fund consists of money appropriated to it, including any appropriation of the percentage provided under (c) of this section of all revenue from taxes levied by AS 43.55.011 that is not required to be deposited in the Constitutional Budget Reserve Fund established in art. IX, sec. 17 (a), Constitution of the State of Alaska; and earnings on the fund.
- **Oil and Hazardous Substance Release Prevention and Response (Fund 1052 and 3208)** - AS 46.08.010 - Administered by the DEC. This fund is composed of two accounts: (1) the prevention account and (2) the response account. The fund consists of appropriations by the legislature of money from private donors, money recovered from parties responsible for cleanup of oil or a hazardous substance, and fines, penalties, or damages recovered under Chapter 46. This money is for the containment and cleanup of oil or a hazardous substance; monitoring, assessing, investigating, and evaluating the release or threatened release of oil or a hazardous substance; and recovery of the cost to the State of the containment and cleanup of oil or a hazardous substance.
- **Oil and Hazardous Substance Release Prevention Mitigation Account (Fund 3211)** - AS 46.08.020(b) - Administered by the DEC. This account consists of money received from other state sources, from federal or other sources, or from a private donor; money recovered or otherwise received from parties responsible for the containment and cleanup of oil or a hazardous substance; and fines, penalties, or damages recovered under AS 46.08.005-46.08.080. The legislature may appropriate the amount received in this account (during the preceding calendar year) to the prevention account in the Oil and Hazardous Substance Release Prevention and Response Fund.
- **Oil and Hazardous Substance Release Response Mitigation Account (Fund 3212)** - AS 46.08.025(b) - Administered by the DEC. This account consists of money received from other state sources, from federal or other sources, or from a private donor; money recovered or otherwise received from parties responsible for the containment and cleanup of oil or a hazardous substance at a specific site for which the State expended money from the former Oil and Hazardous Substance Release Prevention and Response Fund before October 2, 1994, or for which the State expended money from the response account. The legislature may appropriate the amount received in this account (during the preceding calendar year) to the response account in the Oil and Hazardous Substance Release Prevention and Response Fund.
- **Originator Surety Fund (Fund 3221)** - AS 06.60.500 - Administered by the DCCED. This fund consists of payments made by originator licensees under AS 06.60.550, filing fees retained under AS 06.60.620, income earned on the investment of the money in the fund, and money deposited in the fund by the department under AS 06.60.740.
- **Peace Officer and Firefighter Survivor's Fund (Fund 3387)** - AS 39.60.010 - This fund is administered by the DPS for the purpose of paying medical insurance premiums for an eligible surviving spouse or dependent child of a peace officer or a firefighter.
- **Permanent Fund Dividend Fund (Fund 1050)** - AS 43.23.045 - Administered by the DOR. This fund consists of 50 percent of the income earned by the Alaska Permanent Fund during the fiscal year ending on June 30 that is paid out to eligible Alaska residents.
- **Public Education Fund (Fund 3201)** - AS 14.17.300 - Administered by the DEED. This account may be expended only in aid of public schools and for centralized correspondence study programs under Chapter 17 - Financing of Public Schools, and for transportation of pupils under AS 14.09.010.
- **Railbelt Energy Fund (Fund 1012)** - AS 37.05.520 - The legislature may appropriate money from the fund for programs, projects, and other expenditures to assist in meeting Railbelt energy needs, including projects for retrofitting state-owned buildings and facilities for energy conservation.
- **Randolph-Sheppard Small Business Fund (Fund 1117)** - AS 23.15.130, 20 USC 107-107(f) - Administered by the DOLWD. This fund consists of receipts from vending facilities on federal properties and is used to aid only blind licensees in operating vending machine facilities.

- **Real Estate Recovery Fund (Fund 1040)** - AS 08.88.450 - Administered by the DCCED. This fund is composed of payments made by real estate licensees under AS 08.88.455 and filing fees under AS 08.88.460, income earned on investment of the money in the fund, and money deposited in the fund under AS 08.88.450(c). Amounts in the fund may be appropriated for claims against the fund, for hearing and legal expenses directly related to fund operations and claims, and real estate educational purposes.
- **Recidivism Reduction Fund (Fund 1246)** - AS 43.61.010(c) - Administered by the Department of Administration. This fund is established to deposit 50 percent of the tax collected under the marijuana tax into this fund for recidivism reduction programs.
- **Regional Educational Attendance Area School Fund (Fund 1222)** - AS 14.11.030 - Administered by the DEED for the purpose of funding costs of school construction in regional educational attendance areas.
- **School Construction Grant Fund (Fund 1080)** - Administered by the DEED. The fund shall be used to make grants for the costs of school construction. Legislative appropriations for school construction shall be deposited in the fund and the proceeds from the sale of general obligation bonds for school construction may be deposited in the fund.
- **School Trust Land Sales (Fund 3215)** - Established per attorney general memo regarding Public School Trust Litigation. Used to separately account for income from former public school trust land, the status of which is in litigation.
- **State Insurance Catastrophe Reserve Account (Fund 3209)** - AS 37.05.289 - Administered by the DOA. Assets of the account may be used to obtain insurance, to establish reserves for the self-insurance program, and to satisfy claims or judgments arising under the program.
- **State Land Disposal Income Fund (Fund 1153)** - AS 38.04.022(a) - Administered by the DNR. The fund consists of revenue from the state land disposal program.
- **State Land Reforestation Fund (Fund 1019)** - AS 41.17.300 - Administered by the DNR. The money in the state land reforestation fund may be used only for the reforestation of state land, including site preparation; seed and seedling acquisition and cultivation; planting and other reforestation measures; timber stand improvement; and the development of materials and techniques for the reforestation of state land.
- **Statutory Budget Reserve Fund (Fund 3200)** - AS 37.05.540 - Administered by the DOR. This fund consists of appropriations to the fund. Money received by the State that is subject to the appropriation limit under AS 37.05.540(b) and that exceeds that limit may be appropriated to the budget reserve fund.
- **Surplus Property Revolving Fund (Fund 1033)** - AS 37.05.500(a)(1), AS 44.68.130 - Administered by the DOA. This fund is to account for revenues from the users or purchasers of excess federal property that the State has acquired and is used to pay the administrative expenses incurred in managing this property.
- **Tobacco Use Education and Cessation Fund (Fund 1168)** - AS 37.05.580 - Administered by the DOH. This fund consists of 20 percent of the annual revenue derived from the settlement of State of Alaska v. Philip Morris, Incorporated, et al, No. 1JU-97-915 CI (Alaska Super. 1997). The purpose of this fund is to provide a source to finance the comprehensive smoking education, tobacco use prevention, and tobacco control program authorized by AS 44.29.020(a)(12).
- **Training and Building Fund (Fund 1049)** - AS 23.20.130(d) - Administered by the DOLWD. This fund consists of interest and penalties for failure to file timely reports and pay contributions to the Unemployment Compensation Fund. It may be used for the administration of the Employment Security Act when federal funds are not available and for the acquisition of land and buildings for the purpose of providing office space for the department.
- **Trauma Care Fund (Fund 3222)** - AS 18.08.085 - Administered by the DOH. This fund consists of money appropriated to it by the legislature including donations, recoveries of or reimbursements for awards made from the fund and investment income. The purpose of this fund is to compensate certified trauma centers in the state that receive a special designation under AS 18.08.082(c) and that achieve or maintain the highest appropriate level of trauma care designation.
- **Unincorporated Community Capital Project Matching Grant Fund (Fund 1088)** - AS 37.06.020 - Administered by the DCCED. This fund was created for unincorporated communities to acquire or improve an asset with an anticipated life exceeding one year and includes land acquisition, construction, repair or structural improvement of a facility, engineering and design for a facility, and acquisition or repair of equipment.
- **Vaccine Assessment (Fund 1238)** - AS 18.09.230 - Administered by the DOH. The fund is established for the purpose of monitoring, purchasing, and distributing included vaccines to providers approved by the department who agree to provide the vaccines to state residents under terms consistent with the program and state and federal law.

- **Vocational Rehabilitation Small Business Enterprise Revolving Fund (Fund 1237)** - AS 23.15.130 - Administered by the DOLWD, DVR. This fund consists of receipts from the net proceeds of vending facilities on public property. The annual estimated receipts of the fund may be used by the legislature to make appropriations to the department to aid licensees in operating vending machine facilities.
- **Workers' Compensation Benefits Guaranty Fund (Fund 1203)** - AS 23.30.082 - Administered by the DOLWD. This fund is composed of civil penalty payments made by employers under AS 23.30.080, income earned on investment of the money in the fund, money deposited in the fund, and appropriations to the fund. The fund may be appropriated for claims against the fund, for expenses directly related to fund operations and claims, and for legal expenses.
- **Workers' Safety and Compensation Administration Account (Fund 1157)** - AS 23.05.067 - Administered by the DOLWD. This fund is used to account for the annual service fees collected from employers for the administrative expenses of the State for workers' safety programs under AS 18.60 and the workers' compensation program under AS 23.30.



STATE OF ALASKA
Combining Balance Sheet
General Fund
June 30, 2025
(Stated in Thousands)

STATEMENT 3.01

	General Fund						Total General Fund
	Constitutional Budget Reserve Subfund	Statutory Budget Reserve Subfund	Permanent Fund Dividend Subfund	Public Education Subfund	General and all Other Subfunds	Eliminations of Internal Balances	
ASSETS							
Cash and Investments	\$ 2,878,904	\$ 148,996	\$ 33,676	\$ 19,654	\$ 2,634,714	\$ —	\$ 5,715,944
Accounts Receivable - Net	—	—	—	—	166,265	—	166,265
Interest and Dividends Receivable	10,694	—	129	—	9,908	—	20,731
Due from Other Funds	12,525,269	—	619	1,922	1,291,319	(13,733,691)	85,438
Due from Component Units	—	—	—	—	34,581	—	34,581
Due from Other Governments	—	—	—	—	1,444,474	—	1,444,474
Loans, Notes, Bonds and Leases Receivable	—	—	—	—	52,774	—	52,774
Inventories	—	—	—	—	39,656	—	39,656
Other Assets	—	2,580	5	—	62,915	—	65,500
Total Assets	15,414,867	151,576	34,429	21,576	5,736,606	(13,733,691)	7,625,363
LIABILITIES							
Accounts Payable and Accrued Liabilities	186	1,442	12,236	—	931,326	—	945,190
Due to Other Funds	1,170,209	6,353	129	1,806	12,691,317	(13,733,691)	136,123
Due to Component Units	—	—	—	—	1,949	—	1,949
Due to Other Governments	—	—	—	—	1,400	—	1,400
Unearned Revenue	—	—	103	—	74,170	—	74,273
Other Liabilities	14	29	49	—	35,375	—	35,467
Total Liabilities	1,170,409	7,824	12,517	1,806	13,735,537	(13,733,691)	1,194,402
DEFERRED INFLOWS OF RESOURCES							
Total Deferred Inflows of Resources	—	—	—	—	947,487	—	947,487
FUND BALANCES							
Nonspendable:							
Inventory	—	—	—	—	39,656	—	39,656
Advances and Prepaid Items	10,717,212	2,580	4	—	62,920	(10,717,212)	65,504
Restricted for:							
Debt Service	—	—	—	—	4,678	—	4,678
Education	—	—	—	—	18,475	—	18,475
Health and Human Services	—	—	—	—	46,495	—	46,495
Development	—	—	—	—	37,998	—	37,998
Other Purposes	—	—	—	—	6,902	—	6,902
Committed to:							
Education	—	895	—	19,770	692,889	—	713,554
Health and Human Services	12,534	1,720	—	—	218,896	—	233,150
Public Protection	—	4,074	—	—	313,215	—	317,289
Permanent Fund	—	—	21,908	—	—	—	21,908
Development	10,053	134,273	—	—	1,017,311	—	1,161,637
Other Purposes	—	210	—	—	248,498	—	248,708
Assigned to:							
Education	—	—	—	—	2,211	—	2,211
Public Protection	—	—	—	—	7	—	7
Development	—	—	—	—	99	—	99
Unassigned	3,504,659	—	—	—	(11,656,668)	10,717,212	2,565,203
Total Fund Balances	14,244,458	143,752	21,912	19,770	(8,946,418)	—	5,483,474
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 15,414,867	\$ 151,576	\$ 34,429	\$ 21,576	\$ 5,736,606	\$ (13,733,691)	\$ 7,625,363

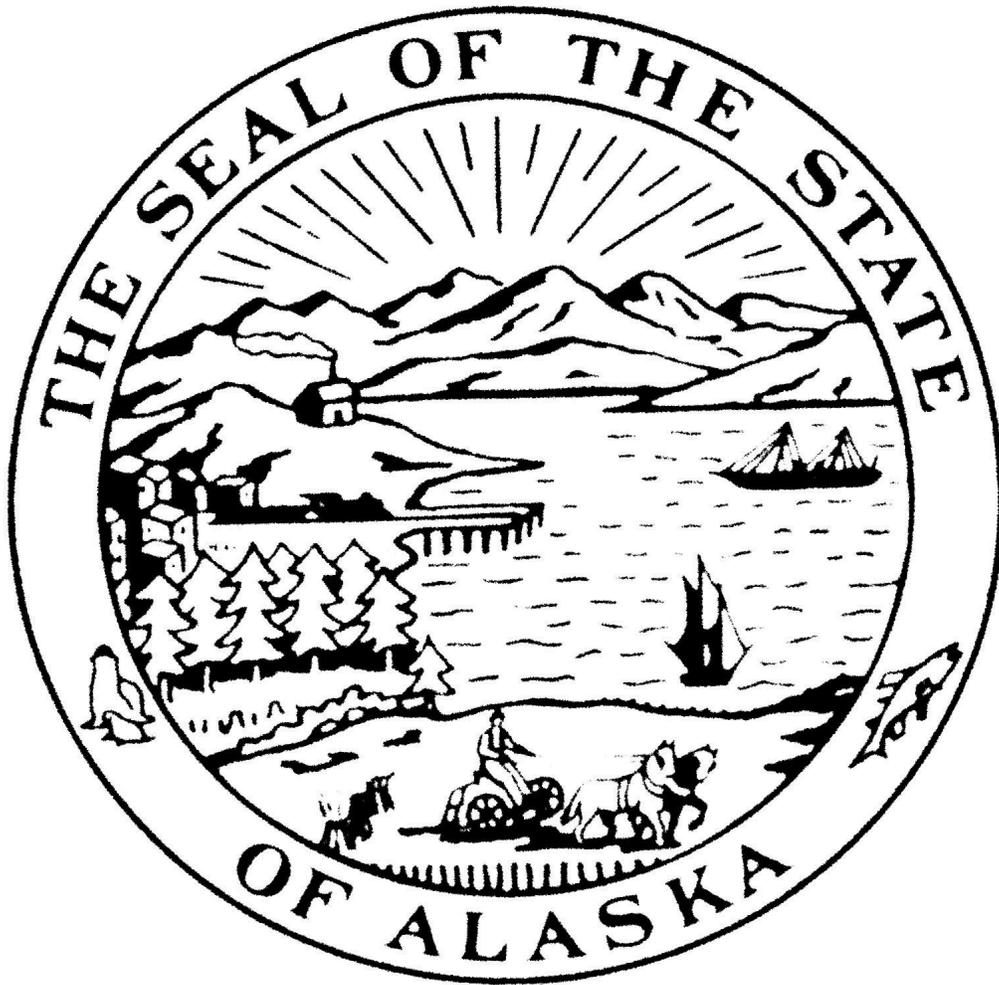
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances

General Fund

For the Fiscal Year Ended June 30, 2025

(Stated in Thousands)

	General Fund						Total General Fund
	Constitutional Budget Reserve Subfund	Statutory Budget Reserve Subfund	Permanent Fund Dividend Subfund	Public Education Subfund	General and all Other Subfunds	Eliminations of Internal Balances	
REVENUES							
Taxes	\$ 27,011	\$ —	\$ —	\$ —	\$ 1,573,594	\$ —	\$ 1,600,605
Licenses and Permits	—	—	—	—	145,208	—	145,208
Charges for Services	—	—	527	134	182,221	—	182,882
Fines and Forfeitures	2,789	—	99	—	56,453	—	59,341
Rents and Royalties	10	—	—	—	1,059,338	—	1,059,348
Premiums and Contributions	—	—	—	—	38,327	—	38,327
Interest and Investment Income (Loss)	149,435	—	—	—	200,895	—	350,330
Federal Grants in Aid	—	—	—	—	4,833,918	—	4,833,918
Payments In from Component Units	—	—	—	—	51,038	—	51,038
Other Revenues	120	—	8	—	57,820	—	57,948
Total Revenues	179,365	—	634	134	8,198,812	—	8,378,945
EXPENDITURES							
Current:							
General Government	—	1,134	9,684	—	328,288	—	339,106
Alaska Permanent Fund Dividend	—	—	1,074,244	—	—	—	1,074,244
Education	—	—	—	1,207,632	843,710	—	2,051,342
University	—	—	—	—	409,550	—	409,550
Health and Human Services	425	6,603	13,360	—	4,665,745	—	4,686,133
Law and Justice	—	—	—	—	342,364	—	342,364
Public Protection	—	117	8,125	—	1,111,809	—	1,120,051
Natural Resources	489	8,547	—	—	374,869	—	383,905
Development	—	3,146	—	—	168,038	—	171,184
Transportation	3,425	79,497	—	—	1,518,246	—	1,601,168
Intergovernmental Revenue Sharing	—	—	—	—	95,832	—	95,832
Debt Service:							
Principal	—	—	—	—	81,246	—	81,246
Interest and Other Charges	—	—	—	—	17,192	—	17,192
Total Expenditures	4,339	99,044	1,105,413	1,207,632	9,956,889	—	12,373,317
Excess (Deficiency) of Revenues Over Expenditures	175,026	(99,044)	(1,104,779)	(1,207,498)	(1,758,077)	—	(3,994,372)
OTHER FINANCING SOURCES (USES)							
Leases and SBITA	—	—	—	—	53,807	—	53,807
Transfers In from Other Funds	4,146	—	1,104,616	1,210,000	3,695,858	(2,285,037)	3,729,583
Transfers (Out to) Other Funds	—	—	(1,187)	—	(2,380,662)	2,285,037	(96,812)
Total Other Financing Sources and Uses	4,146	—	1,103,429	1,210,000	1,369,003	—	3,686,578
Net Change in Fund Balances	179,172	(99,044)	(1,350)	2,502	(389,074)	—	(307,794)
Fund Balances - Beginning of Year	14,065,286	242,796	23,262	17,268	(8,557,344)	—	5,791,268
Fund Balances - End of Year	\$ 14,244,458	\$ 143,752	\$ 21,912	\$ 19,770	\$ (8,946,418)	\$ —	\$ 5,483,474



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Nonmajor Governmental Funds



STATE OF ALASKA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025
(Stated in Thousands)

STATEMENT 3.11

	Permanent Fund				
	Public School Trust Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS					
Cash and Investments	\$ 910,883	\$ 265,712	\$ 21,343	\$ 36,024	\$ 1,233,962
Accounts Receivable - Net	614	1,188	—	—	1,802
Interest and Dividends Receivable	31	9	52	136	228
Due from Other Funds	454	1,359	—	—	1,813
Due from Other Governments	—	236	—	—	236
Loans, Notes, Bonds and Leases Receivable	145	—	—	—	145
Other Assets	5	179	—	—	184
Total Assets	<u>912,132</u>	<u>268,683</u>	<u>21,395</u>	<u>36,160</u>	<u>1,238,370</u>
LIABILITIES					
Accounts Payable and Accrued Liabilities	1	8,754	—	1,397	10,152
Due to Other Funds	—	2,885	4,947	386	8,218
Due to Component Units	—	62	—	—	62
Unearned Revenue	143	995	—	—	1,138
Other Liabilities	—	662	—	—	662
Total Liabilities	<u>144</u>	<u>13,358</u>	<u>4,947</u>	<u>1,783</u>	<u>20,232</u>
DEFERRED INFLOWS OF RESOURCES					
Total Deferred Inflows of Resources	<u>65</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>65</u>
FUND BALANCES					
Nonspendable:					
Principal	911,923	—	—	—	911,923
Advances and Prepaid Items	—	112	—	—	112
Restricted for:					
Debt Service	—	—	16,448	—	16,448
Education	—	1,096	—	—	1,096
Health and Human Services	—	18,384	—	—	18,384
Development	—	94,499	—	34,377	128,876
Other Purposes	—	217	—	—	217
Committed to:					
Education	—	22	—	—	22
Public Protection	—	402	—	—	402
Development	—	140,659	—	—	140,659
Unassigned	—	(66)	—	—	(66)
Total Fund Balances	<u>911,923</u>	<u>255,325</u>	<u>16,448</u>	<u>34,377</u>	<u>1,218,073</u>
Total Liabilities and Fund Balances	<u>\$ 912,132</u>	<u>\$ 268,683</u>	<u>\$ 21,395</u>	<u>\$ 36,160</u>	<u>\$ 1,238,370</u>

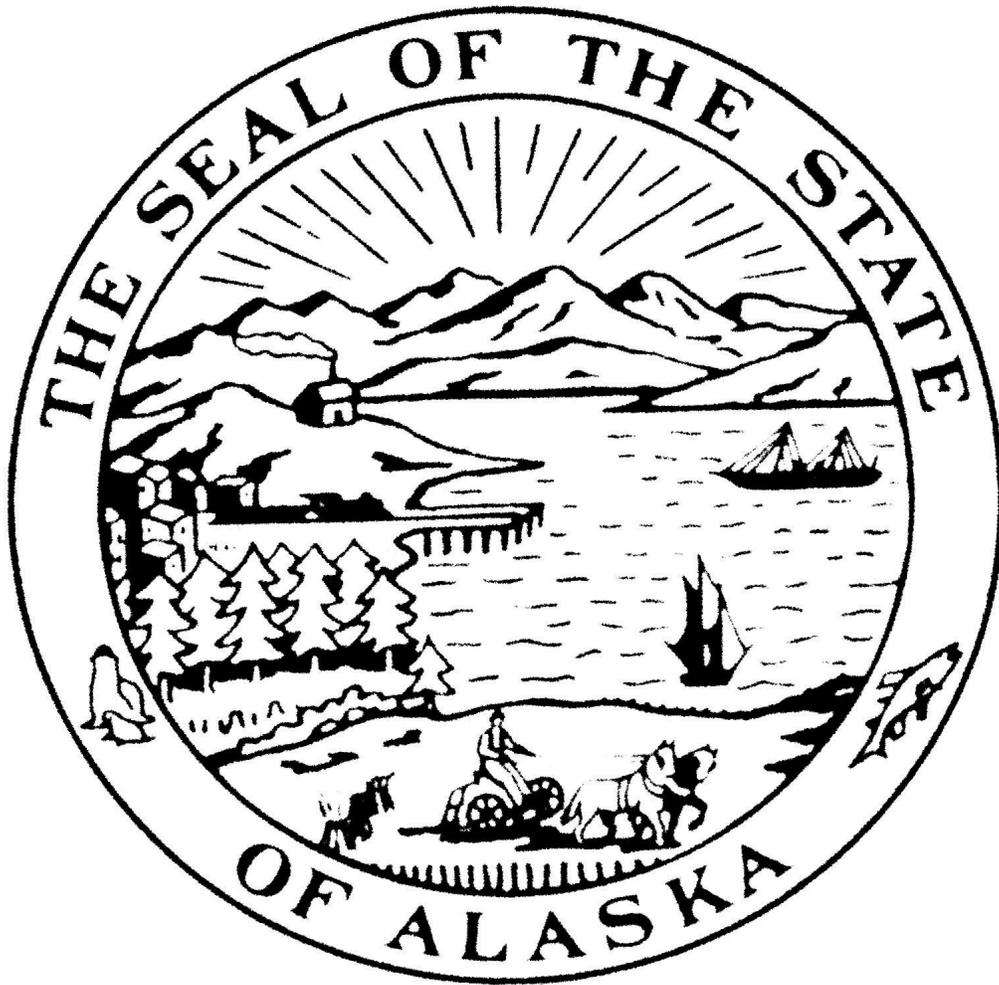
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

For the Fiscal Year Ended June 30, 2025

(Stated in Thousands)

	Permanent Fund				
	Public School Trust Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES					
Taxes	\$ —	\$ 11,056	\$ —	\$ —	\$ 11,056
Licenses and Permits	—	44,883	—	—	44,883
Charges for Services	—	683	—	—	683
Fines and Forfeitures	—	97	—	—	97
Rents and Royalties	7,700	18,159	—	—	25,859
Premiums and Contributions	—	13,308	—	—	13,308
Interest and Investment Income (Loss)	105,198	5,480	1,102	2,032	113,812
Federal Grants in Aid	—	878	—	—	878
Other Revenues	—	9	15,343	—	15,352
Total Revenues	112,898	94,553	16,445	2,032	225,928
EXPENDITURES					
Current:					
General Government	715	2,137	—	—	2,852
Education	—	18,121	—	—	18,121
University	—	29	—	—	29
Health and Human Services	—	3,495	—	—	3,495
Public Protection	—	1,230	—	—	1,230
Natural Resources	—	55,116	—	—	55,116
Development	—	4,849	—	—	4,849
Transportation	—	452	—	15,451	15,903
Debt Service:					
Principal	—	—	50,900	—	50,900
Interest and Other Charges	—	—	33,636	—	33,636
Total Expenditures	715	85,429	84,536	15,451	186,131
Excess (Deficiency) of Revenues Over Expenditures	112,183	9,124	(68,091)	(13,419)	39,797
OTHER FINANCING SOURCES (USES)					
Refunding Bonds Issued	—	—	190,430	—	190,430
Bonds Issued Premium	—	—	19,631	—	19,631
Payment to Refunded Bonds Escrow Agent	—	—	(206,048)	—	(206,048)
Transfers In from Other Funds	—	1,299	64,221	—	65,520
Transfers (Out to) Other Funds	(34,929)	(242)	(95)	—	(35,266)
Total Other Financing Sources and Uses	(34,929)	1,057	68,139	—	34,267
Net Change in Fund Balances	77,254	10,181	48	(13,419)	74,064
Fund Balances - Beginning of Year	834,669	245,144	16,400	47,796	1,144,009
Fund Balances - End of Year	\$ 911,923	\$ 255,325	\$ 16,448	\$ 34,377	\$ 1,218,073



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Permanent Funds

Permanent funds account for permanent endowments created when the principal amount of a contribution must be invested and preserved but earnings on amounts invested can be used for public purpose. Following are the State's permanent funds.

- **Alaska Mental Health Trust Authority (Fund Type 3146)** - AS 47.30.011 - This is a Discretely Presented Component Unit. The fund description is contained in the Notes to the Basic Financial Statements, Note 1A. Statements are included in the Nonmajor Component Units section.
- **Alaska Permanent Fund (Fund 3258)** - Alaska Constitution, Article IX, Section 15 - Administered by the Alaska Permanent Fund Corporation. The Alaska Constitution provides that at least 25 percent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments, and bonuses received by the State shall be placed in the Alaska Permanent Fund. This is a major fund and included in Statements 1.11, 1.13, and 3.23.
- **Public School Trust Fund (Fund Category 3121)** - AS 37.14.110 - Administered by the Department of Revenue. The principal consists of the balance of the public school permanent fund on July 1, 1978, and one-half of one percent of the receipts derived from the management of state land (AS 34.14.150). The net income of the fund may be appropriated only for the support of the state public school program. This is a nonmajor fund and is included in Statements 3.11, 3.12, and 3.23.



Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Permanent Funds

For the Fiscal Year Ended June 30, 2025

(Stated in Thousands)

	Public School Trust			Alaska Permanent			Total Permanent Funds		
	Budget	Actual	Variance with Budget	Budget	Actual	Variance with Budget	Budget	Actual	Variance with Budget
REVENUES									
Unrestricted:									
Rents and Royalties	\$ 7,700	\$ 7,700	\$ —	\$ 488,723	\$ 488,723	\$ —	\$ 496,423	\$ 496,423	\$ —
Interest and Investment Income (Loss)	105,198	105,198	—	8,000,002	8,000,002	—	8,105,200	8,105,200	—
Total Revenues	112,898	112,898	—	8,488,725	8,488,725	—	8,601,623	8,601,623	—
EXPENDITURES									
Current:									
General Government	904	715	189	226,665	152,730	73,935	227,569	153,445	74,124
Law and Justice	—	—	—	3,065	3,065	—	3,065	3,065	—
Natural Resources	—	—	—	7,238	7,238	—	7,238	7,238	—
Total Expenditures	904	715	189	236,968	163,033	73,935	237,872	163,748	74,124
Excess (Deficiency) of Revenues Over Expenditures	111,994	112,183	(189)	8,251,757	8,325,692	(73,935)	8,363,751	8,437,875	(74,124)
OTHER FINANCING SOURCES (USES)									
Transfers (Out to) Other Funds	(34,929)	(34,929)	—	(3,688,590)	(3,688,590)	—	(3,723,519)	(3,723,519)	—
Total Other Financing Sources and Uses	(34,929)	(34,929)	—	(3,688,590)	(3,688,590)	—	(3,723,519)	(3,723,519)	—
Excess (Deficiency) of Revenues, Over (Under) Expenditures, Other Financing Sources (Uses), Special and Extraordinary Items, Budgetary Basis	\$ 77,065	77,254	\$ (189)	\$ 4,563,167	4,637,102	\$ (73,935)	\$ 4,640,232	4,714,356	\$ (74,124)
RECONCILIATION OF BUDGETARY/GAAP REPORTING									
Excess (Deficiency) of Revenues, Over (Under) Expenditures, Other Financing Sources (Uses), Special and Extraordinary Items, GAAP Basis		77,254			4,637,102			4,714,356	
Fund Balances - Beginning of Year		834,669			80,462,769			81,297,438	
Fund Balances - End of Year		\$ 911,923			\$ 85,099,871			\$ 86,011,794	

Nonmajor Special Revenue Funds

Special revenue funds account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes. Additionally, special revenue funds account for the General Fund of legally separate entities (component units) that are blended with the government. The following are the State's special revenue funds.

- **Alaska Housing Capital Corporation (AHCC) (Fund 1213)** - AS 18.56.086 - Subsidiary of Alaska Housing Finance Corporation (AHFC). The purpose of this fund is to fund capital projects, including financing expenses. AHCC is authorized to issue bonds necessary to provide sufficient funds for carrying out its purpose.
- **Alaska State Council on the Arts (Fund 3392)** - AS 44.27.040 - The fund is established to accept gifts, contributions, and bequests of unrestricted funds from individuals, foundations, corporations, and other organizations or institutions for the purpose of furthering the strategic objectives of the council's programs. The council is the official agency of this state to receive and disburse funds made available by the National Endowment for the Arts.
- **Alaska Sustainable Energy Corporation (ASEC)** - AS 18.56.086 - Subsidiary of Alaska Housing Finance Corporation (AHFC). The purpose of this fund is to finance or facilitate the financing of sustainable energy development projects. ASEC is authorized to issue bonds necessary to provide sufficient funds for carrying out its purpose.
- **Alyeska Settlement Trust Fund (Fund Type 3110)** - Consent Decree between the United States, the State of Alaska, and Alyeska Pipeline Service Company - Administered by the Department of Revenue (DOR). The fund was created for the purpose of receiving, holding, and disbursing settlement proceeds from Alyeska under the Consent Decree. The funds are to be used to clean up oil spills and for other projects specified in the Consent Decree.
- **Clean Air Protection Fund (Fund 1093)** - AS 46.14.260 and Federal Clean Air Act - Administered by the Department of Environmental Conservation (DEC). The fund was established to collect and account for permit fees under the Federal Clean Air Act. Monies collected may only be used to cover reasonable costs required to support the permit program.
- **Exxon Valdez Oil Spill Restoration Fund (Fund Type 3109)** - United States District Court judgment in the criminal case U.S. v. Exxon Shipping Company and Exxon Corporation resulted in \$50 million restitution being received by the State to be used exclusively for restoration projects related to the Exxon Valdez oil spill. Administered by the DOR.
- **Exxon Valdez Settlement Trust Fund (Fund Type 3114)** - AS 37.14.400 - Memorandum of Agreement and Consent Decree between the United States (U.S.) and the State of Alaska to maximize the funds available for restoration of natural resources and to resolve the governments' claims against one another relating to the Exxon Valdez Oil Spill, which occurred on the night of March 23-24, 1989, in Prince William Sound, Alaska. The funds are administered by the trustee council which consists of the Secretaries of the U.S. Departments of the Interior and Agriculture and the Administrator of the National Oceanic and Atmospheric Administration (the federal trustees) and the Commissioners of the DEC and the Department of Fish and Game (DF&G) and the Attorney General of the State of Alaska (State trustees). The trustee council determines which projects shall be financed by monies from the trust. The Exxon Valdez Settlement Trust Fund established in the state accounting system accounts for those monies transferred to the State for projects approved by the trustee council. These projects are for the purpose of restoring, replacing, enhancing, rehabilitating, or acquiring the equivalent of natural resources injured, lost, or destroyed as a result of the oil spill.
- **Fish and Game Fund (Fund Type 3108)** - AS 16.05.100 - Administered by the DF&G. Statutory revenue in this fund can only be used for the purpose of protection, propagation, investigation, and restoration of sport fish and game resources and the expenses of administering the sport fish and wildlife divisions of the DF&G. These monies are received from the sale of state sport fishing and hunting licenses and special permits; sale of furs, skins, and specimens taken by predator hunters; money received in settlement of a claim or loss caused by damage to fish and game resources; and donations. In addition to the statutory revenues, federal revenues, crew member license fees, and other sources are appropriated to the fund for purposes related to fish and wildlife.

- **Fishermen's Fund (Fund 1032)** - AS 23.35.060 - Administered by the Department of Labor and Workforce Development (DOLWD). This fund is composed of 39 percent of the money derived by the State from all commercial fishermen's licenses and money appropriated by the legislature to pay for emergency treatment, transportation, medical care, and hospitalization of injured or disabled commercial fishermen.
- **Mine Reclamation Trust Fund (Fund Type 3111)** - AS 37.14.800 - Administered by the Department of Natural Resources (DNR). The principal and earnings of the fund shall be held by the State for the purpose of protecting the public interest in reclaiming mine sites in the State. The fund is composed of the mine reclamation trust fund income account and the mine reclamation trust fund operating account. The fund's income account consists of payments and deposits made by miners to satisfy the miners' reclamation bonding or financial assurance obligation under AS 27.19.040 or AS 27.21.160 and earnings on the income account. The mine reclamation trust fund operating account consists of appropriations by the legislature of the annual balance of the mine reclamation trust fund income account and any earnings on those appropriations while in the operating account.
- **National Petroleum Reserve (NPR) Fund (Fund 1063)** - AS 37.05.530 - The commissioner of the DOR is responsible for the management of the NPR fund. The Department of Commerce, Community and Economic Development administers the NPR grant program within the fund. This fund consists of all money disbursed to the State by the federal government under 42 USC 6506a and former USC 6508 since December 12, 1980, less the amount deposited in the General Fund and expended by the State by General Fund appropriations before June 9, 1984. The monies are spent by municipalities to alleviate the impact from oil and gas development within the NPR.
- **Northern Tobacco Securitization Corporation (NTSC) Fund (Fund 3242)** - AS 18.56.086 - Subsidiary of AHFC. The purpose of this fund is to purchase Tobacco Settlement Revenues from the State in order to provide financing of construction of public school facilities, facilities for the University of Alaska, public housing facilities of AHFC and facilities for ports and harbors. NTSC is authorized to issue bonds necessary to provide sufficient funds for carrying out its purpose.
- **Reclamation Bonding Pool Fund (Fund 3234)** - AS 27.19.040 - Administered by the DNR. The fund is a statewide bonding pool for mining operations as an alternative to individual financial assurance. A miner participating in the bonding pool contributes a nonrefundable annual fee and an initial deposit that is refunded upon satisfactory completion of the approved reclamation plan. If a miner violates the reclamation plan, the financial assurance is forfeited and deposited in the fund. Income and other earnings on the bonding pool are also added to the fund. The reclamation and administrative costs and forfeited financial assurances are used for reclamation of the mining sites subject to forfeiture.
- **School Fund (Fund 1030)** - AS 43.50.140 - Administered by the DOR and the Department of Education and Early Development. This fund receives the revenue from the payment of cigarette taxes, fees, and penalties. It can only be used to rehabilitate, construct, and repair the State's school facilities, and for costs of insurance on buildings comprising school facilities.
- **Second Injury Fund (Fund 1031)** - AS 23.30.040 - Administered by the DOLWD. The fund consists of contributions from employers collected under AS 23.30.040(b) and (c), and civil penalties collected under AS 23.30.155(c). Money in the fund may only be paid for the benefit of those persons entitled to payment of benefits from the second injury fund under AS 23.30.





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STATE OF ALASKA
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2025
(Stated in Thousands)

STATEMENT 3.31

	Second Injury	Fishermen's	Fish and Game	School	National Petroleum Reserve	Reclamation Bonding Pool	Clean Air Protection	Exxon Valdez Oil Spill Restoration
ASSETS								
Cash and Investments	\$ 5,603	\$ 12,528	\$ 54,799	\$ 1,087	\$ 139,277	\$ 4,008	\$ 2,545	\$ 1,650
Accounts Receivable - Net	—	—	26	1,096	—	—	66	—
Interest and Dividends Receivable	—	—	—	—	—	—	—	—
Due from Other Funds	—	423	—	814	—	1	121	—
Due from Other Governments	—	—	—	—	—	—	—	—
Other Assets	—	—	62	—	—	—	—	—
Total Assets	<u>5,603</u>	<u>12,951</u>	<u>54,887</u>	<u>2,997</u>	<u>139,277</u>	<u>4,009</u>	<u>2,732</u>	<u>1,650</u>
LIABILITIES								
Accounts Payable and Accrued Liabilities	132	17	4,404	1,901	27	—	535	—
Due to Other Funds	21	—	2,124	—	—	—	—	—
Due to Component Units	—	—	—	—	—	—	—	—
Unearned Revenue	—	—	3	—	—	—	—	—
Other Liabilities	—	—	—	—	—	662	—	—
Total Liabilities	<u>153</u>	<u>17</u>	<u>6,531</u>	<u>1,901</u>	<u>27</u>	<u>662</u>	<u>535</u>	<u>—</u>
FUND BALANCES								
Nonspendable:								
Advances and Prepaid Items	—	—	—	—	—	—	—	—
Restricted for:								
Education	—	—	—	1,096	—	—	—	—
Health and Human Services	5,450	12,934	—	—	—	—	—	—
Development	—	—	48,356	—	—	3,347	2,197	1,650
Other Purposes	—	—	—	—	—	—	—	—
Committed to:								
Education	—	—	—	—	—	—	—	—
Public Protection	—	—	—	—	—	—	—	—
Development	—	—	—	—	139,250	—	—	—
Unassigned	—	—	—	—	—	—	—	—
Total Fund Balances	<u>5,450</u>	<u>12,934</u>	<u>48,356</u>	<u>1,096</u>	<u>139,250</u>	<u>3,347</u>	<u>2,197</u>	<u>1,650</u>
Total Liabilities and Fund Balances	<u>\$ 5,603</u>	<u>\$ 12,951</u>	<u>\$ 54,887</u>	<u>\$ 2,997</u>	<u>\$ 139,277</u>	<u>\$ 4,009</u>	<u>\$ 2,732</u>	<u>\$ 1,650</u>

This statement continued on next page.

STATE OF ALASKA
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2025
(Stated in Thousands)

STATEMENT 3.31

	Alyeska Settlement Trust	Exxon Valdez Settlement Trust	Northern Tobacco Securitization Corporation	Mine Reclamation Trust	Alaska Housing Capital Corporation	Alaska State Council on the Arts	Alaska Sustainable Energy Corporation	Total Nonmajor Special Revenue Funds
ASSETS								
Cash and Investments	\$ 4,334	\$ 33,790	\$ 217	\$ 1,959	\$ 2,037	\$ 1,572	\$ 306	\$ 265,712
Accounts Receivable - Net	—	—	—	—	—	—	—	1,188
Interest and Dividends Receivable	—	—	—	—	9	—	—	9
Due from Other Funds	—	—	—	—	—	—	—	1,359
Due from Other Governments	—	—	—	—	—	236	—	236
Other Assets	—	—	—	—	117	—	—	179
Total Assets	4,334	33,790	217	1,959	2,163	1,808	306	268,683
LIABILITIES								
Accounts Payable and Accrued Liabilities	—	860	—	—	—	878	—	8,754
Due to Other Funds	—	276	—	—	218	4	242	2,885
Due to Component Units	—	—	—	—	—	—	62	62
Unearned Revenue	—	—	—	—	—	992	—	995
Other Liabilities	—	—	—	—	—	—	—	662
Total Liabilities	—	1,136	—	—	218	1,874	304	13,358
FUND BALANCES								
Nonspendable:								
Advances and Prepaid Items	—	—	—	—	112	—	—	112
Restricted for:								
Education	—	—	—	—	—	—	—	1,096
Health and Human Services	—	—	—	—	—	—	—	18,384
Development	4,334	32,654	—	1,959	—	—	2	94,499
Other Purposes	—	—	217	—	—	—	—	217
Committed to:								
Education	—	—	—	—	22	—	—	22
Public Protection	—	—	—	—	402	—	—	402
Development	—	—	—	—	1,409	—	—	140,659
Unassigned	—	—	—	—	—	(66)	—	(66)
Total Fund Balances	4,334	32,654	217	1,959	1,945	(66)	2	255,325
Total Liabilities and Fund Balances	\$ 4,334	\$ 33,790	\$ 217	\$ 1,959	\$ 2,163	\$ 1,808	\$ 306	\$ 268,683

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Fiscal Year Ended June 30, 2025

(Stated in Thousands)

	Second Injury	Fishermen's	Fish and Game	School	National Petroleum Reserve	Reclamation Bonding Pool	Clean Air Protection	Exxon Valdez Oil Spill Restoration
REVENUES								
Taxes	\$ —	\$ —	\$ —	\$ 11,056	\$ —	\$ —	\$ —	\$ —
Licenses and Permits	—	1,069	36,593	—	—	—	7,221	—
Charges for Services	—	—	618	—	—	65	—	—
Fines and Forfeitures	—	—	97	—	—	—	—	—
Rents and Royalties	—	—	—	—	18,159	—	—	—
Premiums and Contributions	1,806	—	—	—	—	—	—	—
Interest and Investment Income (Loss)	—	—	2,947	—	—	196	—	82
Federal Grants in Aid	—	—	—	—	—	—	—	—
Other Revenues	—	8	1	—	—	—	—	—
Total Revenues	1,806	1,077	40,256	11,056	18,159	261	7,221	82
EXPENDITURES								
Current:								
General Government	—	—	—	—	1,234	—	599	—
Education	—	—	—	12,380	24	—	—	—
University	—	—	—	—	—	—	—	—
Health and Human Services	2,405	916	—	—	20	—	—	—
Public Protection	—	—	—	—	1,230	—	—	—
Natural Resources	—	—	39,092	—	1,501	—	6,392	—
Development	—	—	—	—	3,601	—	—	—
Transportation	—	—	—	—	202	—	—	—
Total Expenditures	2,405	916	39,092	12,380	7,812	—	6,991	—
Excess (Deficiency) of Revenues Over Expenditures	(599)	161	1,164	(1,324)	10,347	261	230	82
OTHER FINANCING SOURCES (USES)								
Transfers In from Other Funds	—	—	754	—	—	—	—	—
Transfers (Out to) Other Funds	—	—	—	—	—	—	—	—
Total Other Financing Sources and Uses	—	—	754	—	—	—	—	—
Net Change in Fund Balances	(599)	161	1,918	(1,324)	10,347	261	230	82
Fund Balances - Beginning of Year	6,049	12,773	46,438	2,420	128,903	3,086	1,967	1,568
Fund Balances - End of Year	\$ 5,450	\$ 12,934	\$ 48,356	\$ 1,096	\$ 139,250	\$ 3,347	\$ 2,197	\$ 1,650

This statement continued on next page.

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Fiscal Year Ended June 30, 2025

(Stated in Thousands)

	Alyeska Settlement Trust	Exxon Valdez Settlement Trust	Northern Tobacco Securitization Corporation	Mine Reclamation Trust	Alaska Housing Capital Corporation	Alaska State Council on the Arts	Alaska Sustainable Energy Corporation	Total Nonmajor Special Revenue Funds
REVENUES								
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 11,056
Licenses and Permits	—	—	—	—	—	—	—	44,883
Charges for Services	—	—	—	—	—	—	—	683
Fines and Forfeitures	—	—	—	—	—	—	—	97
Rents and Royalties	—	—	—	—	—	—	—	18,159
Premiums and Contributions	—	9,944	—	—	—	1,558	—	13,308
Interest and Investment Income (Loss)	215	1,723	—	213	102	—	2	5,480
Federal Grants in Aid	—	—	—	—	—	878	—	878
Other Revenues	—	—	—	—	—	—	—	9
Total Revenues	215	11,667	—	213	102	2,436	2	94,553
EXPENDITURES								
Current:								
General Government	—	7	89	—	—	—	208	2,137
Education	—	3,293	—	—	—	2,424	—	18,121
University	—	—	—	—	29	—	—	29
Health and Human Services	—	154	—	—	—	—	—	3,495
Public Protection	—	—	—	—	—	—	—	1,230
Natural Resources	—	8,131	—	—	—	—	—	55,116
Development	—	132	—	—	1,116	—	—	4,849
Transportation	—	—	—	—	250	—	—	452
Total Expenditures	—	11,717	89	—	1,395	2,424	208	85,429
Excess (Deficiency) of Revenues Over Expenditures	215	(50)	(89)	213	(1,293)	12	(206)	9,124
OTHER FINANCING SOURCES (USES)								
Transfers In from Other Funds	—	—	95	—	—	—	450	1,299
Transfers (Out to) Other Funds	—	—	—	—	—	—	(242)	(242)
Total Other Financing Sources and Uses	—	—	95	—	—	—	208	1,057
Net Change in Fund Balances	215	(50)	6	213	(1,293)	12	2	10,181
Fund Balances - Beginning of Year	4,119	32,704	211	1,746	3,238	(78)	—	245,144
Fund Balances - End of Year	\$ 4,334	\$ 32,654	\$ 217	\$ 1,959	\$ 1,945	\$ (66)	\$ 2	\$ 255,325

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Nonmajor Special Revenue Funds

For the Fiscal Year Ended June 30, 2025

(Stated in Thousands)

	Second Injury			Fishermen's		
	Budget	Actual	Variance with Budget	Budget	Actual	Variance with Budget
REVENUES						
Unrestricted:						
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Licenses and Permits	—	—	—	1,450	1,069	381
Charges for Services	—	—	—	—	—	—
Fines and Forfeitures	—	—	—	—	—	—
Rents and Royalties	—	—	—	—	—	—
Premiums and Contributions	2,888	1,806	1,082	—	—	—
Interest and Investment Income (Loss)	—	—	—	—	—	—
Other Revenues	—	—	—	—	8	(8)
Restricted:						
Federal Grants in Aid	—	—	—	—	—	—
Total Revenues	<u>2,888</u>	<u>1,806</u>	<u>1,082</u>	<u>1,450</u>	<u>1,077</u>	<u>373</u>
EXPENDITURES						
Current:						
General Government	—	—	—	—	—	—
Education	—	—	—	—	—	—
University	—	—	—	—	—	—
Health and Human Services	2,888	2,405	483	1,450	916	534
Natural Resources	—	—	—	—	—	—
Development	—	—	—	—	—	—
Transportation	—	—	—	—	—	—
Total Expenditures	<u>2,888</u>	<u>2,405</u>	<u>483</u>	<u>1,450</u>	<u>916</u>	<u>534</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>—</u>	<u>(599)</u>	<u>599</u>	<u>—</u>	<u>161</u>	<u>(161)</u>
OTHER FINANCING SOURCES (USES)						
Transfers In from Other Funds	—	—	—	—	—	—
Transfers (Out to) Other Funds	—	—	—	—	—	—
Total Other Financing Sources and Uses	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Excess (Deficiency) of Revenues, Over (Under) Expenditures, Other Financing Sources (Uses), Special and Extraordinary Items, Budgetary Basis	<u>\$ —</u>	<u>(599)</u>	<u>\$ 599</u>	<u>\$ —</u>	<u>161</u>	<u>\$ (161)</u>
RECONCILIATION OF BUDGETARY/GAAP REPORTING						
Adjust Expenditures for Encumbrances		<u>—</u>			<u>—</u>	
Excess (Deficiency) of Revenues, Over (Under) Expenditures, Other Financing Sources (Uses), Special and Extraordinary Items, GAAP Basis		(599)			161	
Fund Balances - Beginning of Year		<u>6,049</u>			<u>12,773</u>	
Fund Balances - End of Year		<u>\$ 5,450</u>			<u>\$ 12,934</u>	

This statement continued on next page.

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Nonmajor Special Revenue Funds

For the Fiscal Year Ended June 30, 2025

(Stated in Thousands)

	Fish and Game			School		
	Budget	Actual	Variance with Budget	Budget	Actual	Variance with Budget
REVENUES						
Unrestricted:						
Taxes	\$ —	\$ —	\$ —	\$ 11,700	\$ 11,056	\$ 644
Licenses and Permits	41,916	36,594	5,322	—	—	—
Charges for Services	708	618	90	—	—	—
Fines and Forfeitures	111	97	14	—	—	—
Rents and Royalties	—	—	—	—	—	—
Premiums and Contributions	—	—	—	—	—	—
Interest and Investment Income (Loss)	2,948	2,947	1	—	—	—
Other Revenues	—	—	—	—	—	—
Restricted:						
Federal Grants in Aid	—	—	—	—	—	—
Total Revenues	45,683	40,256	5,427	11,700	11,056	644
EXPENDITURES						
Current:						
General Government	1,000	—	1,000	—	—	—
Education	—	—	—	12,380	12,291	89
University	—	—	—	—	—	—
Health and Human Services	—	—	—	—	—	—
Natural Resources	54,563	38,713	15,850	—	—	—
Development	—	—	—	—	—	—
Transportation	—	—	—	—	—	—
Total Expenditures	55,563	38,713	16,850	12,380	12,291	89
Excess (Deficiency) of Revenues Over Expenditures	(9,880)	1,543	(11,423)	(680)	(1,235)	555
OTHER FINANCING SOURCES (USES)						
Transfers In from Other Funds	754	754	—	—	—	—
Transfers (Out to) Other Funds	—	—	—	—	—	—
Total Other Financing Sources and Uses	754	754	—	—	—	—
Excess (Deficiency) of Revenues, Over (Under) Expenditures, Other Financing Sources (Uses), Special and Extraordinary Items, Budgetary Basis	\$ (9,126)	2,297	\$ (11,423)	\$ (680)	(1,235)	\$ 555
RECONCILIATION OF BUDGETARY/GAAP REPORTING						
Adjust Expenditures for Encumbrances		(379)			(89)	
Excess (Deficiency) of Revenues, Over (Under) Expenditures, Other Financing Sources (Uses), Special and Extraordinary Items, GAAP Basis		1,918			(1,324)	
Fund Balances - Beginning of Year		46,438			2,420	
Fund Balances - End of Year		\$ 48,356			\$ 1,096	

This statement continued on next page.

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Nonmajor Special Revenue Funds

For the Fiscal Year Ended June 30, 2025

(Stated in Thousands)

	National Petroleum Reserve			Clean Air Protection		
	Budget	Actual	Variance with Budget	Budget	Actual	Variance with Budget
REVENUES						
Unrestricted:						
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Licenses and Permits	—	—	—	7,461	7,221	240
Charges for Services	—	—	—	—	—	—
Fines and Forfeitures	—	—	—	—	—	—
Rents and Royalties	31,080	18,159	12,921	—	—	—
Premiums and Contributions	—	—	—	—	—	—
Interest and Investment Income (Loss)	—	—	—	—	—	—
Other Revenues	—	—	—	—	—	—
Restricted:						
Federal Grants in Aid	—	—	—	—	—	—
Total Revenues	31,080	18,159	12,921	7,461	7,221	240
EXPENDITURES						
Current:						
General Government	—	—	—	599	599	—
Education	—	—	—	—	—	—
University	—	—	—	—	—	—
Health and Human Services	—	—	—	—	—	—
Natural Resources	(13)	(13)	—	6,861	6,392	469
Development	62,798	28,149	34,649	—	—	—
Transportation	—	—	—	—	—	—
Total Expenditures	62,785	28,136	34,649	7,460	6,991	469
Excess (Deficiency) of Revenues Over Expenditures	(31,705)	(9,977)	(21,728)	1	230	(229)
OTHER FINANCING SOURCES (USES)						
Transfers In from Other Funds	—	—	—	—	—	—
Transfers (Out to) Other Funds	—	—	—	—	—	—
Total Other Financing Sources and Uses	—	—	—	—	—	—
Excess (Deficiency) of Revenues, Over (Under) Expenditures, Other Financing Sources (Uses), Special and Extraordinary Items, Budgetary Basis	\$ (31,705)	(9,977)	\$ (21,728)	\$ 1	230	\$ (229)
RECONCILIATION OF BUDGETARY/GAAP REPORTING						
Adjust Expenditures for Encumbrances		20,324			—	
Excess (Deficiency) of Revenues, Over (Under) Expenditures, Other Financing Sources (Uses), Special and Extraordinary Items, GAAP Basis		10,347			230	
Fund Balances - Beginning of Year		128,903			1,967	
Fund Balances - End of Year		\$ 139,250			\$ 2,197	

This statement continued on next page.

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Nonmajor Special Revenue Funds

For the Fiscal Year Ended June 30, 2025

(Stated in Thousands)

	Exxon Valdez Oil Spill Restoration			Alyeska Settlement Trust		
	Budget	Actual	Variance with Budget	Budget	Actual	Variance with Budget
REVENUES						
Unrestricted:						
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Licenses and Permits	—	—	—	—	—	—
Charges for Services	1,089	—	1,089	—	—	—
Fines and Forfeitures	—	—	—	—	—	—
Rents and Royalties	—	—	—	—	—	—
Premiums and Contributions	—	—	—	—	—	—
Interest and Investment Income (Loss)	—	82	(82)	—	215	(215)
Other Revenues	—	—	—	—	—	—
Restricted:						
Federal Grants in Aid	—	—	—	—	—	—
Total Revenues	1,089	82	1,007	—	215	(215)
EXPENDITURES						
Current:						
General Government	—	—	—	—	—	—
Education	—	—	—	—	—	—
University	—	—	—	—	—	—
Health and Human Services	—	—	—	—	—	—
Natural Resources	1,089	—	1,089	—	—	—
Development	—	—	—	—	—	—
Transportation	—	—	—	—	—	—
Total Expenditures	1,089	—	1,089	—	—	—
Excess (Deficiency) of Revenues Over Expenditures	—	82	(82)	—	215	(215)
OTHER FINANCING SOURCES (USES)						
Transfers In from Other Funds	—	—	—	—	—	—
Transfers (Out to) Other Funds	—	—	—	—	—	—
Total Other Financing Sources and Uses	—	—	—	—	—	—
Excess (Deficiency) of Revenues, Over (Under) Expenditures, Other Financing Sources (Uses), Special and Extraordinary Items, Budgetary Basis	\$ —	82	\$ (82)	\$ —	215	\$ (215)
RECONCILIATION OF BUDGETARY/GAAP REPORTING						
Adjust Expenditures for Encumbrances	—	—	—	—	—	—
Excess (Deficiency) of Revenues, Over (Under) Expenditures, Other Financing Sources (Uses), Special and Extraordinary Items, GAAP Basis	—	82	—	—	215	—
Fund Balances - Beginning of Year	—	1,568	—	—	4,119	—
Fund Balances - End of Year	\$ —	\$ 1,650	—	\$ —	\$ 4,334	—

This statement continued on next page.

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Nonmajor Special Revenue Funds

For the Fiscal Year Ended June 30, 2025

(Stated in Thousands)

	Exxon Valdez Settlement Trust			Mine Reclamation Trust		
	Budget	Actual	Variance with Budget	Budget	Actual	Variance with Budget
REVENUES						
Unrestricted:						
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Licenses and Permits	—	—	—	—	—	—
Charges for Services	—	—	—	—	—	—
Fines and Forfeitures	—	—	—	—	—	—
Rents and Royalties	—	—	—	—	—	—
Premiums and Contributions	2,758	9,944	(7,186)	—	—	—
Interest and Investment Income (Loss)	—	1,723	(1,723)	30	213	(183)
Other Revenues	—	—	—	—	—	—
Restricted:						
Federal Grants in Aid	—	—	—	—	—	—
Total Revenues	<u>2,758</u>	<u>11,667</u>	<u>(8,909)</u>	<u>30</u>	<u>213</u>	<u>(183)</u>
EXPENDITURES						
Current:						
General Government	7	7	—	—	—	—
Education	—	—	—	—	—	—
University	—	—	—	—	—	—
Health and Human Services	500	151	349	—	—	—
Natural Resources	42,936	6,936	36,000	—	—	—
Development	—	—	—	—	—	—
Transportation	—	—	—	—	—	—
Total Expenditures	<u>43,443</u>	<u>7,094</u>	<u>36,349</u>	<u>—</u>	<u>—</u>	<u>—</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(40,685)</u>	<u>4,573</u>	<u>(45,258)</u>	<u>30</u>	<u>213</u>	<u>(183)</u>
OTHER FINANCING SOURCES (USES)						
Transfers In from Other Funds	—	—	—	—	—	—
Transfers (Out to) Other Funds	—	—	—	—	—	—
Total Other Financing Sources and Uses	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Excess (Deficiency) of Revenues, Over (Under) Expenditures, Other Financing Sources (Uses), Special and Extraordinary Items, Budgetary Basis	<u>\$ (40,685)</u>	<u>4,573</u>	<u>\$ (45,258)</u>	<u>\$ 30</u>	<u>213</u>	<u>\$ (183)</u>
RECONCILIATION OF BUDGETARY/GAAP REPORTING						
Adjust Expenditures for Encumbrances		<u>(4,623)</u>			<u>—</u>	
Excess (Deficiency) of Revenues, Over (Under) Expenditures, Other Financing Sources (Uses), Special and Extraordinary Items, GAAP Basis		<u>(50)</u>			<u>213</u>	
Fund Balances - Beginning of Year		<u>32,704</u>			<u>1,746</u>	
Fund Balances - End of Year		<u>\$ 32,654</u>			<u>\$ 1,959</u>	

This statement continued on next page.

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Nonmajor Special Revenue Funds
 For the Fiscal Year Ended June 30, 2025
 (Stated in Thousands)

	Alaska State Council on the Arts		
	Budget	Actual	Variance with Budget
REVENUES			
Unrestricted:			
Taxes	\$ —	\$ —	\$ —
Licenses and Permits	—	—	—
Charges for Services	—	—	—
Fines and Forfeitures	—	—	—
Rents and Royalties	—	—	—
Premiums and Contributions	2,331	1,558	773
Interest and Investment Income (Loss)	—	—	—
Other Revenues	—	—	—
Restricted:			
Federal Grants in Aid	902	878	24
Total Revenues	<u>3,233</u>	<u>2,436</u>	<u>797</u>
EXPENDITURES			
Current:			
General Government	—	—	—
Education	3,233	2,446	787
University	—	—	—
Health and Human Services	—	—	—
Natural Resources	—	—	—
Development	—	—	—
Transportation	—	—	—
Total Expenditures	<u>3,233</u>	<u>2,446</u>	<u>787</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>—</u>	<u>(10)</u>	<u>10</u>
OTHER FINANCING SOURCES (USES)			
Transfers In from Other Funds	—	—	—
Transfers (Out to) Other Funds	—	—	—
Total Other Financing Sources and Uses	<u>—</u>	<u>—</u>	<u>—</u>
Excess (Deficiency) of Revenues, Over (Under) Expenditures, Other Financing Sources (Uses), Special and Extraordinary Items, Budgetary Basis	<u>\$ —</u>	<u>(10)</u>	<u>\$ 10</u>
RECONCILIATION OF BUDGETARY/GAAP REPORTING			
Adjust Expenditures for Encumbrances		<u>22</u>	
Excess (Deficiency) of Revenues, Over (Under) Expenditures, Other Financing Sources (Uses), Special and Extraordinary Items, GAAP Basis		12	
Fund Balances - Beginning of Year		<u>(78)</u>	
Fund Balances - End of Year		<u>\$ (66)</u>	

This statement continued on next page.

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Nonmajor Special Revenue Funds

For the Fiscal Year Ended June 30, 2025

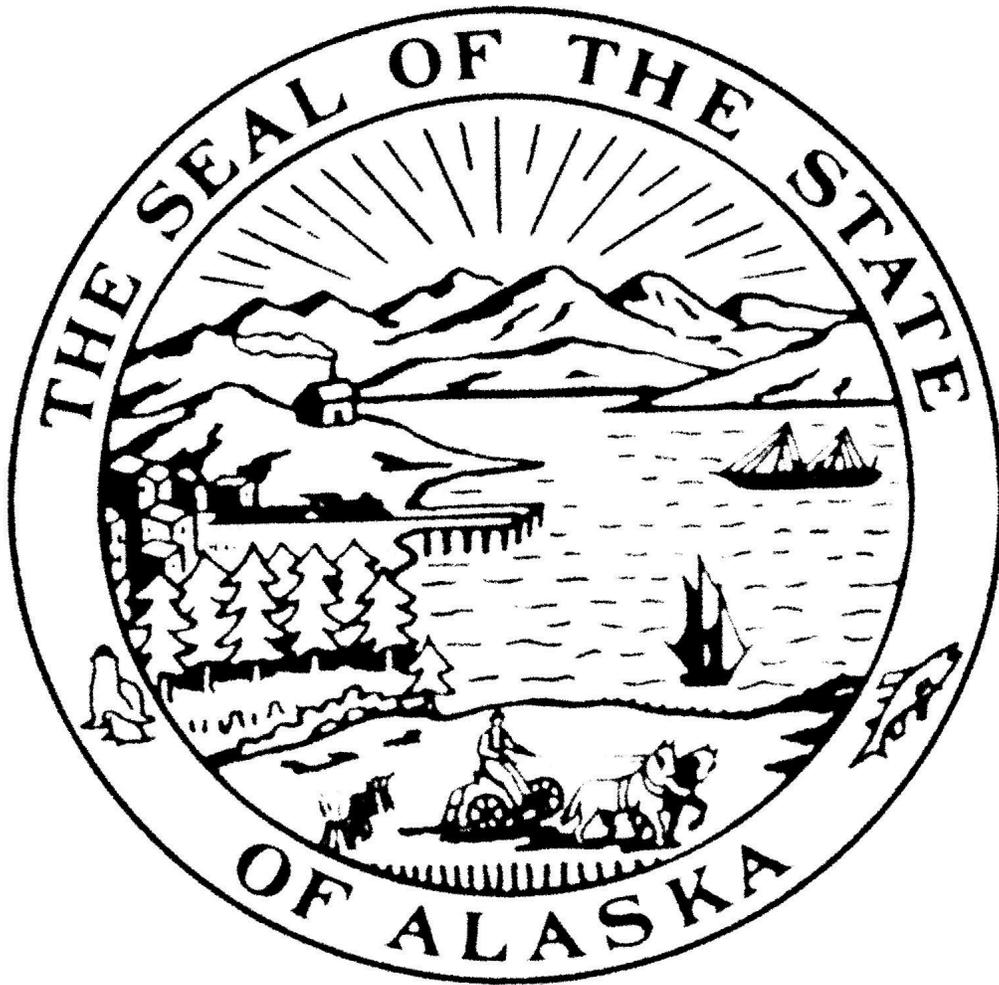
(Stated in Thousands)

	Funds Not Annually Budgeted			
	Reclamation Bonding Pool	Northern Tobacco Securitization Corporation	Alaska Housing Capital Corporation	Alaska Sustainable Energy Corporation
	Actual	Actual	Actual	Actual
REVENUES				
Unrestricted:				
Taxes	\$ —	\$ —	\$ —	\$ —
Licenses and Permits	—	—	—	—
Charges for Services	65	—	—	—
Fines and Forfeitures	—	—	—	—
Rents and Royalties	—	—	—	—
Premiums and Contributions	—	—	—	—
Interest and Investment Income (Loss)	196	—	102	2
Other Revenues	—	—	—	—
Restricted:				
Federal Grants in Aid	—	—	—	—
Total Revenues	261	—	102	2
EXPENDITURES				
Current:				
General Government	—	89	—	208
Education	—	—	—	—
University	—	—	29	—
Health and Human Services	—	—	—	—
Natural Resources	—	—	—	—
Development	—	—	1,116	—
Transportation	—	—	250	—
Total Expenditures	—	89	1,395	208
Excess (Deficiency) of Revenues Over Expenditures	261	(89)	(1,293)	(206)
OTHER FINANCING SOURCES (USES)				
Transfers In from Other Funds	—	95	—	450
Transfers (Out to) Other Funds	—	—	—	(242)
Total Other Financing Sources and Uses	—	95	—	208
Excess (Deficiency) of Revenues, Over (Under) Expenditures, Other Financing Sources (Uses), Special and Extraordinary Items, Budgetary Basis	261	6	(1,293)	2
RECONCILIATION OF BUDGETARY/GAAP REPORTING				
Adjust Expenditures for Encumbrances	—	—	—	—
Excess (Deficiency) of Revenues, Over (Under) Expenditures, Other Financing Sources (Uses), Special and Extraordinary Items, GAAP Basis	261	6	(1,293)	2
Fund Balances - Beginning of Year	3,086	211	3,238	—
Fund Balances - End of Year	\$ 3,347	\$ 217	\$ 1,945	\$ 2

This statement continued on next page.

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Nonmajor Special Revenue Funds
 For the Fiscal Year Ended June 30, 2025
 (Stated in Thousands)

	Total		
	Budget	Actual	Variance with Budget
REVENUES			
Unrestricted:			
Taxes	\$ 11,700	\$ 11,056	\$ 644
Licenses and Permits	50,827	44,884	5,943
Charges for Services	1,797	683	1,114
Fines and Forfeitures	111	97	14
Rents and Royalties	31,080	18,159	12,921
Premiums and Contributions	7,977	13,308	(5,331)
Interest and Investment Income (Loss)	2,978	5,480	(2,502)
Other Revenues	—	8	(8)
Restricted:			
Federal Grants in Aid	902	878	24
Total Revenues	<u>107,372</u>	<u>94,553</u>	<u>12,819</u>
EXPENDITURES			
Current:			
General Government	1,606	903	703
Education	15,613	14,737	876
University	—	29	(29)
Health and Human Services	4,838	3,472	1,366
Natural Resources	105,436	52,028	53,408
Development	62,798	29,265	33,533
Transportation	—	250	(250)
Total Expenditures	<u>190,291</u>	<u>100,684</u>	<u>89,607</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(82,919)</u>	<u>(6,131)</u>	<u>(76,788)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In from Other Funds	754	1,299	(545)
Transfers (Out to) Other Funds	—	(242)	242
Total Other Financing Sources and Uses	<u>754</u>	<u>1,057</u>	<u>(303)</u>
Excess (Deficiency) of Revenues, Over (Under) Expenditures, Other Financing Sources (Uses), Special and Extraordinary Items, Budgetary Basis	<u>\$ (82,165)</u>	<u>(5,074)</u>	<u>\$ (77,091)</u>
RECONCILIATION OF BUDGETARY/GAAP REPORTING			
Adjust Expenditures for Encumbrances		<u>15,255</u>	
Excess (Deficiency) of Revenues, Over (Under) Expenditures, Other Financing Sources (Uses), Special and Extraordinary Items, GAAP Basis		10,181	
Fund Balances - Beginning of Year		<u>245,144</u>	
Fund Balances - End of Year		<u>\$ 255,325</u>	



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Nonmajor Debt Service Funds

The debt service funds account for the accumulation of resources for and the payment of principal, interest, and related costs of general long-term debt. The following are the State's debt service funds.

- **General Obligation Bond Redemption Fund (Fund Category 3120)** - Accounts for accumulation of resources for and the payment of principal, interest, and related costs of general obligation bonds.
- **Northern Tobacco Securitization Corporation (NTSC) Bond Redemption Fund (Fund 3256)** - AS 18.56.086 - Accounts for accumulation of resources for and the payment of principal, interest, and related costs of revenue bonds issued by NTSC.



STATE OF ALASKA
 Combining Balance Sheet
 Nonmajor Debt Service Funds
 June 30, 2025
 (Stated in Thousands)

STATEMENT 3.41

	General Obligation Bond Redemption	Northern Tobacco Securitization Corporation	Total Nonmajor Debt Service Funds
ASSETS			
Cash and Investments	\$ 6,108	\$ 15,235	\$ 21,343
Interest and Dividends Receivable	—	52	52
Total Assets	<u>6,108</u>	<u>15,287</u>	<u>21,395</u>
LIABILITIES			
Due to Other Funds	<u>4,947</u>	—	<u>4,947</u>
Total Liabilities	<u>4,947</u>	<u>—</u>	<u>4,947</u>
FUND BALANCES			
Restricted for:			
Debt Service	<u>1,161</u>	<u>15,287</u>	<u>16,448</u>
Total Fund Balances	<u>1,161</u>	<u>15,287</u>	<u>16,448</u>
Total Liabilities and Fund Balances	<u>\$ 6,108</u>	<u>\$ 15,287</u>	<u>\$ 21,395</u>

STATE OF ALASKA

STATEMENT 3.42

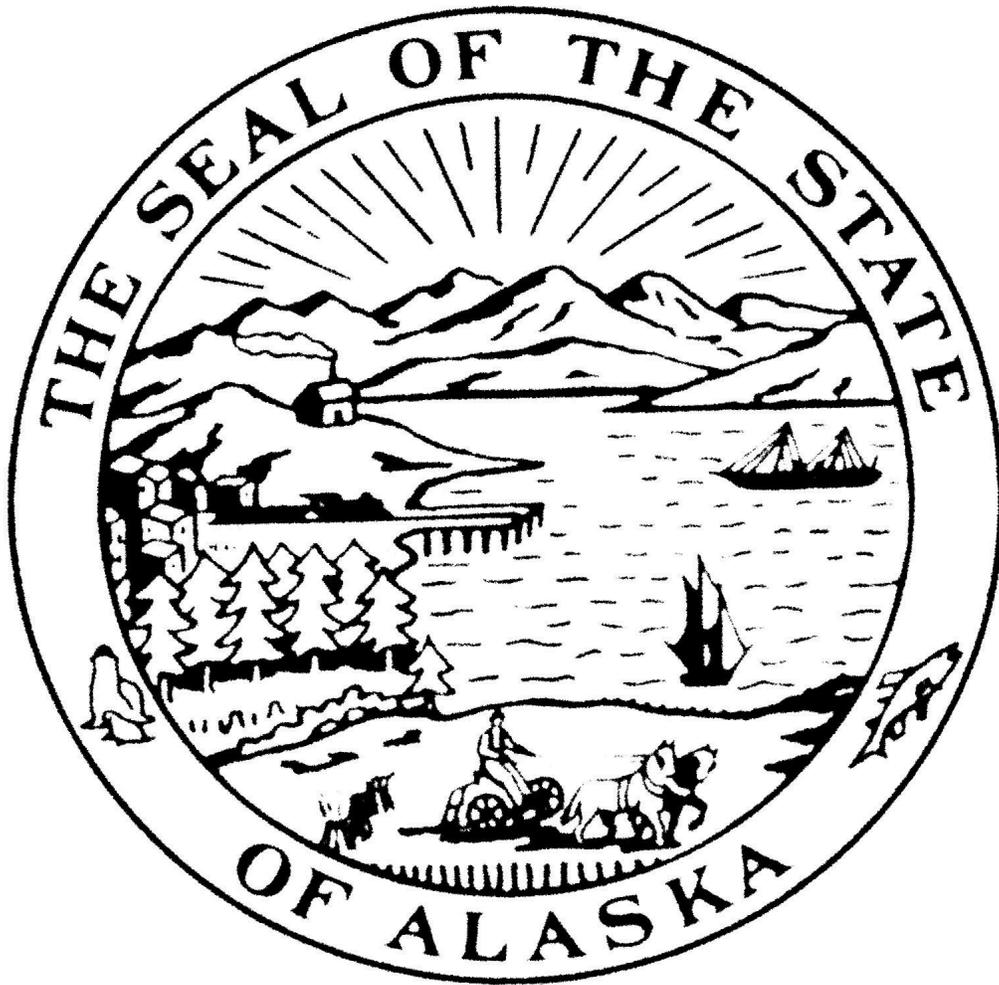
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Debt Service Funds

For the Fiscal Year Ended June 30, 2025

(Stated in Thousands)

	General Obligation Bond Redemption	Northern Tobacco Securitization Corporation	Total Nonmajor Debt Service Funds
REVENUES			
Interest and Investment Income (Loss)	\$ 339	\$ 763	\$ 1,102
Other Revenues	—	15,343	15,343
Total Revenues	<u>339</u>	<u>16,106</u>	<u>16,445</u>
EXPENDITURES			
Debt Service:			
Principal	41,280	9,620	50,900
Interest and Other Charges	26,954	6,682	33,636
Total Expenditures	<u>68,234</u>	<u>16,302</u>	<u>84,536</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(67,895)</u>	<u>(196)</u>	<u>(68,091)</u>
OTHER FINANCING SOURCES (USES)			
Refunding Bonds Issued	190,430	—	190,430
Bonds Issued Premium	19,631	—	19,631
Payment to Refunded Bonds Escrow Agent	(206,048)	—	(206,048)
Transfers In from Other Funds	64,221	—	64,221
Transfers (Out to) Other Funds	—	(95)	(95)
Total Other Financing Sources and Uses	<u>68,234</u>	<u>(95)</u>	<u>68,139</u>
Net Change in Fund Balances	339	(291)	48
Fund Balances - Beginning of Year	822	15,578	16,400
Fund Balances - End of Year	<u>\$ 1,161</u>	<u>\$ 15,287</u>	<u>\$ 16,448</u>



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Nonmajor Capital Projects Funds

The capital projects funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

The following are the State's capital projects funds.

- **2008 Transportation Project Fund (GO Bonds) (Fund 3243)** - Chapter 30, SLA 2008 - This fund consists of the proceeds from the sale of general obligation bonds, and is to be used for the purpose of paying the cost of state transportation projects.
- **2010 Education Project Fund (GO Bonds) (Fund Type 3116)** - Chapter 95, SLA 2010 - This fund consists of the proceeds from the sale of general obligation bonds, and is to be used for the purpose of paying the cost of state education projects.
- **2012 Transportation Project Fund (GO Bonds) (Fund Type 3154)** - Chapter 18, SLA 2012 - This fund consists of the proceeds from the sale of general obligation bonds, and is to be used for the purpose of paying the cost of state transportation projects.



STATE OF ALASKA
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2025
(Stated in Thousands)

STATEMENT 3.51

	2008 Transportation Projects	2010 Education Projects	2012 Transportation Projects	Total Nonmajor Capital Projects Fund
ASSETS				
Cash and Investments	\$ 39	\$ 204	\$ 35,781	\$ 36,024
Interest and Dividends Receivable	1	1	134	136
Total Assets	<u>40</u>	<u>205</u>	<u>35,915</u>	<u>36,160</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	—	—	1,397	1,397
Due to Other Funds	40	205	141	386
Total Liabilities	<u>40</u>	<u>205</u>	<u>1,538</u>	<u>1,783</u>
FUND BALANCES				
Restricted for:				
Development	—	—	34,377	34,377
Total Fund Balances	<u>—</u>	<u>—</u>	<u>34,377</u>	<u>34,377</u>
Total Liabilities and Fund Balances	<u>\$ 40</u>	<u>\$ 205</u>	<u>\$ 35,915</u>	<u>\$ 36,160</u>

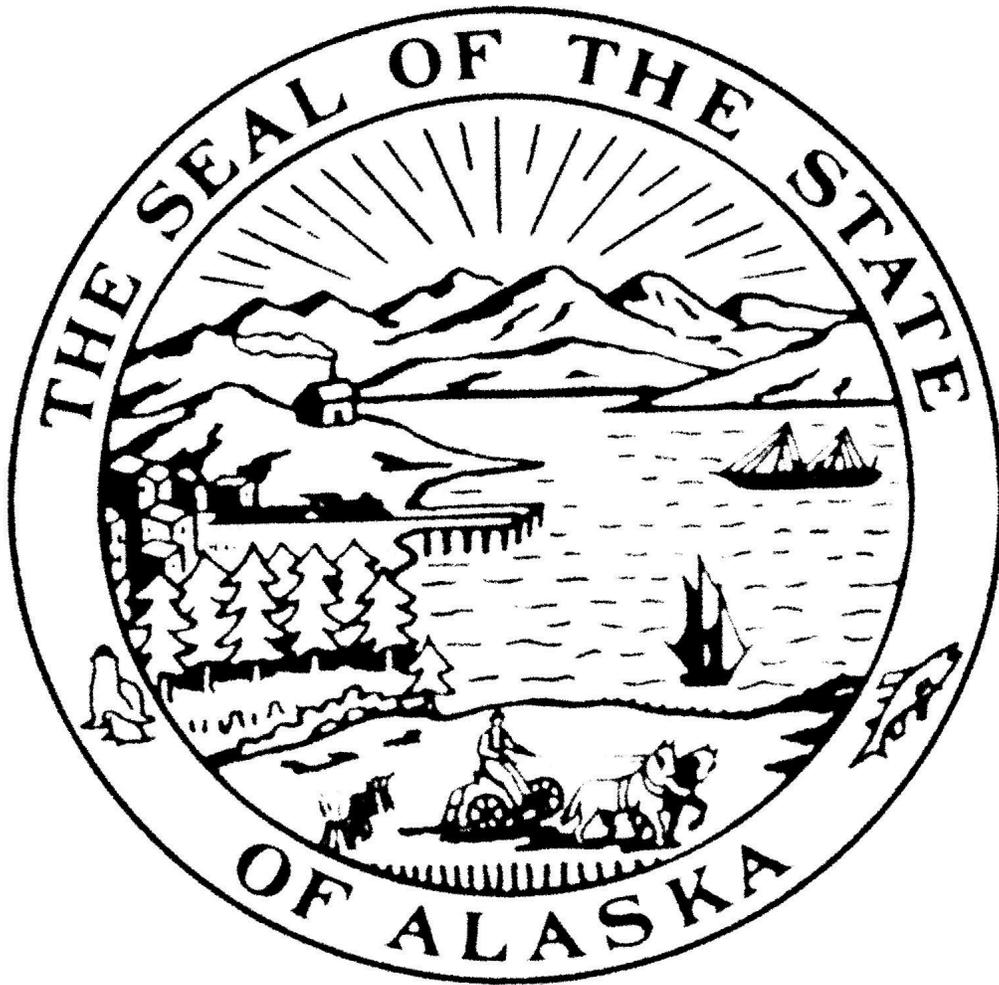
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Capital Projects Funds

For the Fiscal Year Ended June 30, 2025

(Stated in Thousands)

	2008 Transportation Projects	2010 Education Projects	2012 Transportation Projects	Total Nonmajor Capital Projects Fund
REVENUES				
Interest and Investment Income (Loss)	\$ —	\$ —	\$ 2,032	\$ 2,032
Total Revenues	—	—	2,032	2,032
EXPENDITURES				
Current:				
Transportation	—	—	15,451	15,451
Total Expenditures	—	—	15,451	15,451
Excess (Deficiency) of Revenues Over Expenditures	—	—	(13,419)	(13,419)
Net Changes in Fund Balances	—	—	(13,419)	(13,419)
Fund Balances - Beginning of Year	—	—	47,796	47,796
Fund Balances - End of Year	\$ —	\$ —	\$ 34,377	\$ 34,377



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Nonmajor Enterprise Funds

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

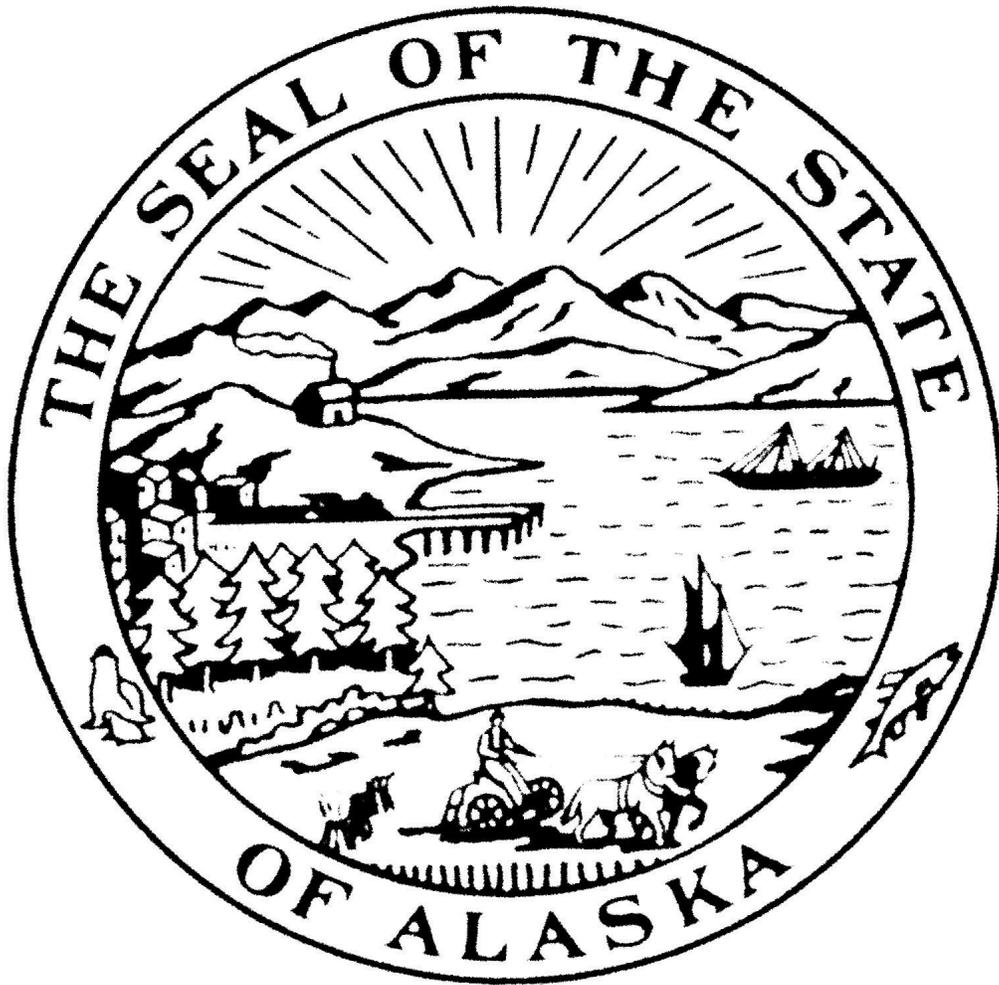
COMMERCIAL AND ENERGY ASSISTANCE ENTERPRISE FUNDS

- **Alaska Capstone Avionics Revolving Loan Fund (Fund Category 1209)** - AS 44.33.655 - Administered by the Department of Commerce, Community, and Economic Development (DCCED). The purpose of this fund is to provide low interest loans to qualified applicants for the purpose of purchasing and installing capstone avionics equipment, to increase the safety of air carrier, air taxi, and general aviation intrastate air transportation.
- **Alaska Microloan Revolving Loan Fund (Fund Category 1227)** - AS 44.33.950 - Administered by the DCCED. The purpose of this fund is to make loans to be used for working capital, equipment, construction or other commercial purposes by a business located in the state.
- **Alternative Energy Conservation Revolving Loan Fund (Fund Category 1071)** - AS 45.88.010 - Administered by the DCCED. This fund consists of monies appropriated by the legislature for the purpose of developing energy production utilizing one or more alternative energy systems and to purchase, construct, and install energy conservation improvements in commercial buildings.
- **Bulk Fuel Revolving Loan Fund (Fund Category 3122)** - AS 42.45.250 - Administered by the DCCED. The purpose of this fund is to assist communities, utilities providing power in communities, fuel retailers, and other persons in communities in purchasing bulk fuel to generate power or supply the public with fuel for use in communities.
- **Commercial Charter Fisheries Revolving Loan Fund (Fund Category 1223)** - AS 16.10.801 - Administered by the DCCED. The purpose of this fund is to make loans for the purchase of charter halibut permits and to refinance debt obligations for the purchase of halibut fishing vessels or gear.
- **Commercial Fishing Revolving Loan Fund (Fund Category 1036)** - AS 16.10.340 - Administered by the DCCED. The purpose of this fund is to promote the development and continued maintenance of commercial fishing gear and vessels by means of long-term, low interest loans.
- **Fisheries Enhancement Revolving Loan Fund (Fund Category 1070)** - AS 16.10.505 - Administered by the DCCED. The purpose of this fund is to promote the enhancement of the State's fisheries by means of long-term, low interest loans for hatchery planning, construction, and operation.
- **Mariculture Revolving Loan Fund (Fund Category 1224)** - AS 16.10.900 - Administered by the DCCED. The purpose of this fund is to make loans to eligible applicants for the planning, construction and operation of a mariculture business.
- **Mining Revolving Loan Fund (Fund Category 1067)** - AS 27.09.010 - Administered by the DCCED. This fund consists of money appropriated by the legislature for loans to underwrite advanced mineral exploration, development, or mining.

OTHER AGENCIES ENTERPRISE FUNDS

- **Agricultural Revolving Loan Fund (Fund Category 1021)** - AS 03.10.040 - Administered by the Department of Natural Resources. The purpose of this fund is to promote the development of agriculture as an industry throughout the State by means of long-term, low interest loans.
- **Alaska Clean Water Fund (Fund Type 3127)** - AS 46.03.032 - Administered by the Department of Environmental Conservation (DEC). The fund consists of money appropriated by the legislature to meet federal matching requirements for public water and sewage treatment facilities and to provide financial assistance for this purpose.
- **Alaska Drinking Water Fund (Fund Type 3129)** - AS 46.03.036 - Administered by the DEC. The fund consists of federal capitalization grants. The capitalization grants are divided between two purposes: (1) part of each capitalization grant is to be deposited into the fund for providing loans for drinking water infrastructure projects; (2) the other part is to be used or set aside for non-project activities.
- **Alcoholism and Drug Abuse Revolving Loan Fund (Fund Category 1013)** - AS 44.29.210 - Administered by the Department of Health. This fund is required under 42 U.S.C. 300x-25 to qualify the State to receive block grant money from the United States Department of Health and Human Services under 42 U.S.C. 300x-21. Money in the fund may be used to make loans to private nonprofit organizations for the cost of establishing programs to help pay the living expenses of individuals recovering from alcohol or drug abuse who may reside in group homes.
- **Retiree Health (Fund Type 3133)** – AS 39.35.535, AS 14.25.168, AS 22.25.090 – Administered by the Department of Administration. The State has a self-insurance program to provide health care coverage for retirees covered by the retirement programs administered by the State. This fund consists of accumulated assets held for the purpose of paying health care claims for retirees and accounts for transactions pertaining to the self-insurance program.
- **Unemployment Compensation Fund (Fund Type 3284)** - AS 23.20.130 - Administered by the Department of Labor and Workforce Development. This federal trust fund is established and maintained in the United States Treasury. It is used to account for unemployment contributions from employers and unemployment benefits paid to eligible claimants.





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STATE OF ALASKA

STATEMENT 4.01

Combining Statement of Net Position

Nonmajor Enterprise Funds

June 30, 2025

(Stated in Thousands)

	Commercial and Energy Assistance	Other Agencies	Total Nonmajor Enterprise Funds
ASSETS			
Current Assets:			
Cash and Investments	\$ 128,193	\$ 2,101,084	\$ 2,229,277
Accounts Receivable - Net	—	25,004	25,004
Interest and Dividends Receivable	4,236	2,162	6,398
Due from Other Funds	77	2,960	3,037
Loans, Notes, Bonds and Leases Receivable	11,007	30,596	41,603
Other Current Assets	—	253	253
Total Current Assets	<u>143,513</u>	<u>2,162,059</u>	<u>2,305,572</u>
Noncurrent Assets:			
Interest and Dividends Receivable	6,932	—	6,932
Loans, Notes, Bonds and Leases Receivable	134,445	326,602	461,047
Reposessed Property	91	—	91
Net OPEB Asset	1,913	—	1,913
Other Noncurrent Assets	12	2,335	2,347
Total Noncurrent Assets	<u>143,393</u>	<u>328,937</u>	<u>472,330</u>
Total Assets	<u>286,906</u>	<u>2,490,996</u>	<u>2,777,902</u>
DEFERRED OUTFLOWS OF RESOURCES			
Total Deferred Outflows of Resources	<u>659</u>	<u>—</u>	<u>659</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	265	37,399	37,664
Due to Other Funds	173	762	935
Due to Other Governments	—	4,813	4,813
Claims, Judgments, Compensated Absences, and Pollution Remediation	230	3	233
Unearned Revenue	—	38,176	38,176
Other Current Liabilities	—	292	292
Total Current Liabilities	<u>668</u>	<u>81,445</u>	<u>82,113</u>
Noncurrent Liabilities:			
Claims, Judgments, Compensated Absences, and Pollution Remediation	—	6	6
Net Pension Liabilities	4,548	—	4,548
Other Noncurrent Liabilities	—	47,779	47,779
Total Noncurrent Liabilities	<u>4,548</u>	<u>47,785</u>	<u>52,333</u>
Total Liabilities	<u>5,216</u>	<u>129,230</u>	<u>134,446</u>
DEFERRED INFLOWS OF RESOURCES			
Total Deferred Inflows of Resources	<u>43</u>	<u>—</u>	<u>43</u>
NET POSITION			
Restricted for:			
Pension and OPEB	1,913	—	1,913
Unemployment Compensation	—	775,155	775,155
Health and Human Services	—	650,089	650,089
Other Purposes	—	271	271
Unrestricted	280,393	936,251	1,216,644
Total Net Position	<u>\$ 282,306</u>	<u>\$ 2,361,766</u>	<u>\$ 2,644,072</u>

STATE OF ALASKA

STATEMENT 4.02

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

Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2025

(Stated in Thousands)

	Commercial and Energy Assistance	Other Agencies	Total Nonmajor Enterprise Funds
OPERATING REVENUES			
Premiums and Contributions	\$ —	\$ 229,326	\$ 229,326
Charges for Goods and Services	244	1,596	1,840
Interest and Investment Income (Loss)	5,688	3,855	9,543
Allowance for Uncollectible Interest	(52)	—	(52)
Fines and Forfeitures	95	338	433
Allowance for Uncollectible Fines	—	(162)	(162)
Federal Reimbursements	—	(1,282)	(1,282)
Other Operating Revenues	—	597	597
Total Operating Revenues	<u>5,975</u>	<u>234,268</u>	<u>240,243</u>
OPERATING EXPENSES			
Benefits	—	160,484	160,484
Operating	4,003	6,495	10,498
Provision for Loan Losses and Forgiveness	955	—	955
Total Operating Expenses	<u>4,958</u>	<u>166,979</u>	<u>171,937</u>
Operating Income (Loss)	<u>1,017</u>	<u>67,289</u>	<u>68,306</u>
NONOPERATING REVENUES (EXPENSES)			
Interest and Investment Income (Loss)	1,832	120,658	122,490
Interest and Investment Expense	—	(152)	(152)
Other Nonoperating Revenues (Expenses)	(14)	(4,010)	(4,024)
Total Nonoperating Revenues (Expenses)	<u>1,818</u>	<u>116,496</u>	<u>118,314</u>
Income Before Capital Contributions and Transfers	2,835	183,785	186,620
Capital Contributions	—	8,680	8,680
Transfers In from Other Funds	—	3,354	3,354
Transfers (Out to) Other Funds	(322)	—	(322)
Change in Net Position	2,513	195,819	198,332
Total Net Position - Beginning of Year	279,793	2,165,947	2,445,740
Total Net Position - End of Year	<u>\$ 282,306</u>	<u>\$ 2,361,766</u>	<u>\$ 2,644,072</u>

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2025

(Stated in Thousands)

	Commercial and Energy Assistance	Other Agencies	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Other Governments	\$ —	\$ 1,639	\$ 1,639
Receipts from Customers	6	—	6
Receipt of Principal from Loan Recipients	33,502	35,402	68,904
Receipt of Interest and Fees from Loan Recipients	6,185	4,966	11,151
Receipts from Insured	—	228,917	228,917
Payments to Employees	(3,007)	(1,473)	(4,480)
Payments to Suppliers	1	(5,316)	(5,315)
Payments to Loan Recipients	(42,931)	(24,321)	(67,252)
Claims Paid	—	(151,242)	(151,242)
Payments for Interfund Services Used	(522)	—	(522)
Other Receipts	238	762	1,000
Other Payments	(85)	—	(85)
Net Cash Provided (Used) by Operating Activities	<u>(6,613)</u>	<u>89,334</u>	<u>82,721</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating Subsidies and Transfers (Out to) Other Funds	(337)	(4,010)	(4,347)
Operating Subsidies and Transfers In from Other Funds	—	3,354	3,354
Proceeds from Issuance of Short-term Debt	—	1,909	1,909
Payments on Short-term Debt	—	(1,909)	(1,909)
Interest and Fees Paid on Borrowing	—	(10)	(10)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(337)</u>	<u>(666)</u>	<u>(1,003)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Federal Grants	—	15,788	15,788
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>—</u>	<u>15,788</u>	<u>15,788</u>

This statement continues on the next page.

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2025

(Stated in Thousands)

	Commercial and Energy Assistance	Other Agencies	Total Nonmajor Enterprise Funds
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sales/Maturities of Investments	\$ —	\$ 634,517	\$ 634,517
Purchase of Investments	—	(708,217)	(708,217)
Investment Income (Loss)	1,831	85,677	87,508
Net Cash Provided (Used) by Investing Activities	1,831	11,977	13,808
Net Increase (Decrease) in Cash	(5,119)	116,433	111,314
Cash and Cash Equivalents - Beginning of Year	133,312	1,034,136	1,167,448
Cash and Cash Equivalents - End of Year	<u>\$ 128,193</u>	<u>\$ 1,150,569</u>	<u>\$ 1,278,762</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ 1,017	\$ 67,289	\$ 68,306
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Provision for Loan Losses and Forgiveness	(3)	—	(3)
Net Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:			
Accounts Receivable - Net	1	2,253	2,254
Due from Other Funds	4	888	892
Due from Other Governments	—	240	240
Loans, Notes, and Bonds Receivable - Net	(7,642)	11,183	3,541
Repossessed Property	50	—	50
Interest and Dividends Receivable - Net	(51)	(276)	(327)
Net OPEB Asset	509	—	509
Other Assets	4	3	7
Deferred Outflows of Resources	137	—	137
Due to Other Funds	184	52	236
Due to Other Governments	—	576	576
Unearned Revenue	—	(1,247)	(1,247)
Accounts Payable and Accrued Liabilities	(71)	8,365	8,294
Net Pension Liability	(691)	—	(691)
Other Liabilities	(8)	8	—
Deferred Inflows of Resources	(53)	—	(53)
Net Cash Provided (Used) by Operating Activities	<u>\$ (6,613)</u>	<u>\$ 89,334</u>	<u>\$ 82,721</u>
Reconciliation of Cash to the Statement of Net Position:			
Total Cash and Investments per the Statement of Net Position	\$ 128,193	\$ 2,101,084	\$ 2,229,277
Less: Investments not Meeting the Definition of Cash or Cash Equivalents	—	(950,515)	(950,515)
Cash, End of Year	<u>\$ 128,193</u>	<u>\$ 1,150,569</u>	<u>\$ 1,278,762</u>

STATE OF ALASKA
Combining Statement of Net Position
Commercial and Energy Assistance Enterprise Funds
June 30, 2025
(Stated in Thousands)

STATEMENT 4.11

	Alaska Microloan Revolving Loan	Commercial Fishing Revolving Loan	Commercial Charter Fisheries Revolving Loan	Fisheries Enhancement Revolving Loan	Mining Revolving Loan
ASSETS					
Current Assets:					
Cash and Investments	\$ 3,058	\$ 45,003	\$ 1,549	\$ 42,932	\$ —
Interest and Dividends Receivable	—	2,636	—	1,583	—
Due from Other Funds	—	—	—	—	77
Loans, Notes, Bonds and Leases Receivable	10	7,494	—	1,621	—
Total Current Assets	3,068	55,133	1,549	46,136	77
Noncurrent Assets:					
Interest and Dividends Receivable	1	1,355	—	5,499	—
Loans, Notes, Bonds and Leases Receivable	55	66,559	—	61,906	—
Repossessed Property	—	91	—	—	—
Net OPEB Asset	4	1,642	7	232	—
Other Noncurrent Assets	—	—	12	—	—
Total Noncurrent Assets	60	69,647	19	67,637	—
Total Assets	3,128	124,780	1,568	113,773	77
DEFERRED OUTFLOWS OF RESOURCES					
Total Deferred Outflows of Resources	1	567	2	80	—
LIABILITIES					
Current Liabilities:					
Accounts Payable and Accrued Liabilities	1	221	—	31	1
Due to Other Funds	—	17	120	22	—
Claims, Judgments, Compensated Absences, and Pollution Remediation	—	230	—	—	—
Total Current Liabilities	1	468	120	53	1
Noncurrent Liabilities:					
Net Pension Liabilities	8	3,904	17	552	—
Total Noncurrent Liabilities	8	3,904	17	552	—
Total Liabilities	9	4,372	137	605	1
DEFERRED INFLOWS OF RESOURCES					
Total Deferred Inflows of Resources	—	38	—	5	—
NET POSITION					
Restricted for:					
Pension and OPEB	4	1,642	7	232	—
Unrestricted	3,116	119,295	1,426	113,011	76
Total Net Position	\$ 3,120	\$ 120,937	\$ 1,433	\$ 113,243	\$ 76

This statement continues on next page

STATE OF ALASKA

STATEMENT 4.11

Combining Statement of Net Position

Commercial and Energy Assistance Enterprise Funds

June 30, 2025

(Stated in Thousands)

	Alaska Capstone Avionics Revolving Loan	Mariculture Revolving Loan	Alternative Energy Conservation Revolving Loan	Bulk Fuel Revolving Loan	Total Commercial and Energy Assistance Enterprise Funds
ASSETS					
Current Assets:					
Cash and Investments	\$ 4,791	\$ 5,892	\$ 3,313	\$ 21,655	\$ 128,193
Interest and Dividends Receivable	—	17	—	—	4,236
Due from Other Funds	—	—	—	—	77
Loans, Notes, Bonds and Leases Receivable	—	13	—	1,869	11,007
Total Current Assets	4,791	5,922	3,313	23,524	143,513
Noncurrent Assets:					
Interest and Dividends Receivable	—	72	—	5	6,932
Loans, Notes, Bonds and Leases Receivable	31	247	—	5,647	134,445
Repossessed Property	—	—	—	—	91
Net OPEB Asset	—	7	—	21	1,913
Other Noncurrent Assets	—	—	—	—	12
Total Noncurrent Assets	31	326	—	5,673	143,393
Total Assets	4,822	6,248	3,313	29,197	286,906
DEFERRED OUTFLOWS OF RESOURCES					
Total Deferred Outflows of Resources	—	2	—	7	659
LIABILITIES					
Current Liabilities:					
Accounts Payable and Accrued Liabilities	7	1	—	3	265
Due to Other Funds	—	12	—	2	173
Claims, Judgments, Compensated Absences, and Pollution Remediation	—	—	—	—	230
Total Current Liabilities	7	13	—	5	668
Noncurrent Liabilities:					
Net Pension Liabilities	—	17	—	50	4,548
Total Noncurrent Liabilities	—	17	—	50	4,548
Total Liabilities	7	30	—	55	5,216
DEFERRED INFLOWS OF RESOURCES					
Total Deferred Inflows of Resources	—	—	—	—	43
NET POSITION					
Restricted for:					
Pension and OPEB	—	7	—	21	1,913
Unrestricted	4,815	6,213	3,313	29,128	280,393
Total Net Position	\$ 4,815	\$ 6,220	\$ 3,313	\$ 29,149	\$ 282,306

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Commercial and Energy Assistance Enterprise Funds
For the Fiscal Year Ended June 30, 2025
(Stated in Thousands)

	Alaska Microloan Revolving Loan	Commercial Fishing Revolving Loan	Commercial Charter Fisheries Revolving Loan	Fisheries Enhancement Revolving Loan	Mining Revolving Loan
OPERATING REVENUES					
Charges for Goods and Services	\$ 1	\$ 225	\$ —	\$ 18	\$ —
Interest and Investment Income (Loss)	3	3,611	—	1,852	—
Allowance for Uncollectible Interest	—	(138)	—	86	—
Fines and Forfeitures	—	95	—	—	—
Total Operating Revenues	4	3,793	—	1,956	—
OPERATING EXPENSES					
Operating	8	3,433	15	485	—
Provision for Loan Losses and Forgiveness	—	1,060	—	(98)	—
Total Operating Expenses	8	4,493	15	387	—
Operating Income (Loss)	(4)	(700)	(15)	1,569	—
NONOPERATING REVENUES (EXPENSES)					
Interest and Investment Income (Loss)	153	—	78	—	—
Other Nonoperating Revenues (Expenses)	—	—	—	—	—
Total Nonoperating Revenues (Expenses)	153	—	78	—	—
Income Before Capital Contributions and Transfers	149	(700)	63	1,569	—
Transfers (Out to) Other Funds	—	—	(120)	—	(202)
Change in Net Position	149	(700)	(57)	1,569	(202)
Total Net Position - Beginning of Year	2,971	121,637	1,490	111,674	278
Total Net Position - End of Year	\$ 3,120	\$ 120,937	\$ 1,433	\$ 113,243	\$ 76

This statement continues on next page

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

Commercial and Energy Assistance Enterprise Funds

For the Fiscal Year Ended June 30, 2025

(Stated in Thousands)

	Alaska Capstone Avionics Revolving Loan	Mariculture Revolving Loan	Alternative Energy Conservation Revolving Loan	Bulk Fuel Revolving Loan	Total Commercial and Energy Assistance Enterprise Funds
OPERATING REVENUES					
Charges for Goods and Services	\$ —	\$ —	\$ —	\$ —	\$ 244
Interest and Investment Income (Loss)	2	13	—	207	5,688
Allowance for Uncollectible Interest	—	—	—	—	(52)
Fines and Forfeitures	—	—	—	—	95
Total Operating Revenues	2	13	—	207	5,975
OPERATING EXPENSES					
Operating	—	18	—	44	4,003
Provision for Loan Losses and Forgiveness	(1)	(4)	—	(2)	955
Total Operating Expenses	(1)	14	—	42	4,958
Operating Income (Loss)	3	(1)	—	165	1,017
NONOPERATING REVENUES (EXPENSES)					
Interest and Investment Income (Loss)	237	290	165	909	1,832
Other Nonoperating Revenues (Expenses)	(14)	—	—	—	(14)
Total Nonoperating Revenues (Expenses)	223	290	165	909	1,818
Income Before Capital Contributions and Transfers	226	289	165	1,074	2,835
Transfers (Out to) Other Funds	—	—	—	—	(322)
Change in Net Position	226	289	165	1,074	2,513
Total Net Position - Beginning of Year	4,589	5,931	3,148	28,075	279,793
Total Net Position - End of Year	\$ 4,815	\$ 6,220	\$ 3,313	\$ 29,149	\$ 282,306

Combining Statement of Cash Flows

Commercial and Energy Assistance Enterprise Funds

For the Fiscal Year Ended June 30, 2025

(Stated in Thousands)

	Alaska Microloan Revolving Loan	Commercial Fishing Revolving Loan	Commercial Charter Fisheries Revolving Loan	Fisheries Enhancement Revolving Loan	Mining Revolving Loan
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers	\$ —	\$ 6	\$ —	\$ —	\$ —
Receipts of Principal from Loan Recipients	31	6,368	—	4,039	—
Receipt of Interest and Fees from Loan Recipients	5	4,092	—	1,859	—
Payments to Employees	(6)	(2,802)	(12)	(140)	—
Payments to Suppliers	—	—	—	—	1
Payments to Loan Recipients	(33)	(16,386)	—	(2,611)	—
Payments for Interfund Services Used	(1)	(445)	(4)	(63)	—
Other Receipts	—	5	106	127	—
Other Payments	—	—	—	—	(77)
Net Cash Provided (Used) by Operating Activities	(4)	(9,162)	90	3,211	(76)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Operating Subsidies and Transfers (Out to) Other Funds	(1)	—	(120)	—	(202)
Net Cash Provided (Used) by Noncapital Financing Activities	(1)	—	(120)	—	(202)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment Income (Loss)	153	—	77	—	—
Net Cash Provided (Used) by Investing Activities	153	—	77	—	—
Net Increase (Decrease) in Cash	148	(9,162)	47	3,211	(278)
Cash and Cash Equivalents - Beginning of Year	2,910	54,165	1,502	39,721	278
Cash and Cash Equivalents - End of Year	\$ 3,058	\$ 45,003	\$ 1,549	\$ 42,932	\$ —
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	\$ (4)	\$ (700)	\$ (15)	\$ 1,569	\$ —
Provided (Used) by Operating Activities:					
Provision for Loan Losses and Forgiveness	—	—	—	—	—
Accounts Receivable - Net	—	—	—	—	1
Due From Other Funds	—	81	—	—	(77)
Loans, Notes and Bonds Receivable - Net	3	(8,540)	—	1,743	—
Repossessed Property	—	50	—	—	—
Interest and Dividends Receivable - Net	4	35	—	(97)	—
Net OPEB Asset	4	434	2	61	—
Other Assets	—	3	—	—	—
Deferred Outflows of Resources	(1)	118	1	17	—
Due to Other Funds	—	52	112	8	—
Accounts Payable and Accrued Liabilities	—	(64)	—	—	—
Net Pension Liability	(10)	(585)	(3)	(83)	—
Other Liabilities	—	—	(7)	(1)	—
Deferred Inflows of Resources	—	(46)	—	(6)	—
Net Cash Provided (Used) by Operating Activities	\$ (4)	\$ (9,162)	\$ 90	\$ 3,211	\$ (76)
Reconciliation of Cash to the Statement of Net Position					
Total Cash and Investments per the Statement of Net Position	3,058	45,003	1,549	42,932	—
Cash, End of Year	\$ 3,058	\$ 45,003	\$ 1,549	\$ 42,932	\$ —

This statement continues on next page

Combining Statement of Cash Flows

Commercial and Energy Assistance Enterprise Funds

For the Fiscal Year Ended June 30, 2025

(Stated in Thousands)

	Alaska Capstone Avionics Revolving Loan	Mariculture Revolving Loan	Alternative Energy Conservation Revolving Loan	Bulk Fuel Revolving Loan	Total Commercial and Energy Assistance Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers	\$ —	\$ —	\$ —	\$ —	\$ 6
Receipts of Principal from Loan Recipients	32	137	—	22,895	33,502
Receipt of Interest and Fees from Loan Recipients	2	24	—	203	6,185
Payments to Employees	—	(11)	—	(36)	(3,007)
Payments to Suppliers	—	—	—	—	1
Payments to Loan Recipients	—	—	—	(23,901)	(42,931)
Payments for Interfund Services Used	—	(3)	—	(6)	(522)
Other Receipts	—	—	—	—	238
Other Payments	(4)	—	—	(4)	(85)
Net Cash Provided (Used) by Operating Activities	30	147	—	(849)	(6,613)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Operating Subsidies and Transfers (Out to) Other Funds	(14)	—	—	—	(337)
Net Cash Provided (Used) by Noncapital Financing Activities	(14)	—	—	—	(337)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment Income (Loss)	237	290	165	909	1,831
Net Cash Provided (Used) by Investing Activities	237	290	165	909	1,831
Net Increase (Decrease) in Cash	253	437	165	60	(5,119)
Cash and Cash Equivalents - Beginning of Year	4,538	5,455	3,148	21,595	133,312
Cash and Cash Equivalents - End of Year	\$ 4,791	\$ 5,892	\$ 3,313	\$ 21,655	\$ 128,193
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	\$ 3	\$ (1)	\$ —	\$ 165	\$ 1,017
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:					
Provision for Loan Losses and Forgiveness	1	(4)	—	—	(3)
Net Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:					
Accounts Receivable - Net	—	—	—	—	1
Due From Other Funds	—	—	—	—	4
Loans, Notes and Bonds Receivable - Net	33	130	—	(1,011)	(7,642)
Repossessed Property	—	—	—	—	50
Interest and Dividends Receivable - Net	—	11	—	(4)	(51)
Net OPEB Asset	—	2	—	6	509
Other Assets	—	1	—	—	4
Deferred Outflows of Resources	—	—	—	2	137
Due to Other Funds	—	11	—	1	184
Accounts Payable and Accrued Liabilities	(7)	—	—	—	(71)
Net Pension Liability	—	(3)	—	(7)	(691)
Other Liabilities	—	—	—	—	(8)
Deferred Inflows of Resources	—	—	—	(1)	(53)
Net Cash Provided (Used) by Operating Activities	\$ 30	\$ 147	\$ —	\$ (849)	\$ (6,613)
Reconciliation of Cash to the Statement of Net Position					
Total Cash and Investments per the Statement of Net Position	4,791	5,892	3,313	21,655	128,193
Cash, End of Year	\$ 4,791	\$ 5,892	\$ 3,313	\$ 21,655	\$ 128,193

STATE OF ALASKA

STATEMENT 4.21

Combining Statement of Net Position

Other Agencies Enterprise Funds

June 30, 2025

(Stated in Thousands)

	Alcoholism and Drug Abuse Revolving Loan	Agricultural Revolving Loan	Alaska Clean Water	Alaska Drinking Water	Unemployment Compensation	Retiree Health	Total Other Agencies Enterprise Funds
ASSETS							
Current Assets:							
Cash and Investments	\$ 271	\$ 5,949	\$ 205,329	\$ 127,639	\$ 772,344	\$ 989,552	\$ 2,101,084
Accounts Receivable - Net	—	7	497	517	23,882	101	25,004
Interest and Dividends Receivable	—	108	1,006	1,048	—	—	2,162
Due from Other Funds	—	105	1,089	994	136	636	2,960
Loans, Notes, Bonds and Leases Receivable	—	1,037	15,913	13,646	—	—	30,596
Other Current Assets	—	—	—	253	—	—	253
Total Current Assets	271	7,206	223,834	144,097	796,362	990,289	2,162,059
Noncurrent Assets:							
Loans, Notes, Bonds and Leases Receivable	—	14,220	167,439	144,943	—	—	326,602
Other Noncurrent Assets	—	—	—	—	—	2,335	2,335
Total Noncurrent Assets	—	14,220	167,439	144,943	—	2,335	328,937
Total Assets	271	21,426	391,273	289,040	796,362	992,624	2,490,996
LIABILITIES							
Current Liabilities:							
Accounts Payable and Accrued Liabilities	—	8	126	—	7,289	29,976	37,399
Due to Other Funds	—	—	7	15	713	27	762
Due to Other Governments	—	—	—	—	4,813	—	4,813
Claims, Judgments, Compensated Absences, and Pollution Remediation	—	3	—	—	—	—	3
Unearned Revenue	—	—	13,323	16,753	8,100	—	38,176
Other Current Liabilities	—	—	—	—	292	—	292
Total Current Liabilities	—	11	13,456	16,768	21,207	30,003	81,445
Noncurrent Liabilities:							
Claims, Judgments, Compensated Absences, and Pollution Remediation	—	6	—	—	—	—	6
Other Noncurrent Liabilities	—	—	—	—	—	47,779	47,779
Total Noncurrent Liabilities	—	6	—	—	—	47,779	47,785
Total Liabilities	—	17	13,456	16,768	21,207	77,782	129,230
NET POSITION							
Restricted for:							
Unemployment Compensation	—	—	—	—	775,155	—	775,155
Health and Human Services	—	—	377,817	272,272	—	—	650,089
Other Purposes	271	—	—	—	—	—	271
Unrestricted	—	21,409	—	—	—	914,842	936,251
Total Net Position	\$ 271	\$ 21,409	\$ 377,817	\$ 272,272	\$ 775,155	\$ 914,842	\$ 2,361,766

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

Other Agencies Enterprise Funds

For the Fiscal Year Ended June 30, 2025

(Stated in Thousands)

	Alcoholism and Drug Abuse Revolving Loan	Agricultural Revolving Loan	Alaska Clean Water	Alaska Drinking Water	Unemployment Compensation	Retiree Health	Total Other Agencies Enterprise Funds
OPERATING REVENUES							
Premiums and Contributions	\$ —	\$ —	\$ —	\$ —	\$ 131,475	\$ 97,851	\$ 229,326
Charges for Goods and Services	—	—	910	686	—	—	1,596
Interest and Investment Income (Loss)	—	477	1,853	1,525	—	—	3,855
Fines and Forfeitures	—	8	—	—	330	—	338
Allowance for Uncollectible Fines	—	—	—	—	(162)	—	(162)
Federal Reimbursements	—	—	—	—	(1,282)	—	(1,282)
Other Operating Revenues	—	—	—	—	—	597	597
Total Operating Revenues	—	485	2,763	2,211	130,361	98,448	234,268
OPERATING EXPENSES							
Benefits	—	—	—	—	71,926	88,558	160,484
Operating	—	510	1,302	914	—	3,769	6,495
Total Operating Expenses	—	510	1,302	914	71,926	92,327	166,979
Operating Income (Loss)	—	(25)	1,461	1,297	58,435	6,121	67,289
NONOPERATING REVENUES (EXPENSES)							
Interest and Investment Income (Loss)	14	20	9,756	5,936	23,251	81,681	120,658
Interest and Investment Expense	—	—	(5)	(5)	—	(142)	(152)
Other Nonoperating Revenues (Expenses)	—	—	(810)	(3,200)	—	—	(4,010)
Total Nonoperating Revenues (Expenses)	14	20	8,941	2,731	23,251	81,539	116,496
Income Before Capital Contributions and Transfers	14	(5)	10,402	4,028	81,686	87,660	183,785
Capital Contributions	—	—	2,483	6,197	—	—	8,680
Transfers In from Other Funds	—	—	1,248	2,106	—	—	3,354
Change in Net Position	14	(5)	14,133	12,331	81,686	87,660	195,819
Total Net Position - Beginning of Year	257	21,414	363,684	259,941	693,469	827,182	2,165,947
Total Net Position - End of Year	\$ 271	\$ 21,409	\$ 377,817	\$ 272,272	\$ 775,155	\$ 914,842	\$ 2,361,766

Combining Statement of Cash Flows

Other Agencies Enterprise Funds

For the Fiscal Year Ended June 30, 2025

(Stated in Thousands)

	Alcoholism and Drug Abuse Revolving Loan	Agricultural Revolving Loan	Alaska Clean Water	Alaska Drinking Water	Unemployment Compensation	Retiree Health	Total Other Agencies Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from Other Governments	\$ —	\$ —	\$ 1,351	\$ 288	\$ —	\$ —	\$ 1,639
Receipts of Principal from Loan Recipients	—	6,919	14,793	13,690	—	—	35,402
Receipt of Interest and Fees from Loan Recipients	—	424	2,525	2,017	—	—	4,966
Receipts from Insured	—	—	—	—	131,699	97,218	228,917
Payments to Employees	—	(206)	(507)	(757)	—	(3)	(1,473)
Payments to Suppliers	—	(73)	(795)	(157)	—	(4,291)	(5,316)
Payments to Loan Recipients	—	(10,808)	(4,836)	(8,677)	—	—	(24,321)
Claims Paid	—	—	—	—	(70,690)	(80,552)	(151,242)
Other Receipts	—	—	—	—	205	557	762
Net Cash Provided (Used) by Operating Activities	—	(3,744)	12,531	6,404	61,214	12,929	89,334
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Operating Subsidies and Transfers (Out) Other Funds	—	—	(810)	(3,200)	—	—	(4,010)
Operating Subsidies and Transfers In from Other Funds	—	—	1,248	2,106	—	—	3,354
Proceeds from Issuance of Short-term Debt	—	—	977	932	—	—	1,909
Payments on Short-term Debt	—	—	(977)	(932)	—	—	(1,909)
Interest and Fees Paid on Borrowing	—	—	(5)	(5)	—	—	(10)
Net Cash Provided (Used) by Noncapital Financing Activities	—	—	433	(1,099)	—	—	(666)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Federal Grants	—	—	5,032	10,756	—	—	15,788
Net Cash Provided (Used) by Capital and Related Financing Activities	—	—	5,032	10,756	—	—	15,788
CASH FLOWS FROM INVESTING ACTIVITIES							
Proceeds from Sales/Maturities of Investments	—	—	—	—	—	634,517	634,517
Purchase of Investments	—	—	—	—	—	(708,217)	(708,217)
Investment Income (Loss)	14	20	9,756	5,936	23,251	46,700	85,677
Net Cash Provided (Used) by Investing Activities	14	20	9,756	5,936	23,251	(27,000)	11,977
Net Increase (Decrease) in Cash	14	(3,724)	27,752	21,997	84,465	(14,071)	116,433
Cash and Cash Equivalents - Beginning of Year	257	9,673	177,577	105,642	687,879	53,108	1,034,136
Cash and Cash Equivalents - End of Year	\$ 271	\$ 5,949	\$ 205,329	\$ 127,639	\$ 772,344	\$ 39,037	\$ 1,150,569

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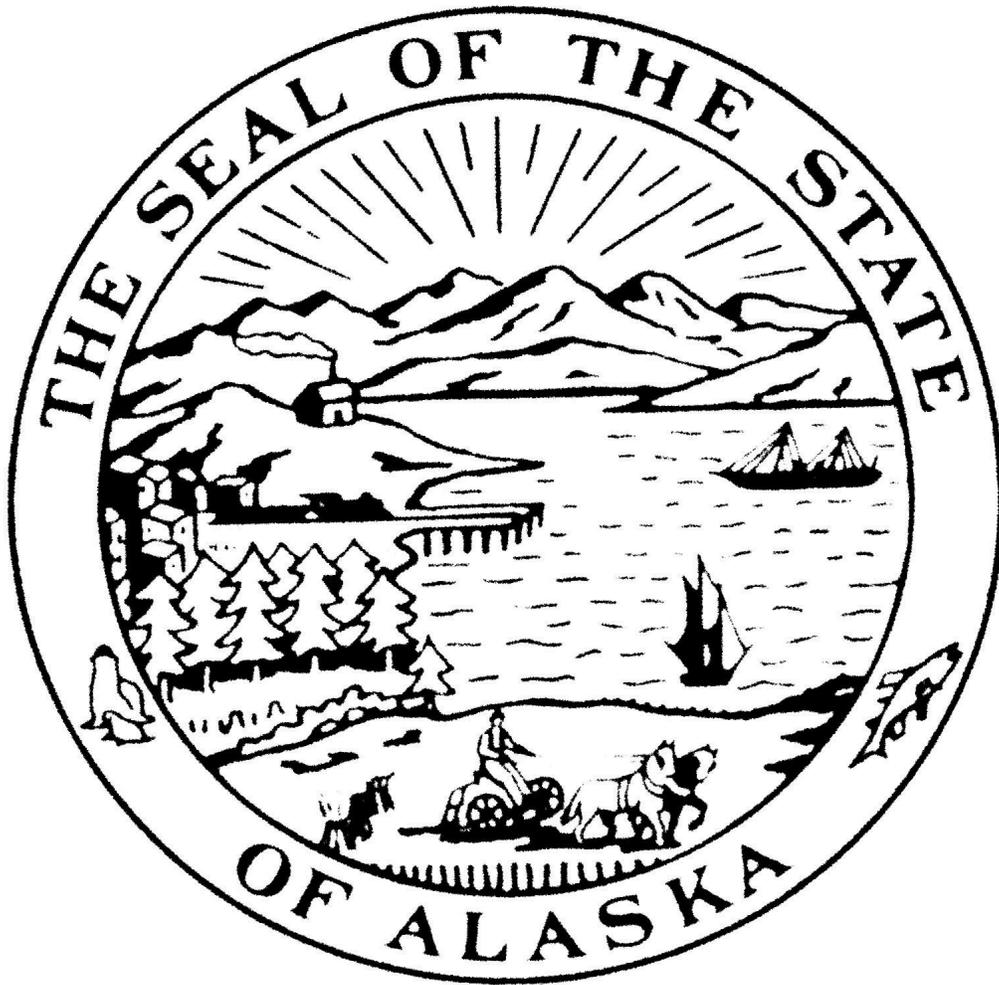
Combining Statement of Cash Flows

Other Agencies Enterprise Funds

For the Fiscal Year Ended June 30, 2025

(Stated in Thousands)

	Alcoholism and Drug Abuse Revolving Loan	Agricultural Revolving Loan	Alaska Clean Water	Alaska Drinking Water	Unemployment Compensation	Retiree Health	Total Other Agencies Enterprise Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:							
Operating Income (Loss)	\$ —	\$ (25)	\$ 1,461	\$ 1,297	\$ 58,435	\$ 6,121	\$ 67,289
Net Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:							
Accounts Receivable - Net	—	—	(76)	(119)	2,487	(39)	2,253
Due From Other Funds	—	(105)	1,384	296	(54)	(633)	888
Due From Other Governments	—	230	—	—	10	—	240
Loans, Notes and Bonds Receivable - Net	—	(3,787)	9,957	5,013	—	—	11,183
Interest and Dividends Receivable - Net	—	(39)	(162)	(75)	—	—	(276)
Other Assets	—	—	—	3	—	—	3
Due to Other Funds	—	(21)	6	1	113	(47)	52
Due to Other Governments	—	—	—	—	576	—	576
Unearned Revenue	—	—	—	—	(1,247)	—	(1,247)
Accounts Payable and Accrued Liabilities	—	(5)	(39)	(12)	894	7,527	8,365
Other Liabilities	—	8	—	—	—	—	8
Net Cash Provided (Used) by Operating Activities	<u>\$ —</u>	<u>\$ (3,744)</u>	<u>\$ 12,531</u>	<u>\$ 6,404</u>	<u>\$ 61,214</u>	<u>\$ 12,929</u>	<u>\$ 89,334</u>
Reconciliation of Cash to the Statement of Net Position:							
Total Cash and Investments per the Statement of Net Position	\$ 271	\$ 5,949	\$ 205,329	\$ 127,639	\$ 772,344	\$ 989,552	\$ 2,101,084
Less: Investments not Meeting the Definition of Cash or Cash Equivalents	—	—	—	—	—	(950,515)	(950,515)
Cash, End of Year	<u>\$ 271</u>	<u>\$ 5,949</u>	<u>\$ 205,329</u>	<u>\$ 127,639</u>	<u>\$ 772,344</u>	<u>\$ 39,037</u>	<u>\$ 1,150,569</u>



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Internal Service Funds

Internal service funds account for the operations of state agencies that render services to other state agencies, institutions, or other governmental units on a cost-reimbursement basis. The following are the State's internal service funds.

- **Alaska Public Building Fund (Fund 1147)** - AS 37.05.570 - Administered by the Department of Transportation and Public Facilities (DOT&PF). Effective July 1, 2021 the DOT&PF began to manage the maintenance and operations of multiple state owned buildings and parking facilities. The goals are to manage these buildings, in good order and a functional state, while providing cost effective and efficient space for state agencies and private tenants (until private tenant leases expire and space is converted to state agency use), to retain maximum value of these state assets, and to maximize revenue from non-general fund sources.
- **Group Health and Life Benefits Fund (Fund 1097)** - AS 39.30.095 - Administered by the DOA. Effective July 1, 1997, the State began a self-insurance program to provide health care coverage for state employees covered by the retirement programs administered by the State. This fund consists of accumulated assets held for the purpose of paying health care claims for employees and accounts for transactions pertaining to the self-insurance program.
- **Highways Equipment Working Capital Fund (Fund 1026)** - AS 44.68.210 - Administered by the Department of Transportation and Public Facilities. This fund is used for necessary expenses resulting from the centralization of equipment maintenance and for the operation of supply depots.
- **Information Services Fund (Fund 1081)** - AS 44.21.045 - During the 1990 Legislative Session, the Legislature established the Information Services Fund (ISF) in the DOA and classified it as an internal service fund. The ISF is used to account for the operation and financing of computing and telecommunication services for the State of Alaska. Included in these services is operation of the State's mainframe computer; the statewide consolidated data network; the telephone system in Juneau, Anchorage, and Fairbanks; and the microwave communications infrastructure.



STATE OF ALASKA

STATEMENT 4.31

Combining Statement of Net Position

Internal Service Funds

June 30, 2025

(Stated in Thousands)

	Group Health and Life Benefits	Alaska Public Building	Information Services	Highways Equipment Working Capital	Total Internal Service Funds
ASSETS					
Current Assets:					
Cash and Investments	\$ 16,345	\$ 41,386	\$ 19,352	\$ 82,645	\$ 159,728
Accounts Receivable - Net	3,263	196	—	776	4,235
Due from Other Funds	25,004	458	2,325	13,224	41,011
Inventories	—	—	—	6,620	6,620
Other Current Assets	593	82	3,805	2,430	6,910
Total Current Assets	45,205	42,122	25,482	105,695	218,504
Noncurrent Assets:					
Net OPEB Asset	—	4,459	20,168	8,125	32,752
Capital Assets:					
Equipment, Net of Depreciation	—	245	17,819	175,570	193,634
Buildings, Net of Depreciation	—	77,032	—	—	77,032
Intangibles, Net of Amortization	—	17,404	34,783	—	52,187
Construction in Progress	—	3,514	949	—	4,463
Total Noncurrent Assets	—	102,654	73,719	183,695	360,068
Total Assets	45,205	144,776	99,201	289,390	578,572
DEFERRED OUTFLOWS OF RESOURCES					
Total Deferred Outflows of Resources	—	1,540	6,966	2,806	11,312
LIABILITIES					
Current Liabilities:					
Accounts Payable and Accrued Liabilities	28,632	871	4,735	7,446	41,684
Due to Other Funds	1,922	—	—	—	1,922
Claims, Judgments, Compensated Absences, and Pollution Remediation	35	—	2,379	1,224	3,638
Notes, Bonds, Leases, and SBITAs Payable	—	—	17,734	—	17,734
Total Current Liabilities	30,589	871	24,848	8,670	64,978
Noncurrent Liabilities:					
Claims, Judgments, Compensated Absences, and Pollution Remediation	—	—	1,159	518	1,677
Notes, Bonds, Leases, and SBITAs Payable	—	—	14,771	—	14,771
Net Pension Liabilities	—	10,600	47,942	19,314	77,856
Total Noncurrent Liabilities	—	10,600	63,872	19,832	94,304
Total Liabilities	30,589	11,471	88,720	28,502	159,282
DEFERRED INFLOWS OF RESOURCES					
Total Deferred Inflows of Resources	—	103	468	188	759
NET POSITION					
Net Investment in Capital Assets	—	98,195	21,046	175,570	294,811
Restricted for:					
Pension and OPEB	—	4,459	20,168	8,125	32,752
Unrestricted	14,616	32,088	(24,235)	79,811	102,280
Total Net Position	\$ 14,616	\$ 134,742	\$ 16,979	\$ 263,506	\$ 429,843

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

Internal Service Funds

For the Fiscal Year Ended June 30, 2025

(Stated in Thousands)

	Group Health and Life Benefits	Alaska Public Building	Information Services	Highways Equipment Working Capital	Total Internal Service Funds
OPERATING REVENUES					
Premiums and Contributions	\$ 166,724	\$ —	\$ —	\$ —	\$ 166,724
Charges for Goods and Services	—	19,492	59,457	56,412	135,361
Other Operating Revenues	15,865	—	10	—	15,875
Total Operating Revenues	182,589	19,492	59,467	56,412	317,960
OPERATING EXPENSES					
Benefits	195,350	—	—	—	195,350
Operating	6,802	13,134	45,567	38,594	104,097
Depreciation and Amortization	—	6,574	26,820	20,328	53,722
Total Operating Expenses	202,152	19,708	72,387	58,922	353,169
Operating Income (Loss)	(19,563)	(216)	(12,920)	(2,510)	(35,209)
NONOPERATING REVENUES (EXPENSES)					
Interest and Investment Income (Loss)	901	—	—	—	901
Gain (Loss) on Disposal of Capital Assets	—	—	(28,646)	(5)	(28,651)
Other Nonoperating Revenues (Expenses)	—	39	—	—	39
Total Nonoperating Revenues (Expenses)	901	39	(28,646)	(5)	(27,711)
Income Before Capital Contributions and Transfers	(18,662)	(177)	(41,566)	(2,515)	(62,920)
Capital Contributions	—	96	381	9,532	10,009
Transfers In from Other Funds	23,101	—	4,932	—	28,033
Change in Net Position	4,439	(81)	(36,253)	7,017	(24,878)
Total Net Position - Beginning of Year (Restated)	10,177	134,823	53,232	256,489	454,721
Total Net Position - End of Year	\$ 14,616	\$ 134,742	\$ 16,979	\$ 263,506	\$ 429,843

Combining Statement of Cash Flows

Internal Service Funds

For the Fiscal Year Ended June 30, 2025

(Stated in Thousands)

	Group Health and Life Benefits	Alaska Public Building	Information Services	Highways Equipment Working Capital	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers	\$ —	\$ 398	\$ —	\$ —	\$ 398
Receipts for Interfund Services Provided	—	21,161	65,062	59,079	145,302
Receipts from Insured	166,852	—	—	—	166,852
Payments to Employees	(769)	(1,941)	(25,323)	(18,806)	(46,839)
Payments to Suppliers	(5,040)	(9,315)	(13,724)	(17,494)	(45,573)
Claims Paid	(193,141)	—	—	—	(193,141)
Payments for Interfund Services Used	—	(1,001)	(3,987)	(576)	(5,564)
Other Receipts	15,117	—	—	—	15,117
Net Cash Provided (Used) by Operating Activities	(16,981)	9,302	22,028	22,203	36,552
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Operating Subsidies and Transfers In from Other Funds	19,979	—	4,932	—	24,911
Net Cash Provided (Used) by Noncapital Financing Activities	19,979	—	4,932	—	24,911
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from Sale of Capital Assets	—	—	—	1,945	1,945
Acquisition and Construction of Capital Assets	—	(3,387)	(51,768)	(31,820)	(86,975)
Proceeds from Capital Debt	—	—	27,297	—	27,297
Net Cash Provided (Used) by Capital and Related Financing Activities	—	(3,387)	(24,471)	(29,875)	(57,733)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment Income (Loss)	901	—	—	—	901
Net Cash Provided (Used) by Investing Activities	901	—	—	—	901
Net Increase (Decrease) in Cash	3,899	5,915	2,489	(7,672)	4,631
Cash and Cash Equivalents - Beginning of Year	12,446	35,471	16,863	90,317	155,097
Cash and Cash Equivalents - End of Year	\$ 16,345	\$ 41,386	\$ 19,352	\$ 82,645	\$ 159,728

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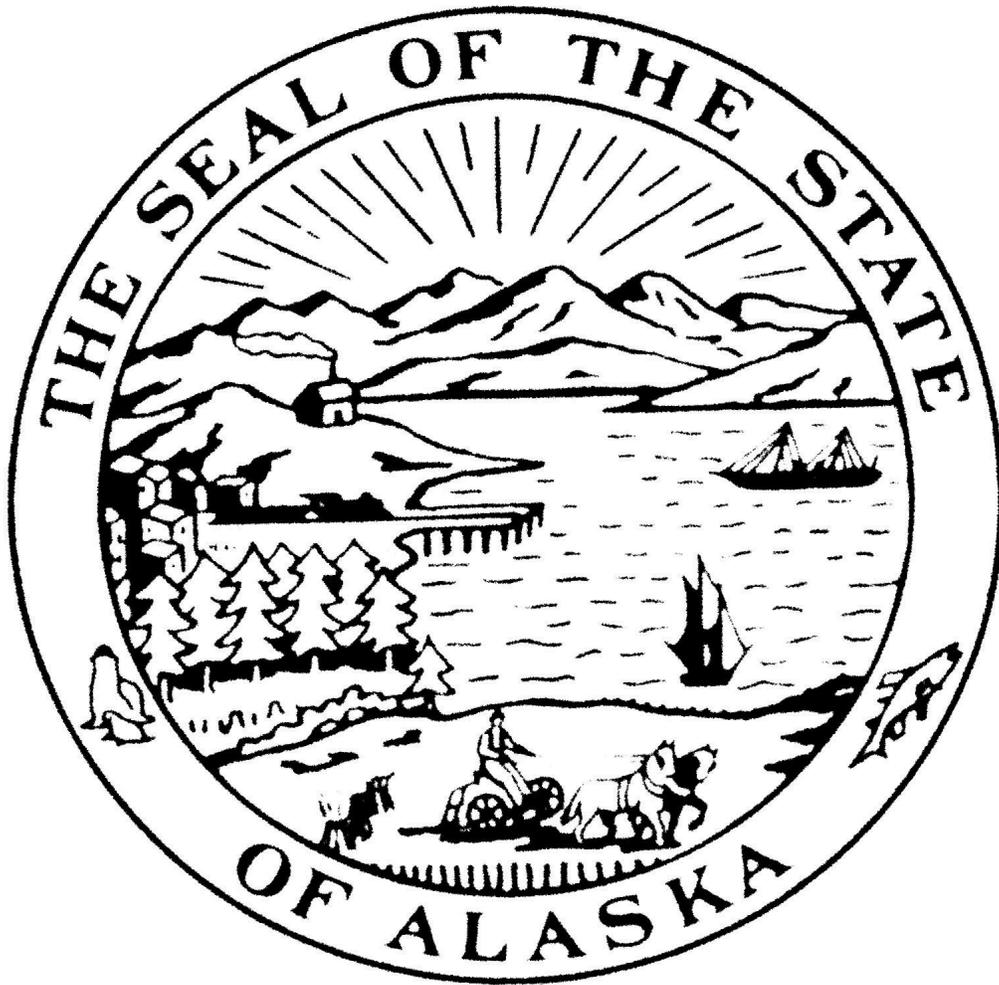
Combining Statement of Cash Flows

Internal Service Funds

For the Fiscal Year Ended June 30, 2025

(Stated in Thousands)

	Group Health and Life Benefits	Alaska Public Building	Information Services	Highways Equipment Working Capital	Total Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	\$ (19,563)	\$ (216)	\$ (12,920)	\$ (2,510)	\$ (35,209)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:					
Depreciation and Amortization	—	6,574	26,820	20,328	53,722
Net Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:					
Accounts Receivable - Net	(664)	(2)	—	(347)	(1,013)
Due from Other Funds	(1,891)	2,110	5,594	3,015	8,828
Inventories	—	—	—	(472)	(472)
Net OPEB Asset	—	(281)	1,941	59	1,719
Other Assets	—	(41)	865	(1,440)	(616)
Deferred Outflows of Resources	—	(162)	327	(106)	59
Due to Other Funds	1,922	—	—	—	1,922
Accounts Payable and Accrued Liabilities	3,215	(184)	(227)	2,196	5,000
Net Pension Liability	—	1,569	151	1,622	3,342
Other Liabilities	—	—	(100)	—	(100)
Deferred Inflows of Resources	—	(65)	(423)	(142)	(630)
Net Cash Provided (Used) by Operating Activities	<u>\$ (16,981)</u>	<u>\$ 9,302</u>	<u>\$ 22,028</u>	<u>\$ 22,203</u>	<u>\$ 36,552</u>
Reconciliation of Cash to the Statement of Net Position					
Total Cash and Investments per the Statement of Net Position	<u>\$ 16,345</u>	<u>\$ 41,386</u>	<u>\$ 19,352</u>	<u>\$ 82,645</u>	<u>\$ 159,728</u>
Cash, End of Year	<u>\$ 16,345</u>	<u>\$ 41,386</u>	<u>\$ 19,352</u>	<u>\$ 82,645</u>	<u>\$ 159,728</u>
Noncash Investing, Capital, and Financing Activities					
Contributed Capital Assets	—	96	381	9,532	10,009
Transfer of Capital Assets to Other Funds Reported as Loss on Disposal of Capital Assets	—	—	(28,646)	—	(28,646)
Transfers In from Other Funds (Accrual)	23,102	—	—	—	23,102



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Fiduciary Funds

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

PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS

- **Alaska National Guard and Alaska Naval Militia Retirement System (Fund 1045)** - AS 26.05.222 - Administered by the Department of Administration (DOA). This fund consists of accumulated assets held for the purpose of paying benefits provided by the Alaska National Guard and Alaska Naval Militia Retirement System.
- **Deferred Compensation (Fund 3294)** - AS 39.45.010 - Administered by the DOA. This fund consists of compensation deferred by employees under the State's deferred compensation plan allowed under Section 457 of the Internal Revenue Code.
- **Judicial Retirement System (Fund Type 3134)** - AS 22.25.048 - Administered by the DOA. This fund consists of accumulated assets held for the purpose of paying benefits provided by the Judicial Retirement System.
- **Public Employees' Retirement System (Fund Type 3135)** - AS 39.35.095-680, AS 39.35.700-990 - Administered by the DOA. This fund consists of accumulated assets held for the purpose of paying benefits provided by the Public Employees' Retirement System.
- **Supplemental Benefits System (Fund Type 3141)** - AS 39.30.150 - Administered by the DOA. This fund consists of accumulated assets held for the purpose of paying benefits provided by the Supplemental Benefits System.
- **Teachers' Retirement System (Fund Type 3138)** - AS 14.25.009-220, AS 14.25.310-590 - Administered by the DOA. This fund consists of accumulated assets held for the purpose of paying benefits provided by the Teachers' Retirement System.

CUSTODIAL FUNDS

- **Deposits, Suspense, and Miscellaneous (Fund Category 3131)** - Administered by the DOA. This fund is used to account for refundable deposits and other receipts held in trust until the State has the right to transfer them to operating funds, or until there is a proper authorization to disburse them directly to others.
- **Impact Aid (Fund 3289)** - PL 103-382 - Administered by the Department of Education and Early Development. These monies are received from the federal government and are distributed to the local school districts. The funds provide financial assistance to local school districts where enrollment or availability of revenue is adversely affected by federal activities.
- **Public Advocacy Trust Fund (Fund 3288)** - AS 44.21.410 - Administered by the DOA. The Public Advocacy Trust Fund holds in trust funds for individuals under the guardianship of the Office of Public Advocacy.
- **Wage and Hour (Fund 3287)** - AS 23.05.220 - Administered by the Department of Labor and Workforce Development. This fund was established to account for receipts and disbursements for wage and hour violations.

INVESTMENT TRUST FUND

- **Exxon Valdez Oil Spill Investment Trust Fund (Fund Category 3132)** - PL 106-113 - Administered by the Exxon Valdez Oil Spill Trustee Council. Consists of assets of a joint federal/state trust fund established to receive, hold, disburse, and manage all natural resource damage recoveries obtained by the United States government and the State of Alaska under the Clean Water Act, arising out of the Exxon Valdez oil spill.



Combining Statement of Fiduciary Net Position

Pension and Other Employee Benefit Trust Funds

June 30, 2025

(Stated in Thousands)

	Public Employees' Retirement			Teachers' Retirement		
	Defined Benefit Pension	Defined Contribution Pension	Other Postemployment Benefits	Defined Benefit Pension	Defined Contribution Pension	Other Postemployment Benefits
ASSETS						
Cash and Cash Equivalents	\$ 145,735	\$ 3,449	\$ 136,246	\$ 75,403	\$ 677	\$ 51,234
Investments:						
Fixed Income	2,600,299	—	2,428,379	1,373,006	—	918,416
Broad Domestic Equity	3,151,034	—	2,942,659	1,663,845	—	1,112,911
Global Equity ex-US	2,105,101	—	1,965,916	1,111,537	—	743,510
Multi-Asset	697,199	—	651,106	368,135	—	246,247
Private Equity Pool	1,877,749	—	1,753,601	991,486	—	663,214
Real Assets	1,682,977	—	1,571,707	888,643	—	594,422
Pooled Investment Funds	—	2,135,220	—	—	899,609	—
Collective Investment Funds	—	809,163	—	—	293,869	—
Synthetic Investment Contracts	—	127,434	—	—	45,383	—
Investment Loss Trust Fund Assets	—	—	—	—	—	—
Accounts Receivable - Net	246	—	18,002	129	—	6,216
Contributions Receivable	16,123	—	—	9,872	3	—
Securities Lending Collateral	10,290	—	9,552	5,538	—	3,605
Due from Other Funds	11,113	13,014	3,138	—	8,498	1,580
Other Assets	14	—	967	—	—	318
Total Assets	<u>12,297,880</u>	<u>3,088,280</u>	<u>11,481,273</u>	<u>6,487,594</u>	<u>1,248,039</u>	<u>4,341,673</u>
LIABILITIES						
Accounts Payable and Accrued Liabilities	1,560	1,039	14,627	653	214	5,403
Obligations Under Securities Lending	10,289	—	9,551	5,538	—	3,605
Forfeiture Payable to Employer	—	645	—	—	189	—
Claims Payable	—	—	56,535	—	—	18,371
Due to Other Funds	—	—	596	3,355	—	—
Total Liabilities	<u>11,849</u>	<u>1,684</u>	<u>81,309</u>	<u>9,546</u>	<u>403</u>	<u>27,379</u>
NET POSITION						
Restricted for:						
Pension Benefits	12,286,031	—	—	6,478,048	—	—
Other Postemployment Benefits	—	—	11,399,964	—	—	4,314,294
Individuals, Organizations, and Other Governments	—	3,086,596	—	—	1,247,636	—
Total Net Position	<u>\$ 12,286,031</u>	<u>\$ 3,086,596</u>	<u>\$ 11,399,964</u>	<u>\$ 6,478,048</u>	<u>\$ 1,247,636</u>	<u>\$ 4,314,294</u>

This statement continued on the next page.

Combining Statement of Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
June 30, 2025
(Stated in Thousands)

	Judicial Retirement		Alaska National Guard and Alaska Naval Militia Retirement	Deferred Compensation	Supplemental Benefits	Total Pension and Other Employee Benefit Trust Funds
	Pension	Other Postemployment Benefits				
ASSETS						
Cash and Cash Equivalents	\$ 3,039	\$ 615	\$ 1,732	\$ 4,390	\$ 18,722	\$ 441,242
Investments:						
Fixed Income	56,956	10,865	25,049	—	—	7,412,970
Broad Domestic Equity	69,019	13,166	5,556	—	—	8,958,190
Global Equity ex-US	46,110	8,797	4,257	—	—	5,985,228
Multi-Asset	15,271	2,913	2,662	—	—	1,983,533
Private Equity Pool	41,129	7,846	4,099	—	—	5,339,124
Real Assets	36,863	7,033	3,215	—	—	4,784,860
Pooled Investment Funds	—	—	—	359,002	3,391,495	6,785,326
Collective Investment Funds	—	—	—	779,421	1,780,444	3,662,897
Synthetic Investment Contracts	—	—	—	145,103	385,088	703,008
Investment Loss Trust Fund Assets	—	—	—	—	2,415	2,415
Accounts Receivable - Net	2	52	—	—	—	24,647
Contributions Receivable	—	—	—	—	727	26,725
Securities Lending Collateral	225	42	60	—	—	29,312
Due from Other Funds	225	34	—	2,108	7,491	47,201
Other Assets	—	3	—	—	—	1,302
Total Assets	<u>268,839</u>	<u>51,366</u>	<u>46,630</u>	<u>1,290,024</u>	<u>5,586,382</u>	<u>46,187,980</u>
LIABILITIES						
Accounts Payable and Accrued Liabilities	37	53	52	304	616	24,558
Obligations Under Securities Lending	225	42	60	—	—	29,310
Forfeiture Payable to Employer	—	—	—	—	—	834
Claims Payable	—	145	—	—	2,738	77,789
Due to Other Funds	—	—	17	—	—	3,968
Total Liabilities	<u>262</u>	<u>240</u>	<u>129</u>	<u>304</u>	<u>3,354</u>	<u>136,459</u>
NET POSITION						
Restricted for:						
Pension Benefits	268,577	—	46,501	—	—	19,079,157
Other Postemployment Benefits	—	51,126	—	—	—	15,765,384
Individuals, Organizations, and Other Governments	—	—	—	1,289,720	5,583,028	11,206,980
Total Net Position	<u>\$ 268,577</u>	<u>\$ 51,126</u>	<u>\$ 46,501</u>	<u>\$ 1,289,720</u>	<u>\$ 5,583,028</u>	<u>\$ 46,051,521</u>

Combining Statement of Changes in Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
For the Fiscal Year Ended June 30, 2025
(Stated in Thousands)

	Public Employees' Retirement			Teachers' Retirement		
	Defined Benefit Pension	Defined Contribution Pension	Other Postemployment Benefits	Defined Benefit Pension	Defined Contribution Pension	Other Postemployment Benefits
ADDITIONS						
Contributions:						
Employer	\$ 517,948	\$ 96,214	\$ 86,452	\$ 47,927	\$ 38,477	\$ 20,771
Member	63,409	171,044	—	25,225	48,072	—
Other	59,149	—	—	122,442	—	—
Total Contributions	640,506	267,258	86,452	195,594	86,549	20,771
Investment Income (Loss):						
Net Appreciation (Depreciation) in Fair Value of Investments	1,044,544	355,406	969,406	558,470	145,632	366,180
Interest	88,094	919	81,828	47,350	298	30,897
Dividends	121,684	—	113,254	65,278	—	42,770
Total Investment Income (Loss)	1,254,322	356,325	1,164,488	671,098	145,930	439,847
Less Investment Expense	31,682	3,248	29,354	17,082	1,330	11,103
Net Investment Income (Loss)	1,222,640	353,077	1,135,134	654,016	144,600	428,744
Securities Lending Income	1,201	—	1,114	646	—	421
Less Securities Lending Expense	888	—	825	478	—	311
Net Securities Lending Income	313	—	289	168	—	110
Other Additions:						
Other	186	228	171,506	40	53	57,068
Total Additions	1,863,645	620,563	1,393,381	849,818	231,202	506,693
DEDUCTIONS						
Benefits Paid	1,114,695	—	653,860	583,187	—	212,484
Refunds of Contributions	10,817	124,746	—	1,715	48,557	—
Administrative Expenses	7,970	6,336	21,676	3,393	2,117	7,856
Total Deductions	1,133,482	131,082	675,536	588,295	50,674	220,340
Net Increase (Decrease) in Net Position Restricted for:						
Pension Benefits	730,163	—	—	261,523	—	—
Other Postemployment Benefits	—	—	717,845	—	—	286,353
Individuals, Organizations, and Other Governments	—	489,481	—	—	180,528	—
Net Position - Beginning of the Year	11,555,868	2,597,115	10,682,119	6,216,525	1,067,108	4,027,941
Net Position - End of the Year	\$ 12,286,031	\$ 3,086,596	\$ 11,399,964	\$ 6,478,048	\$ 1,247,636	\$ 4,314,294

This statement continued on the next page.

Combining Statement of Changes in Fiduciary Net Position

Pension and Other Employee Benefit Trust Funds

For the Fiscal Year Ended June 30, 2025

(Stated in Thousands)

	Judicial Retirement		Alaska National Guard and Alaska Naval Militia Retirement	Deferred Compensation	Supplemental Benefits	Total Pension and Other Employee Benefit Trust Funds
	Pension	Other Postemployment Benefit				
ADDITIONS						
Contributions:						
Employer	\$ 5,425	\$ 1,037	\$ —	\$ 233	\$ 105,951	\$ 920,435
Member	1,004	—	—	54,351	107,139	470,244
Other	—	—	—	—	—	181,591
Total Contributions	6,429	1,037	—	54,584	213,090	1,572,270
Investment Income (Loss):						
Net Appreciation (Depreciation) in Fair Value of Investments	22,841	4,284	2,765	137,391	592,110	4,199,029
Interest	1,930	361	851	1,241	3,559	257,328
Dividends	2,666	500	237	—	—	346,389
Total Investment Income (Loss)	27,437	5,145	3,853	138,632	595,669	4,802,746
Less Investment Expense	695	130	96	1,714	6,159	102,593
Net Investment Income (Loss)	26,742	5,015	3,757	136,918	589,510	4,700,153
Securities Lending Income	26	5	7	—	—	3,420
Less Securities Lending Expense	19	4	5	—	—	2,530
Net Securities Lending Income	7	1	2	—	—	890
Other Additions:						
Other	—	483	—	183	983	230,730
Total Additions	33,178	6,536	3,759	191,685	803,583	6,504,043
DEDUCTIONS						
Benefits Paid	17,751	1,706	1,996	124,210	427,062	3,136,951
Refunds of Contributions	80	—	—	—	—	185,915
Administrative Expenses	109	83	300	1,719	6,190	57,749
Total Deductions	17,940	1,789	2,296	125,929	433,252	3,380,615
Net Increase (Decrease) in Net Position Restricted for:						
Pension Benefits	15,238	—	1,463	—	—	1,008,387
Other Postemployment Benefits	—	4,747	—	—	—	1,008,945
Individuals, Organizations, and Other Governments	—	—	—	65,756	370,331	1,106,096
Net Position - Beginning of the Year	253,339	46,379	45,038	1,223,964	5,212,697	42,928,093
Net Position - End of the Year	\$ 268,577	\$ 51,126	\$ 46,501	\$ 1,289,720	\$ 5,583,028	\$ 46,051,521

STATE OF ALASKA

STATEMENT 5.11

Combining Statement of Fiduciary Net Position

Custodial and Investment Trust Funds

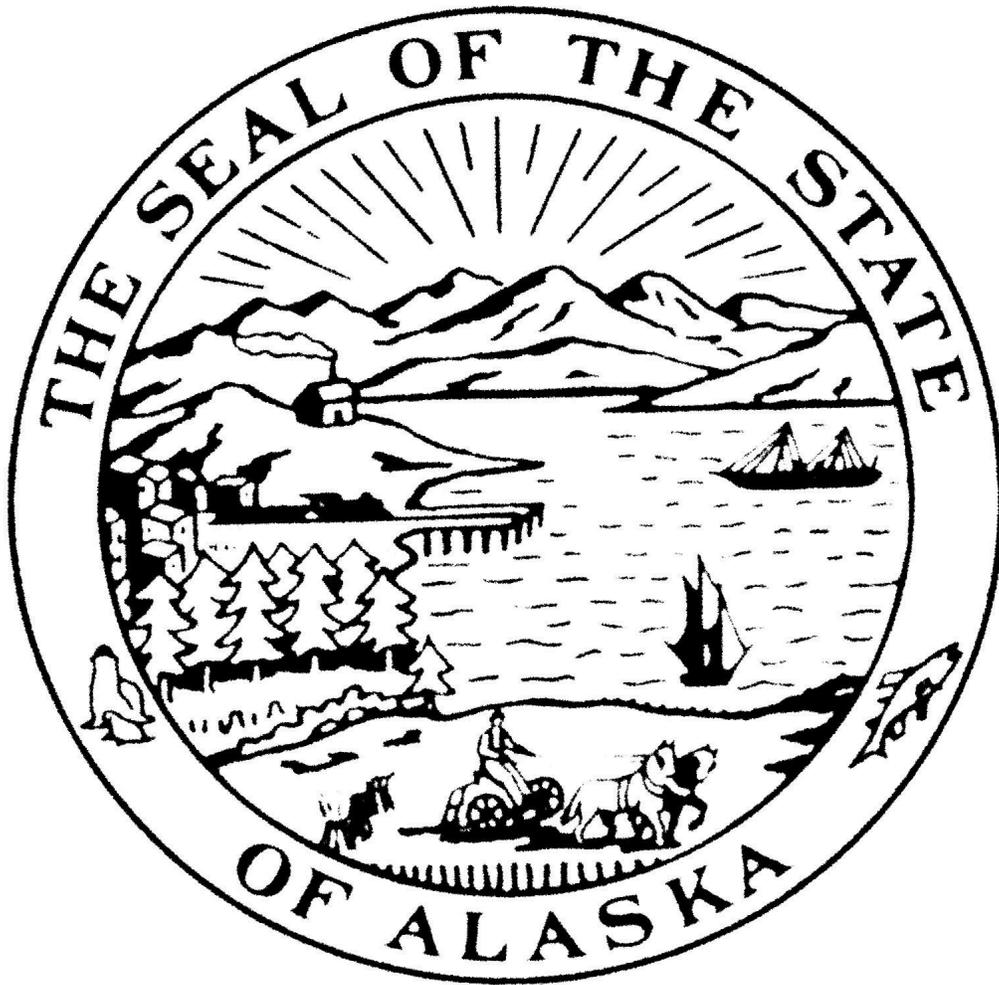
For the Fiscal Year Ended June 30, 2025

(Stated in Thousands)

	Custodial Funds					Investment Trust Fund
	Deposits, Suspense, and Miscellaneous	Wage and Hour	Public Advocacy	Impact Aid PL 103-382	Total Custodial Funds	Exxon Valdez Oil Spill Investment
ASSETS						
Cash and Cash Equivalents	\$ 142,119	\$ 453	\$ 61,041	\$ 2,434	\$ 206,047	\$ 25,549
Investments:						
Fixed Income	—	—	—	—	—	47,424
Accounts Receivable - Net	178	—	—	—	178	—
Due from Other Funds	5,781	—	—	—	5,781	—
Total Assets	<u>148,078</u>	<u>453</u>	<u>61,041</u>	<u>2,434</u>	<u>212,006</u>	<u>72,973</u>
LIABILITIES						
Accounts Payable and Accrued Liabilities	3,707	2	—	—	3,709	—
Trust Deposits Payable	3,857	—	—	—	3,857	—
Due to Other Funds	31,405	2	150	2,194	33,751	18
Total Liabilities	<u>38,969</u>	<u>4</u>	<u>150</u>	<u>2,194</u>	<u>41,317</u>	<u>18</u>
NET POSITION						
Restricted for:						
Individuals, Organizations, and Other Governments	109,109	449	60,891	240	170,689	72,955
Total Net Position	<u>\$ 109,109</u>	<u>\$ 449</u>	<u>\$ 60,891</u>	<u>\$ 240</u>	<u>\$ 170,689</u>	<u>\$ 72,955</u>

Combining Statement of Changes in Fiduciary Net Position
Custodial and Investment Trust Funds
June 30, 2025
(Stated in Thousands)

	Custodial Funds					Investment Trust Fund
	Deposits, Suspense, and Miscellaneous	Wage and Hour	Public Advocacy	Impact Aid PL 103-382	Total Custodial Funds	Exxon Valdez Oil Spill Investment
ADDITIONS						
Investment Income (Loss):						
Net Appreciation (Depreciation) in Fair Value of Investments	\$ 2,819	\$ —	\$ 2,920	\$ —	\$ 5,739	\$ 4,798
Deposits	201,647	82	34,883	33,712	270,324	—
Total Additions	<u>204,466</u>	<u>82</u>	<u>37,803</u>	<u>33,712</u>	<u>276,063</u>	<u>4,798</u>
DEDUCTIONS						
Distributions	210,414	422	29,014	33,712	273,562	33,771
Administrative Expense	—	—	2,032	—	2,032	—
Transfers Out to Other Funds	5,500	—	—	—	5,500	—
Total Deductions	<u>215,914</u>	<u>422</u>	<u>31,046</u>	<u>33,712</u>	<u>281,094</u>	<u>33,771</u>
Net Increase (Decrease) in Net Position Restricted for:						
Individuals, Organizations, and Other Governments	(11,448)	(340)	6,757	—	(5,031)	(28,973)
Net Position - Beginning of the Year	120,557	789	54,134	240	175,720	101,928
Net Position - End of the Year	<u>\$ 109,109</u>	<u>\$ 449</u>	<u>\$ 60,891</u>	<u>\$ 240</u>	<u>\$ 170,689</u>	<u>\$ 72,955</u>



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Nonmajor Component Units

The nonmajor component units listed are significant separate legal entities that are discretely presented in the State's financial statements. The inclusion of component units in the State's financial statements reflects the State's financial accountability for these entities.

- **Alaska Aerospace Corporation (AAC)** - AS 26.27.010 - is a public corporation of the State located for administrative purposes within the Department of Military and Veterans Affairs. The purpose of AAC is to allow the State to take a lead role in the exploration and development of space, to enhance human and economic development, and to provide a unified direction for space-related economic growth, education and research development, and tourism related activities.
- **Alaska Gasline Development Corporation (AGDC)** - AS 31.25.010 - is a public corporation and government instrumentality located for administrative purposes in the Department of Commerce, Community, and Economic Development (DCCED), but having a legal existence independent of and separate from the state. Sec. 31.25.005. The purpose of AGDC is to develop natural gas pipelines, an Alaska liquefied natural gas project, and other transportation mechanisms to deliver natural gas in-state for the maximum benefit of the people of the state; and to assist the state departments to maximize the value of the state's royalty natural gas, natural gas delivered to the state as payment of tax, and other natural gas received by the state.
- **Alaska Mental Health Trust Authority (AMHTA)** - AS 47.30.011 - is established as a public corporation of the State within the Department of Revenue (DOR). The purpose of AMHTA is to ensure an integrated comprehensive mental health program, by administering the trust established under the Alaska Mental Health Enabling Act of 1956.
- **Alaska Municipal Bond Bank Authority (AMBBA)** - AS 44.85.020 - is a public corporation and an instrumentality of the State within the DOR, but with a legal existence independent of and separate from the State. AMBBA was created for the purpose of making available to municipalities within the State, monies to finance their capital projects or for other authorized purposes by means of issuance of bonds by AMBBA and use of proceeds from such bonds to purchase from the municipalities their general obligation and revenue bonds.
- **Alaska Railroad Corporation (ARRC)** - AS 42.40.010 - is a public corporation and an instrumentality of the State within the DCCED, but with a legal existence independent of and separate from the State. ARRC was created to own and operate the railroad and manage its rail, industrial, port, and other properties.
- **Alaska Seafood Marketing Institute (ASMI)** - AS 16.51.010 - is a public corporation and an instrumentality of the State within the DCCED, but with a legal existence independent of and separate from the State. The purpose of ASMI is to promote all species of seafood and their by-products harvested in Alaska for sale, and develop market-oriented quality specifications.
- **Alaska Student Loan Corporation (ASLC)** - AS 14.42.100 - is a public corporation and government instrumentality within the Department of Education and Early Development, but having a legal existence independent of and separate from the State. The purpose of ASLC is to improve higher educational opportunities for residents of the State.



STATE OF ALASKA

STATEMENT 6.01

Combining Statement of Net Position

Nonmajor Component Units

June 30, 2025

(Stated in Thousands)

	Alaska Municipal Bond Bank Authority	Alaska Student Loan Corporation	Alaska Railroad Corporation	Alaska Aerospace Corporation	Alaska Mental Health Trust Authority	Alaska Seafood Marketing Institute	Alaska Gasline Development Corporation	Total Nonmajor Component Units
ASSETS								
Cash and Investments	\$ 73,283	\$ 149,370	\$ 59,109	\$ 4,463	\$ 943,954	\$ 7,853	\$ 1,599	\$ 1,239,631
Accounts Receivable - Net	16	—	24,669	6,477	203	—	628	31,993
Interest and Dividends Receivable	6,478	3,039	—	—	5,906	—	—	15,423
Due from Primary Government	—	—	129	—	—	1,839	—	1,968
Due from Other Governments	—	24	11,435	—	—	—	—	11,459
Loans, Notes, Bonds and Leases Receivable	917,280	78,058	257,138	—	18,307	—	—	1,270,783
Inventories	—	—	14,291	19	—	—	—	14,310
Restricted Assets	—	—	15,916	—	—	—	—	15,916
Securities Lending Collateral	—	—	—	—	35,610	—	—	35,610
Net OPEB Asset	—	—	44,762	329	3,948	1,399	573	51,011
Other Assets	—	25	25,858	265	420	184	398	27,150
Capital Assets:								
Equipment, Net of Depreciation	—	—	137,495	10,439	—	—	—	147,934
Buildings, Net of Depreciation	—	—	1	47,229	6,295	—	—	53,525
Infrastructure, Net of Depreciation	—	—	585,036	10,989	—	—	—	596,025
Intangibles, Net of Amortization	—	—	11,291	6,801	—	355	—	18,447
Land / Right-of-Way	—	—	45,362	—	7,770	—	—	53,132
Construction in Progress	—	—	148,701	4,926	—	—	—	153,627
Total Assets	997,057	230,516	1,381,193	91,937	1,022,413	11,630	3,198	3,737,944
DEFERRED OUTFLOWS OF RESOURCES								
Total Deferred Outflows of Resources	—	—	12,582	114	1,364	483	209	14,752
LIABILITIES								
Accounts Payable and Accrued Liabilities	97	18	21,038	2,323	11,157	1,250	1,118	37,001
Obligations Under Securities Lending	—	—	—	—	35,610	—	—	35,610
Due to Primary Government	56	1,137	1,310	—	665	—	—	3,168
Interest Payable	5,920	—	41	—	—	—	—	5,961
Other Current Liabilities	13,493	—	—	—	—	—	—	13,493
Long-term Liabilities:								
Portion Due or Payable Within One Year:								
Claims, Judgments, Compensated Absences, and Pollution Remediation	—	—	6,544	100	594	196	215	7,649
Unearned Revenue	—	—	2,428	1,044	1,332	—	5	4,809
Notes, Bonds, Leases, and SBITAs Payable	62,060	—	7,416	171	—	72	—	69,719
Portion Due or Payable After One Year:								
Claims, Judgments, Compensated Absences, and Pollution Remediation	—	—	2,714	—	274	124	—	3,112
Notes, Bonds, Leases, and SBITAs Payable	854,985	—	22,442	685	—	284	—	878,396
Net Pension Liabilities	—	—	19,448	782	9,386	3,325	1,385	34,326
Total Liabilities	936,611	1,155	83,381	5,105	59,018	5,251	2,723	1,093,244

This statement continued on the next page.

STATE OF ALASKA

STATEMENT 6.01

Combining Statement of Net Position

Nonmajor Component Units

June 30, 2025

(Stated in Thousands)

	Alaska Municipal Bond Bank Authority	Alaska Student Loan Corporation	Alaska Railroad Corporation	Alaska Aerospace Corporation	Alaska Mental Health Trust Authority	Alaska Seafood Marketing Institute	Alaska Gasline Development Corporation	Total Nonmajor Component Units
DEFERRED INFLOWS OF RESOURCES								
Total Deferred Inflows of Resources	—	—	800,349	8	8,490	32	26	808,905
NET POSITION								
Net Investment in Capital Assets	—	—	364,905	80,384	14,065	—	—	459,354
Restricted for:								
Permanent Funds:								
Nonexpendable	—	—	—	—	679,984	—	—	679,984
Expendable	—	—	—	—	258,272	—	—	258,272
Pension and OPEB	—	—	—	—	3,948	—	573	4,521
Development	—	—	145,140	—	—	—	—	145,140
Debt Service	42,299	—	—	—	—	—	—	42,299
Other Purposes	—	—	—	—	—	6,830	—	6,830
Unrestricted	18,147	229,361	—	6,554	—	—	85	254,147
Total Net Position	<u>\$ 60,446</u>	<u>\$ 229,361</u>	<u>\$ 510,045</u>	<u>\$ 86,938</u>	<u>\$ 956,269</u>	<u>\$ 6,830</u>	<u>\$ 658</u>	<u>\$ 1,850,547</u>

STATE OF ALASKA

STATEMENT 6.02

Combining Statement of Activities

Nonmajor Component Units

For the Fiscal Year Ended June 30, 2025

(Stated in Thousands)

	Expenses	Program Revenues		
		Charges for Services, Royalties and Other Fees	Operating Grants and Contributions	Capital Grants and Contributions
FUNCTIONS/PROGRAMS				
Nonmajor Component Units:				
Alaska Municipal Bond Bank Authority	\$ 39,981	\$ 39,462	\$ —	\$ —
Alaska Student Loan Corporation	8,154	2,572	—	—
Alaska Railroad Corporation	227,918	207,368	42,833	—
Alaska Aerospace Corporation	15,380	20,100	—	—
Alaska Mental Health Trust Authority	50,590	11,831	74,814	—
Alaska Seafood Marketing Institute	21,237	—	8,423	—
Alaska Gasline Development Corporation	8,669	—	5,341	4,772
Total Nonmajor Component Units	<u>\$ 371,929</u>	<u>\$ 281,333</u>	<u>\$ 131,411</u>	<u>\$ 4,772</u>

This statement continued on the next page.

STATE OF ALASKA

STATEMENT 6.02

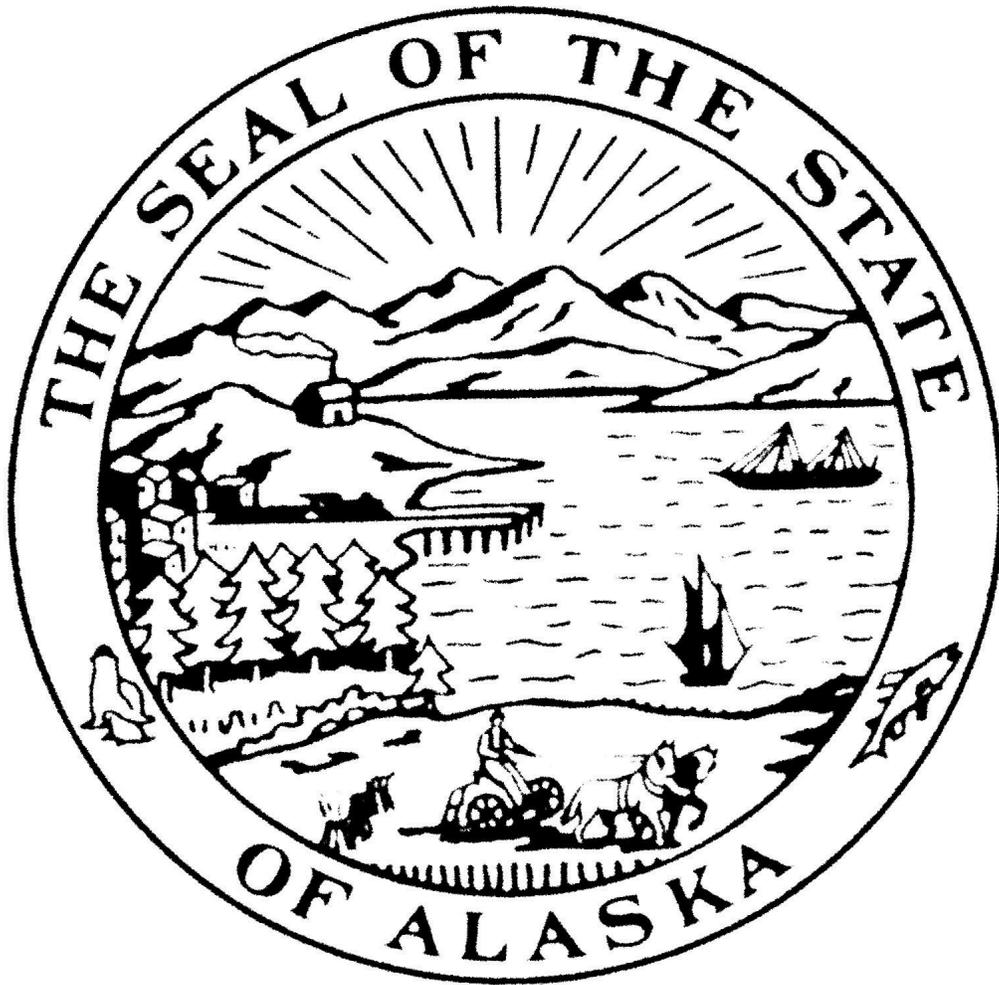
Combining Statement of Activities

Nonmajor Component Units

For the Fiscal Year Ended June 30, 2025

(Stated in Thousands)

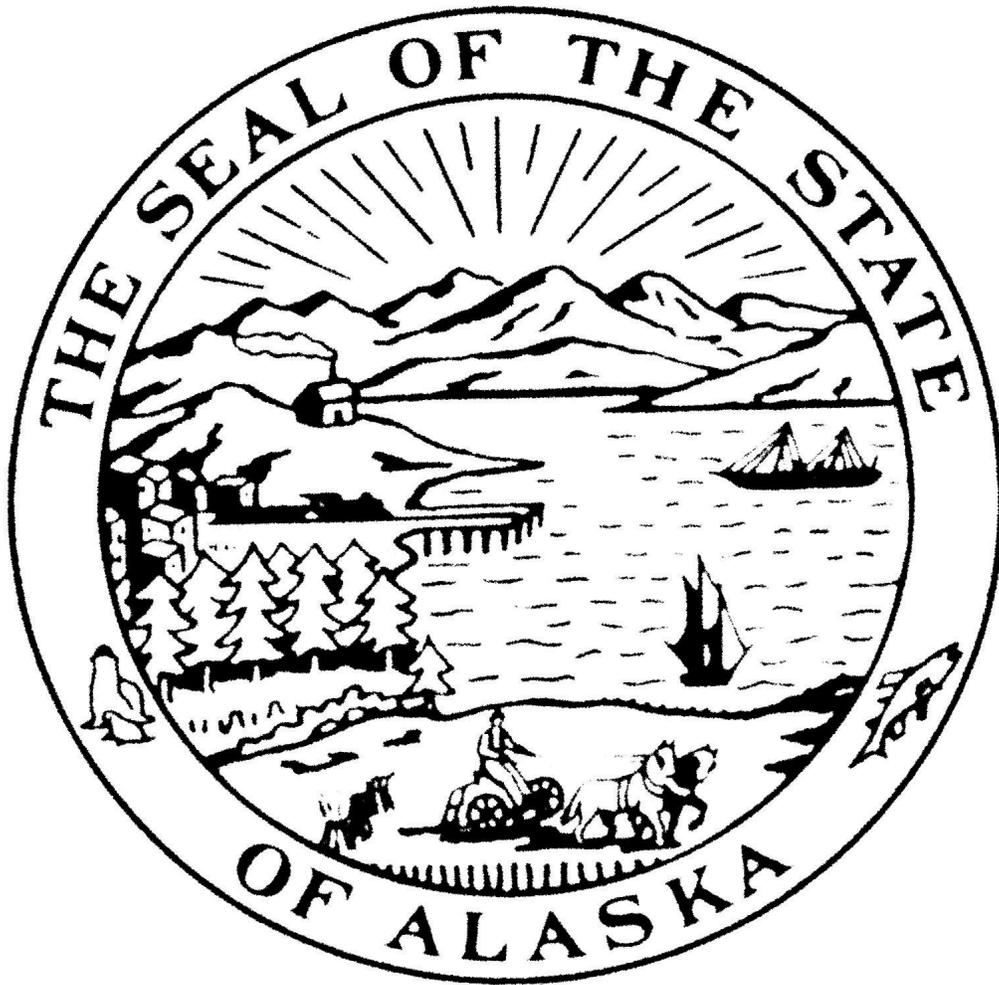
	Net (Expense) Revenue and Changes in Net Position							
	Alaska Municipal Bond Bank Authority	Alaska Student Loan Corporation	Alaska Railroad Corporation	Alaska Aerospace Corporation	Alaska Mental Health Trust Authority	Alaska Seafood Marketing Institute	Alaska Gasline Development Corporation	Total Nonmajor Component Units
FUNCTIONS/PROGRAMS								
Nonmajor Component Units:								
Alaska Municipal Bond Bank Authority	\$ (519)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (519)
Alaska Student Loan Corporation	—	(5,582)	—	—	—	—	—	(5,582)
Alaska Railroad Corporation	—	—	22,283	—	—	—	—	22,283
Alaska Aerospace Corporation	—	—	—	4,720	—	—	—	4,720
Alaska Mental Health Trust Authority	—	—	—	—	36,055	—	—	36,055
Alaska Seafood Marketing Institute	—	—	—	—	—	(12,814)	—	(12,814)
Alaska Gasline Development Corporation	—	—	—	—	—	—	1,444	1,444
Total Nonmajor Component Units	(519)	(5,582)	22,283	4,720	36,055	(12,814)	1,444	45,587
General Revenues								
Interest and Investment Income (Loss)	3,795	13,213	2,972	(33)	—	—	72	20,019
Payments In from Primary Government	—	—	—	—	135	7,010	—	7,145
Other Revenues	—	—	34	—	665	—	—	699
Total General Revenues	3,795	13,213	3,006	(33)	800	7,010	72	27,863
Change in Net Position	3,276	7,631	25,289	4,687	36,855	(5,804)	1,516	73,450
Net Position - Beginning of Year (restated)	57,170	221,730	484,756	82,251	919,414	12,634	(858)	1,777,097
Net Position - End of Year	\$ 60,446	\$ 229,361	\$ 510,045	\$ 86,938	\$ 956,269	\$ 6,830	\$ 658	\$ 1,850,547



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Statistical Section





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STATE OF ALASKA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2025

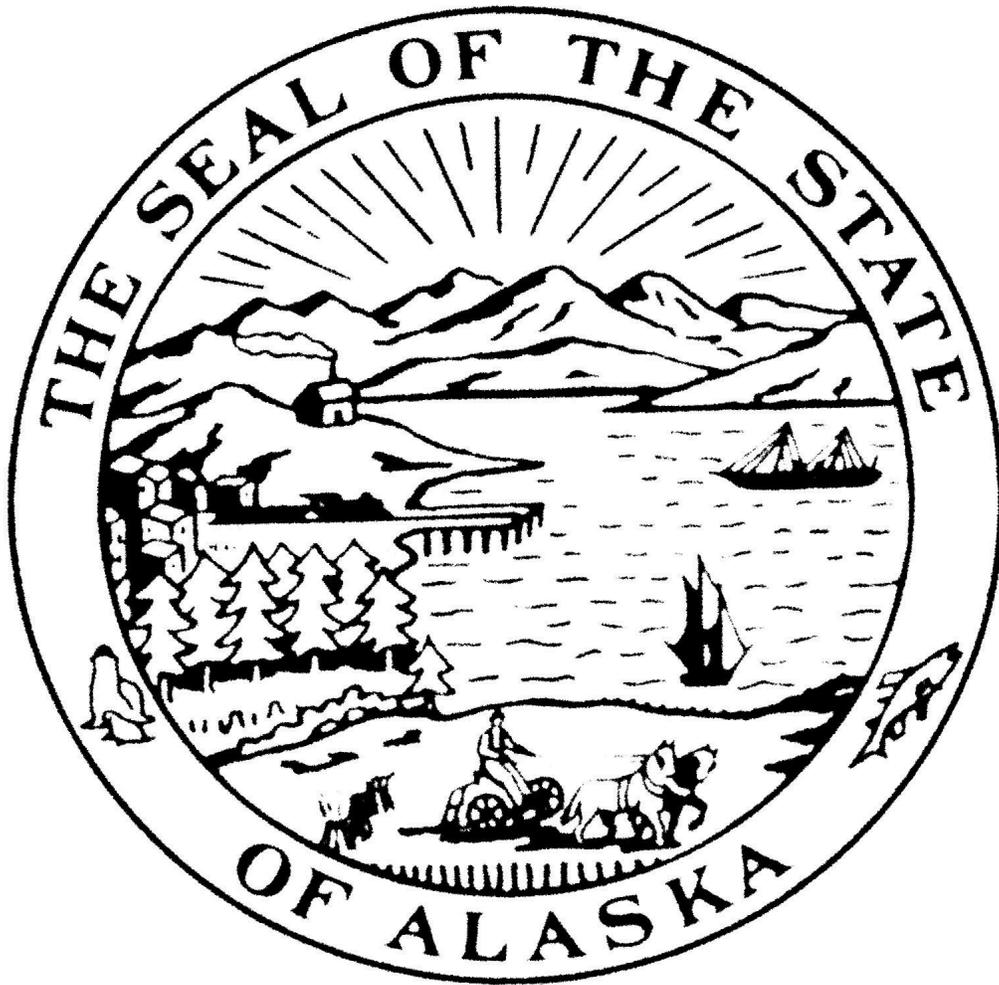
STATISTICAL SECTION

This part of the State of Alaska's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the state's overall financial health.

	<u>Page</u>
Financial Trends (Schedules A-1 through A-5) These schedules contain trend information to help the reader understand how the state's financial performance and well-being have changed over time.	297
Revenue Capacity (Schedules B-1 through B-3) These schedules contain information to help the reader assess the state's most significant revenue sources: investment income, oil severance taxes, and oil royalties.	305
Debt Capacity (Schedules C-1 and C-2) These schedules present information to help the reader assess the affordability of the state's current levels of outstanding debt and the state's ability to issue additional debt in the future. The state has no statutory limit on the amount of general obligation debt that may be authorized.	310
Demographic and Economic Information (Schedules D-1 and D-2) These schedules offer demographic and economic indicators to help the reader understand the environment within which the state's financial activities take place.	312
Operating Information (Schedules E-1 through E-3) These schedules contain service and infrastructure data to help the reader understand how the information in the state's financial report relates to the services the state provides and the activities it performs.	315

SOURCES:

Unless otherwise noted, the information in these schedules is derived from the financial statements presented in the annual comprehensive financial reports for the relevant years.



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STATE OF ALASKA
Financial Trends - Net Position By Component
Last Ten Fiscal Years
(Stated in Thousands)

SCHEDULE A-1

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental Activities:										
Net Investment in Capital Assets	\$ 8,962,656	\$ 8,581,401	\$ 8,156,691	\$ 7,834,739	\$ 7,425,480	\$ 7,330,252	\$ 7,247,754	\$ 6,951,428	\$ 6,786,011	\$ 6,683,296
Restricted ^(a)	75,737,544	73,913,550	68,469,963	61,775,430	53,236,743	48,698,597	46,900,224	47,893,276	45,173,358	46,442,972
Unrestricted	14,160,983	11,395,639	13,419,927	19,179,494	12,087,646	17,876,681	17,387,310	14,558,125	14,020,197	18,358,463
Total Governmental Activities Net Position	98,861,183	93,890,590	90,046,581	88,789,663	72,749,869	73,905,530	71,535,288	69,402,829	65,979,566	71,484,731
Business-Type Activities:										
Net Investment in Capital Assets	903,771	890,769	845,973	833,325	863,218	878,911	846,649	831,268	813,876	817,436
Restricted	1,530,777	1,416,895	1,235,364	993,358	1,008,822	1,058,984	1,006,773	989,686	967,266	939,413
Unrestricted	1,364,235	1,241,930	1,180,764	1,150,235	988,368	900,133	814,160	773,238	316,963	298,017
Total Business-Type Activities Net Position	3,798,783	3,549,594	3,262,101	2,976,918	2,860,408	2,838,028	2,667,582	2,594,192	2,098,105	2,054,866
Primary Government:										
Net Investment in Capital Assets	9,866,427	9,472,170	9,002,664	8,668,064	8,288,698	8,209,163	8,094,403	7,782,696	7,599,887	7,500,732
Restricted	77,268,321	75,330,445	69,705,327	62,768,788	54,245,565	49,757,581	47,906,997	48,882,962	46,140,624	47,382,385
Unrestricted	15,525,218	12,637,569	14,600,691	20,329,729	13,076,014	18,776,814	18,201,470	15,331,363	14,337,160	18,656,480
Total Primary Government Net Position	\$102,659,966	\$97,440,184	\$93,308,682	\$91,766,581	\$75,610,277	\$76,743,558	\$74,202,870	\$71,997,021	\$68,077,671	\$73,539,597

NOTE:

This schedule is presented on the accrual basis of accounting.

- ^a The majority of the amount reported as Restricted Net Position for Governmental Activities represents the Alaska Permanent Fund. Further discussion of this fund is included in Management's Discussion and Analysis.

STATE OF ALASKA

SCHEDULE A-2

Financial Trends - Government-wide Expenses, Program Revenues, and Net (Expense)/Revenue

Last Ten Fiscal Years

(Stated in Thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Program Revenues										
Governmental Activities:										
Charges for Services										
General Government	\$ 33,830	\$ 31,108	\$ 30,220	\$ 30,665	\$ 27,393	\$ 21,011	\$ 22,497	\$ 23,183	\$ 24,472	\$ 15,917
Education	2,681	4,189	3,916	3,399	2,366	3,391	3,988	4,494	4,430	6,510
University	80	5	4	—	—	—	—	—	—	—
Health and Human Services	62,973	104,520	58,925	44,907	51,259	56,544	52,477	49,608	55,324	55,533
Law and Justice	6,063	5,362	4,645	4,851	4,911	4,018	5,770	12,432	11,802	12,656
Public Protection	225,247	192,089	193,693	175,634	175,677	172,855	187,916	169,139	185,091	170,302
Natural Resources	1,634,022	1,830,438	2,082,090	1,941,672	1,137,871	1,127,226	1,600,076	1,534,225	1,216,901	1,005,680
Development	110	308	(2,050)	240	290	(1,244)	948	2,796	180	2,030
Transportation	59,588	53,590	56,455	54,574	46,739	39,198	67,016	62,795	73,938	55,877
Operating Grants and Contributions	4,531,533	4,068,259	4,442,172	4,447,746	4,344,397	2,903,184	2,751,384	2,599,655	2,559,108	2,157,268
Capital Grants and Contributions	960,472	913,057	888,221	841,914	765,612	741,864	753,053	632,198	650,102	727,426
Total Governmental Activities Program Revenues	7,516,599	7,202,925	7,758,291	7,545,602	6,556,515	5,068,047	5,445,125	5,090,525	4,781,348	4,209,199
Business-Type Activities:										
Charges for Services										
Loans	10,949	11,562	12,098	11,395	10,544	125,967	11,268	10,295	10,279	9,969
Insurance	229,494	248,721	267,856	248,886	211,192	85,110	192,375	205,044	212,436	155,660
Airports	185,311	163,037	119,005	114,629	121,631	136,704	141,265	147,893	142,826	137,167
Development	—	—	—	—	—	—	—	—	1,076	1,455
Operating Grants and Contributions	9,280	26,930	35,928	52,630	560,281	399,026	383	407	407	430
Capital Grants and Contributions	58,696	79,338	45,389	76,881	66,214	49,271	103,550	58,988	71,401	59,837
Total Business-Type Activities Program Revenues	493,730	529,588	480,276	504,421	969,862	796,078	448,841	422,627	438,425	364,518
Total Primary Government Program Revenues	8,010,329	7,732,513	8,238,567	8,050,023	7,526,377	5,864,125	5,893,966	5,513,152	5,219,773	4,573,717
Expenses										
Governmental Activities:										
General Government	610,551	471,630	331,763	(109,395)	1,101,963	405,388	620,897	734,156	172,897	323,158
Alaska Permanent Fund Dividend ^(a)	1,074,243	836,499	2,070,825	709,490	631,807	1,024,587	1,014,677	698,016	652,746	1,330,027
Education	2,200,154	2,081,426	2,050,871	1,605,900	1,768,748	1,577,450	1,925,088	1,942,640	1,715,774	1,921,828
University	424,027	379,930	345,816	248,235	324,043	325,654	396,466	387,047	356,986	467,456
Health and Human Services	4,749,468	4,317,899	4,150,734	4,152,848	3,743,545	3,365,428	3,333,061	3,160,709	3,165,385	2,940,851
Law and Justice	377,404	291,284	259,072	232,785	231,503	230,361	221,526	221,818	262,401	291,706
Public Protection	1,162,093	1,070,211	1,010,214	911,560	762,166	855,946	721,990	718,987	854,667	842,739
Natural Resources	441,945	370,466	335,781	306,015	332,657	301,648	314,241	313,208	384,784	438,036
Development	188,029	174,870	180,869	158,332	1,500,666	128,179	129,888	192,045	176,934	447,510
Transportation	1,265,562	1,216,461	1,199,042	1,033,507	752,471	1,022,282	1,148,805	987,322	1,277,028	1,289,035
Intergovernmental Revenue Sharing	95,832	122,525	145,039	182,375	89,708	107,105	111,869	99,790	96,423	118,807
Debt Service	34,884	39,188	43,942	37,456	55,470	66,497	51,496	65,950	64,263	70,447
Total Governmental Activities Expenses	12,624,192	11,372,389	12,123,968	9,469,108	11,294,747	9,410,525	9,990,004	9,521,688	9,180,288	10,481,600

STATE OF ALASKA

SCHEDULE A-2

Financial Trends - Government-wide Expenses, Program Revenues, and Net (Expense)/Revenue

Last Ten Fiscal Years

(Stated in Thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Business-Type Activities:										
Loans	11,708	12,437	7,781	1,866	8,933	594,255	8,656	5,348	9,860	15,905
Insurance	164,395	154,251	138,208	195,774	849,531	73,427	164,323	193,349	199,892	152,505
Airports	205,100	193,953	180,795	184,248	163,924	159,593	155,313	158,113	167,523	139,529
Development	—	—	—	—	—	—	—	—	1,063	1,570
Total Business-Type Activities Expenses	381,203	360,641	326,784	381,888	1,022,388	827,275	328,292	356,810	378,338	309,509
Total Primary Government Expenses	13,005,395	11,733,030	12,450,752	9,850,996	12,317,135	10,237.8	10,318.296	9,878.498	9,558.626	10,791.109
Net (Expense)/Revenue (To Schedule A-3)										
Governmental Activities	(5,107,593)	(4,169,464)	(4,365,677)	(1,923,506)	(4,738,232)	(4,342,478)	(4,544,879)	(4,431,163)	(4,398,940)	(6,272,401)
Business-Type Activities	112,527	168,947	153,492	122,533	(52,526)	(31,197)	120,549	65,817	60,087	55,009
Total Primary Government Net (Expense) Revenue	\$ (4,995,066)	\$ (4,000,517)	\$ (4,212,185)	\$ (1,800,973)	\$ (4,790,758)	\$(4,373,675)	\$(4,424,330)	\$(4,365,346)	\$(4,338,853)	\$(6,217,392)

NOTES:

This schedule is presented on the accrual basis of accounting.

- ^a The permanent fund dividend function represents the portion of the income earned by the Alaska Permanent Fund that is paid out to eligible Alaska residents.

STATE OF ALASKA

SCHEDULE A-3

Financial Trends - Government-wide General Revenues and Other Changes in Net Position

Last Ten Fiscal Years

(Stated in Thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Net (Expense)/Revenue (From Schedule A-2)										
Governmental Activities	\$(5,107,593)	\$(4,169,464)	\$(4,365,677)	\$(1,923,506)	\$(4,738,232)	\$(4,342,478)	(4,544,879)	\$(4,431,163)	\$(4,398,940)	\$(6,272,401)
Business-Type Activities	112,527	168,947	153,492	122,533	(52,526)	(31,197)	120,549	65,817	60,087	55,009
Total Primary Government Net (Expense) Revenue	(4,995,066)	(4,000,517)	(4,212,185)	(1,800,973)	(4,790,758)	(4,373,675)	(4,424,330)	(4,365,346)	(4,338,853)	(6,217,392)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Severance Taxes	750,495	1,073,963	1,903,439	2,056,756	525,976	462,874	792,016	777,69	232,999	(318,546)
Selective Sales/Use	338,535	324,519	304,577	266,638	251,001	281,082	293,945	260,693	260,819	265,992
Income Taxes	377,072	395,789	438,897	417,817	83,869	153,093	333,828	195,387	62,402	65,795
Property Taxes	142,621	130,873	128,939	123,186	120,033	125,223	121,462	125,421	120,693	111,137
Other Taxes	2,944	2,880	2,995	908	2,620	2,545	2,577	2,483	2,643	2,576
Interest and Investment Earnings	8,352,439	5,995,707	4,748,432	(2,997,309)	19,716,055	2,040,436	4,198,869	5,829,716	7,049,727	706,296
Tobacco Settlement	19,179	20,663	23,180	21,912	21,406	20,037	19,740	51,117	30,175	30,479
Payments In from Component Units	50,306	18,407	42,778	32,192	44,044	66,709	1,101,258	13,229	31,178	174,722
Other Revenues	56,114	49,999	42,923	44,808	72,692	34,675	49,312	51,722	38,604	36,905
Transfers - Internal Activity	(3,032)	224	(5,170)	413	(65,670)	143	2,117	—	9,467	747
Prior Period Adjustments and Restatements	—	—	—	—	—	—	—	—	—	(308,867)
Total Governmental Activities General Revenues and Other Changes in Net Position	10,086,673	8,013,024	7,630,990	(32,679)	20,772,026	3,186,817	6,915,124	7,307,458	7,838,707	767,236
Business-Type Activities:										
Interest and Investment Earnings	131,566	118,027	84,212	(100,013)	102,821	53,336	51,665	20,915	21,381	(11,403)
Other Revenues	2,064	540	353	584	545	384	349	325	1,172	380
Transfers - Internal Activity	3,032	(23)	(30)	(413)	65,670	(143)	(2,117)	—	(9,467)	(747)
Total Business-Type Activities General Revenues and Other Changes in Net Position	136,662	118,544	84,535	(99,842)	169,036	53,577	49,897	21,240	13,086	(11,770)
Total Primary Government General Revenues and Other Changes in Net Position	10,223,335	8,131,568	7,715,525	(132,521)	20,941,062	3,240,394	6,965,021	7,328,698	7,851,793	755,466
Change in Net Position										
Governmental Activities	4,979,080	3,843,560	3,265,313	(1,956,185)	16,033,794	(1,155,661)	2,370,245	2,876,295	3,439,767	(5,505,165)
Business-Type Activities	249,189	287,491	238,027	22,691	116,510	22,380	170,446	87,057	73,173	43,239
Total Primary Government Changes in Net Position	\$ 5,228,269	\$ 4,131,051	\$ 3,503,340	\$(1,933,494)	\$ 16,150,304	\$(1,133,281)	\$ 2,540,691	\$ 2,963,352	\$ 3,512,940	\$(5,461,926)

NOTE:

This schedule is presented on the accrual basis of accounting.

STATE OF ALASKA

SCHEDULE A-4

Financial Trends - Fund Balances, Governmental Funds

Last Ten Fiscal Years

(Stated in Thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Fund										
Nondisposable	\$ 105,160	\$ 91,726	\$ 85,371	\$ 77,093	\$ 113,780	\$ 510,086	\$ 63,323	\$ 93,737	\$ 138,773	\$ 154,762
Restricted	114,548	86,505	43,890	31,615	28,973	43,762	49,963	49,849	47,530	50,065
Committed	2,696,246	2,892,346	2,964,356	2,157,738	1,451,351	1,518,225	1,590,474	1,975,195	2,363,884	3,470,237
Assigned	2,317	3,202	905	3,828	108,599	—	—	—	—	—
Unassigned	2,565,203	2,717,489	2,125,567	2,141,424	966,079	1,910,781	3,153,565	1,863,474	3,740,423	6,384,544
Total General Fund	\$ 5,483,474	\$ 5,791,268	\$ 5,220,089	\$ 4,411,698	\$ 2,668,782	\$ 3,982,854	\$ 4,857,325	\$ 3,982,255	\$ 6,290,610	\$10,059,608
All Other Governmental Funds										
Nondisposable	\$73,408,760	\$71,574,902	\$68,284,981	\$60,903,945	\$61,597,990	\$53,102,386	\$48,509,513	\$46,778,930	\$47,598,764	\$44,788,850
Restricted	165,021	177,277	176,448	176,231	205,722	115,322	206,931	287,694	293,811	336,081
Committed	3,939,971	3,788,147	3,632,535	3,430,185	7,128,904	50,054	5,980,240	4,754,276	47,981	68,094
Assigned	8,804,258	6,066,530	6,965,110	12,788,949	14,079,089	9,802,646	12,547,573	16,141,699	12,815,504	8,570,020
Unassigned	(66)	(78)	(35)	(270)	(215)	3,091,194	—	1,863,474	—	—
Total All Other Governmental Funds	\$86,317,944	\$81,606,778	\$79,059,039	\$77,299,040	\$83,011,490	\$66,161,602	\$67,244,257	\$69,826,073	\$60,756,060	\$53,763,045

NOTE:

This schedule is presented on the modified accrual basis of accounting.

STATE OF ALASKA

SCHEDULE A-5

Financial Trends - Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(Stated in Thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues										
Taxes	\$1,611,661	\$1,928,025	\$2,778,847	\$2,865,305	\$ 983,498	\$1,024,817	\$ 1,573,800	\$1,331,702	\$ 679,556	\$ 126,954
Licenses and Permits	190,091	187,323	180,950	175,280	171,773	170,932	178,653	167,556	148,707	166,523
Charges for Services	183,565	190,779	179,037	154,865	150,300	153,370	179,599	173,740	214,307	183,910
Fines and Forfeitures	59,438	57,308	30,170	17,319	23,363	20,837	32,076	19,041	40,416	32,680
Rents and Royalties	1,573,930	1,769,944	2,025,657	1,900,779	1,092,557	1,062,361	1,541,942	1,477,977	1,162,924	931,662
Premiums and Contributions	51,635	44,424	45,927	56,782	36,558	38,450	32,433	40,465	36,058	46,942
Interest and Investment Income	8,464,144	6,099,544	4,825,217	(3,108,368)	19,898,367	2,072,068	4,261,668	5,859,553	7,109,848	721,084
Federal Grants in Aid	4,834,796	4,776,253	5,110,373	5,359,734	4,894,733	3,616,328	3,446,564	3,125,376	3,198,108	2,706,153
Payments in from Component Units	51,038	16,300	44,516	30,543	43,328	66,687	1,101,223	12,765	31,180	174,720
Other Revenues	73,300	70,842	63,938	62,557	99,161	60,042	73,837	110,486	72,856	70,608
Total Revenues	17,093,598	15,140,742	15,284,632	7,514,796	27,393,638	8,285,892	12,421,795	12,318,661	12,693,960	5,161,236
Expenditures										
General Government	494,688	550,686	446,507	714,300	1,078,087	483,720	495,196	439,975	524,207	519,288
Alaska Permanent Fund Dividend	1,074,244	836,499	2,070,825	709,490	631,807	1,024,587	1,014,677	698,016	652,746	1,330,027
Education	2,069,463	2,058,838	2,059,869	2,198,710	1,825,851	1,877,665	1,854,765	1,852,716	1,823,237	1,872,621
University	409,579	379,194	337,736	316,255	322,785	345,779	385,237	370,313	379,156	481,268
Health and Human Services	4,689,628	4,354,988	4,142,622	4,173,943	3,727,013	3,410,469	3,343,891	3,186,022	3,075,982	2,920,002
Law and Justice	345,429	311,160	294,769	270,511	248,309	250,320	245,923	242,018	237,810	254,627
Public Protection	1,121,281	1,105,311	1,090,815	970,581	803,406	891,170	773,536	738,853	714,867	765,161
Natural Resources	446,259	407,287	364,404	347,173	328,817	328,672	341,100	340,418	332,946	371,231
Development	176,033	180,659	180,854	182,674	1,499,894	143,351	126,703	203,522	184,622	434,298
Transportation	1,617,071	1,670,785	1,442,363	1,261,550	1,181,492	1,227,603	1,310,898	1,179,903	1,289,670	1,465,843
Intergovernmental Revenue Sharing	95,832	122,525	145,039	182,375	89,708	106,977	109,666	107,852	97,454	125,351
Debt Service:										
Principal	132,146	118,937	116,378	98,925	78,102	97,233	85,762	116,031	93,752	91,349
Interest and Other Charges	50,828	54,281	53,131	54,020	59,306	60,813	61,712	68,514	67,558	63,025
Total Expenditures	12,722,481	12,151,150	12,745,312	11,480,507	11,874,577	10,248,359	10,149,066	9,544,153	9,474,007	10,694,091
Excess (Deficiency) of Revenues Over Expenditures	4,371,117	2,989,592	2,539,320	(3,965,711)	15,519,061	(1,962,467)	2,272,729	2,774,508	3,219,953	(5,532,855)

Financial Trends - Changes in Fund Balances, Governmental Funds

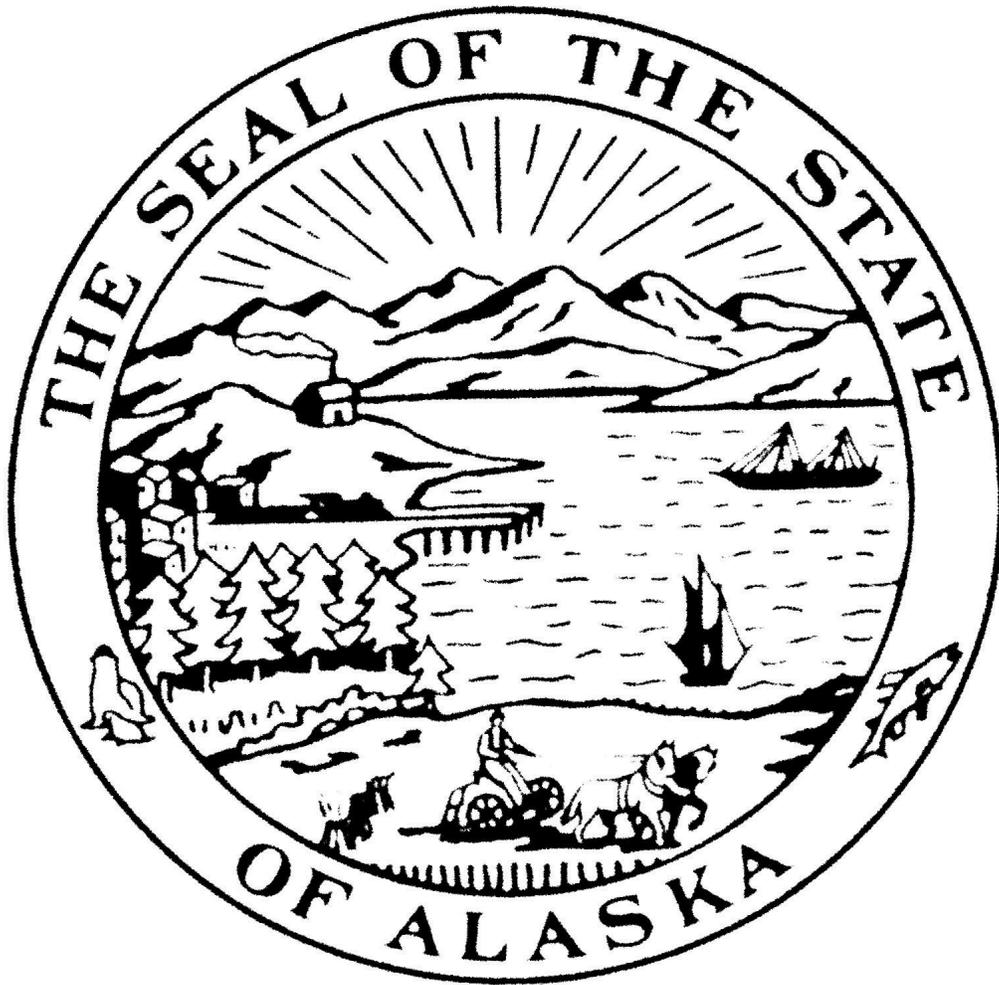
Last Ten Fiscal Years

(Stated in Thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Other Financing Sources (Uses)										
Bonds Issued	—	—	—	1,849	84,560	—	—	—	—	263,090
Refunding Bonds Issued	190,430	110,080	55,900	—	—	—	—	—	—	—
Bond Issue Premium	19,631	13,669	2,022	316,719	26,204	—	—	—	—	52,046
Payment to Refunded Bond Escrow Agent	(206,048)	(120,912)	(57,625)	(316,719)	—	—	—	—	—	—
Leases / SBITAs	53,807	158,785	39,515	13,193	3,561	13,811	8,140	12,093	2,894	12,170
Transfers In from Other Funds	3,795,103	3,661,490	3,491,311	3,230,748	3,252,748	3,037,039	2,843,168	865,589	123,905	798,139
Transfers (Out to) Other Funds	(3,820,668)	(3,693,786)	(3,502,053)	(3,249,613)	(3,350,318)	(3,045,509)	(2,848,528)	(872,787)	(122,735)	(812,405)
Total Other Financing Sources and Uses	32,255	129,326	29,070	(3,823)	16,755	5,341	2,780	4,895	4,064	313,040
Net Change in Fund Balances	\$ 4,403,372	\$ 3,118,918	\$ 2,568,390	\$ (3,969,534)	\$ 15,535,816	\$ (1,957,126)	\$ 2,275,509	\$ 2,779,403	\$ 3,224,017	\$ (5,219,815)
Debt Service as a Percentage of Noncapital Expenditures	1.55 %	1.56 %	1.41 %	1.42 %	1.26 %	1.64 %	1.55 %	2.07 %	1.71 %	1.47 %

NOTE:

This schedule is presented on the modified accrual basis of accounting.



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STATE OF ALASKA
Revenue Capacity - Alaska Permanent Fund Investment Income
Last Ten Fiscal Years
(Stated in Millions)

SCHEDULE B-1

Fiscal Value	Ending Fund Market Value ⁽¹⁾	Nonspendable Fund Assets	Committed Fund Assets ⁽²⁾	Assigned Fund Assets ⁽³⁾	Total Fund Return
2016	52,770	44,200	—	8,570	1.0 %
2017	59,785	46,970	—	12,815	12.6 %
2018	64,894	46,030	2,723	16,142	10.7 %
2019	66,300	47,820	5,933	12,548	6.3 %
2020	65,302	52,408	3,092	9,803	2.0 %
2021	81,896	60,748	7,069	14,079	29.7 %
2022	76,337	60,188	3,360	12,789	(1.3)%
2023	78,012	67,521	3,526	6,965	5.2 %
2024	80,463	70,739	3,657	6,067	7.9 %
2025	85,100	72,497	3,799	8,804	9.4 %

Annual Rate of Return by Asset Class⁽⁴⁾

Fiscal Year	Domestic Equities	International Equities	Global Equities	Domestic Bonds	Non-Dollar Bonds	Real Estate	Alternative Investments	Total Fund
2016	(0.1)%	(9.4)%	(4.0)%	5.3 %	7.3 %	12.6 %	4.9 %	1.0 %
2017	20.1 %	22.6 %	18.8 %	2.0 %	2.8 %	4.5 %	13.4 %	12.6 %
2018	14.8 %	8.4 %	11.5 %	(0.6)%	1.7 %	6.6 %	16.8 %	10.7 %
2019	4.8 %	(0.4)%	4.0 %	9.8 %	7.5 %	(1.3)%	13.1 %	6.3 %
2020	(0.9)%	(3.6)%	3.9 %	9.7 %	0.2 %	(0.8)%	1.9 %	2.0 %
2021	54.5 %	42.2 %	44.6 %	2.6 %	8.3 %	1.4 %	51.3 %	29.7 %
2022	(12.1)%	(19.0)%	(13.2)%	(11.3)%	(10.8)%	23.4 %	15.2 %	(1.3)%
2023	14.5 %	10.0 %	16.7 %	1.8 %	1.1 %	(2.5)%	0.6 %	5.2 %
2024	17.1 %	13.7 %	16.9 %	5.0 %	4.5 %	(3.3)%	6.0 %	7.9 %
2025	11.9 %	20.8 %	16.6 %	8.2 %	5.4 %	1.6 %	7.3 %	9.4 %

SOURCE:

Alaska Permanent Fund Corporation

NOTES:

- ¹ The Alaska Permanent Fund is made up of two parts: nonexpendable and assigned assets. The nonexpendable portion of the fund is invested in perpetuity and cannot be spent without amending the state constitution through a majority vote of the people.
- ² Committed fund assets are realized earnings of the fund which have been designated by appropriation for a specific purpose and meet other criteria as defined by Generally Accepted Accounting Principles. During FY18, legislation was passed which provides for a transfer from the Earnings Reserve Account to the General Fund for payment of unrestricted General Fund expenditures, including dividend payments.
- ³ Assigned fund assets are defined in Alaska statute as the accumulation of cash flow and net realized gains from investments and are subject to appropriation by the Legislature. The assigned fund assets are where all income available for appropriation is recorded, retained and reinvested until distributed in accordance with State of Alaska law. The assigned fund assets shown above have already been reduced by the General Fund and inflation proofing transfer each year. The nonexpendable and assigned fund assets are commingled for investment purposes.
- ⁴ Returns are shown by major asset class only and are unaudited.

STATE OF ALASKA
Revenue Capacity - Oil Severance Taxes

SCHEDULE B-2

REVENUE BASE (Last Ten Fiscal Years)

Oil Severance Taxes		
Fiscal Year	Well-Head Value*	Weighted Average Severance Tax Rate **
2016	\$33.30 per barrel	35.0%
2017	\$39.73 per barrel	35.0%
2018	\$54.09 per barrel	35.0%
2019	\$61.44 per barrel	35.0%
2020	\$43.96 per barrel	35.0%
2021	\$44.95 per barrel	35.0%
2022	\$81.65 per barrel	35.0%
2023	\$75.25 per barrel	35.0%
2024	\$73.71 per barrel	35.0%
2025***	\$63.61 per barrel	35.0%

*Well-head Value is calculated as a simple average of the North Slope monthly well-head price across the fiscal year.

**Severance Tax is commonly called the production tax. The production tax rate is applied to production tax value.

***Fiscal Year 2025 information is preliminary and subject to change. For FY 2025, 35% was the statutory tax rate applied to the production tax value.

REVENUE RATE - The method of calculating production tax revenue has been stable since January 1, 2014, when the Senate Bill 21 (SB21) tax system was implemented.

Production tax revenue under SB21 is calculated as follows:

[(Petroleum Value¹ minus Costs²) times Tax Rate³] minus Credits⁴

¹Petroleum Value = (Total number of barrels^a produced minus royalty barrels^b) multiplied by the wellhead value^c

^a The total number of barrels of oil equivalent produced

See the Royalty Revenue Capacity Schedule B-3 for number of barrels produced.

^b Minus the number of royalty barrels

Barrels that are charged royalties are not taxed, therefore these barrels are subtracted from the total.

^c Multiplied by the wellhead value

Destination value minus allowable marine and transportation costs of each barrel.

²Costs = Allowable lease expenditures, including qualified operating and capital expenses

³Tax Rate = The production tax rate is 35% of the petroleum value minus costs which is the production tax value.

⁴Credits = Includes a per-taxable-barrel credit of \$0 to \$8 per barrel, depending on oil prices, and a small producer credit of up to \$12 million per year for qualified companies.

STATE OF ALASKA
Revenue Capacity - Oil Severance Taxes

SCHEDULE B-2

REVENUE PAYERS (Current Reporting Period and Period Nine Years Prior)

	2025	2016
Alaska Statute 43.05.230 prohibits naming individual tax payers.	Five oil companies account for 99.1% of severance tax revenue.	Five oil companies account for 98.9% of severance tax revenue.
Amount of Revenue Base	Five oil companies account for 172,048 thousand barrels of oil production.	Five oil companies account for 179,574 thousand barrels of oil production.
Percent of top payers to total oil production	99.5%	93.0%
Percent of top payers to total production tax revenue	99.1%	98.9%

SOURCE:

Alaska Department of Revenue, Tax Division

STATE OF ALASKA
Revenue Capacity - Oil Royalties

SCHEDULE B-3

REVENUE BASE (Last Ten Fiscal Years)

Fiscal Year	Gross Number of Barrels	Number of Barrels for Which Royalties are Charged	Weighted Average ⁽¹⁾ Royalty Rate
2016	181,107,772	22,586,285	12.47%
2017	181,955,466	23,095,454	12.69%
2018	179,601,064	22,273,189	12.40%
2019	173,728,441	21,958,525	12.64%
2020	166,883,243	20,954,951	12.56%
2021	170,735,627	21,503,253	12.59%
2022	164,755,188	21,069,007	12.79%
2023	163,748,787	20,870,739	12.75%
2024	157,783,433	20,394,288	12.93%
2025	163,810,686	20,806,628	12.70%

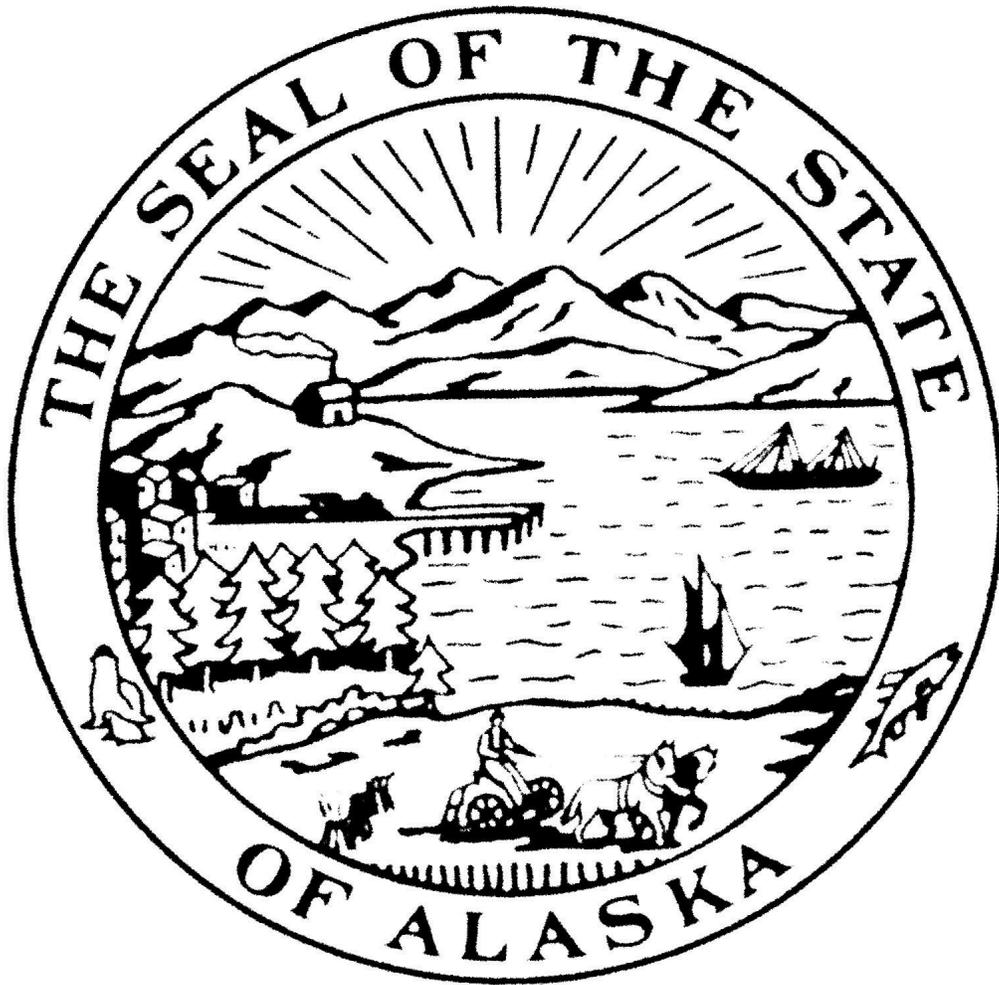
1. The royalty rate ranges from 5.00% to 33.33%, depending on lease terms. However, the majority of fields are charged at 12.50%.

REVENUE PAYERS (Current Reporting Period and Period Nine Years Prior)

	2025	2016
Top Payers	Royalties from ConocoPhillips, ExxonMobil, Hilcorp Alaska, Hilcorp North Slope, and Marathon/PetroStar corporations comprise almost 95% of oil royalty barrels this fiscal year.	Royalties from British Petroleum, ConocoPhillips, ExxonMobil, and Tesoro corporations comprise more than 81% of oil royalty barrels this fiscal year.
Amount of Revenue Base	ConocoPhillips, ExxonMobil, Hilcorp Alaska, Hilcorp North Slope, and Marathon/PetroStar corporations paid royalty on more than 19.8 million barrels of oil this fiscal year.	British Petroleum, ConocoPhillips, ExxonMobil, and Tesoro corporations paid royalties on more than 18.4 million barrels of oil this fiscal year.
Percent of top payers to number of royalty barrels:	95.22%	81.28%
Percent of top payers to total royalty revenue:	93.17%	76.77%

SOURCE:

Alaska Department of Natural Resources, Division of Oil and Gas



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STATE OF ALASKA

SCHEDULE C-1

Debt Capacity - Ratios of Outstanding Debt By Type

Last Ten Fiscal Years

(Stated in Thousands, Except Per Capita Amount)

Fiscal Year	General Bonded Debt			Other Governmental Activities Debt				Business-Type Activities		Percentage of Personal Income ^(a)	Per Capita ^(a)
	General Obligation Bonds ^(b)	Percentage of Personal Income ^(a)	Per Capita ^(a)	Tobacco Revenue Bonds	Sport Fishing Revenue Bonds ^(c)	Certificates of Participation	Leases / SBITAs / Transfer of Ownership	International Airports Revenue Bonds	Total Primary Government		
2016	921,144	2.24 %	1,245	342,410	29,360	31,919	293,769	474,477	2,093,079	5.10 %	2,839
2017	859,532	2.08 %	1,162	335,881	20,561	30,149	268,938	439,837	1,954,898	4.74 %	2,642
2018	793,697	1.88 %	1,077	311,842	17,461	28,214	254,324	402,048	1,807,586	4.27 %	2,452
2019	727,611	1.66 %	988	311,633	14,193	26,384	232,500	370,351	1,682,672	3.84 %	2,286
2020	672,105	1.46 %	919	311,121	1,810	24,341	229,730	355,082	1,594,189	3.47 %	2,181
2021	725,097	1.53 %	995	310,673	—	22,097	211,165	339,058	1,608,090	3.40 %	2,206
2022	673,803	1.37 %	918	304,772	—	19,870	420,782	243,805	1,663,032	3.38 %	2,265
2023	620,428	1.23 %	842	296,528	—	17,396	438,691	237,725	1,610,768	3.20 %	2,187
2024	572,543	1.09 %	777	285,875	—	14,781	522,610	227,890	1,623,699	3.09 %	2,204
2025	513,675	0.91 %	693	276,533	—	12,062	516,388	204,740	1,511,348	2.68 %	2,039

NOTES:

Details regarding the state's outstanding debt can be found in the Notes to the Basic Financial Statements.

- ^a See Schedule D-1, Demographic and Economic Information - Statistics, for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- ^b General Obligation bonds do not have any external restrictions for the repayment of debt. Total and net bonded debt are the same.
- ^c Sport Fishing Revenue Bonds were sold April 11, 2006. The coverage reflected is surcharge revenue only as required in the additional bonds test. Additional coverage is provided from the base license fee, king salmon stamp fee, and certain federal receipts, which are also pledged to repayment of the bonds. On July 10, 2020, the State of Alaska used \$1.8 million to optionally redeem and pay accrued interest on 2011 Sport Fishing Revenue Bonds.

Debt Capacity - Pledged-Revenue Coverage

Last Ten Fiscal Years

(Stated in Thousands)

Fiscal Year	Gross Revenue	Less: Operating Expenses	Net Available Revenues	Debt Service Principal	Debt Service Interest	Coverage
International Airports Revenue Bonds: (a)						
2016	137,849	71,433	66,416	16,725	23,578	1.65
2017	144,540	97,933	46,607	18,720	21,677	1.15
2018	150,349	85,158	65,191	11,365	19,902	2.08
2019	141,265	82,059	59,206	12,500	18,100	1.93
2020	142,392	85,015	57,377	13,175	16,534	1.93
2021	122,314	86,867	35,447	13,930	14,831	1.23
2022	126,124	101,565	24,559	14,640	13,784	0.86
2023	114,629	101,565	13,064	17,395	12,845	0.43
2024	119,005	105,131	13,874	17,395	12,845	0.46
2025	185,311	125,753	59,558	16,880	10,718	2.16
Northern Tobacco Securitization Corporation (NTSC) Tobacco Revenue Bonds: (b)						
2016	24,433	—	24,433	9,670	16,529	0.93
2017	24,380	—	24,380	13,480	16,159	0.82
2018	41,458	—	41,458	9,615	15,775	1.63
2019	16,625	—	16,625	2,035	14,559	1.00
2020	16,671	—	16,671	—	14,477	1.15
2021	17,151	—	17,151	—	14,367	1.19
2022	17,614	—	17,614	—	14,251	1.24
2023	19,168	—	19,168	2,855	14,251	1.12
2024	17,407	—	17,407	4,680	7,157	1.47
2025	16,106	—	16,106	4,415	6,692	1.45
Sport Fishing Revenue Bonds: (c)						
2016	6,712	—	6,712	3,355	1,538	1.37
2017	6,875	—	6,875	8,170	1,392	0.72
2018	6,536	—	6,536	2,830	986	1.71
2019	6,763	—	6,763	3,060	841	1.73
2020	6,129	—	6,129	12,055	691	0.48
2021	(263)	—	(263)	1,810	24	(0.14)
2022	6	—	6	—	—	—
2023	—	—	—	—	—	—
2024	—	—	—	—	—	—
2025	—	—	—	—	—	—

NOTES:

Details regarding the state's outstanding debt can be found in the Notes to the Basic Financial Statements. Gross revenues include nonoperating interest and investment income. Operating expenses do not include interest, depreciation or amortization expenses. Additional details regarding revenues and expenses can be found in the combining fund statements of this ACFR.

- ^a The principal revenues of the International Airports are charges to customers for airfield operations, concession fees, rent, and user fees.
- ^b Tobacco Revenue Bonds are debt of the Northern Tobacco Securitization Corporation (NTSC), which was incorporated on September 29, 2000. NTSC revenues include Tobacco Settlement Revenues (TSRs) and investment earnings, both of which are pledged as security under the revenue bond indentures.
- ^c Sport Fishing Revenue Bonds were sold April 11, 2006. The coverage reflected is surcharge revenue only as required in the additional bonds test. Additional coverage is provided from the base license fee, king salmon stamp fee, and certain federal receipts which are also pledged to repayment of the bonds. On July 10, 2020, the State of Alaska used \$1.8 million to optionally redeem and pay accrued interest on 2011 Sport Fishing Revenue Bonds.

STATE OF ALASKA
Demographic and Economic Information - Statistics
Last Ten Calendar Years

SCHEDULE D-1

Year	Population ⁽¹⁾	Personal Income (Stated in Millions) ⁽²⁾	Alaska Per Capita Personal Income ⁽²⁾	United States Per Capita Personal Income ⁽²⁾	Median Age ⁽¹⁾	Unemployment Rate ⁽¹⁾
2015	737,183	41,032	55,307	49,571	34.5	6.4 %
2016	739,828	41,283	55,646	49,246	34.7	6.6 %
2017	737,080	42,301	57,179	51,640	34.9	7.2 %
2018	736,239	43,818	59,420	54,446	35.2	6.6 %
2019	731,007	45,945	62,806	56,490	35.5	6.1 %
2020	728,903	47,365	64,780	59,729	35.7	7.8 %
2021	734,323	49,190	67,138	63,444	36.0	6.4 %
2022	736,556	50,350	68,635	65,470	36.5	4.0 %
2023	736,812	52,520	71,611	69,810	36.5	4.2 %
2024	741,147	56,423	76,234	73,204	36.9	4.6 %

SOURCES:

¹ Alaska Department of Labor and Workforce Development, Research and Analysis Section

² U.S. Department of Commerce, Bureau of Economic Analysis

NOTE:

At the time of preparation, data provided by the U.S. Department of Commerce, Bureau of Economic Analysis is preliminary.

Demographic and Economic Information - Employment by Industry
Calendar Year 2024 and Period Nine Years Prior

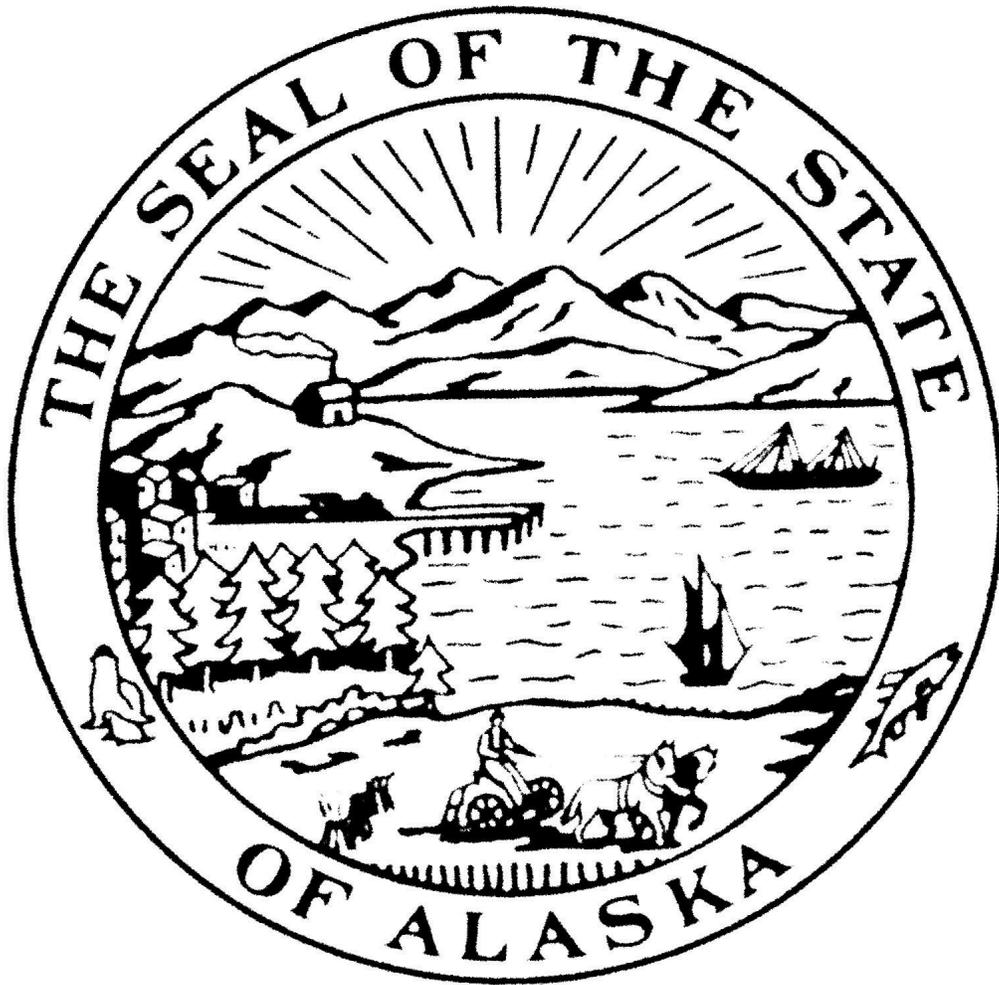
Year	2024			2015		
	Employment	Rank	Percentage of Total State Employment	Employment	Rank	Percentage of Total State Employment
Health Care	41,700	1	11.7 %	34,450	2	9.6 %
Retail Trade	34,900	2	9.8 %	37,300	1	10.4 %
Transportation, Warehousing, and Utilities	24,800	3	7.0 %	21,800	6	6.1 %
Military	22,300	4	6.3 %	20,800	3	5.8 %
Food Service and Drinking Places	22,200	5	6.2 %	21,600	4	6.0 %
Local Government Education	21,100	6	5.9 %	22,900	5	6.4 %
Local Government (Non Education)	20,100	7	5.6 %	18,400	8	5.1 %
State Government (Non Education)	18,500	8	5.2 %	17,600	9	4.9 %
Construction	17,400	9	4.9 %	18,100	7	5.0 %
Federal Government (Non Military)	15,500	10	4.4 %	14,900	10	4.1 %
Total	<u>238,500</u>		<u>66.9 %</u>	<u>227,850</u>		<u>63.3 %</u>
Total Employment ^(a)	<u>356,200</u>			<u>359,700</u>		

SOURCE:

Alaska Department of Labor and Workforce Development, Research and Analysis Section

NOTE:

^a Standard wage and salary employment totals supplemented by active-duty military totals.



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STATE OF ALASKA

SCHEDULE E-1

Operating Information - Full-time Equivalent Government Employees by Function

Last Ten Fiscal Years

Function	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Government*	3,113	2,506	2,414	2,364	2,355	2,428	2,404	2,559	2,534	2,274
Education**	347	350	330	321	321	343	357	351	343	383
Health and Human Services	2,748	2,705	2,668	2,779	2,889	2,748	2,760	2,674	2,708	2,968
Law and Justice	1,687	1,641	1,603	1,568	1,577	1,550	1,537	1,517	1,523	1,616
Public Protection	3,804	3,689	3,569	3,568	3,544	3,496	3,517	3,510	3,572	3,661
Natural Resources	1,703	1,664	1,623	1,577	1,583	1,636	1,646	1,601	1,604	2,045
Development	501	511	511	566	583	541	539	577	583	631
Transportation	1,962	2,302	2,356	2,421	2,495	2,460	2,686	2,641	2,704	2,979
Totals	<u>15,865</u>	<u>15,368</u>	<u>15,074</u>	<u>15,164</u>	<u>15,347</u>	<u>15,202</u>	<u>15,446</u>	<u>15,430</u>	<u>15,571</u>	<u>16,557</u>

NOTE:

Full-time equivalent employees are calculated using the total number of hours worked, divided by the number of hours worked during the year by a full-time employee.

*General Government includes AK PFD

**Education includes University

Operating Information - Operating Indicators by Function

Last Ten Fiscal Years

Function	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Alaska Permanent Fund Dividend										
Number of Dividends Paid ^(a)	—	628,900	630,954	631,911	636,836	630,937	638,286	639,247	632,685	636,790
Education										
Student Enrollment in State Supported Schools (pre-elementary through grade 12)	129,903	131,264	131,212	130,442	130,394	132,577	132,554	133,381	133,223	132,966
University										
Student Enrollment in the State University System (average head count over both semesters)	19,330	21,124	20,295	20,530	21,825	24,943	26,641	27,339	28,480	30,298
Health and Human Services										
Medicaid Beneficiaries	186,116	192,213	199,590	201,788	191,508	186,465	189,776	189,361	178,365	187,097
Temporary Assistance Caseload	1,858	—	2,259	2,504	3,124	4,102	4,626	5,372	5,660	5,586
Protective Services Reports Regarding Children	21,522	21,200	20,022	19,176	18,513	4,397	23,145	22,253	18,339	16,889
Law and Justice										
Criminal Caseload - Misdemeanors	14,280	16,930	17,505	19,070	21,593	22,979	22,217	17,909	14,721	17,091
Criminal Caseload - Felonies and Appeals	5,757	6,661	7,400	7,807	8,175	7,941	7,850	7,672	6,335	5,418
Civil Caseload	4,708	4,806	5,017	5,599	5,600	5,692	5,929	6,097	5,491	5,960
Public Protection										
Adult Offenders in Correctional Facilities	5,027	5,106	4,902	5,140	4,986	5,145	5,738	4,862	5,150	5,904
Juvenile Offenders in Detention or Treatment Facilities	139	151	145	131	134	173	171	166	171	139
National Guard Assigned Strength in Alaska	3,600	3,655	3,723	3,865	3,896	3,679	3,924	3,834	3,787	3,940
Number of Homicides Investigated by State Troopers	19	22	26	25	23	35	20	18	19	25
Natural Resources										
Wholesale Value of Alaska Commercial Fish Harvests (stated in thousands of dollars) ^(a)	—	3,589,150	5,151,049	5,241,648	4,751,896	3,678,767	4,663,844	4,505,673	4,855,213	4,157,269
Recreation Acres State Owned or Maintained ^(d)	12,614,740	12,614,740	12,616,232	12,616,232	12,616,232	12,669,712	12,669,705	12,652,683	12,652,603	12,652,523
State Timber Sold Annually (million board feet)	27	34	10	10	42	2	16	8	11	8
State Acreage Leased for Oil and Gas Development ^{(c), (d)}	3,025,781	3,025,781	3,223,969	3,346,758	3,828,211	4,222,358	4,453,261	4,996,840	5,343,661	6,161,719
Placer Mines Permitted	745	711	678	635	586	552	541	295	313	292
Development										
Number of State Business Licenses	86,828	89,462	91,114	99,554	91,114	78,263	73,468	73,952	73,085	70,263
Transportation										
Annual Fatalities per 100 Million Miles of Vehicle Travel in AK ^(a)	—	1	1	1	1	1	1	1	1	2
State Ferry Route Miles ^(a)	—	3,920	3,290	3,290	3,290	3,290	3,290	3,290	3,290	3,290
Intergovernmental Revenue Sharing										
Number of Communities that Receive a Portion of Shared	74	120	118	139	134	133	143	141	145	142
Taxes and Fees	74	120	118	139	134	133	143	141	145	142

Operating Information - Operating Indicators by Function

Last Ten Fiscal Years

Function	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Loans										
Number of Loans in Portfolio	1,196	1,254	1,342	1,356	1,428	1,414	1,462	1,537	1,563	1,534
Unemployment Compensation										
Initial Claims Paid ^(a)	—	32,464	36,711	44,362	74,295	322,403	52,588	53,751	60,641	64,979
Airports ^(b)										
Landings:										
Jets	72,903	72,302	67,110	71,153	62,318	61,040	61,707	59,908	55,413	53,487
Other Aircraft	51,172	45,311	45,369	44,219	36,896	38,929	45,436	51,548	56,375	59,657
Passengers:										
In	3,241,605	3,353,140	3,217,924	3,068,577	1,793,212	2,648,606	3,408,876	3,317,932	3,298,767	3,311,305
Out	3,257,316	3,362,731	3,273,214	3,077,821	1,739,701	2,625,595	3,402,426	3,312,723	3,300,949	3,321,417
Through	49,848	52,100	64,447	51,442	44,508	38,750	68,540	53,246	50,173	42,358
Freight (in tons):										
In	1,143,426	1,550,152	969,021	925,931	931,358	709,413	674,190	672,129	313,317	325,244
Out	1,150,245	1,530,274	1,069,006	998,119	946,970	725,539	672,817	706,253	341,913	381,388

SOURCES:

Various state departments and the University of Alaska.

NOTES:

Indicators are not available for the general government function.

^a Data is only provided on a calendar year basis.

^b Data is for the Anchorage and Fairbanks International Airports.

^c Includes both onshore and offshore acres.

^d FY25 data not available, used FY24

Operating Information - Capital Asset Statistics by Function

Last Ten Fiscal Years

Function	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Primary Government:										
General Government										
Buildings (square feet)	2,625,736	2,171,562	2,162,734	2,159,731	2,163,035	2,274,362	1,978,224	1,061,752	1,172,468	971,343
Education										
Buildings (square feet)	1,676,948	1,728,189	1,454,895	1,775,459	1,770,874	1,818,236	1,827,309	1,706,760	1,720,970	1,739,362
Schools	70	66	72	75	75	77	77	77	80	79
Schools Under Construction	11	12	11	11	10	10	14	10	8	11
Health and Human Services										
Buildings (square feet)	2,372,799	2,405,202	2,452,200	2,538,600	2,653,932	2,573,569	2,270,894	1,248,516	1,301,564	1,267,830
Pioneer Homes	6	6	6	6	6	6	6	6	6	6
Law and Justice										
Buildings (square feet)	1,456,743	1,458,767	1,472,887	1,432,848	1,448,512	1,451,585	1,264,566	708,302	732,146	690,114
Court Buildings	13	13	13	13	12	13	13	12	13	13
Public Protection										
Buildings (square feet)	3,284,848	3,279,609	3,280,247	3,259,958	3,255,154	3,274,466	2,893,852	1,638,852	1,716,920	1,564,052
Correctional Institutions	12	12	12	12	12	12	12	12	14	13
Aircraft	30	12	12	14	14	9	12	12	12	12
Motor Vessels	36	21	21	18	17	10	15	15	20	18
National Guard Armories	14	14	14	14	14	14	14	20	20	21
Natural Resources										
Buildings (square feet)	1,471,086	1,479,768	1,492,058	1,440,969	1,453,729	1,531,991	1,353,868	747,522	771,156	873,340
Parks Acreage	3,430,065	3,429,918	3,357,393	3,357,393	3,357,393	3,393,933	3,393,926	3,393,904	3,393,824	3,393,744
Forest Acreage	2,915,979	2,133,407	2,133,407	2,133,407	2,134,899	2,134,899	2,134,899	2,134,899	2,134,899	2,134,899
Other State Land Acreage	99,371,726	95,127,253	95,132,723	95,132,723	95,124,057	95,100,905	95,075,825	94,981,149	94,982,598	94,985,055
Aircraft	6	6	6	6	6	6	5	5	5	5
Motor Vessels	17	17	17	17	11	14	10	10	10	10
Development										
Buildings (square feet)	432,798	454,253	469,796	516,982	535,669	506,608	443,819	269,407	269,559	269,452
Transportation										
Buildings (square feet)	1,694,619	2,046,541	2,165,711	2,211,870	2,291,760	2,304,595	2,210,076	1,233,108	1,299,713	1,272,699
Light Duty Vehicles	3,920	3,806	3,739	3,467	3,467	3,508	3,403	3,324	3,527	3,623
Heavy Duty Utility Vehicles	3,221	3,157	3,054	2,928	2,928	2,940	2,917	2,842	2,233	2,219
Ferries	9	9	9	9	10	12	11	11	11	11
Building Projects Under Construction	107	115	120	112	119	106	155	153	135	115
Rural Airports	235	235	235	235	235	235	239	237	242	242
Rural Airport Projects Under Construction	442	516	522	535	562	500	550	283	311	407
Centerline Road Miles ^(a)	5,682	5,680	5,684	6,243	6,200	6,200	6,226	5,634	5,629	5,629
Highway Projects Under Construction	730	772	814	767	790	745	1,005	842	1,040	874

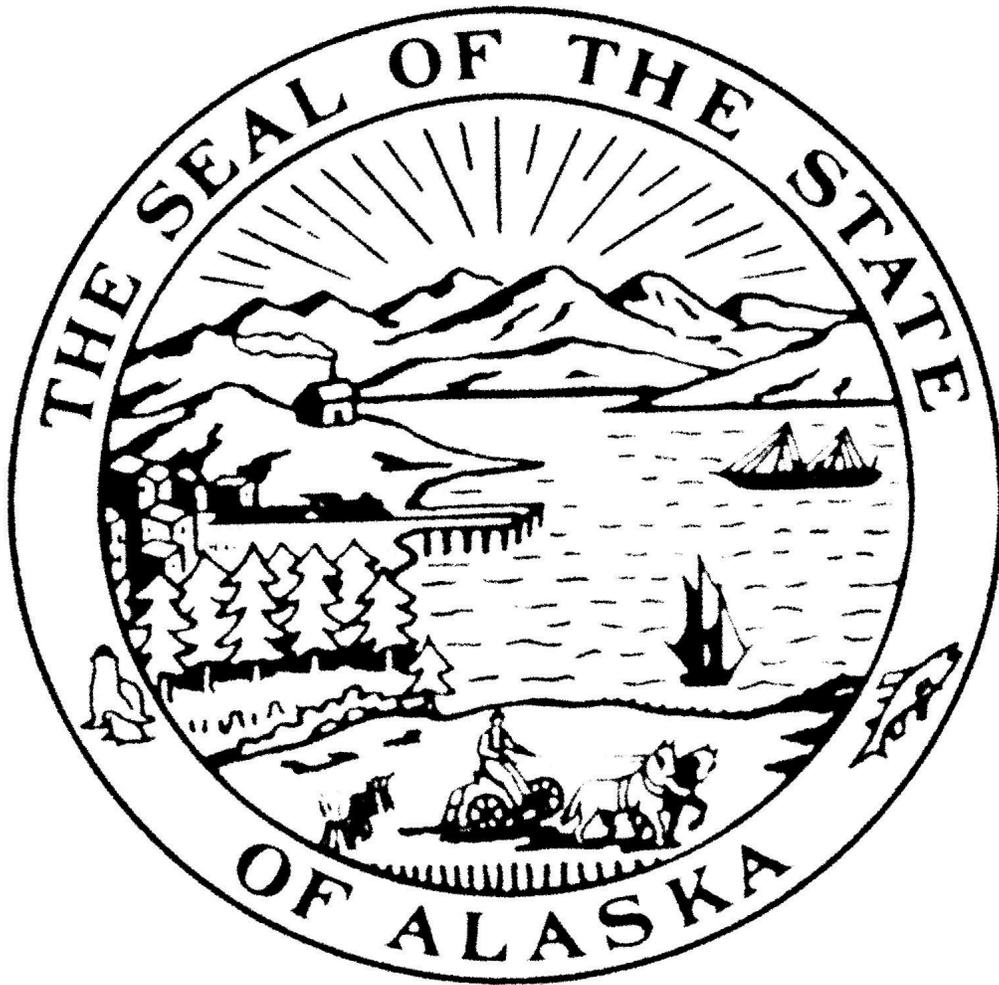
Operating Information - Capital Asset Statistics by Function

Last Ten Fiscal Years

Function	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Business-Type Activities:										
Airports (Anchorage and Fairbanks International)										
Terminals (square feet)	1,314,721	1,314,721	1,314,721	1,314,721	1,320,737	1,320,737	1,320,737	1,320,737	1,320,737	1,320,737
International Airport (acreage)	8,328	8,328	8,330	8,319	8,288	8,288	8,288	8,288	8,288	8,288
International Airport Projects Under Construction	33	27	87	17	146	148	136	121	121	99
Runways (miles)	21	13	13	18	10	10	10	10	10	10

NOTES:

^a Centerline road miles are calculated on a calendar year basis.



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Index of Funds



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Fund Description	Authority	Separately Reported?	Fund or Group	Statement Number
1 Cent Per Barrel of Oil Produced Surcharge	AS 46.08.020 AS 43.55.201	No	GF	3.01, 3.02
4 Cent Per Barrel of Oil Produced Surcharge	AS 46.08.020 AS 43.55.300	No	GF	3.01, 3.02
2008 Transportation Project (GO Bonds)	Ch 30, SLA 2008	Yes	CPF	3.51, 3.52
2010 Education Project (GO Bonds)	Ch 95, SLA 2010	Yes	CPF	3.51, 3.52
2012 Transportation Project (GO Bonds)	Ch 18, SLA 2012	Yes	CPF	3.51, 3.52
Abandoned Motor Vehicles	AS 28.11.110	No	GF	3.01, 3.02
Adak Airport Operations	PL 101-510	No	GF	3.01, 3.02
Agricultural Revolving Loan	AS 03.10.040	Yes	OAEF	4.21 - 4.23
Alaska Aerospace Corporation	AS 26.27.010	Yes	DPCU	6.01, 6.02
Alaska Capital Income	AS 37.05.565	No	GF	3.01, 3.02
Alaska Capstone Avionics Revolving Loan	AS 44.33.655	Yes	CAEF	4.11 - 4.13
Alaska Clean Water	AS 46.03.032	Yes	OAEF	4.21 - 4.23
Alaska Comprehensive Health Insurance Fund	AS 21.55.430	No	GF	3.01, 3.02
Alaska Debt Retirement	AS 37.15.011	No	GF	3.01, 3.02
Alaska Drinking Water	AS 46.03.036	Yes	OAEF	4.21 - 4.23
Alaska Energy Authority	AS 44.83.020	Yes	DPCU	1.41, 1.42
Alaska Gasline Development Corporation	AS 31.25.010	Yes	DPCU	6.01, 6.02
Alaska Higher Education Investment	AS 37.14.750	No	GF	3.01, 3.02
Alaska Historical Commission Receipts Account	AS 41.35.380	No	GF	3.01, 3.02
Alaska Housing Capital Corporation	AS 18.56.086	Yes	SRF	3.31 - 3.33
Alaska Housing Finance Corporation	AS 18.56.020	Yes	DPCU	1.41, 1.42
Alaska Industrial Development and Export Authority	AS 44.88.020 AS 44.88.600 Ch 42, SLA 1987	Yes	DPCU	1.41, 1.42
Alaska Marine Highway System	AS 19.65.060	No	GF	3.01, 3.02
Alaska Marine Highway System Vessel Replacement	AS 37.05.550	No	GF	3.01, 3.02
Alaska Mental Health Trust Authority	AS 47.30.011	Yes	DPCU	6.01, 6.02
Alaska Microloan Revolving Loan	AS 44.33.950	Yes	CAEF	4.11 - 4.13
Alaska Municipal Bond Bank Authority	AS 44.85.020	Yes	DPCU	6.01, 6.02
Alaska National Guard and Alaska Naval Militia Retirement System	AS 26.05.222	Yes	PTF	5.01, 5.02
Alaska Permanent Fund	Constitution, Art. IX, sec. 15	Yes	PF	1.11 - 1.14
Alaska Public Building	AS 37.05.570	Yes	ISF	4.31 - 4.33
Alaska Railroad Corporation	AS 42.40.010	Yes	DPCU	6.01, 6.02
Alaska Seafood Marketing Institute	AS 16.51.010	Yes	DPCU	6.01, 6.02
Alaska State Council on the Arts	AS 44.27.040	Yes	SRF	3.31 - 3.33
Alaska Student Loan Corporation	AS 14.42.100	Yes	DPCU	6.01, 6.02

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Fund Description	Authority	Separately Reported?	Fund or Group	Statement Number
Alaska Sustainable Energy Corporation	AS 18.56.086	Yes	SRF	3.31 - 3.33
Alaska Technical and Vocational Education Program	AS 23.15.830	No	GF	3.01, 3.02
Alaska Transportation Infrastructure Bank	Section 350 of the NHSD Act of 1995 Federal Law	No	GF	3.01, 3.02
Alaska Veterans' Memorial Endowment	AS 37.14.700(a)	No	GF	3.01, 3.02
Alcohol and Other Drug Abuse Treatment and Prevention	AS 43.60.050	No	GF	3.01, 3.02
Alcoholism and Drug Abuse Revolving Loan	AS 44.29.210	Yes	OAEF	4.21 - 4.23
Alternative Energy Conservation Revolving Loan	AS 45.88.010	Yes	EAEF	4.11 - 4.13
Alyeska Settlement Trust	Consent decree between U.S., Alaska, and Alyeska Pipeline Service Company	Yes	SRF	3.31 - 3.33
Anatomical Gift Awareness	AS 13.50.160(a)	No	GF	3.01, 3.02
Art in Public Places	AS 44.27.060	No	GF	3.01, 3.02
Assistive Technology Loan Guarantee	AS 23.15.125	No	GF	3.01, 3.02
Aviation Fuel Tax Account	AS 43.40.010(e)	No	GF	3.01, 3.02
Broadband Parity Adjustment Fund	CH 52 SLA 2022 HB 252 SEC 44.33.915	No	GF	3.01, 3.02
Building Safety Account	AS 44.31.025	No	GF	3.01, 3.02
Bulk Fuel Revolving Loan	AS 42.45.250	Yes	EAEF	4.11 - 4.13
Carbon Dioxide Storage Facility Administrative Fund	CH 23 SLA 2024, HB 50 SEC 41.06.160	No	GF	3.01, 3.02
Civil Legal Services	AS 37.05.590	No	GF	3.01, 3.02
Clean Air Protection	AS 46.14.260 Federal Clean Air Act	Yes	SRF	3.31 - 3.33
Commercial Charter Fisheries Revolving Loan	AS 16.10.801	Yes	CAEF	4.11 - 4.13
Commercial Fishing Revolving Loan	AS 16.10.340	Yes	CAEF	4.11 - 4.13
Commercial Passenger Vessel Environmental Compliance	AS 46.03.482	No	GF	3.01, 3.02
Commercial Vessel Passenger Tax	AS 43.35.220 AS 43.52.230(a)	No	GF	3.01, 3.02
Community Revenue Sharing	AS 29.60.850	No	GF	3.01, 3.02
Constitutional Budget Reserve	Constitution, Art. IX, sec. 17 AS 37.13	Yes	GF	3.01, 3.02
Crime Victims Compensation	AS 18.67.162	No	GF	3.01, 3.02
Deferred Compensation	AS 39.45.010	Yes	PTF	5.01, 5.02
Deposits, Suspense, and Miscellaneous		Yes	CF	5.11, 5.12
Derelict Vessel Prevention Program Fund	AS 30.30.096	No	GF	3.01, 3.02
Disaster Relief	AS 26.23.300	No	GF	3.01, 3.02
Dividend Raffle Fund	AS 43.23.230	No	GF	3.01, 3.02

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Donated Commodity Fee	USC 7 CFR, Part 250	No	GF	3.01, 3.02
Education Endowment Fund	AS 43.23.220	No	GF	3.01, 3.02
Educational Facilities Maintenance and Construction	AS 37.05.560	No	GF	3.01, 3.02
Election	Federal H.R. 3295	No	GF	3.01, 3.02
Employment Assistance and Training Program Account	AS 23.15.625	No	GF	3.01, 3.02
Exxon Valdez Oil Spill Investment Trust	PL 106-113	Yes	ITF	5.11, 5.12
Exxon Valdez Oil Spill Restoration	U.S. District Court Judgment	Yes	SRF	3.31 - 3.33
Exxon Valdez Settlement Trust	AS 37.14.400	Yes	SRF	3.31 - 3.33
Federal Highway Administration - Airspace Leases	Section 156 of the USSTURAA of 1987	No	GF	3.01, 3.02
Federal Insurance Contributions Act Administration	AS 39.30.050	No	GF	3.01, 3.02
Fire Suppression Fund	CH 15 SLA 1987, AS 41.15.210	No	GF	3.01, 3.02
Fish and Game	AS 16.05.100	Yes	SRF	3.31 - 3.33
Fisheries Disaster	PL 108-7, Sec. 2, Division N, Title V - Fisheries Disasters, Sec. 501(a)	No	GF	3.01, 3.02
Fisheries Enhancement Revolving Loan	AS 16.10.505	Yes	CAEF	4.11 - 4.13
Fishermen's	AS 23.35.060	Yes	SRF	3.31 - 3.33
Fuel Emergency	AS 26.23.400	No	GF	3.01, 3.02
Fund for the Improvement of School Performance	AS 14.03.125	No	GF	3.01, 3.02
General Fund	Operating fund of the State	Yes	GF	3.01, 3.02
General Fund Investment Fund	MOU Between DOR and DOA	Yes	GF	3.01, 3.02
General Obligation Bond Redemption	Various SLAs	Yes	DSF	3.41, 3.42
Group Health and Life Benefits	AS 39.30.095	Yes	ISF	4.31 - 4.33
Highways Equipment Working Capital	AS 44.68.210	Yes	ISF	4.31 - 4.33
Impact Aid	Federal PL 103-382	Yes	CF	5.11, 5.12
Information Services	AS 44.21.045	Yes	ISF	4.31 - 4.33
International Airports	AS 37.15.410-550	Yes	OAEF	1.21 - 1.23
Judicial Retirement System	AS 22.25.048	Yes	PTF	5.01, 5.02
Major Maintenance Grant	AS 14.11.007	No	GF	3.01, 3.02
Mariculture Revolving Loan	AS 16.10.900	Yes	CAEF	4.11 - 4.13
Marijuana Education and Treatment Fund	AS 43.61.010(f)	No	GF	3.01, 3.02
Memorial Education Revolving Loan	AS 14.43.255	No	GF	3.01, 3.02
Mine Reclamation Trust	AS 37.14.800	Yes	SRF	3.31 - 3.33
Mining Revolving Loan	AS 27.09.010	Yes	CAEF	4.11 - 4.13
Municipal Capital Project Matching Grant	AS 37.06.010	No	GF	3.01, 3.02
Municipal Harbor Facility Grant	AS 29.60.800	No	GF	3.01, 3.02

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Fund Description	Authority	Separately Reported?	Fund or Group	Statement Number
National Petroleum Reserve	AS 37.05.530	Yes	SRF	3.31 - 3.33
Northern Tobacco Securitization Corporation Funding	AS 18.56.086	Yes	SRF	3.31 - 3.33
Northern Tobacco Securitization Corporation Bond Redemption	AS 18.56.086	Yes	DSF	3.41, 3.42
Oil and Gas Tax Credit	AS 43.55.028	No	GF	3.01, 3.02
Oil and Hazardous Substance Release Prevention and Response	AS 46.08.010	No	GF	3.01, 3.02
Oil and Hazardous Substance Release Prevention Mitigation Account	AS 46.08.020(b)	No	GF	3.01, 3.02
Oil and Hazardous Substance Release Response Mitigation Account	AS 46.08.025(b)	No	GF	3.01, 3.02
Originator Surety	AS 06.60.500	No	GF	3.01, 3.02
Peace Officer and Firefighter Survivor's Fund	AS 39.60.010	No	GF	3.01, 3.02
Permanent Fund Dividend	AS 43.23.045	Yes	GF	3.01, 3.02
Public Advocacy Trust	AS 44.21.410	Yes	CF	5.11, 5.12
Public Education	AS 14.17.300	Yes	GF	3.01, 3.02
Public Employees' Retirement System	AS 39.35.095-680 AS 39.35.700-990	Yes	PTF	5.01, 5.02
Public School Trust	AS 37.14.110	Yes	PF	3.11, 3.12
Railbelt Energy	AS 37.05.520	No	GF	3.01, 3.02
Randolph-Sheppard Small Business	AS 23.15.130 20 USC 107-107(f)	No	GF	3.01, 3.02
Real Estate Recovery	AS 08.88.450	No	GF	3.01, 3.02
Recidivism Reduction Fund	AS 43.61.010(c)	No	GF	3.01, 3.02
Reclamation Bonding Pool	AS 27.19.040	Yes	SRF	3.31 - 3.33
Regional Educational Attendance Area School	AS 14.11.030	No	GF	3.01, 3.02
Retiree Health	AS 39.35.535, AS 14.25.168, AS 22.25.090	Yes	OAEF	4.21 - 4.23
School	AS 43.50.140	Yes	SRF	3.31 - 3.33
School Construction Grant	AS 14.11.005	No	GF	3.01, 3.02
School Trust Land Sales	Attorney General Opinion	No	GF	3.01, 3.02
Second Injury	AS 23.30.040	Yes	SRF	3.31 - 3.33
State Insurance Catastrophe Reserve Account	AS 37.05.289	No	GF	3.01, 3.02
State Land Disposal Income	AS 38.04.022(a)	No	GF	3.01, 3.02
State Land Reforestation	AS 41.17.300	No	GF	3.01, 3.02
Statutory Budget Reserve	AS 37.05.540	Yes	GF	3.01, 3.02
Supplemental Benefits System	AS 39.30.150	Yes	PTF	5.01, 5.02
Surplus Property Revolving	AS 37.05.500(a)(2) AS 44.68.130	No	GF	3.01, 3.02
Teachers' Retirement System	AS 14.25.009-220 AS 14.25.310-590	Yes	PTF	5.01, 5.02

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Tobacco Use Education and Cessation	AS 37.05.580	No	GF	3.01, 3.02
Training and Building	AS 23.20.130(d)	No	GF	3.01, 3.02
Trans-Alaska Pipeline Liability (TAPS) Rebate	Federal PL 101-380	No	GF	3.01, 3.02
Trauma Care Fund	AS 18.08.085	No	GF	3.01, 3.02
Unemployment Compensation	AS 23.20.130	Yes	OAEF	1.21 - 1.23
Unincorporated Community Capital Project Matching Grant	AS 37.06.020	No	GF	3.01, 3.02
University of Alaska	AS 14.40.040	Yes	DPCU	1.41, 1.42
Vaccine Assessment	AS 18.09.230	No	GF	3.01, 3.02
Vocational Rehabilitation Small Business Enterprise Revolving	AS 23.15.130	No	GF	3.01, 3.02
Wage and Hour	AS 23.05.220	Yes	CF	5.11, 5.12
Workers' Compensation Benefits Guaranty	AS 23.30.082	No	GF	3.01, 3.02
Workers' Safety and Compensation Administration Account	AS 23.05.067	No	GF	3.01, 3.02

Legend of Acronyms



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LEGEND OF ACRONYMS

Acronym	Description
AAC	Alaska Aerospace Corporation
AAL	Actuarial Accrued Liabilities
ACFR	Annual Comprehensive Financial Report
ACPE	Alaska Commission on Postsecondary Education
ACWF	Alaska Clean Water Fund
ADWF	Alaska Drinking Water Fund
ASCA	Alaska State Council on the Arts
AEA	Alaska Energy Authority
AGDC	Alaska Gasline Development Corporation
AHCC	Alaska Housing Capital Corporation
AHE	Alaska Health Enterprise
AHFC	Alaska Housing Finance Corporation
AIA	Alaska International Airports
AIDEA	Alaska Industrial Development and Export Authority
AIGA	Alaska Insurance Guarantee Association
AKPBF	Alaska Public Buildings Fund
ALAE	Allocated Loss Adjustment Expense
AMBBA	Alaska Municipal Bond Bank Authority
AMHTA	Alaska Mental Health Trust Authority
APFC	Alaska Permanent Fund Corporation
ARHCT	Alaska Retiree Health Care Trust
ARMB	Alaska Retirement Management Board
ARRC	Alaska Railroad Corporation
AS	Alaska Statute
ASCA	Alaska State Council on the Arts
ASEC	Alaska Sustainable Energy Corporation
ASLC	Alaska Student Loan Corporation
ASMI	Alaska Seafood Marketing Institute
CAEF	Commercial Assistance Enterprise Fund
CBRF	Constitutional Budget Reserve Fund
CF	Custodial Fund
CFR	Code of Federal Regulations
CH	Chapter
CHIPRA	Children's Health Insurance Program Reauthorization Act
CMS	Centers for Medicare & Medicaid Services
COPs	Certificates of Participation
CPF	Capital Project Fund
CPI	Consumer Price Index
CSED	Child Support Enforcement Division
DAB	Department of Appeals Board
DB	Defined Benefit
DBUL	Defined Benefit Unfunded Liability
DCCED	Department of Commerce, Community, and Economic Development
DEC	Department of Environmental Conservation
DEED	Department of Education and Early Development
DF&G	Department of Fish and Game
DFCS	Department of Family and Community Services
DMVA	Department of Military and Veterans Affairs
DNR	Department of Natural Resources
DOA	Department of Administration

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LEGEND OF ACRONYMS

Acronym	Description
DOH	Department of Health
DOLWD	Department of Labor and Workforce Development
DOR	Department of Revenue
DOT&PF	Department of Transportation and Public Facilities
DPS	Department of Public Safety
DCP	Deferred Compensation Plan
DCR	Defined Contribution Retirement Plan
DPCU	Discretely Presented Component Unit
DSF	Debt Service Fund
DVR	Division of Vocational Rehabilitation
EAEF	Energy Assistance Enterprise Fund
EF	Enterprise Fund
EMGF	Emerging Markets Growth Fund
EPORS	Elected Public Officers Retirement System
EVOS	Exxon Valdez Oil Spill
FDIC	Federal Deposit Insurance Corporation
FERC	Federal Regulatory Commission
FHWA	Federal Highway Administration
FICA	Federal Insurance Contributions Act
FIFO	First In First Out
FNMA	Federal National Mortgage Association
FSSLA	First Special Session Laws of Alaska
FX	Foreign Currency
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GeFONSI	General Fund and Other Non-segregated Investments
GF	General Fund
GHLBF	Group Health and Life Benefits Fund
GO	General Obligation
HB	House Bill
HRA	House Resolution
HRA	Health Reimbursement Arrangement
IAF	International Airport Fund
IBNR	Incurred But Not Reported
IBR	Incremental Borrowing Rate
ISF	Internal Service Fund
ITF	Investment Trust Fund
JRS	Judicial Retirement System
MD&A	Management Discussion and Analysis
MEBA	Marine Engineers' Beneficial Association
MSA	Master Settlement Agreement
NAV	Net Asset Value
NGNMRS	National Guard and Alaska Naval Militia Retirement System
NHSD	National Highway System Designation
NMRT	Northwest Marine Retirement Trust
NPR	National Petroleum Reserve
NR	Not Reported in ACFR
NRSRO	Nationally Recognized Statistical Rating Organization
NTSC	Northern Tobacco Securitization Corporation

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LEGEND OF ACRONYMS

Acronym	Description
NTSCB	Northern Tobacco Securitization Corporation Bonds
OAEF	Other Agencies Enterprise Fund
OAH	Office of Administrative Hearings
OBHS	Optum Behavioral Health System
OD&D	Occupational Death and Disability
OIG	Office of Inspector General
OPEB	Other Post-Employment Benefits
ORP	Optional Retirement Plan
PBF	Public Building Fund
PERS	Public Employees' Retirement System
PERS-DB	Public Employees' Retirement System - Defined Benefit
PERS-DCR	Public Employees' Retirement System - Defined Contribution Retirement Plan
PF	Permanent Fund
PL	Public Law
PPA	Prior Period Adjustment
PRPA	Postretirement Pension Adjustment
PSF	Public School Fund
PTF	Pension and Other Employee Benefit Trust Fund
REIT	Real Estate Investment Trust
RHF	Retiree Health Fund
RMP	Retiree Major Medical Insurance
RSAs	Reimbursable Services Agreements
RTO	Railbelt Transmission Organization
SB	Senate Bill
SBITA	Subscription-Based Information Technology Arrangement
SBJPA	Small Business Job Protection Act
SBPA	Standby Bond Purchase Agreement
SBRF	Statutory Budget Reserve Fund
SBS	Supplemental Benefits System
SEC	Section
SF	Sport Fish
SICs	Synthetic Investment Contracts
SIR	Self-Insured Retention
SLA	Session Laws of Alaska
SOFR	Secured Overnight Finance Rate
SRF	Special Revenue Fund
SSOA	Shared Services of Alaska
SSSLA	Second Special Session Laws of Alaska
TAPS	Trans-Alaska Pipeline System
TIPS	Treasury Inflation Protected Securities
TRS	Teachers' Retirement System
TRS-DB	Teachers' Retirement System - Defined Benefit
TRS-DCR	Teachers' Retirement System - Defined Contribution Retirement
TRSY	Treasury
TSR	Tobacco Settlement Revenues
UA	University of Alaska
UAAL	Unfunded Actuarial Accrued Liabilities