

ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY

2013

ANNUAL REPORT



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VISION

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

MISSION

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

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 \$3.45 per copy and was printed in Anchorage, Alaska. Design and production by Solstice Advertising. Printed by PIP Printing.

FY13 Highlights

893

PERMANENT JOBS

\$11,039,200

**AIDEA PORTION OF NEW LOAN
PARTICIPATIONS**

\$20.40

**MILLION
DIVIDEND**

\$35

**MILLION NEW PROJECT
INVESTMENTS**

297

CONSTRUCTION JOBS

3.18

CURRENT RATIO

\$1.161

**BILLION
NET POSITION**

4.64

**CASH AND INVESTMENTS
TO GO DEBT RATIO
(REVOLVING FUND)**

Report to Alaskans

December 12, 2013

The Alaska Industrial Development and Export Authority (AIDEA) continues to be a powerful driver of Alaska's economy. AIDEA's programs have provided financing and access to long-term affordable capital for Alaska businesses and projects across all sectors of Alaska's Economy. In Fiscal Year (FY) 2013, AIDEA's programs created more than 297 construction jobs, and created or retained approximately 893 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.

In FY 2013, AIDEA increased its net assets by over \$85.5 million after paying the State of Alaska a dividend of \$20.4 million. Based on the Authority's continued strong performance, AIDEA's Board will pay the State of Alaska a \$20.7 million dividend in FY 2014. Including this dividend, AIDEA has provided the State of Alaska and its citizens with more than \$345 million in dividends 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 continue to provide Alaska businesses with access to long-term capital for financing new construction and business expansion. In FY 2013, AIDEA funded more than \$11 million of loans and committed funding for an additional \$7.5 million. As a result of AIDEA's Loan Participation Program, more than 5,698 permanent jobs and 4,311 construction jobs have been created or retained since FY 2002.

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 through financing infrastructure and projects that support oil and gas exploration, mining, ship building, development of energy generation and transmission, and other industries. In FY 2013, AIDEA completed the Mustang Road and 19-acre pad which will support the development of the Mustang Oil Field and a new oil production facility on the North Slope. This project is estimated to lead to an increase of production of 15,000 barrels of oil per day on the North Slope. 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, the Authority continues to expand AIDEA owned projects such as Ketchikan Shipyard and Skagway Ore Terminal. AIDEA completed a \$77 million dollar shipyard expansion resulting in a state of the art ship assembly hall, operation office and production center. An important milestone for the shipyard this year was the completion of the F/V Arctic Prowler, which was built in the new ship assembly hall and is the first large-scale commercial fishing vessel built in Alaska.

The expansion of these important projects will generate millions of dollars in economic activity and new permanent jobs for Ketchikan and Skagway.

During the 2013 legislative session, AIDEA was tasked with the goal to bring affordable energy to Fairbanks and Interior Alaska by working with the private sector to build a liquefied natural gas (LNG) plant and distribution system. It is projected that through this public-private partnership, the project can lower heating bills by 40 to 50 percent. With the new investment tools AIDEA has received from the Administration and Legislature over the last few years, AIDEA will continue to play an important role in funding needed energy infrastructure to reduce energy costs across the State.

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

J. DANA PRUHS
AIDEA Board Chair

TED LEONARD, CMA, SPHR
Executive Director

Governor's Letter

December 2013



Dear Fellow Alaskans,

The Alaska Industrial Development and Export Authority (AIDEA) helps create economic opportunity for Alaskans. As the State of Alaska's development financing authority, AIDEA provides a strategic lineup of financing capabilities to businesses, community, and nonprofit organizations to spur economic growth and diversification across our state.

Through successful partnerships with business and industry, thousands of Alaska jobs have been created, filled, and retained. Additionally, AIDEA has developed several important projects across the state, such as oil and gas exploration work in Cook Inlet, ship-building in Ketchikan, road and pad construction on the North Slope, and the Interior Energy Project is currently under development to bring energy relief to Interior Alaskans.

We appreciate the work of the AIDEA Board, management, and staff on behalf of all Alaskans. Together, we will continue to build a strong economic future for this great state we call home.

Best Regards,

A handwritten signature in blue ink that reads "Sean Parnell". The signature is fluid and cursive.

Sean Parnell
Governor

Working for Alaskans Around the State

RECENT PROJECTS FUNDED

| LOCATION | SECTOR | TOTAL PROJECT COST(\$) |
|-------------|------------------|------------------------|
| Anchorage | Office | 2,137,500 |
| Anchorage | Tourism | 4,800,000 |
| Anchorage | Federal/Military | 15,000,000 |
| Anchorage | Restaurant | 667,500 |
| Anchorage | Office | 1,400,000 |
| Aniak | Office | 570,000 |
| Haines | Tourism | 930,000 |
| Hooper Bay | Office | 1,125,000 |
| North Slope | Oil & Gas | 27,000,000 |
| Skagway | Retail | 857,000 |
| Soldotna | Office | 2,200,000 |
| Wasilla | Warehouse | 769,000 |

2013 LEGISLATIVE HIGHLIGHTS

The 2013 legislative session was particularly busy for AIDEA, not only for the importance of the legislation under consideration but the diversity of subjects. The Legislature passed Senate Bill 23 on April 12, 2013 and was signed into law by Governor Parnell on June 24, 2013. This bill covered many topics, all of which enhance AIDEA's operations and project development. Below is an overview of the legislation that was passed in SB 23.

Interior Energy Project

SB 23 authorized AIDEA to provide up to \$275 million in financing for a natural gas liquefaction plant and affiliated infrastructure on the North Slope as well as providing for financing of a natural gas distribution system within the Fairbanks North Star Borough. The bill is in response to the continuing high-energy costs that are affecting the Fairbanks area and Interior Alaska. (Details on page 11.)

Project Financing

Passage of this bill adds to AIDEA's existing development finance tools under which it owns and operates projects. The legislation provides AIDEA with the option to make loans on projects which it would not want to own but which can provide substantial economic benefits to the State of Alaska. This in turn allows AIDEA to use its resources more effectively by making project

| USE OF FUNDS | AIDEA PROGRAM |
|------------------|---------------------|
| New Construction | Loan Participation |
| New Construction | Loan Participation |
| New Construction | Project Development |
| Acquisition | Loan Participation |
| Acquisition | Loan Participation |
| New Construction | Loan Participation |
| Acquisition | Loan Participation |
| New Construction | Loan Participation |
| New Construction | Project Development |
| Acquisition | Loan Participation |
| Refinance | Loan Participation |
| Refinance | Loan Participation |

financing available for a greater variety of projects. These projects are often not amenable to support by commercial lending, but have merit in terms of underwriting risk, resultant jobs and economic diversification of the economy.

Governmental Accounting Standards Board Clarification

This bill makes a technical change in AS 44.88.088 to accommodate changes required by the Governmental Accounting Standards Board (GASB) to AIDEA’s audited financial statements. The statutory change replaces the term “net assets” with “net position” (or the equivalent under GAAP). The amendment ensures that the dividend calculation is performed using numbers from the applicable audited financial statements.

Dividend Clarification

The bill also clarifies the payment of the AIDEA dividend from the new Sustainable Energy Transmission and Supply (SETS) Fund for energy development projects established by SB 25 (2012). The amendments to AS 44.88.088(a) separate the SETS Fund from the pre-existing Revolving Fund for the purposes of paying a dividend to the State of Alaska. SB 25 established the new SETS fund but did not address the dividend, and these amendments allow for separate dividends to be paid by AIDEA from the SETS Fund and the Revolving Fund.

Growing Strong Business

PROJECT DEVELOPMENT AND ASSET MANAGEMENT PROGRAM

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. Natural resource extraction and processing, logistics facilities, airports, docks, federal and military facilities, and communications are examples of eligible projects.

Camp Denali Readiness Center Addition

In August 2012, the Board approved AIDEA to construct, own and operate an expansion of the existing National Guard Armory, for use by the U.S. Coast Guard (USCG) on Joint Base Elmendorf-Richardson. Camp Denali Readiness Center matches the existing two-story building and encompasses an area of approximately 29,000 square feet. Associated with the building are 120 parking spaces and an alternative access road.

The State of Alaska - Department of Military and Veterans Affairs (DMVA) will make payments to AIDEA under a 25-year lease, subject to future legislative appropriations. The DMVA, in a separate agreement with the USCG, will operate and maintain the facility and the USCG will pay the DMVA for this effort. Construction began in August 2012 and the facility will be commissioned in late December 2013 at a cost that is less than the \$15 million estimate.

Mustang Road and Production Pad

This project consists of a 4.5 mile access road and 17.4 acre production pad for the Brooks Range Petroleum Company's (BRPC) drill site and production facility. The road provides access to the Mustang Field (Southern Miluvec Unit), adjacent company holdings, other working interest party holdings and service contractor access. The new road and pad enables the continued development of this field with the potential for branching or extensions into other nearby fields.

The road and production pad are wholly owned by the Mustang Road, LLC, which was formed between AIDEA and its partners, Ramshorn Investments and the Alaska Venture Capital Group. AIDEA is the preferred member with its \$20 million investment of the \$27 million project, with the balance coming from the common members. AIDEA's investment will be repaid within 15 years, starting by 2015, at an annual rate of eight percent. The road was constructed and will be operated and maintained by BRPC.

This project will allow for the immediate development of a planned \$210 million production facility which is expected to move up to 15,000 barrels of oil per day into the Trans-Alaska Pipeline. Construction began in March and was completed in 2013. It is currently ready for use and agreements are being negotiated with other entities to use the road and pad in the 2013/14-winter season.



110 CONSTRUCTION JOBS
CREATED



\$45M
IN PROJECT INVESTMENTS



Building a Brighter Future

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 to diversify the economy.

AIDEA understands that in order to spur natural resource development it is critical to develop transportation corridors, port facilities and access to affordable energy. AIDEA 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, AIDEA is ready to partner with project proponents to develop the state's critical infrastructure needs.

Ambler Mining District Industrial Access Road

AIDEA has been asked by the Governor to evaluate the potential for constructing an industrial access road to the Ambler Mining District in Northwest Alaska. The Ambler Mining District is an area with rich mineral resources, including copper, zinc, lead and gold. A major issue limiting development of these mining prospects is surface transportation to the area to help in mine construction and to transport the mineral products during mine operations.

In 2009, the Alaska Department of Transportation and Public Facilities conducted reconnaissance investigations looking at a number of possible road and railroad routes. Preliminary studies evaluated the routes based on environmental and engineering criteria. The studies identified a potential corridor from the Dalton Highway to the Ambler Mining District crossing through the Gates of the Arctic National Preserve. Access to the Ambler Mining District through Gates of the Arctic was specifically allowed in the Alaska National Interest Lands Conservation Act (ANILCA).

In 2013, the Ambler Mining District Industrial Access Road (AMDIAR) project was transferred to AIDEA, which developed the road and port system associated with Red Dog Mine. AIDEA has been reaching out to communities in the project area and continuing baseline studies with the goal of submitting a permit application to the Corps of Engineers in March 2014 to initiate the Environmental Impact Statement (EIS) process.

AIDEA is proposing that the road be constructed using a Private-Public Partnership model, where a private entity would construct, operate and maintain the road and levy tolls and user fees to recover its investment.

EIS PROCESS EXPECTED TO BEGIN



2014



5 World-Class
MINERAL DEPOSITS



Energy Solutions

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.

This new fund, capitalized with \$67.5 million, provides AIDEA with a variety of tools for financing Alaska’s energy infrastructure needs. Specifically, AIDEA can:

- Finance or guarantee qualified projects
- Defer principal payments
- Capitalize interest on project financing
- Enter into project financing agreements
- Finance projects with terms of up to 30 years
- Finance hydropower or transmission line projects for up to 50 years

AIDEA must obtain legislative approval if it finances:

- More than one-third of the capital cost of an energy project, or
- Loan guarantees that exceed \$20 million

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

The SETS fund consists of appropriations made to it by the Legislature, money or other assets AIDEA transfers to the fund, unrestricted loan repayments, and interest or other income earned on loans, investments, or assets of the development fund.



\$67.5 MILLION
SETS FUND



40-50%
REDUCED HEATING BILLS

Interior Energy Project

The Interior Energy Project was introduced by Governor Parnell to bring affordable energy to Fairbanks and the Interior as quickly as possible. SB 23 provides the financial tools for AIDEA to partner with the private sector to build a liquefied natural gas (LNG) plant on the North Slope and a distribution system in Fairbanks and North Pole.

This effort is anticipated to reduce monthly residential heating bills by 40 to 50 percent while clean-burning natural gas will substantially improve the air quality of the Fairbanks-North Pole region. The anticipated date of first gas is the fourth quarter of 2015.

The project is being financed with a combination of public and private sector funds. AIDEA is authorized to issue up to \$150 million in bonds for the liquefaction plant, provide up to \$125 million in SETS financing for the distribution system, as well as contributing up to \$57.5 million in equity.

For more information visit:

www.interiorenergyproject.com/index.html

Strengthening our State

AIDEA ASSETS



Delong Mountain Transportation System (DMTS)

LOCATION: Northwest Arctic Borough

Federal Express Maintenance Facility

LOCATION: Anchorage

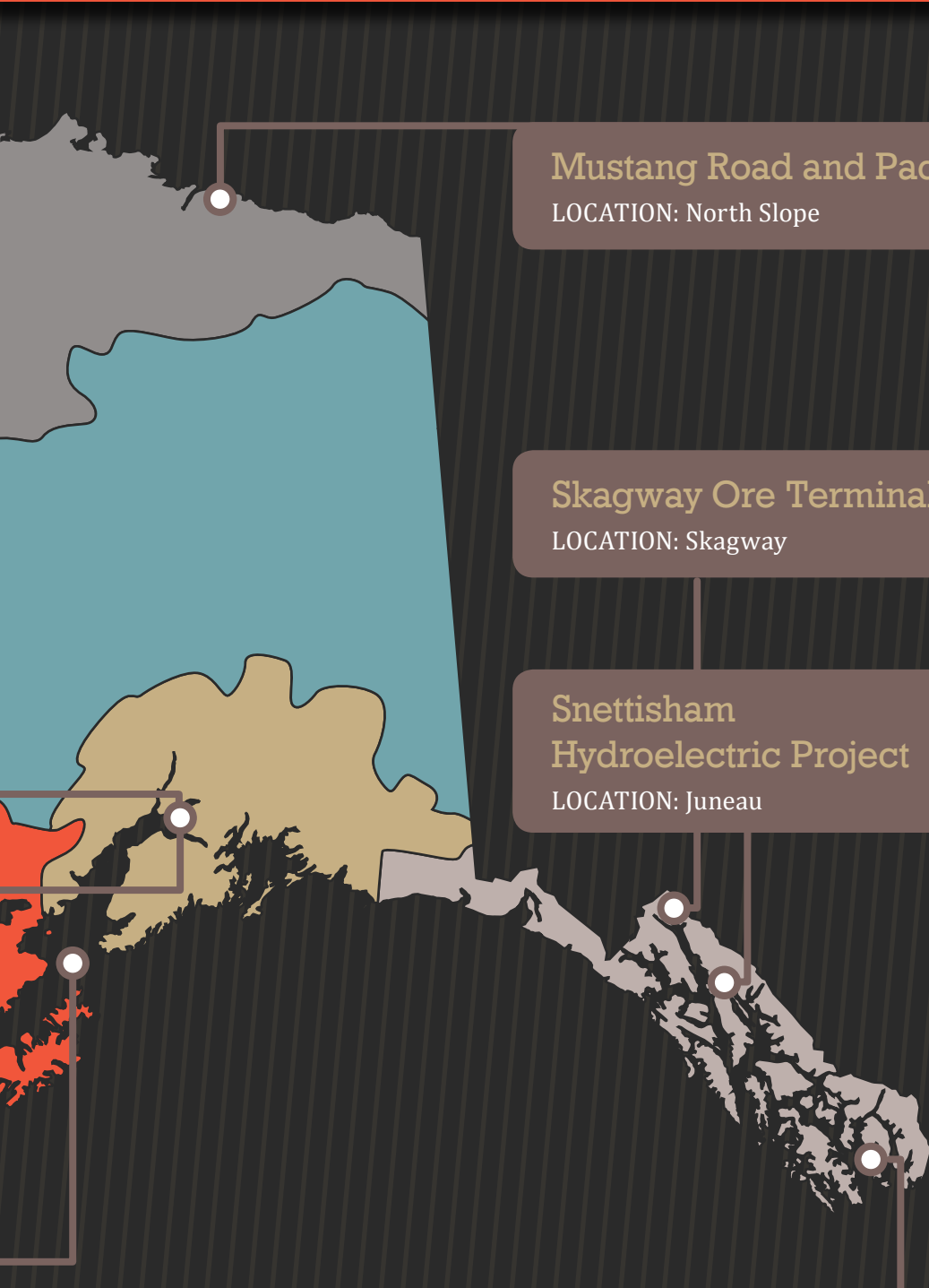
Camp Denali Readiness Center Addition*

LOCATION: JBER Anchorage

Endeavour - Spirit of Independence Jack-Up Rig

LOCATION: Cook Inlet

*New Projects



Mustang Road and Pad*

LOCATION: North Slope

Skagway Ore Terminal

LOCATION: Skagway

Snettisham Hydroelectric Project

LOCATION: Juneau

Ketchikan Shipyard

LOCATION: Ketchikan

A Helping Hand

LOAN PARTICIPATION PROGRAM

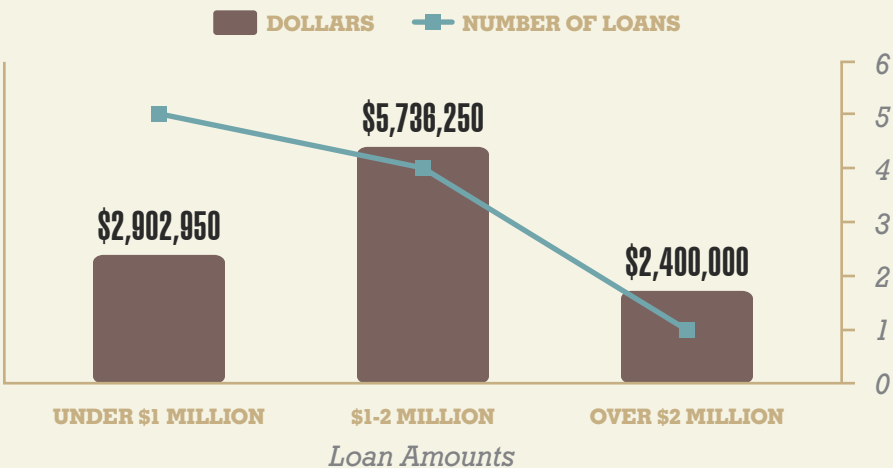
The Loan Participation Program provides permanent financing, both taxable and tax-exempt, to borrowers through a qualified financial institution for the purpose of developing, acquiring or enhancing an Alaska business enterprise. The program also provides long-term fixed or variable rate financing on 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 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 | # LOANS | % LOANS | BALANCE (\$) | % DOLLARS |
|------------|---------|---------|---------------|-----------|
| ANCHORAGE | 129 | 54.8 | 211,309,870 | 53.9 |
| SOUTHEAST | 40 | 16.9 | 82,957,548 | 21.1 |
| MAT-SU | 29 | 12.3 | 41,520,112 | 10.6 |
| INTERIOR | 9 | 3.8 | 26,075,215 | 6.6 |
| GULF COAST | 21 | 8.9 | 22,616,198 | 5.8 |
| SOUTHWEST | 6 | 2.5 | 5,284,804 | 1.3 |
| NORTHERN | 2 | 0.8 | 2,922,495 | 0.7 |
| TOTALS | 236 | 100.0% | \$392,686,242 | 100.0% |

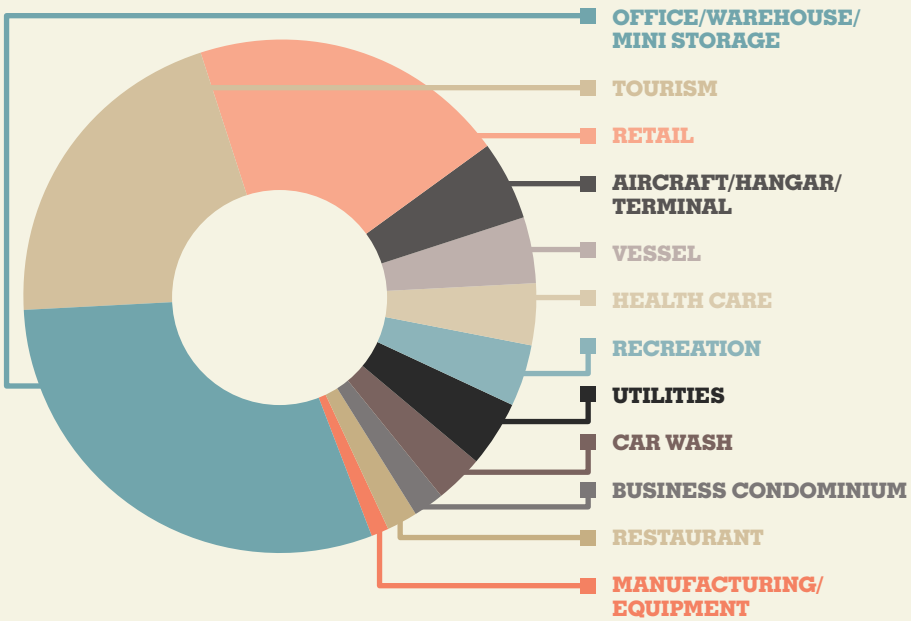
FY13 LOAN PARTICIPATION ACTIVITY

As of June 30, 2013



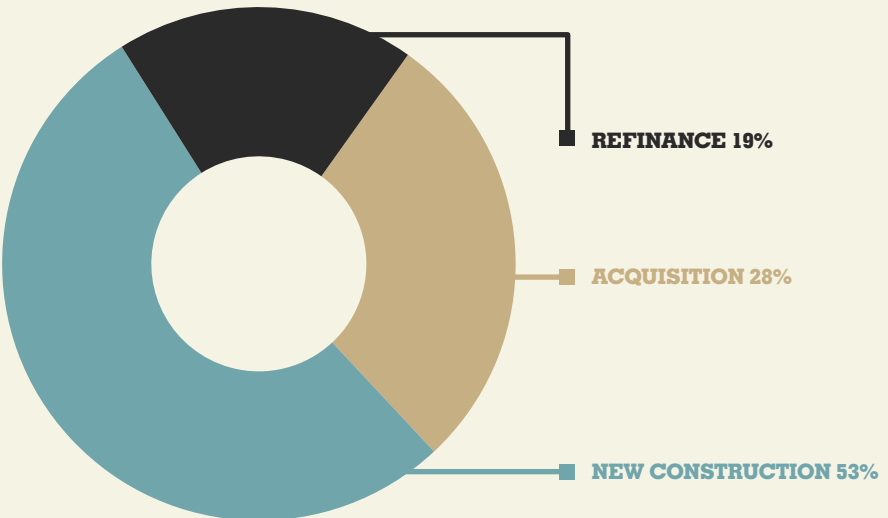
LOAN PARTICIPATION ACTIVITY BY TYPE

As of June 30, 2013



LOAN PARTICIPATION ACTIVITY BY USE OF FUNDS

As of June 30, 2013



Powering Alaska

THE RIGHT NICHE

Aspen Hotel, Anchorage

AIDEA participated in the financing of the newly constructed Aspen Suites Hotel on Tudor Road in Anchorage. The four-story hotel (52,250 sq. ft.) contains 92 rooms and employs 14 permanent employees, while approximately 90 jobs were created during the construction phase.

The extended-stay hotels are a niche market and are different from other hotels due to the variety of options offered to travelers. There is a need in the Alaska market for this kind of accommodation and it appears to be a good fit for Anchorage.

The Alaska USA Federal Credit Union originated the \$4.8 million loan with AIDEA participating at 50 percent for \$2.4 million. AIDEA's participation in the loan was critical to the project's success because the 25-year term will give the business a long-term, stable financial foundation.

This is the fourth loan that Aspen Hotels has obtained through AIDEA in the past 14 years.

BETTER BONDS

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.

Eligible projects include:

- The acquisition of real property, structures, buildings and equipment for industrial, recreational, research, commercial, utility or service purposes
- Community, educational, cultural, or social welfare facilities
- Working capital

Projects that are eligible under the Internal Revenue Code of 1986, as amended, can qualify for tax-exempt financing. A government entity, business enterprise or nonprofit corporation may apply for the issuance of bonds under the program by submitting a completed conduit revenue bond application.



“AIDEA has been great to work with over the years because we feel their lending program meets our requirements. We like the fact that we have an option for a long term fixed rate loan. This allows our business to have financial serenity because the interest rate will remain the same for the length of the loan.”

– George Swift, Aspen Management Group, LLC



**\$1.3 BILLION
REVENUE BONDS ISSUED**

PROJECTS FUNDED SINCE INCEPTION



315

Improving Communities

NEW MARKETS TAX CREDITS GUARANTEE AND LOAN PROGRAM

The New Markets Tax Credit (NMTC) program provides a credit against federal income taxes of 39 percent over seven years to taxpayers who make Qualified Equity Investments in a Community Development Entity (CDE). CDEs use the capital from investors to provide financing to businesses located in low-income communities.

NMTCs can be used to leverage the equity investment with regular loans (Leveraged Loan) from financial institutions or other sources. These are made as nonrecourse loans and are interest only for seven years.

Under this program, AIDEA may provide a loan guarantee for the Leveraged Loan portion of a NMTC transaction. The borrower must apply to AIDEA for the guarantee which may be used to get a loan from an eligible 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 AIDEA's guarantee.

A project must be located in a Qualified Census Tract which is one that meets at least one of the following criteria:

- Poverty rate greater than 20 percent
- Median income less than 80 percent of the state/metropolitan median
- Contains targeted populations

For more information on whether your business, nonprofit, project or census tract is eligible, please contact AIDEA.

NEW HIRES

AIDEA has been expanding its programming and project development and has hired a number of new and talented employees to ensure our work remains at the high standard to which we have set ourselves.

Management and Finance

- Michael Lamb, Deputy-Director Finance and Operations
- Jennifer Haldane, Human Resources Manager
- Jennifer Brown, Assistant Controller
- Jaclyn Herrick, Loan Servicing/Accounting Technician

Infrastructure and Project Development

- Lori Stender, Project Manager
- Matt Narus, Project Manager
- Nick Szymoniak, Energy Infrastructure Development Officer
- Jeffrey San Juan, Infrastructure Finance Development Officer

Administrative Assistants

- Krin Kempainen, Liza Murfin and Catherine Bliss



FINANCING LOW-INCOME COMMUNITIES



39%

FEDERAL INCOME TAX CREDIT



Small Business and Guarantee Programs

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/dnn/ded/FIN/LoanPrograms.aspx>

Rural Development Initiative Fund

This program provides long-term private sector employment by financing business startup 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.

Loans may be used for working capital, equipment, construction or other commercial purposes and must result in the creation of new jobs or the retention of existing jobs in the eligible community. The maximum loan amount is \$150,000 for a person or up to \$300,000 for two or more people for a maximum term of 25 years, and a rate of one percent below prime.

Small Business Economic Development 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.

Business and Export Assistance

AIDEA provides loan guarantees, which are designed to assist small to medium-sized Alaska businesses who might not otherwise obtain commercial financing. Guarantees are available for real property, tangible personal property, working capital, inventory and export transactions. AIDEA is authorized to guarantee up to 80 percent of a loan, originated by an eligible financial institution, to a maximum of \$1 million. The guarantee extends to the principal balance, accrued interest and liquidation expenses.



57 JOBS
CREATED OR RETAINED

VALUE OF NEW LOAN COMMITMENTS



\$2,202,356

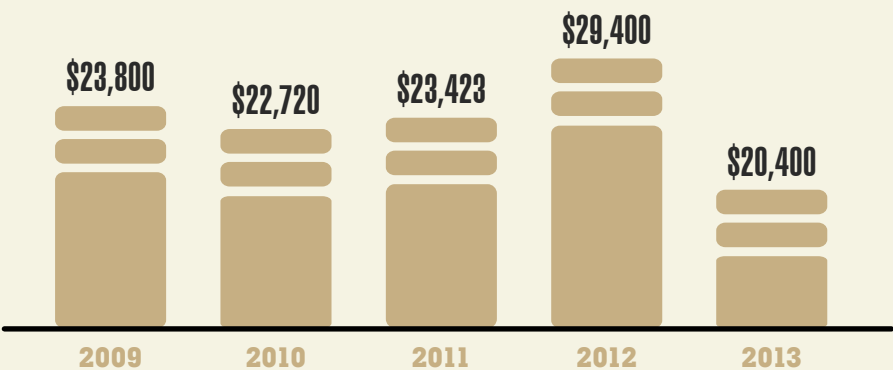


AIDEA

Financials

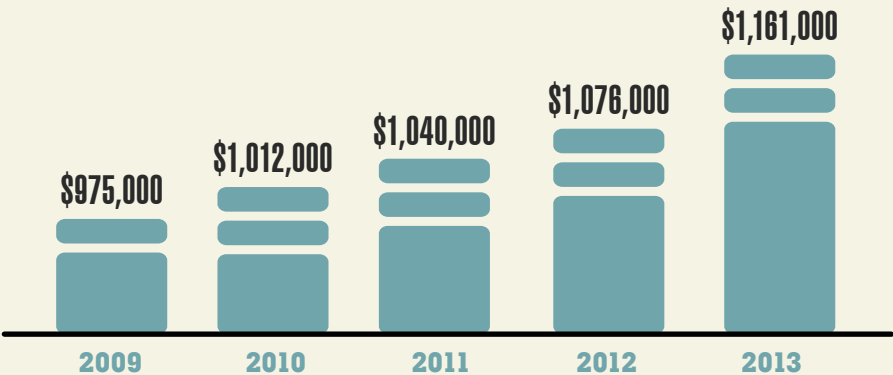
DIVIDEND BY YEAR PAID

thousands



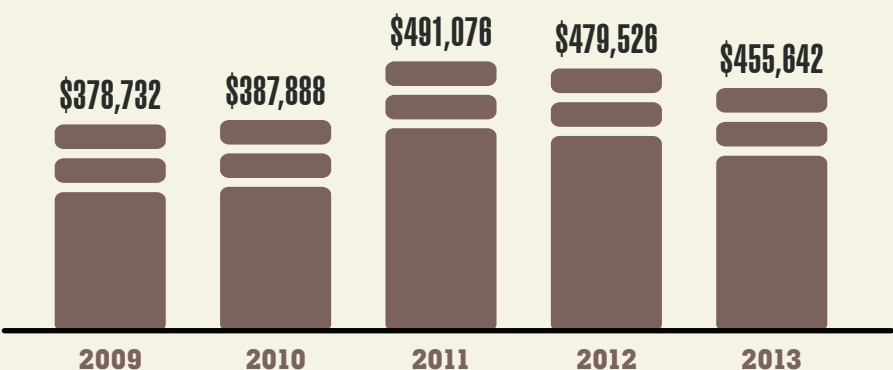
NET POSITION

thousands



OUTSTANDING LOANS BALANCE

thousands



FY13

Financial Highlights*

in thousands

| STATEMENTS OF NET POSITION | As of | |
|---|--|--|
| | June 30, 2013 | June 30, 2012 |
| <i>Assets:</i> | | |
| Investment securities and cash | \$ 503,313 | 367,698 |
| Loans, net | 435,445 | 468,611 |
| Development projects | 365,942 | 329,563 |
| Other assets | 15,269 | 16,912 |
| Snettisham Project assets | 82,496 | 84,698 |
| Total Assets | 1,402,465 | 1,267,482 |
| <i>Liabilities and net position:</i> | | |
| <i>Liabilities</i> | | |
| Revolving fund bonds | 81,090 | 88,515 |
| Other liabilities | 77,694 | 18,613 |
| Snettisham Project liabilities | 82,496 | 84,698 |
| Total liabilities | 241,280 | 191,826 |
| Net position | 1,161,185 | 1,075,656 |
| Total liabilities and net position | \$ 1,402,465 | 1,267,482 |
| REVENUES, EXPENSES AND CHANGES IN NET POSITION | For the year ending June 30, 2013 | For the year ending June 30, 2012 |
| <i>Operating revenues:</i> | | |
| Interest on loans | \$ 20,986 | 22,436 |
| Income from development projects | 14,495 | 14,104 |
| Snettisham Project restricted income | 3,991 | 4,100 |
| Investment interest | 11,766 | 12,873 |
| Net (decrease)/increase in fair value of investments | (10,494) | 6,968 |
| Income from State agencies and component units | 8,149 | 7,345 |
| Other income | 3,069 | 1,682 |
| Total operating revenues | 51,962 | 69,508 |
| <i>Operating expenses:</i> | | |
| Interest | 3,389 | 3,867 |
| Snettisham Project interest expense | 3,991 | 4,100 |
| General and administrative | 7,803 | 6,492 |
| Costs reimbursed from State agencies and component units | 8,149 | 7,345 |
| Provision for loan losses | (718) | (367) |
| Depreciation | 4,013 | 3,318 |
| Project feasibility and due diligence | 1,277 | - |
| Other project expenses | 3,327 | 2,686 |
| Total operating expenses | 31,231 | 27,441 |
| Operating income | 20,731 | 42,067 |
| <i>Other revenues, net</i> | 85,198 | 23,462 |
| Increase in net position, before dividend to State of Alaska | 105,929 | 65,529 |
| <i>Dividend to State of Alaska</i> | (20,400) | (29,400) |
| Increase in net position, after dividend to State of Alaska | \$ 85,529 | \$ 36,129 |

*Unaudited

Board



MR. WILSON HUGHES

Public Member

MR. DANA PRUHS

Chair
Public Member

MICHAEL PAWLOWSKI

Designated Board Member
for Angela Rodell

MS. ANGELA RODELL

Commissioner
Department of Revenue
(Not Pictured)

MR. RUSSELL DICK

Vice-Chair
Public Member

MR. GARY WILKEN

Public Member

MS. SUSAN BELL

Commissioner, Department
of Commerce, Community,
and Economic Development

MS. CRYSTAL NYGARD

Public Member

EXECUTIVE STAFF



TED LEONARD, CMA, SPHD
Executive Director



CHRIS ANDERSON
Deputy Director-
Commercial Finance



MARK DAVIS
Deputy Director-
Infrastructure
Development



JAMES HEMSATH, PE, PMP
Deputy
Director-Project
Development and
Asset Management



**MICHAEL LAMB, CPA,
CGFM, CBMA**
Deputy Director-
Finance &
Operations



MICHAEL CATSI, CEd
Business
Development and
Communications
Officer



KARSTEN RODVIK
External Affairs
Officer



JENNIFER HALDANE, PHR
Human Resources
Manager

**FOR AIDEA'S COMPLETE AUDITED FINANCIAL
STATEMENTS FOR FISCAL YEAR 2013, VISIT**

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OR CALL 907.771.3000

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.

**WE ARE THE STATE OF ALASKA'S
DEVELOPMENT FINANCE AUTHORITY**

