**MISSION** – Promote, develop and advance economic growth and diversification in Alaska by providing various means of financing and investment.

**VISION** – To actively partner with Alaskans as a dynamic resource in statewide economic development.

**1,046** Permanent Jobs

**1,462** Construction Jobs

**$1.27 Billion** Net Position

**$20.745 Million** Dividend Paid

**$149.40 Million** AIDEA Investments

**$835.49 Million** Total Investment Value

**$686.09 Million** Private Dollars Leveraged

**$51.27 Million** Conduit Bonds Issued

---

The publication on the activities and financial condition of the Alaska Industrial Development and Export Authority is submitted in accordance with AS 44.88.210. The report was printed at a cost of $3.11 per copy and was printed in Anchorage, Alaska. Design and production by Solstice Advertising. Printed by Pyramid Printing.
CHAIRMAN’S LETTER

December 2014

The Alaska Industrial Development and Export Authority (AIDEA) plays a key role in helping Alaska build a strong and enduring economy. As the State of Alaska’s development financing authority, AIDEA’s successful partnerships with business and industry help create and retain thousands of Alaska jobs. With its strategic lineup of programs, projects and expanded financing capabilities, AIDEA is an engine for economic growth and diversification across our state.

AIDEA’s Ketchikan Shipyard has the distinction of being selected to build Alaska’s two newest ferries. The authority’s strategic investment in an oil and gas production and processing facility at the Mustang Field on the North Slope will put more oil in the Trans-Alaska Pipeline System. AIDEA has a strong history of key support to Alaska’s mining sector, and is at work evaluating the potential for an Industrial Access Road into the Ambler Mining District.

AIDEA’s strength and financing expertise are also at work on the Interior Energy Project, and significant progress has been made on bringing energy relief to Interior Alaskans.

On behalf of AIDEA’s Board, I extend sincere thanks to AIDEA management and staff as they work to promote economic growth and opportunity for Alaskans. Together we are working to build a strong future for our great state.

J. Dana Pruhs
AIDEA Board Chair

REPORT TO ALASKANS

December 12, 2014

The Alaska Industrial Development and Export Authority (AIDEA) continues to be a dynamic resource in promoting economic growth and job creation in Alaska. AIDEA has provided various means of financing and investment for Alaska businesses and projects across all sectors of Alaska’s economy. AIDEA’s current projects and new investments in projects and loans are projected to create more than 1,462 construction jobs, and create or retain approximately 1,046 permanent jobs for Alaska’s economy. AIDEA’s work to advance Alaska’s prosperity, promote job growth, and develop Alaska’s natural resources through our various public-private partnerships and programs continues to create economic opportunities for Alaskans and provides support for a strong and diverse Alaska economy.

AIDEA’s committed investment in projects and its financing of $149.4 million in Fiscal Year (FY) 2014 is projected to leverage up to $686 million in private investment.

Based on AIDEA’s strong performance, AIDEA’s Board declared a $17.6 million dividend to the state. Since the dividend program’s inception, AIDEA has declared more than $373.5 million to the state to support much needed programs, services and projects at the state level. Because of AIDEA’s strong balance sheet, its conservative and effective financial management of its assets and its consistently strong performance, Standard & Poor’s has maintained its high quality credit rating of AA+ for AIDEA.

AIDEA’s Commercial Finance programs in partnership with local banks and credit unions continue to provide Alaska businesses with access to long-term capital for financing new construction and business expansion. In FY 2014, AIDEA funded more than $14 million of loans and committed funding for an additional $30.8 million in loans. As a result of AIDEA’s Loan Participation Program, more than 5,752 permanent jobs and 4,494 construction jobs have been created or retained since FY 2002.

The Conduit Revenue Bond program continues to be a successful means by which AIDEA provides businesses and non-profits access to long-term affordable capital. AIDEA has issued more than 316 bonds for $1.35 billion. In FY 2014, AIDEA issued $51.2 million of bonds for the Greater Fairbanks Community Hospital Foundation. Proceeds from the bonds will provide funding for construction, renovation and equipping of improvements to Fairbanks Memorial Hospital, including new surgical suites. It is projected that the construction program will create more than 150 construction jobs.

Through AIDEA’s Project Development and Asset Management Division and its Infrastructure Division, AIDEA continues to take an active role in supporting economic diversity and job development for Alaskans by financing infrastructure and projects that support oil and gas exploration, mining, ship building, development of energy generation and transmission and other industries. AIDEA closed on the financing of a new oil production facility on the North Slope. This project is estimated to lead to a production increase of 15,000 barrels of oil per day on the North Slope. It will also provide up to $300 million in state revenue and up to $45 million in property taxes to local communities, as well as promote more than $500 million in private sector investment. AIDEA continues to look for new strategic investment in projects and infrastructure, such as industrial roads and ports, to assist the state and private sector in developing our rich natural resources.

Even as AIDEA looks to fund new infrastructure and development projects, AIDEA’s owned projects such as Ketchikan Shipyard, Skagway Ore Terminal and Federal Express Hangar continue to generate economic benefits and job growth for Alaska. The operation and expansion of these projects will generate millions of dollars in economic activity and new permanent jobs for the communities in which they are located.

On behalf of AIDEA’s Board, management, and staff, we thank Governor Walker, former Governor Parnell, Alaska’s lawmakers, AIDEA’s partners and all Alaskans for their support of AIDEA and the vital role AIDEA plays in the economy of our great state.

Ted Leonard, CMA, SPHR
Executive Director
2014 LEGISLATIVE HIGHLIGHTS

The 2014 legislative session provided AIDEA with two pieces of significant legislation and one other, providing technical amendments for the Sustainable Energy Transmission and Supply (SETS) Development Fund. Senate Bill 99 was signed into law by Governor Parnell on June 16, 2014, while Senate Bill 140 was signed into law on July 16, 2014.

**SETS Technical Amendments – SB 99**

The bill provided technical amendments to the SETS Development Fund within AIDEA. It was determined that the statutes, as written in 2013, created an ambiguity in the one-third capital cost limit as it relates to loans, loan guarantees and bond guarantees. The ambiguity arises in the current statutes as to whether the $20 million loan limitation worked in conjunction as a one-third limitation on loan guarantees, or was independent of that limitation. Additionally, the statute was vague as it relates to AIDEA’s authority to use the fund as a security for a bond guarantee. This bill clarifies the types of financing and limitations for financing for qualified energy developments in the state.

**Arctic Infrastructure Development Fund – SB 140**

Senate Bill 140 is designed to boost infrastructure development in the Arctic. SB 140 creates incentives to attract private investment to build much needed ports, roads, emergency and telecommunications projects in Alaska’s Arctic. The legislation expands AIDEA’s tool bag by extending the same authority for loans, loan guarantees, bonds and bond guarantees that it currently utilizes in the energy sector via the SETS fund in order to develop infrastructure in the Arctic.

**Bond Authorization – SB 99**

The second authorization would allow AIDEA to issue bonds up to $125 million to finance the development of the Niblack Mine Project and the Gravina Island Industrial Complex (near Ketchikan) for an ore processing facility. Niblack is a gold, copper, zinc and silver deposit also located on Prince of Wales Island. During mine operations, Niblack has the potential to provide 200 full-time jobs, with about two-thirds of workers at the mine site and one-third at the processing facility.

### RECENT PROJECTS APPROVED

<table>
<thead>
<tr>
<th>LOCATION</th>
<th>SECTOR</th>
<th>PROJECT COST ($)</th>
<th>USE OF FUNDS</th>
<th>AIDEA PROGRAM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anchorage</td>
<td>Retail</td>
<td>2,025,000</td>
<td>Refinance</td>
<td>Loan Participation</td>
</tr>
<tr>
<td>Anchorage</td>
<td>Office</td>
<td>2,250,000</td>
<td>Acquisition</td>
<td>Loan Participation</td>
</tr>
<tr>
<td>Anchorage</td>
<td>Office/Warehouse</td>
<td>1,312,500</td>
<td>Acquisition</td>
<td>Loan Participation</td>
</tr>
<tr>
<td>Anchorage</td>
<td>Retail</td>
<td>2,903,000</td>
<td>New Construction</td>
<td>Loan Participation</td>
</tr>
<tr>
<td>Anchorage</td>
<td>Office</td>
<td>2,405,366</td>
<td>New Construction</td>
<td>Loan Participation</td>
</tr>
<tr>
<td>Anchorage</td>
<td>Office</td>
<td>6,637,500</td>
<td>New Construction</td>
<td>Loan Participation</td>
</tr>
<tr>
<td>Anchorage</td>
<td>Office</td>
<td>3,010,000</td>
<td>Acquisition</td>
<td>Loan Participation</td>
</tr>
<tr>
<td>Fairbanks</td>
<td>Healthcare</td>
<td>51,275,000</td>
<td>New Construction</td>
<td>Conduit Bonds</td>
</tr>
<tr>
<td>Fairbanks</td>
<td>Energy</td>
<td>15,000,000</td>
<td>New Construction</td>
<td>SETS</td>
</tr>
<tr>
<td>Fairbanks</td>
<td>Energy</td>
<td>8,100,000</td>
<td>Development</td>
<td>SETS</td>
</tr>
<tr>
<td>Fairbanks</td>
<td>Fuel Distribution</td>
<td>35,000,000</td>
<td>New Construction</td>
<td>Loan Participation</td>
</tr>
<tr>
<td>Gulf Coast</td>
<td>Office/Warehouse</td>
<td>1,882,500</td>
<td>New Construction</td>
<td>Loan Participation</td>
</tr>
<tr>
<td>Mat-Su</td>
<td>Business Condo</td>
<td>1,312,500</td>
<td>New Construction</td>
<td>Loan Participation</td>
</tr>
<tr>
<td>Mat-Su</td>
<td>Business Condo</td>
<td>1,312,500</td>
<td>New Construction</td>
<td>Loan Participation</td>
</tr>
<tr>
<td>Mat-Su</td>
<td>Recreation</td>
<td>819,000</td>
<td>New Construction</td>
<td>Loan Participation</td>
</tr>
<tr>
<td>Northern Region</td>
<td>Transportation</td>
<td>8,500,000</td>
<td>Development</td>
<td>Infrastructure</td>
</tr>
<tr>
<td>North Slope</td>
<td>Oil &amp; Gas</td>
<td>582,000,000</td>
<td>New Construction</td>
<td>Project Development</td>
</tr>
</tbody>
</table>
AIDEA assists Alaska business through its ability to develop, own and operate facilities within the state, with the purpose of advancing the prosperity of a region. These projects are not limited to large industrial facilities, but cover a range of project types and sizes in a number of industry sectors. Eligible projects considered include manufacturing facilities, ports, airports, infrastructure for tourism destination facilities, federal facilities, community public purpose and communications essential for regional economic well-being.

**HEALY CLEAN COAL PLANT**

AIDEA and Golden Valley Electric Association (GVEA) closed the sale of the 50-megawatt Healy Clean Coal Plant and transferred ownership of the plant to GVEA. The sale will bring this plant online for the maximum value and direct benefit to Railbelt electric consumers.

GVEA purchased the plant for $42 million and will spend an additional $37 million to update and enhance plant systems. GVEA agreed to install advanced pollution controls as part of a consent decree with the U.S. Environmental Protection Agency.

At peak construction the plant will employ about 90 workers.

**KETCHIKAN SHIPYARD**

Vigor Alaska operates the Ketchikan Shipyard for AIDEA. The facility includes a 130,000 square foot state-of-the-art assembly and production hall, and a steel fabrication shop. The shipyard currently employs 165 people. Vigor was recently awarded the State contract to build two new Alaska Marine Highway System ferries which is expected to generate an additional 60 to 80 jobs per year for four years, adding $22.3 million in wages to the local economy, plus $9.8 million in local spending with contractors and vendors.

Additional direct economic impact is $32.1 million.

**BENEFITS**

34,480 UTILITY MEMBERS

**EMPLEYS**

165 PEOPLE
MUSTANG OPERATIONS CENTER 1, LLC

The Mustang Operations Center 1 (MOC 1) is an oil and gas processing facility to produce pipeline quality crude oil for sale through the Trans-Alaska Pipeline System. The facility is being financed via a limited liability corporation (LLC) – MOC 1, LLC. AIDEA has entered into this LLC with its partner, CES Oil Services Pte, Ltd. Located in the Southern Milevuach Unit, the facility will be operated by Brooks Range Petroleum Corporation. Up to 25 million barrels of oil will be produced through the facility initially, while oil from other nearby fields may also be passed through the facility as these fields are developed.

The facility will include the following:
• Oil/gas treatment processes for up to 15,000 barrels per day (bpd) of oil production.
• Power generation capacity for 10 megawatts (MW) of primary electrical power.
• Well headers and connections for up to 11 production and 20 reinjection wells.
• Operations camp.

FINANCING

MOC 1’s financing is comprised of a $1 million contribution by CES, a $150-175 million loan arranged by CES to MOC 1 from Strategic Equipment Inc. (SEI), and AIDEA’s $50 million investment via preferred share ownership of MOC 1. AIDEA’s financing will be repaid over a seven-year period with a quarterly dividend and annual share repurchases following first oil.

ECONOMIC BENEFITS

• Estimated state royalty and production tax payments to the state of more than $300 million.
• More than $45 million in property tax payments to the North Slope Borough over the project lifetime.
• Up to 250 jobs for the design and construction of the facility.
• Up to 20-25 full-time jobs for facility operations.
• Over 200 indirect long-term jobs due to local facility related spending and expenses.

STATUS UPDATE

Financial close occurred in October 2014 and construction is scheduled to begin in spring 2015.
INFRASTRUCTURE DEVELOPMENT PROGRAM

The State of Alaska has placed a high priority on the development of new mineral, oil, gas and natural resource projects. These economic development projects are important because they create good paying jobs, generate local and state revenues and help diversify the economy.

AIDA understands that in order to spur natural resource development, it is critical to develop transportation corridors, port facilities and access to affordable energy. AIDA supports the development of these intermodal systems by tying together industrial roads, rail and ports needed to bring natural resources, refined products and goods to market.

By using a variety of financial and project delivery tools, AIDA is ready to partner with project proponents to develop the state’s critical infrastructure needs.

**AIDA SUPPORTS THE DEVELOPMENT OF INTERMODAL SYSTEMS**

**COOK INLET LNG EXPORT FACILITY**

Building on a long history of Japanese-Alaska economic collaboration, the Cook Inlet LNG Export Facility project represents an important extension of this relationship by building links between the State of Alaska, Japan, Japanese Prefectures, public and private sector institutions, and industries.

The project proponent, Resources Energy, Inc., is an Alaska-based subsidiary of Japan based ERI. The mission of ERI is to secure supplies of natural gas from Alaska.

The project, if approved, will support a long-term industrial market and provide the incentive to further develop Cook Inlet natural gas reserves. In addition, employment would be generated by the construction and subsequent operations of the facility and through increased Cook Inlet-wide exploration and production.
AIDEA ASSETS

DELONG MOUNTAIN TRANSPORTATION SYSTEM (DMTS)
LOCATION: Northwest Arctic Borough

FEDERAL EXPRESS MAINTENANCE FACILITY
LOCATION: Anchorage

CAMP DENALI READINESS CENTER ADDITION
LOCATION: Joint Base Elmendorf-Richardson

MUSTANG OIL PROCESSING FACILITY (MOC1)*
LOCATION: North Slope

MUSTANG ROAD, LLC
LOCATION: North Slope

SKAGWAY ORE TERMINAL
LOCATION: Skagway

SNETTISHAM HYDROELECTRIC PROJECT
LOCATION: Juneau

ENDEAVOUR – SPIRIT OF INDEPENDENCE JACK-UP RIG
LOCATION: Cook Inlet

KETCHIKAN SHIPYARD
LOCATION: Ketchikan

*NEW PROJECT
The goal of the Interior Energy Project is to supply natural gas to Interior Alaska at the lowest cost possible and to as many Alaska customers as possible, as soon as possible. The project is being financed with a combination of public and private sector funds.

**PROJECT MILESTONES**

**North Slope Liquefied Natural Gas (LNG) Facility**

- AIDEA signed a concession agreement with MWH Global, creating the legal framework for the ownership, development, financing, construction and operation of the LNG plant. The agreement also allows the parties to move forward on completing the final design of the plant and the financial structure of the project, based on a public-private partnership.
- North Slope pad and access road construction were completed in September 2014.
- All facility construction permits completed with the air permit being issued in October 2014.

**Fairbanks Storage and Distribution Systems**

- $15 million distribution system expansion loan to FNG (29 miles of new FNG pipe installed in 2014).
- $8.1 million loan to the Interior Gas Utility for project development, build-out modeling, planning and purchase of pipe for Phase 1 development in North Pole.

While the participating entities refine the financial structure, progress is underway and ongoing efforts include:

- Finalizing a Class 1 cost estimate and engineering for the North Slope LNG Plant.
- Obtaining utility off-take agreements.
- Expanding the distribution systems in the Fairbanks North Star Borough.

For more information visit: www.interiorenergyproject.com
The Loan Participation Program provides permanent financing, both taxable and tax-exempt, to borrowers through a qualified financial institution for the purpose of developing, acquiring or enhancing an Alaska business enterprise. The program also provides long-term fixed or variable rate financing on the portion of the loan purchased by AIDEA. AIDEA does not originate loans, but is able to purchase up to 90 percent of a commercial loan of up to a maximum of $20 million from an eligible financial institution.

Benefits include competitive interest rates and terms that can go up to 15 years for equipment and 25 years for real estate. These benefits result in lower scheduled payments for the borrower, easing the repayment burden. The project being financed must be in Alaska.

### Region Loan Participation Activity

<table>
<thead>
<tr>
<th>REGION</th>
<th># LOANS</th>
<th>% LOANS</th>
<th>BALANCE ($)</th>
<th>% DOLLARS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anchorage</td>
<td>123</td>
<td>54.6</td>
<td>186,127,218</td>
<td>53.4</td>
</tr>
<tr>
<td>Southeast</td>
<td>35</td>
<td>15.6</td>
<td>67,765,957</td>
<td>19.4</td>
</tr>
<tr>
<td>Mat-Su</td>
<td>32</td>
<td>14.2</td>
<td>42,695,448</td>
<td>12.2</td>
</tr>
<tr>
<td>Interior</td>
<td>8</td>
<td>3.6</td>
<td>23,879,658</td>
<td>6.8</td>
</tr>
<tr>
<td>Gulf Coast</td>
<td>21</td>
<td>9.3</td>
<td>23,050,699</td>
<td>6.6</td>
</tr>
<tr>
<td>Southwest</td>
<td>6</td>
<td>2.7</td>
<td>5,150,550</td>
<td>1.6</td>
</tr>
<tr>
<td>TOTALS</td>
<td>225</td>
<td>100.0%</td>
<td>$348,669,530</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

### Loan Participation Activity by Use of Funds

- **New Construction**: 59%
- **Refinance**: 15%
- **Acquisition**: 26%

### Outstanding Loan Balance By Type

- **Under $1 Million**: $737,100
- **$1-2 Million**: $6,903,000
- **$2-5 Million**: $9,511,529
- **Over $5 Million**: $25,973,750

### Funded and Committed FY14 Loan Participation Activity

- **AS OF JUNE 30, 2014**

- **New Loan Participation Activity by Use of Funds**

- **AS OF JUNE 30, 2014**
ALASKA GLACIER SEAFOODS, JUNEAU

Alaska Glacier Seafoods is a processing plant owned and operated by the Erickson Family in Juneau, Alaska. In 1996, the family fished shrimp and halibut out of a 23-foot skiff and sold the catch out of a small building. The family expanded its sales to a few local restaurants and grocery stores, and quickly discovered demand exceeded supply.

Within a few years, the company was hauling upwards of 3 million pounds of fish a year from the local docks to a small plant in the middle of Juneau. In order to continue to grow, the company needed to be located near the water.

Alaska Glacier Seafoods worked with Alaska Pacific Bank to secure $2.5 million in funding through AIDEA to build a waterfront processing plant in 2004. The company grew from a peak crew of 40 (five permanent/35 seasonal) in 2003, to 150 (50 year-round/100 seasonal) employees today.

Alaska Glacier Seafoods went from purchasing 3 million pounds of fish per year, before the new plant, to 10 million pounds annually. The company’s fish went from being sold in a small retail outlet to being shipped in container vans around the world. The financing package that AIDEA and Alaska Pacific Bank offered was exceptional and the long-term options with competitive fixed interest rates worked well over time.

“The success of Alaska Glacier Seafoods can be attributed to hard work by our management team, fishermen and employees along with the competitive financing offered through AIDEA and Alaska Pacific Bank at a critical time in our growth.”

KRISTIE ERICKSON, BUSINESS MANAGER

CONDUIT REVENUE BOND PROGRAM

The Conduit Revenue Bond Program allows AIDEA to issue taxable and tax-exempt bonds on behalf of a private or public entity. The underwriting and placement of the bonds is based on the creditworthiness of the project, borrower’s financial strength and any credit enhancements offered by the borrower. These bonds are payable from the revenues of the project being funded and neither the assets nor credit of AIDEA are at risk.

316 conduit bonds totaling $1.35 billion issued since 1978

GREATER FAIRBANKS COMMUNITY HOSPITAL FOUNDATION

In February 2014, the AIDEA Board approved the issuance of $51,275,000 in tax-exempt conduit revenue bonds for the Greater Fairbanks Community Hospital Foundation.

The bond proceeds will be used to provide financing for the acquisition, construction, renovation, and equipping of improvements to the Fairbanks Memorial Hospital, including construction of new surgical suites, supporting space and a new hallway.

The Hospital Foundation owns the 162-bed acute care Fairbanks Memorial Hospital, the Fairbanks Cancer Treatment Center and the Denali Center, a 90-bed skilled nursing care facility.

$51.27 M MILLION CONDUIT BONDS

150 construction jobs created for three years in Fairbanks.
SPECIALTY PROGRAMS

SUSTAINABLE ENERGY TRANSMISSION AND SUPPLY FUND (SETS)

Under the SETS program, AIDEA is now equipped to lend money and provide guarantees for qualified energy development projects, which include many of the physical components comprising Alaska’s energy infrastructure.

Qualified Energy Development Projects are defined as:

- Transmission, generation, conservation, storage or distribution of heat or electricity;
- Liquefaction, regasification, distribution, storage or use of natural gas except a natural gas pipeline project for transporting natural gas from the North Slope or Cook Inlet to market;
- Distribution or storage of refined petroleum products.

NEW MARKETS TAX CREDITS GUARANTEE AND LOAN PROGRAM

Under this program, AIDEA may provide a loan guarantee for the Leveraged Loan portion of a New Markets Tax Credit transaction. The borrower must apply to AIDEA for the guarantee, which may be used to get a loan from a commercial lender. AIDEA may also provide a direct leveraged loan in those instances where it can be shown that at least two financial institutions have declined to make a leveraged loan even with an AIDEA guarantee.

Two SETS loans funded for a total of $23.1 million for expansion of the gas distribution systems in Fairbanks.

SMALL BUSINESS LOAN PROGRAMS

RURAL DEVELOPMENT INITIATIVE FUND

This program provides long-term private sector employment by financing business start-up and expansion in communities with a population of 5,000 or less and not connected by road or rail to Anchorage or Fairbanks, or a population of 2,000 or less connected by road or rail. Applicable uses of loan funds include working capital, equipment and construction and must result in the creation of new jobs or the retention of existing jobs. The maximum loan amount is $150,000 for one person or up to $300,000 for two or more people for a maximum of 25 years, and the interest rate is fixed at the time of loan approval.

SMALL BUSINESS ECONOMIC DEVELOPMENT (SBED) FUND

This program provides long-term private sector employment by financing business start-up and expansion for companies that are a small business as defined by the Small Business Administration. Applicants are required to match loan funds with cash or other private financing. SBED loans must result in the creation of new jobs or the retention of existing jobs. The maximum loan amount is $300,000 for a maximum of 20 years on fixed assets and five years for working capital; all loans must be adequately secured and the interest rate is fixed.

58 jobs created and retained in FY14 and 1,769 jobs created overall.

$1.85 MILLION IN NEW LOANS

These two AIDEA Loan Programs are administered by the State of Alaska Department of Commerce, Community and Economic Development, Division of Economic Development. For more information on these Small Business Loans, please visit http://commerce.alaska.gov/DED/fin/loanPrograms.html
## AIDEA FINANCIALS

### Dividend by Year Paid

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend</td>
<td>$22,720</td>
<td>$23,423</td>
<td>$29,400</td>
<td>$20,400</td>
<td>$20,745</td>
</tr>
</tbody>
</table>

### Net Position

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Position</td>
<td>$1,012,000</td>
<td>$1,040,000</td>
<td>$1,076,000</td>
<td>$1,164,945</td>
<td>$1,270,762</td>
</tr>
</tbody>
</table>

### Outstanding Loan Balance

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan Balance</td>
<td>$369,343</td>
<td>$469,966</td>
<td>$458,401</td>
<td>$435,445</td>
<td>$380,285</td>
</tr>
</tbody>
</table>

## FY14 UNAUDITED FINANCIAL HIGHLIGHTS

### THOUSANDS

#### STATEMENTS OF NET POSITION

**Assets and deferred outflows of resources:**

<table>
<thead>
<tr>
<th>Description</th>
<th>June 30, 2014 (as adjusted)</th>
<th>June 30, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment securities and cash</td>
<td>$692,476</td>
<td>$503,313</td>
</tr>
<tr>
<td>Loans, net</td>
<td>380,285</td>
<td>435,445</td>
</tr>
<tr>
<td>Development projects</td>
<td>309,448</td>
<td>355,942</td>
</tr>
<tr>
<td>Other assets</td>
<td>24,821</td>
<td>14,208</td>
</tr>
<tr>
<td>Snettisham Project assets</td>
<td>80,077</td>
<td>82,496</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>1,487,107</td>
<td>1,401,404</td>
</tr>
<tr>
<td>Deferred outflows of resources</td>
<td>363</td>
<td>519</td>
</tr>
<tr>
<td><strong>Total Assets and deferred outflows of resources</strong></td>
<td>1,487,470</td>
<td>1,401,923</td>
</tr>
</tbody>
</table>

**Liabilities, deferred inflows of resources and net position:**

<table>
<thead>
<tr>
<th>Description</th>
<th>For the year ending June 30, 2014 (as adjusted)</th>
<th>For the year ending June 30, 2013 (as adjusted)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revolving fund bonds</td>
<td>$73,165</td>
<td>$81,090</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>61,153</td>
<td>70,203</td>
</tr>
<tr>
<td>Snettisham Project liabilities</td>
<td>80,077</td>
<td>82,496</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>214,395</td>
<td>233,789</td>
</tr>
<tr>
<td>Deferred inflows of resources</td>
<td>2,313</td>
<td>3,189</td>
</tr>
<tr>
<td><strong>Net position</strong></td>
<td>1,270,762</td>
<td>1,164,945</td>
</tr>
<tr>
<td><strong>Total liabilities, deferred inflows of resources and net position</strong></td>
<td>$1,487,470</td>
<td>$1,401,923</td>
</tr>
</tbody>
</table>

#### REVENUES, EXPENSES AND CHANGES IN NET POSITION

**Operating revenues:**

- Interest on loans: $19,012, $20,986
- Income from development projects: $14,695, $14,495
- Snettisham Project restricted income: $3,876, $3,991
- Investment interest: $10,037, $11,766
- Net increase/(decrease) in fair value of investments: $2,224, $(10,494)
- Income from state agencies and component units: $8,615, $8,149
- Gain on sale of development project: $4,188
- Other income: $2,322

**Total operating revenues:** $64,969, $51,576

**Operating expenses:**

- Interest: $3,056, $3,304
- Snettisham Project interest expense: $3,876, $3,991
- General and administrative: $7,280, $7,803
- Costs reimbursed from State agencies and component units: $8,615, $8,149
- Provision for loan losses: $(1,349), $(718)
- Depreciation: $3,529, $4,013
- Project feasibility and due diligence: $1,901, $1,277
- Other project expenses: $2,163, $3,337

**Total operating expenses:** $29,070, $31,146

**Increase in net position, before dividend to State of Alaska:** $126,562, $105,630

**Dividend to State of Alaska:** $(20,745), $(20,400)

**Increase in net position, after dividend to State of Alaska:** $105,817, $85,230
EXEMPTION FROM TAXATION

The Alaska Industrial Development and Export Authority is a political subdivision of the State of Alaska performing an essential governmental function and as such is not subject to federal or state income taxation. In accordance with AS 44.88.140 (a), the Authority submits the following information describing the nature and extent of the tax exemption of the Authority’s property: all furniture, fixtures and equipment utilized by Authority personnel and real property occupied by the Authority offices within the Municipality of Anchorage are exempt from Municipality of Anchorage property taxes. All real and personal property associated with or part of projects developed, originally owned or operated under the Economic Development Account located within cities, municipalities and/or boroughs are exempt from any respective real and personal property taxes.