ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit

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April 10, 2019

Honorable Members of the
Alaska State Legislature

The Honorable Michael J. Dunleavy
Governor
State of Alaska

The Honorable Daniel R. Levinson
Inspector General
Office of the Inspector General
U.S. Department of Health and Human Services

We are pleased to transmit the Single Audit of the State of Alaska for the Fiscal Year Ended June 30, 2018. The audit was conducted in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards* issued by the Comptroller General of the United States, and complies with the United States Office of Management and Budget's Uniform Guidance.

The report includes an opinion on the basic financial statements of the State of Alaska for FY 18, findings and recommendations on financial and compliance matters, required auditor's reports on internal controls and compliance, and the Schedule of Expenditures of Federal Awards.

The findings and recommendations included in this report are organized by department and include prior financial and compliance findings not fully corrected by the departments. Our FY 17 single audit contained 78 findings; this report presents a total of 74 findings, 28 of which were presented, at least in part, last year. With your active support and encouragement, we hope to see improvement in the implementation of corrective action for these findings by the State agencies.

We would like to acknowledge the professional assistance and cooperation of the Department of Administration's Division of Finance. The division has a strong professional commitment to excellence in financial accounting and reporting for the State of Alaska. Its continued efforts toward resolving statewide accounting and reporting concerns are commendable.

The dedicated staff of the Division of Legislative Audit remains committed to improving the financial accountability of the State of Alaska. Your active involvement is critical to improving that accountability. We are available to assist you in that effort.

Kris Curtis, CPA, CISA
Legislative Auditor

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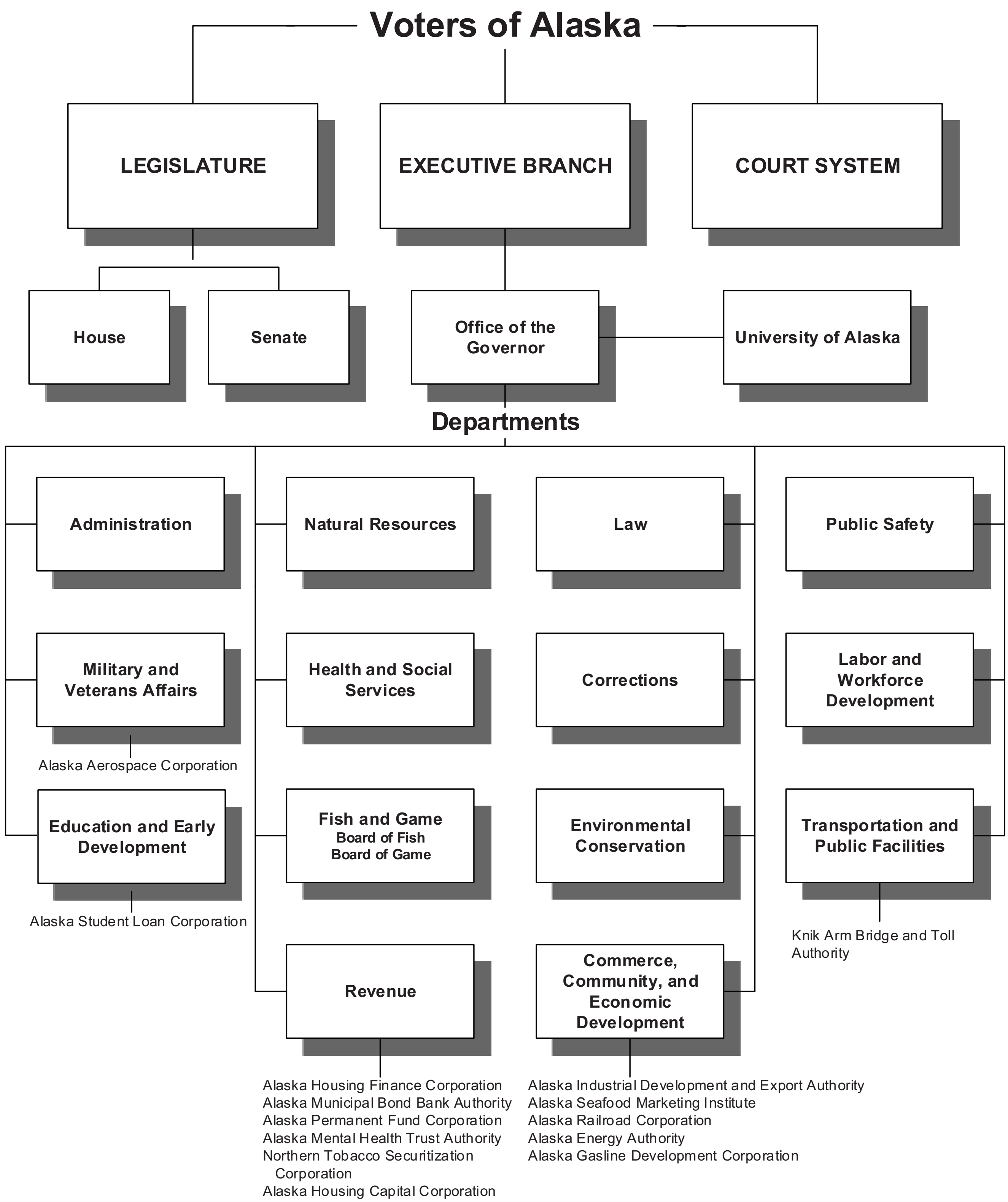
Voters of Alaska
LEGISLATURE
EXECUTIVE BRANCH
COURT SYSTEM
House
Senate
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Law
Public Safety
Military and Veterans Affairs
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Alaska Mental Health Trust Authority
Northern Tobacco Securitization Corporation
Alaska Housing Capital Corporation
Commerce, Community, and Economic Development
Alaska Industrial Development and Export Authority
Alaska Seafood Marketing Institute
Alaska Railroad Corporation
Alaska Energy Authority
Alaska Gasline Development Corporation

SECTION I - AUDITOR’S REPORT AND FINANCIAL STATEMENT

ALASKA STATE LEGISLATURE
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Independent Auditor's Report

Members of the Legislative Budget
and Audit Committee:

Report on the Financial Statements

We have audited the accompanying 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, 2018, and the related notes to the financial statements, which collectively comprise the State's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of: Alaska Permanent Fund; International Airports Fund; 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; the Invested Assets Under the Investment Authority of the Commissioner of Revenue; and the Pension and Other Employee Benefit Trust Funds, except for Alaska National Guard and Alaska Naval Militia Retirement Fund. As shown on the following page, those financial statements reflect assets and revenues of the indicated opinion units.

Opinion Unit	Percent of Assets	Percent of Revenues
Governmental Activities	89%	50%
Business-Type Activities	77%	68%
Aggregate Discretely Presented Component Units	91%	92%
Major Funds:		
General Fund	78%	1%
Alaska Permanent Fund	100%	100%
Alaska International Airports	100%	100%
Aggregate Remaining Fund Information	92%	87%

Those statements were audited by other auditors, whose report has 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. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Certain entities of the State of Alaska were not audited in accordance with *Government Auditing Standards.* These entities include: the Alaska Municipal Bond Bank Authority (a discretely presented component unit); the Retiree Health Fund (a proprietary fund); the Pension and Other Employee Benefit Trust Funds, except for Alaska National Guard and Alaska Naval Militia Retirement Fund (fiduciary funds); and Invested Assets Under the Investment Authority of the Commissioner of the Department of Revenue (certain cash and investment accounts).

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Qualified Opinion on General Fund

State of Alaska's General Fund rents and royalties are not reported in accordance with generally accepted accounting principles and management declined to correct the misstatements. Misstatements include an overstatement to General Fund royalty revenues of \$99.8 million and an understatement of \$99.8 million due to other funds. The misstatement was caused by the Department of Natural Resources' failure to transfer all statutorily dedicated revenues to the Alaska Permanent Fund. The statutory dedications of royalty revenues are required by law to be deposited in the Permanent Fund.

Note 2, relating to the State's Constitutional Budget Reserve Fund, a subfund of the General Fund, also referred to as the State's rainy day fund or savings account, is materially misstated by \$1.46 billion and management declined to correct the misstatement. The overstatement is the result of not correcting for the \$99.8 million misstatement discussed above and the State attorney general's guidance to the Department of Revenue and the Department of Natural Resources that taxes, royalties, and interest received as a result of decisions by the Federal Energy Regulatory Commission are not required to be deposited in the Constitutional Budget Reserve Fund. Historically the receipts have been deposited in the Constitutional Budget Reserve Fund. Additionally, taxes due as a result of Federal Energy Regulatory Commission decisions were permitted to be offset against tax credits owed to taxpayers which further misstated the Constitutional Budget Reserve Fund balance. The attorney general further asserted that similar monies received in prior years that were deposited in the Constitutional Budget Reserve Fund should be reclassified as General Fund monies thereby reducing the amount that the General Fund must repay the Constitutional Budget Reserve Fund in the future. Legal analysis does not support the attorney general's position. The failure to properly deposit monies received during the fiscal year ended June 30, 2018 and the reclassification of prior year monies violates state law and provides misleading information to users of the financial statements.

Qualified Opinions

In our opinion, based on our audit and the report of other auditors, except for the effects of the matter described in the "Basis for Qualified Opinions on General Fund" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the General Fund information of the State of Alaska, as of June 30, 2018, and the respective 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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, Alaska Permanent Fund, Alaska International Airports, and the aggregate remaining fund information of the State of Alaska, as of June 30, 2018, 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.

Emphasis of Matters

During the fiscal year ended June 30, 2018, the State of Alaska adopted the provisions of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. As a result of the implementation of this standard, the State of Alaska reported a restatement for the change in accounting principle (see Note 14). Our auditors' opinion was not modified with respect to the restatement.

Other Matters

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 the 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, 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 the other auditors, have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, 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.

Other 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 Schedule of Expenditures of Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards 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. Such 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 auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated February 19, 2019, on our consideration of the State of Alaska's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State of Alaska's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of Alaska's internal control over financial reporting and compliance.

Kris Curtis, CPA, CISA
Legislative Auditor

Juneau, Alaska
February 19, 2019 except for our report on the Schedule of Expenditures of Federal Awards, which is dated April 5, 2019.

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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, 2018. 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 18 by $74.2 billion (net position). Of this amount, $8.1 billion represents net investment in capital assets, $47.9 billion is restricted for various purposes, and unrestricted net position is $18.2 billion. Unrestricted net position may be used to meet the State's ongoing obligations to citizens and creditors.
- As a result of implementing GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension* (OPEB), the State recorded $19,516 thousand net OPEB asset, $105,448 thousand deferred outflows of resources, $661,157 thousand net OPEB liability, and $290,639 thousand deferred inflows of resources for the primary government. This was the reason for the $757,503 thousand adjustment to the beginning unrestricted net position in fiscal year 2018. After restating beginning balances for GASB Statement 75, the primary government's total net position increased by $3.0 billion as a result of this year's operations.

Fund level

- As of the close of the current fiscal year, the State's governmental funds reported combined ending fund balances of $69.8 billion, with $22.7 billion unrestricted (includes committed, assigned, and unassigned), $46.8 billion nonspendable, and $287.7 million restricted to specific purposes such as development, debt, and education. The nonspendable fund balance includes $46.0 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 $3.8 billion. This is a decrease of $2.3 billion from FY 17. The decrease is mainly a result of operations for the year.

Long-term debt

- As a result of this year's activity, after taking into account the effects of beginning balance of the net OPEB liability now recorded, the State's total long-term debt increased by $677 million (9.65 percent). The increase in debt is primarily due to the booking of OPEB liabilities as it relates to GASB 75, an increase in the net pension liability, and partially offset by a decrease in general obligation debt, revenue bonds payable and capital leases. 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, net OPEB liability, capital lease obligations, compensated absences, litigation, 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 note proceeds result in liabilities in the government-wide statements, but are recorded as other financing sources in the governmental fund statements.
- Capital lease arrangements 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.

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 three major component units, the University of Alaska, Alaska Housing Finance Corporation, 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 96.5 percent of total government-wide cash and investments and 92.8 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 a major enterprise fund of the State of Alaska. The International Airports Fund is 4.2 percent of total government-wide liabilities (excluding component units). The proprietary funds financial statements present detail on 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) and agency 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 OEPB 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 $74.2 billion at the close of FY 18 (see table below). By far the largest portion of the State's net position (87.5 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 ($46.0 billion) may not be spent.

The remainder of the State's net position (12.5 percent) represents net investment in capital assets ($8.1 billion), resources that are subject to external restrictions of how they may be used ($1.9 billion), and the remaining is unrestricted net position.

Net Position
(Stated in millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	FY18	FY17	FY18	FY17	FY18	FY17
Current and Other Noncurrent Assets	$ 74,895	$ 71,208	$ 2,034	$ 1,965	$ 76,929	$ 73,173
Capital Assets	7,826	7,666	1,205	1,226	9,031	8,892
Total Assets	82,721	78,874	3,239	3,191	85,960	82,065
Deferred Outflows of Resources	889	915	8	16	897	931
Long-term Liabilities	7,171	6,450	526	570	7,697	7,020
Other Liabilities	4,490	3,686	41	42	4,531	3,728
Total Liabilities	11,661	10,136	567	612	12,228	10,748
Deferred Inflows of Resources	414	250	13	1	427	251
Net Position:						
Net Investment in Capital Assets	7,248	6,952	847	831	8,095	7,783
Restricted	46,900	47,893	1,007	990	47,907	48,883
Unrestricted	17,387	14,558	814	773	18,201	15,331
Total Net Position	$ 71,535	$ 69,403	$ 2,668	$ 2,594	$ 74,203	$ 71,997

The net position of governmental activities increased $2,132 million and business-type activities increased $74 million. The increase in governmental activities is primarily due to strong Permanent Fund investment returns which were partially offset by a decrease in the General Fund due to expenditures exceeding the amount of revenue collected. 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 18.

Changes in Net Position
(Stated in millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	FY18	FY17	FY18	FY17	FY18	FY17
Revenues						
Program Revenues						
Charges for Services	$ 1,859	$ 1,572	$ 363	$ 367	$ 2,222	$ 1,939
Operating Grants	2,599	2,559	1	—	2,600	2,559
Capital Grants	632	650	59	71	691	721
General Revenues						
Taxes	1,362	680	—	—	1,362	680
Interest and Investment Income/(Loss)	5,830	7,050	21	21	5,851	7,071
Payments In from Component Units	13	31	—	—	13	31
Other Revenues	103	69	—	1	103	70
Total Revenues	12,398	12,611	444	460	12,842	13,071
Expenses						
General Government	734	173	—	—	734	173
Alaska Permanent Fund Dividend	698	653	—	—	698	653
Education and University	2,330	2,073	—	—	2,330	2,073
Health and Human Services	3,161	3,165	—	—	3,161	3,165
Law and Justice	222	262	—	—	222	262
Public Protection	719	855	—	—	719	855
Natural Resources	313	385	—	—	313	385
Development	192	177	—	1	192	178
Transportation	987	1,277	—	—	987	1,277
Intergovernmental	100	96	—	—	100	96
Debt Service	66	64	—	—	66	64
Loans	—	—	5	10	5	10
Insurance	—	—	194	200	194	200
Airports	—	—	158	167	158	167
Total Expenses	9,522	9,180	357	378	9,879	9,558
Excess (Deficiency) of Revenues						
Over Expenditures	2,876	3,431	87	82	2,963	3,513
Transfers	—	9	—	(9)	—	—
Change in Net Position	2,876	3,440	87	73	2,963	3,513
Net Position - Beginning of Year (Restated)	68,676	65,980	2,581	2,521	71,257	68,501
Prior Period Adjustment	(17)	—	—	—	(17)	—
Net Position - End of Year	$ 71,535	$ 69,420	$ 2,668	$ 2,594	$ 74,203	$ 72,014

For FY 18, the amount of net position - beginning of year balances being restated for governmental activities is $744 million and $14 million for business-type activities in relation to the implementation of GASB statement 75. The FY 17 amounts presented here have not been restated for the implementation of GASB statement 75 for other postemployment benefits. Additional information regarding the restatement of net position can be found in Note 14 in the notes to the basic financial statements.

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 $69.8 billion, an increase of $2.8 billion in comparison with the prior year. This increase is primarily due to an increase in the Permanent Fund investments revenue which was partially offset by decrease in the General Fund balance with expenditures exceeding revenues.

The General Fund unassigned and committed fund balances, which are available for spending at the government's discretion, had balances of $1.9 billion, and $2.0 billion, respectively. The Alaska Permanent Fund (earnings reserve account) had an assigned fund balance of $18.9 billion, and the remaining nonmajor governmental funds had committed fund balances of $56.4 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 ($46.0 billion), and other items that are nonspendable, such as inventory, advances and prepaid items, and principal ($749 million), and amounts restricted for a variety of other purposes ($288 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 $3.8 billion, while total fund balance reached $4.0 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 percent of total General Fund expenditures, while total fund balance represents 44 percent of that same amount.

The fund balance of the State's General Fund decreased by $2.3 billion during the current fiscal year. For FY 18, the most significant source of revenue was federal revenues (51.2 percent) followed by taxes (21.6 percent). With the decline in petroleum related revenues, Rents and Royalties and Taxes continue to be a significant concern even though FY 18 showed a slight increase (39.5 percent of total revenues for FY 18 compared to 27.1 percent of total revenues for FY 17).

General Fund revenues for FY 18 were $6.1 billion, an increase of $0.7 billion compared to revenues of $5.4 billion for FY 17. Revenues by source for FY 18 are compared to FY 17 in the following schedule (in millions):

Revenue Source	FY18	Percent	FY17	Percent
Taxes	$ 1,315.9	21.6%	$ 658.3	12.3%
Rents and Royalties	1,094.0	17.9	790.8	14.8
Interest and Investment Income/(Loss)	145.7	2.4	243.8	4.5
Federal	3,124.6	51.2	3,198.2	59.7
Miscellaneous	420.1	6.9	466.9	8.7
Total Revenue	$ 6,100.3	100.0%	$ 5,358	100.0%

The primary component of this revenue increase are taxes as well as rents and royalties compared to the previous year. The General Fund received $658 million more in taxes and $303 million more in rents and royalities income revenue during FY 18.

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. At June 30, 2018, this amounted to $40.2 billion. The sources of contributions and appropriations of the fund, since inception, were as follows: $16.9 billion in dedicated mineral revenues; $16.2 billion of fund realized earnings transferred to principal for inflation proofing; $6.9 billion in additional deposits approved by special legislative appropriation, and $153 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 $5.9 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 18, 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, 2018. The FY 18 balance sheet reflects a commitment of fund balance of $2.7 billion for transfer during FY 19.

- **Assigned Fund Balances:** The assigned fund balances, which are available for legislative appropriation per AS 37.13.145, consist of the realized earnings of the fund and a portion of accumulated unrealized appreciation. From inception through June 30, 2018, realized earnings (both gains and losses) have amounted to $62.2 billion. Of this amount $24.5 billion has been paid out for dividends, $16.2 billion has been transferred to principal for inflation proofing, $4.3 billion has been added to principal by special appropriation, $554.1 million has been paid out to the General Fund, $43.4 million in settlement earnings is payable to the Alaska Capital Income Fund, $2.7 billion is committed for transfer to the General Fund, and $13.7 billion remains in the fund at June 30, 2018 in the realized earnings account. The portion of the unrealized appreciation at the end of the fiscal year allocated to the assigned fund balance amounted to $2.4 billion.

General Fund Budgetary Highlights

The difference between the original expenditure budget and the final amended budget was a $445.4 million increase in appropriations (or 2.5 percent) and can be briefly summarized as follows:

- $1,174.0 million increase allocated to health and human services
- $723.6 million decrease allocated to transportation
- $41.8 million decrease allocated to general government
- The balance is allocated across several expenditure functions

Of this overall increase in appropriated expenditures, $145.0 million was funded out of an increase in federal grants in aid and $98.2 million was funded out of an increase in interagency receipts, which represent purchases between departments. The remaining increase was funded with money transferred from the Constitutional Budget Reserve Fund (CBR). Please see Note 2 for additional information on the CBR.

The difference between the final amended budget and actual expenditures was a $7.8 billion decrease (or 43.2 percent) primarily due to a $5.3 billion decrease in transportation expenditures and a $1.0 billion decrease in health and human services expenditures.

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, 2018, amounts to $8.1 billion. The table below displays total capital assets, net of accumulated depreciation. Depreciation charges for FY 18 totaled $500 million for governmental activities and $73 million for business-type activities.

Capital Assets
(Stated in Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	FY18	FY17	FY18	FY17	FY18	FY17
Land	$ 1,043	$ 1,015	$ 31	$ 31	$ 1,074	$ 1,046
Buildings	1,656	1,560	660	685	2,316	2,245
Equipment	553	515	36	32	589	547
Infrastructure	3,182	2,938	460	456	3,642	3,394
Construction in Progress	1,393	1,638	18	22	1,411	1,660
Total Capital Assets	$ 7,827	$ 7,666	$ 1,205	$ 1,226	$ 9,032	$ 8,892

In FY 18, the State of Alaska implemented the capital asset module of the ERP system, IRIS, which calculates depreciation differently than it had historically been estimated. Historically, a full year of depreciation was calculated for an asset that was placed into service at any given point in time during the fiscal year. In IRIS, depreciation is calculated based on the number of days the asset was in service during the fiscal year. 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 $1,525 million. Of this amount, $794 million was general obligation bonds, and $731 million of revenue bonds payable comprised of $312 million issued by the Northern Tobacco Securitization Corporation (NTSC), $17 million of sport fishing revenue bonds, and $402 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 sport fishing revenue bonds are secured by the sport fishing facilities surcharge imposed under AS 16.05.340 and related federal revenues. The remaining $402 million are International Airports revenue bonds secured solely by specified revenue sources. The general obligation, NTSC, and sport fishing 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	
	FY18	FY17	FY18	FY17	FY18	FY17
Revenue Bonds Payable	$ 329	$ 356	$ 402	$ 440	$ 731	$ 796
General Obligation Debt	794	860	—	—	794	860
Notes Payable	12	14	—	—	12	14
Capital Leases Payable	254	269	—	—	254	269
Unearned Revenue	45	53	24	23	69	76
Certificates of Participation	28	30	—	—	28	30
Compensated Absences	166	168	5	4	171	172
Claims and Judgments	164	145	—	—	164	145
Pollution Remediation	126	120	5	4	131	124
Other Noncurrent Liabilities	3	3	24	21	27	24
Net OPEB Liability	652	—	9	—	661	—
Net Pension Liability	4,598	4,432	57	77	4,655	4,509
Total	$ 7,171	$ 6,450	$ 526	$ 569	$ 7,697	$ 7,019

The State's total long-term debt increased by $677 million (9.65 percent) during FY 18. The increase in debt is primarily due to the implementation of GASB 75 reporting for OPEB liabilities and an increase in the net pension liability. These increases were partially offset by a decrease in general obligation debt, revenue bonds payable, and capital leases payable.

With the implementation of GASB Statement 68 and 75, the State of Alaska reported net pension and net OPEB liabilities in relation to a special funding situation in the amount of $2,202 million ($1,972 million for pensions and $230 million for OPEB). 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.

During FY 18 the State of Alaska's bond rating remained at Aa3 but was upgraded to a stable outlook by Moody's Investor's Service. Fitch Ratings and Standard's & Poor credit rating downgraded from AA+ to AA with a stable outlook.

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

While the General Fund revenue increased by $742.3 million over all, taxes and rent and royalties income increased between FY 17 and FY 18 by $657.6 million and $303.2 million respectively.

The Public Employee's Retirement System's (PERS) investment income decreased $609.3 million to $1,442.8 million during fiscal year 2018. The Teacher's Retirement System's (TRS) net investment income decreased $303.3 million to $703.6 million during fiscal year 2018.

Another significant factor affecting interest and investment revenues was a decrease of $1.1 billion between FY 17 and FY 18 for the Alaska Permanent Fund (APF). In FY 17 the APF experienced an investment income gain of $6.8 billion, compared to a gain of $5.7 billion in FY 18. The APF experienced a total fund return of 10.74 percent for FY 18. FY 18's results were not quite as strong as the 12.89 percent of FY 17 but still significantly higher than the average over the Fund's history. Total fund return for FY 18 outperformed the performance benchmark of 8.20 percent by more than 250 basis points. Closest to the FY 18 performance was FY 13 with a 10.93 percent return. FY 18's results are substantially above the mid-point of the range of returns since 1985, which have ranged from -17.96 percent to 25.58 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 18 was 7.2 percent, slightly higher than the adjusted average unemployment rate for FY 17. Alaska's five year average (2014 to 2018) was 6.9 percent. The United States unemployment rate for FY 18 was 4.1 percent.

- Total General Fund revenue for FY 18 was $6.1 billion. Three sources of revenue accounted for 90.8 percent of total state revenue; federal, taxes, and rents and royalties. Federal accounted for 51.2 percent, taxes accounted for 21.6 percent, and rents and royalties accounted for 17.9 percent of general fund revenue. The State's budget is primarily structured around petroleum and federal revenue. 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 18 crude oil and natural gas liquids production in the State of Alaska for the North Slope averaged 518 thousand barrels per day. This is 8 thousand barrels per day less than in the prior year. In Cook Inlet, production averaged approximately 16 thousand barrels per day; an increase of about 2 thousand barrels per day compared to the prior year.

- The State of Alaska FY 18 budgeted expenditures include certain items that are unique to Alaska, such as the Alaska Permanent Fund Dividend and State-operated Pioneer Homes. The Alaska Permanent Fund Dividend ($1,100/resident) was paid to each qualifying Alaskan for a total of $698 million.

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

STATE OF ALASKA **STATEMENT 1.01**

Statement of Net Position

Government-wide

June 30, 2018

(Stated in Thousands)

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
ASSETS				
Cash and Investments	$ 70,913,351	$ 1,415,061	$ 72,328,412	$ 2,228,968
Accounts Receivable - Net	839,405	19,920	859,325	54,804
Interest and Dividends Receivable	198,950	14,691	213,641	44,508
Internal Balances	(1,690)	1,690	—	—
Due from Primary Government	—	—	—	22,139
Due from Component Units	4,117	—	4,117	8,203
Due from Other Governments	773,252	27,665	800,917	49,217
Loans, Notes, and Bonds Receivable	18,550	461,886	480,436	4,949,920
Inventories	29,375	—	29,375	17,111
Repossessed Property	—	850	850	—
Net Investment in Direct Financing Leases	—	—	—	157,092
Investments in Projects, Partnerships, or Corporations	—	—	—	62,871
Restricted Assets	1	89,252	89,253	2,079,474
Securities Lending Collateral	2,011,760	—	2,011,760	15,802
Net Pension Asset	5,652	—	5,652	—
Net OPEB Asset	19,309	207	19,516	29,578
Other Assets	82,708	2,338	85,046	31,511
Capital Assets:				
Equipment, Net of Depreciation	552,798	35,874	588,672	365,747
Buildings, Net of Depreciation	1,655,988	660,581	2,316,569	1,264,096
Library Books, Net of Depreciation	—	—	—	8,418
Infrastructure, Net of Depreciation	3,182,062	459,854	3,641,916	945,561
Museum Collections	—	—	—	7,349
Land / Right-of-Way	1,043,246	31,202	1,074,448	117,468
Construction in Progress	1,392,488	17,900	1,410,388	581,888
Total Assets	82,721,322	3,238,971	85,960,293	13,041,725
DEFERRED OUTFLOWS OF RESOURCES				
Total Deferred Outflows of Resources	889,398	7,718	897,116	177,084
LIABILITIES				
Accounts Payable and Accrued Liabilities	2,444,099	26,585	2,470,684	110,982
Obligations Under Securities Lending	2,011,760	—	2,011,760	15,802
Due to Primary Government	—	—	—	13,959
Due to Component Units	8,676	—	8,676	21,250
Due to Other Governments	9,527	2,507	12,034	663
Interest Payable	16,525	4,427	20,952	33,902
Derivative Instruments	—	—	—	104,674
Other Current Liabilities	—	6,993	6,993	83,884

This statement continues on the next page.

STATE OF ALASKA **STATEMENT 1.01**

Statement of Net Position

Government-wide

June 30, 2018

(Stated in Thousands)

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
LIABILITIES (Continued)				
Long-Term Liabilities:				
Portion Due or Payable Within One Year:				
Claims, Judgments, Compensated Absences, and Pollution Remediation	216,252	4,818	221,070	16,453
Unearned Revenue	25,442	24,058	49,500	51,984
Notes, Bonds, and Leases Payable	83,459	12,455	95,914	203,643
Portion Due or Payable After One Year:				
Claims, Judgments, Compensated Absences, and Pollution Remediation	239,025	4,931	243,956	4,499
Unearned Revenue	19,861	—	19,861	—
Notes, Bonds, and Leases Payable	1,333,837	389,593	1,723,430	3,970,098
Net Pension Liabilities	4,598,212	56,799	4,655,011	292,917
Net OPEB Liabilities	651,796	9,361	661,157	42,533
Other Noncurrent Liabilities	2,795	23,672	26,467	20,513
Total Liabilities	11,661,266	566,199	12,227,465	4,987,756
DEFERRED INFLOWS OF RESOURCES				
Total Deferred Inflows or Resources	414,166	12,908	427,074	623,842
NET POSITION				
Net Investment in Capital Assets	7,247,754	846,649	8,094,403	2,205,907
Restricted for:				
Permanent Funds				
Nonexpendable	46,680,957	—	46,680,957	464,385
Expendable	1,445	—	1,445	204,407
Education	32,069	—	32,069	446,137
Development	118,146	—	118,146	122,276
Unemployment Compensation	—	451,316	451,316	—
Health and Human Services	17,435	509,265	526,700	—
Debt Service	46,643	18,986	65,629	711,214
Other Purposes	3,529	27,206	30,735	1,347,726
Unrestricted	17,387,310	814,160	18,201,470	2,105,159
Total Net Position	$ 71,535,288	$ 2,667,582	$ 74,202,870	$ 7,607,211

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

STATE OF ALASKA **STATEMENT 1.02**

Statement of Activities

Government-wide

For the Fiscal Year Ended June 30, 2018

(Stated in Thousands)

		Program Revenues		
	Expenses	Charges for Services, Royalties and Other	Operating Grants and Contributions	Capital Grants and Contributions
FUNCTIONS/PROGRAMS				
Primary Government:				
Governmental Activities:				
General Government	$ 734,156	$ 23,183	$ 22,177	$ 65
Alaska Permanent Fund Dividend	698,016	—	—	—
Education	1,942,640	4,494	248,354	—
University	387,047	—	—	—
Health and Human Services	3,160,709	49,608	1,942,257	29,676
Law and Justice	221,818	12,432	20,088	1,106
Public Protection	718,987	169,139	111,281	6,956
Natural Resources	313,208	1,534,225	102,620	10,877
Development	192,045	2,796	68,439	2,781
Transportation	987,322	62,795	61,871	580,737
Intergovernmental Revenue Sharing	99,790	—	20,260	—
Debt Service	65,950	—	2,308	—
Total Governmental Activities	9,521,688	1,858,672	2,599,655	632,198
Business-type Activities:				
Loans	5,348	10,295	407	5,088
Insurance	193,349	205,044	—	—
Airports	158,113	147,893	—	53,900
Total Business-type activities	356,810	363,232	407	58,988
Total Primary Government	$ 9,878,498	$ 2,221,904	$ 2,600,062	$ 691,186
Component Units:				
University of Alaska	$ 769,372	$ 194,486	$ 232,857	$ 54,172
Alaska Housing Finance Corporation	212,822	146,639	55,113	32,382
Alaska Industrial Development and Export Authority	95,861	56,667	1,422	44,474
Nonmajor Component Units	430,905	258,988	139,298	661
Total Component Units	$ 1,508,960	$ 656,780	$ 428,690	$ 131,689

This statement continues on the next page.

STATE OF ALASKA **STATEMENT 1.02**

Statement of Activities

Government-wide

For the Fiscal Year Ended June 30, 2018

(Stated in Thousands)

	Net (Expense) Revenue and Changes in Net Position			
	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
FUNCTIONS/PROGRAMS				
Primary Government:				
Governmental Activities:				
General Government	$ (688,731)		$ (688,731)	
Alaska Permanent Fund Dividend	(698,016)		(698,016)	
Education	(1,689,792)		(1,689,792)	
University	(387,047)		(387,047)	
Health and Human Services	(1,139,168)		(1,139,168)	
Law and Justice	(188,192)		(188,192)	
Public Protection	(431,611)		(431,611)	
Natural Resources	1,334,514		1,334,514	
Development	(118,029)		(118,029)	
Transportation	(281,919)		(281,919)	
Intergovernmental Revenue Sharing	(79,530)		(79,530)	
Debt Service	(63,642)		(63,642)	
Total Governmental Activities	(4,431,163)		(4,431,163)	
Business-type Activities:				
Loans		$ 10,442	10,442	
Insurance		11,695	11,695	
Airports		43,680	43,680	
Total Business-type activities		65,817	65,817	
Total Primary Government	(4,431,163)	65,817	(4,365,346)	
Component Units:				
University of Alaska				$ (287,857)
Alaska Housing Finance Corporation				21,312
Alaska Industrial Development and Export Authority				6,702
Nonmajor Component Unit				(31,958)
Total Component Units				(291,801)
General Revenues				
Taxes:				
Severance Taxes	777,690	—	777,690	—
Selective Sales/Use	260,693	—	260,693	—
Income Taxes	195,387	—	195,387	—
Property Taxes	125,421	—	125,421	—
Other Taxes	2,483	—	2,483	—
Interest and Investment Income (Loss)	5,829,716	20,915	5,850,631	114,388
Tobacco Settlement	51,117	—	51,117	—
Payments in from Component Units	13,229	—	13,229	—
Payments In from Primary Government	—	—	—	335,322
Other Revenues	51,722	325	52,047	9,388
Total General Revenues	7,307,458	21,240	7,328,698	459,098
Change in Net Position	2,876,295	87,057	2,963,352	167,297
Net Position - Beginning of Year (Restated)	68,675,497	2,580,525	71,256,022	7,439,914
Prior Period Adjustment	(16,504)	—	(16,504)	—
Net Position - End of Year	$ 71,535,288	$ 2,667,582	$ 74,202,870	$ 7,607,211

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

STATE OF ALASKA **STATEMENT 1.11**

Balance Sheet

Governmental Funds

June 30, 2018

(Stated in Thousands)

	General Fund	Alaska Permanent Fund	Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and Investments	$ 4,816,857	$ 64,995,462	$ 953,146	$ 70,765,465
Accounts Receivable - Net	368,680	466,045	2,008	836,733
Interest and Dividends Receivable	18,853	179,833	264	198,950
Due from Other Funds	55,865	18,227	4,845	78,937
Due from Component Units	4,117	—	—	4,117
Due from Other Governments	770,307	—	245	770,552
Loans, Notes, and Bonds Receivable	18,471	—	79	18,550
Inventories	24,961	—	—	24,961
Securities Lending Collateral	—	2,011,760	—	2,011,760
Other Assets	69,212	—	4,267	73,479
Total Assets	6,147,323	67,671,327	964,854	74,783,504
LIABILITIES				
Accounts Payable and Accrued Liabilities	$ 1,651,907	$ 721,827	$ 6,099	$ 2,379,833
Obligations Under Securities Lending	—	2,011,760	—	2,011,760
Due to Other Funds	82,363	43,395	8,468	134,226
Due to Component Units	8,676	—	—	8,676
Due to Other Governments	9,527	—	—	9,527
Unearned Revenue	45,073	—	230	45,303
Other Liabilities	2,211	—	584	2,795
Total Liabilities	1,799,757	2,776,982	15,381	4,592,120
DEFERRED INFLOWS OF RESOURCES				
Total Deferred Inflows of Resources	365,311	—	—	365,311
FUND BALANCES				
Nonspendable:				
Inventory	24,755	—	—	24,755
Principal	—	46,029,992	650,965	46,680,957
Advances and Prepaid Items	68,982	—	4,236	73,218
Restricted for:				
Debt Service	4,678	—	42,784	47,462
Education	15,355	—	30,316	45,671
Health and Human Services	643	—	16,792	17,435
Development	25,830	—	147,767	173,597
Other Purposes	3,343	—	186	3,529
Committed to:				
Education	634,104	—	6,810	640,914
Health and Human Services	147,770	—	—	147,770
Public Protection	124,357	—	2,488	126,845
Permanent Fund	7,816	—	—	7,816
Development	979,631	—	47,129	1,026,760
Other Purposes	81,517	2,722,654	—	2,804,171
Assigned to:				
Permanent Fund	—	16,141,699	—	16,141,699
Unassigned:	1,863,474	—	—	1,863,474
Total Fund Balances	3,982,255	64,894,345	949,473	69,826,073
Total Liabilities, Deferred Inflows, and Fund Balances	$ 6,147,323	$ 67,671,327	$ 964,854	$ 74,783,504

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, 2018

(Stated in Thousands)

Total Fund Balances - Governmental Funds		$ 69,826,073
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 (Note 5). These assets consist of:		
Equipment, net of depreciation	387,210	
Buildings, net of depreciation	1,523,781	
Infrastructure, net of depreciation	3,182,062	
Land / right-of-way	1,043,246	
Construction in progress	1,368,431	
		7,504,730
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	2,702	
Net pension asset (Note 7)	5,652	
Other post employment benefits asset (Note 7)	19,191	
		27,545
Deferred outflows of resources that are not reported in the funds.		
Losses on bond refunding	8,943	
Related to pensions	772,917	
Related to OPEB	103,164	
		885,024
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).		420,180
Certain revenues are not available to pay for the current period's expenditures and therefore are not reported in the funds.		365,311
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds (Note 6).		
Claims and judgments, net of federal reimbursement	(163,505)	
Compensated absences	(163,052)	
Pollution remediation	(125,595)	
Capital lease obligations	(254,325)	
Net pension liability	(4,566,018)	
Net OPEB liability	(646,491)	
		(5,918,986)
Long-term bonded debt is not due and payable in the current period and therefore is not reported in the funds (Note 6).		
Notes and bonds payable	(1,151,215)	
Accrued interest payable	(16,525)	
		(1,167,740)
Deferred inflows of resources related to pensions that are not reported in the funds.		(406,849)
Net Position of Governmental Activities		$ 71,535,288

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

STATE OF ALASKA **STATEMENT 1.13**

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Fiscal Year Ended June 30, 2018

(Stated in Thousands)

	General Fund	Alaska Permanent Fund	Nonmajor Funds	Total Governmental Funds
REVENUES				
Taxes	$ 1,315,920	$ —	$ 15,782	$ 1,331,702
Licenses and Permits	127,311	—	40,245	167,556
Charges for Services	173,194	—	546	173,740
Fines and Forfeitures	18,935	—	106	19,041
Rents and Royalties	1,093,966	353,095	30,916	1,477,977
Premiums and Contributions	19,229	—	21,236	40,465
Interest and Investment Income (Loss)	145,736	5,671,456	42,361	5,859,553
Federal Grants in Aid	3,124,624	—	752	3,125,376
Payments In from Component Units	12,765	—	—	12,765
Other Revenues	68,656	—	41,830	110,486
Total Revenues	6,100,336	6,024,551	193,774	12,318,661
EXPENDITURES				
Current:				
General Government	298,614	138,886	2,475	439,975
Alaska Permanent Fund Dividend	698,016	—	—	698,016
Education	1,786,851	—	65,865	1,852,716
University	368,534	—	1,779	370,313
Health and Human Services	3,182,552	—	3,470	3,186,022
Law and Justice	240,902	1,116	—	242,018
Public Protection	738,289	—	564	738,853
Natural Resources	280,276	5,956	54,186	340,418
Development	201,811	—	1,711	203,522
Transportation	1,140,187	—	39,716	1,179,903
Intergovernmental Revenue Sharing	107,852	—	—	107,852
Debt Service:				
Principal	34,816	—	81,215	116,031
Interest and Other Charges	14,415	—	54,099	68,514
Total Expenditures	9,093,115	145,958	305,080	9,544,153
Excess (Deficiency) of Revenues Over Expenditures	(2,992,779)	5,878,593	(111,306)	2,774,508
OTHER FINANCING SOURCES (USES)				
Capital Leases	12,093	—	—	12,093
Transfers In from Other Funds	769,345	—	96,244	865,589
Transfers (Out to) Other Funds	(97,014)	(769,345)	(6,428)	(872,787)
Total Other Financing Sources and Uses	684,424	(769,345)	89,816	4,895
Net Change in Fund Balances	(2,308,355)	5,109,248	(21,490)	2,779,403
Fund Balances - Beginning of Year	6,290,610	59,785,097	970,963	67,046,670
Fund Balances - End of Year	$ 3,982,255	$ 64,894,345	$ 949,473	$ 69,826,073

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

STATE OF ALASKA **STATEMENT 1.14**

Reconciliation of the Change in Fund Balances to the Statement of Activities

Governmental Funds

For the Fiscal Year Ended June 30, 2018

(Stated in Thousands)

Net Change in Fund Balances - Total Governmental Funds		$ 2,779,403
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 expense. Primarily this is the amount by which capital outlays exceeded depreciation in the current period (Note 5).		
Capital outlay	634,611	
Depreciation expense	(470,331)	
		164,280
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 (Statement 1.22).		
Net current year revenue		18,745
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the fund.		78,641
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).		
Accrued interest	2,694	
Repayment of bond principal	95,010	
		97,704
Some capital additions were financed through capital leases. In the governmental funds, a capital lease arrangement is considered a source of financing, but in the Statement of Net Position (See Statement 1.01), the lease obligation is reported as a liability.		(12,093)
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	(16,265)	
Compensated absences	1,288	
Pollution remediation	(5,818)	
Capital lease payments	26,706	
Pension	(173,254)	
Other post employment benefits	(83,042)	
		(250,385)
Change in Net Position of Governmental Activities		$ 2,876,295

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

STATE OF ALASKA **STATEMENT 1.21**

Statement of Net Position

Proprietary Funds

June 30, 2018

(Stated in Thousands)

	Business-type Activities Enterprise Funds			Governmental Activities
	International Airports	Nonmajor Enterprise Funds	Enterprise Funds Total	Internal Service Funds
ASSETS				
Current Assets:				
Cash and Investments	$ 101,225	$ 1,313,836	$ 1,415,061	$ 147,887
Accounts Receivable - Net	6,912	13,008	19,920	252
Interest and Dividends Receivable	—	6,523	6,523	—
Due from Other Funds	1,856	1,372	3,228	12,920
Due from Other Governments	27,450	215	27,665	—
Loans, Notes, and Bonds Receivable	—	35,187	35,187	—
Inventories	—	—	—	4,414
Restricted Assets	4,977	—	4,977	—
Other Current Assets	—	3	3	9,229
Total Current Assets	142,420	1,370,144	1,512,564	174,702
Noncurrent Assets:				
Interest and Dividends Receivable	—	8,168	8,168	—
Loans, Notes, and Bonds Receivable	—	426,699	426,699	—
Repossessed Property	—	850	850	—
Restricted Assets	84,275	—	84,275	—
Net OPEB Asset	198	9	207	118
Other Noncurrent Assets	—	2,335	2,335	—
Capital Assets:				
Equipment, Net of Depreciation	35,874	—	35,874	165,588
Buildings, Net of Depreciation	660,581	—	660,581	132,207
Infrastructure, Net of Depreciation	459,854	—	459,854	—
Land / Right-of-Way	31,202	—	31,202	—
Construction in Progress	17,900	—	17,900	24,057
Total Noncurrent Assets	1,289,884	438,061	1,727,945	321,970
Total Assets	1,432,304	1,808,205	3,240,509	496,672
DEFERRED OUTFLOWS OF RESOURCES				
Total Deferred Outflows of Resources	7,360	358	7,718	4,374

This statement continues on the next page.

STATE OF ALASKA **STATEMENT 1.21**

Statement of Net Position

Proprietary Funds

June 30, 2018

(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	10,573	16,012	26,585	21,122
Due to Other Funds	75	1,463	1,538	46
Due to Other Governments	—	2,507	2,507	—
Interest Payable	4,427	—	4,427	—
Claims, Judgments, Compensated Absences, and Pollution Remediation	4,587	231	4,818	2,592
Unearned Revenue	24,058	—	24,058	—
Notes, Bonds, and Leases Payable	12,455	—	12,455	2,546
Other Current Liabilities	—	6,993	6,993	—
Total Current Liabilities	56,175	27,206	83,381	26,306
Noncurrent Liabilities:				
Claims, Judgments, Compensated Absences, and Pollution Remediation	4,931	—	4,931	533
Notes, Bonds, and Leases Payable	389,593	—	389,593	9,210
Net Pension Liabilities	54,170	2,629	56,799	32,194
Net OPEB Liabilities	8,926	435	9,361	5,305
Other Noncurrent Liabilities	—	23,672	23,672	—
Total Noncurrent Liabilities	457,620	26,736	484,356	47,242
Total Liabilities	513,795	53,942	567,737	73,548
DEFERRED INFLOWS OF RESOURCES				
Total Deferred Inflows of Resources	12,311	597	12,908	7,318
NET POSITION				
Net Investment in Capital Assets	846,649	—	846,649	309,761
Restricted for:				
Unemployment Compensation	—	451,316	451,316	—
Health and Human Services	—	509,265	509,265	—
Debt Service	18,986	—	18,986	—
Other Purposes	26,979	227	27,206	—
Unrestricted	20,944	793,216	814,160	110,419
Total Net Position	$ 913,558	$ 1,754,024	$ 2,667,582	$ 420,180

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

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STATE OF ALASKA **STATEMENT 1.22**

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

Proprietary Funds

For the Fiscal Year Ended June 30, 2018

(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	$ —	$ 203,606	$ 203,606	$ 129,599
Charges for Goods and Services	149,904	1,616	151,520	96,543
Allowances for Uncollectible Revenues	(2,340)	—	(2,340)	—
Interest and Investment Income	—	8,931	8,931	—
Allowance for Uncollectible Interest	—	103	103	—
Fines and Forfeitures	—	2,931	2,931	—
Allowance for Uncollectible Fines	—	(1,503)	(1,503)	—
Other Operating Revenues	329	61	390	2,161
Total Operating Revenues	147,893	215,745	363,638	228,303
OPERATING EXPENSES				
Benefits	—	190,266	190,266	118,402
Operating	85,158	7,828	92,986	76,309
Depreciation	72,955	—	72,955	29,574
Provision for Loan Losses and Forgiveness	—	(1,211)	(1,211)	—
Total Operating Expenses	158,113	196,883	354,996	224,285
Operating Income (Loss)	(10,220)	18,862	8,642	4,018
NONOPERATING REVENUES (EXPENSES)				
Interest and Investment Income	2,382	34,194	36,576	241
Interest and Investment Expense	(15,563)	(100)	(15,663)	(27)
Gain (Loss) on Disposal of Capital Assets	251	—	251	220
Other Nonoperating Revenues (Expenses)	74	(1,811)	(1,737)	1
Total Nonoperating Revenues (Expenses)	(12,856)	32,283	19,427	435
Income Before Capital Contributions and Transfers	(23,076)	51,145	28,069	4,453
Capital Contributions	53,900	5,088	58,988	7,095
Transfers In from Other Funds	—	410	410	7,197
Transfers (Out to) Other Funds	—	(410)	(410)	—
Change in Net Position	30,824	56,233	87,057	18,745
Total Net Position - Beginning of Year (Restated)	882,734	1,697,791	2,580,525	401,435
Total Net Position - End of Year	$ 913,558	$ 1,754,024	$ 2,667,582	$ 420,180

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

STATE OF ALASKA **STATEMENT 1.23**

Statement of Cash Flows

Proprietary Funds

For the Fiscal Year Ended June 30, 2018

(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	$ —	$ 868	$ 868	$ —
Receipts from Customers	148,492	147	148,639	76
Receipts for Interfund Services Provided	—	—	—	99,926
Receipt of Principal from Loan Recipients	—	56,261	56,261	—
Receipt of Interest and Fees from Loan Recipients	—	11,506	11,506	—
Receipts from Insured	—	204,414	204,414	129,600
Payments to Employees	(50,603)	(4,632)	(55,235)	(27,258)
Payments to Suppliers	(39,009)	(2,834)	(41,843)	(53,889)
Payments to Other Governments	—	(968)	(968)	—
Payments to Loan Recipients	—	(45,879)	(45,879)	—
Claims Paid	—	(181,148)	(181,148)	(119,196)
Payments for Interfund Services Used	—	(654)	(654)	(3,158)
Other Receipts	—	621	621	2,041
Other Payments	—	(372)	(372)	—
Net Cash Provided (Used) by Operating Activities	58,880	37,330	96,210	28,142
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating Subsidies and Transfers (Out to) Other Funds	—	(11,279)	(11,279)	—
Operating Subsidies and Transfers In from Other Funds	—	—	—	7,197
Federal Grants	74	—	74	—
Proceeds from Issuance of Short-term Debt	—	3,231	3,231	—
Payments on Short-term Debt	—	(3,231)	(3,231)	—
Interest and Fees Paid on Borrowing	—	(6)	(6)	—
Net Cash Provided (Used) by Noncapital Financing Activities	74	(11,285)	(11,211)	7,197
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from Sale of Capital Assets	—	—	—	2,299
Acquisition and Construction of Capital Assets	(70,651)	—	(70,651)	(24,875)
Principal Paid on Capital Debt	(35,675)	—	(35,675)	(2,475)
Interest and Fees Paid on Capital Debt	(18,118)	—	(18,118)	(375)
Passenger Facility Charges	6,869	—	6,869	—
Federal Grants	61,398	5,088	66,486	—
Other Receipts (Payments)	—	3	3	—
Net Cash Provided (Used) by Capital and Related Financing Activities	(56,177)	5,091	(51,086)	(25,426)

This statement continues on the next page.

STATE OF ALASKA **STATEMENT 1.23**

Statement of Cash Flows

Proprietary Funds

For the Fiscal Year Ended June 30, 2018

(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	236,039	126,203	362,242	—
Purchase of Investments	(233,657)	(149,431)	(383,088)	—
Interest and Dividends on Investments	—	22,408	22,408	240
Change in Restricted Cash and Investments	(6,340)	—	(6,340)	—
Net Cash Provided (Used) by Investing Activities	(3,958)	(820)	(4,778)	240
Net Increase (Decrease) in Cash	(1,181)	30,316	29,135	10,153
Cash and Cash Equivalents - Beginning of Year	68,284	786,421	854,705	137,734
Cash and Cash Equivalents - End of Year	$ 67,103	$ 816,737	$ 883,840	$ 147,887
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	$ (10,220)	$ 18,862	$ 8,642	$ 4,018
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation and Amortization	72,955	—	72,955	29,776
Net Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:				
Accounts Receivable - Net	71	6,026	6,097	994
Due from Other Funds	—	114	114	2,462
Due from Other Governments	—	55	55	—
Loans, Notes, and Bonds Receivable - Net	—	7,291	7,291	—
Repossessed Property	—	9	9	—
Interest and Dividends Receivable - Net	—	850	850	—
Inventories	—	—	—	(341)
Net OPEB Asset	(8)	5	(3)	(57)
Other Assets	—	1,233	1,233	(4,450)
Deferred Outflows of Resources	9,715	(396)	9,319	5,357
Due to Other Funds	—	(112)	(112)	(322)
Due to Other Governments	—	(47)	(47)	—
Accounts Payable and Accrued Liabilities	(2,466)	(421)	(2,887)	(5,362)
Net Pension Liability	(18,106)	(671)	(18,777)	(11,295)
Net OPEB Liability	(6,249)	(120)	(6,369)	389
Other Liabilities	1,683	4,189	5,872	142
Deferred Inflows of Resources	11,505	463	11,968	6,831
Net Cash Provided (Used) by Operating Activities	$ 58,880	$ 37,330	$ 96,210	$ 28,142
Reconciliation of Cash to the Statement of Net Position				
Total Cash and Investments per the Statement of Net Position	$ 101,225	$ 1,313,836	$ 1,415,061	$ 147,887
Less: Investments not Meeting the Definition of Cash or Cash Equivalents	(34,122)	(497,099)	(531,221)	—
Cash, End of Year	$ 67,103	$ 816,737	$ 883,840	$ 147,887
Noncash Investing, Capital, and Financing Activities				
Contributed Capital Assets	—	—	—	7,095
Transfers (Out to) Other Funds (Accrual)	—	(410)	(410)	—
Transfers In from Other Funds (Accrual)	—	410	410	—

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

STATE OF ALASKA **STATEMENT 1.31**

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2018

(Stated in Thousands)

	Pension and Other Employee Benefit Trust Funds	Agency Funds
ASSETS		
Cash and Cash Equivalents	$ 216,802	$ 334,575
Investments:		192,843
Fixed Income	2,388,647	
Broad Domestic Equity	6,126,413	
Global Equity ex-US	5,614,017	
Opportunistic	2,542,582	
Private Equity Pool	2,413,123	
Absolute Return Pool	1,937,580	
Real Assets	4,990,045	
Pooled Investment Funds	3,574,326	
Collective Investment Funds	2,224,524	
Synthetic Investment Contracts	531,225	
Investment Loss Trust Fund Assets	1,999	—
Accounts Receivable - Net	352	14
Contributions Receivable	41,826	—
Securities Lending Collateral	94,071	—
Due from Other Funds	25,582	10,875
Other Assets	1,303	—
Total Assets	32,724,417	538,307
LIABILITIES		
Accounts Payable and Accrued Liabilities	8,168	4,093
Obligations Under Securities Lending	94,071	—
Forfeiture Payable to Employer	45,812	—
Claims Payable	62,318	—
Trust Deposits Payable	—	532,148
Due to Other Funds	350	2,066
Total Liabilities	210,719	538,307
NET POSITION		
Restricted for:		
Pension Benefits	14,995,615	—
Other Postemployment Benefits	11,150,235	—
Individuals, Organizations, and Other Governments	6,367,848	—
Total Net Position	$ 32,513,698	$ —

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

STATE OF ALASKA **STATEMENT 1.32**

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Fiscal Year Ended June 30, 2018

(Stated in Thousands)

	Pension and Other Employee Benefit Trust Funds
ADDITIONS	
Premiums and Contributions:	
Employer	$ 673,592
Member	373,505
Other	189,861
Total Premiums and Contributions	1,236,958
Investment Income:	
Net Appreciation (Depreciation) in Fair Value of Investments	2,077,898
Interest	91,683
Dividends	346,820
Total Investment Income	2,516,401
Less Investment Expense	15,566
Net Investment Income	2,500,835
Securities Lending Income	3,745
Less Securities Lending Expense	687
Net Securities Lending Income	3,058
Other Additions	
Other	35,329
Total Additions	3,776,180
DEDUCTIONS	
Benefits Paid	2,098,092
Refunds of Premiums and Contributions	68,073
Administrative Expenses	40,321
Total Deductions	2,206,486
Net Increase (Decrease) in Net Position Restricted for:	
Pension Benefits	538,028
Other Postemployment Benefits	498,042
Individuals, Organizations, and Other Governments	533,624
Net Position - Beginning of the Year (Restated)	30,944,004
Net Position - End of the Year	$ 32,513,698

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

STATE OF ALASKA **STATEMENT 1.41**

Statement of Net Position

Component Units

June 30, 2018

(Stated in Thousands)

	University of Alaska	Alaska Housing Finance Corporation	Alaska Industrial Development and Export Authority	Nonmajor Component Units	Total
ASSETS					
Cash and Investments	$ 255,446	$ 519,087	$ 491,328	$ 963,107	$ 2,228,968
Accounts Receivable - Net	35,157	—	473	19,174	54,804
Interest and Dividends Receivable	523	14,119	4,733	25,133	44,508
Due from Primary Government	5,151	8,413	6	8,569	22,139
Due from Component Units	—	3,502	4,700	1	8,203
Due from Other Governments	27,776	2,148	—	19,293	49,217
Loans, Notes, and Bonds Receivable	1,513	3,132,436	537,452	1,278,519	4,949,920
Inventories	5,330	—	—	11,781	17,111
Net Investment in Direct Financing Leases	—	27,003	130,089	—	157,092
Investments in Projects, Partnerships, or Corporations	—	—	62,871	—	62,871
Restricted Assets	470,218	146,654	134,984	1,327,618	2,079,474
Securities Lending Collateral	—	—	—	15,802	15,802
Net OPEB Asset			36	29,542	29,578
Other Assets	12,581	14,621	164	4,145	31,511
Capital Assets:					
Equipment, Net of Depreciation	206,368	802	—	158,577	365,747
Buildings, Net of Depreciation	1,083,592	79,423	47,039	54,042	1,264,096
Library Books, Net of Depreciation	8,418	—	—	—	8,418
Infrastructure, Net of Depreciation	111,007	—	28,711	805,843	945,561
Museum Collections	7,349	—	—	—	7,349
Land / Right-of-Way	38,531	20,247	3,165	55,525	117,468
Construction in Progress	275,020	—	13,040	293,828	581,888
Total Assets	2,543,980	3,968,455	1,458,791	5,070,499	13,041,725
DEFERRED OUTFLOWS OF RESOURCES					
Total Deferred Outflows of Resources	31,783	133,107	4,619	7,575	177,084
LIABILITIES					
Accounts Payable and Accrued Liabilities	42,518	12,595	1,548	54,321	110,982
Obligations Under Securities Lending	—	—	—	15,802	15,802
Due to Primary Government	—	161	1,586	12,212	13,959
Due to Component Units	16,317	—	—	4,933	21,250
Due to Other Governments	—	424	—	239	663
Interest Payable	3,491	9,985	2,012	18,414	33,902
Derivative Instruments	—	104,674	—	—	104,674
Other Current Liabilities	17,714	53,269	447	12,454	83,884

This statement continued on next page.

STATE OF ALASKA **STATEMENT 1.41**

Statement of Net Position

Component Units

June 30, 2018

(Stated in Thousands)

	University of Alaska	Alaska Housing Finance Corporation	Alaska Industrial Development and Export Authority	Nonmajor Component Units	Total
Long-term Liabilities:					
Portion Due or Payable Within One Year:					
Claims, Judgments, Compensated Absences, and Pollution Remediation	11,827	2,002	—	2,624	16,453
Unearned Revenue	47,786	—	—	4,198	51,984
Notes, Bonds, and Leases Payable	14,540	65,355	5,770	117,978	203,643
Portion Due or Payable After One Year:					
Claims, Judgments, Compensated Absences, and Pollution Remediation	—	2,261	—	2,238	4,499
Notes, Bonds, and Leases Payable	322,104	2,263,133	96,930	1,287,931	3,970,098
Net Pension Liabilities	217,682	35,660	9,843	29,732	292,917
Net OPEB Liabilities	32,777	5,765	1,622	2,369	42,533
Other Noncurrent Liabilities	7,638	—	12,770	105	20,513
Total Liabilities	734,394	2,555,284	132,528	1,565,550	4,987,756
DEFERRED INFLOWS OF RESOURCES					
Total Deferred Inflows of Resources	38,985	7,582	2,237	575,038	623,842
NET POSITION					
Net Investment in Capital Assets	1,374,668	100,472	91,955	638,812	2,205,907
Restricted for:					
Permanent Funds					
Nonexpendable	—	—	—	464,385	464,385
Expendable	—	—	—	204,407	204,407
Education	446,137	—	—	—	446,137
Development	—	—	375	121,901	122,276
Debt Service	12,584	611,237	—	87,393	711,214
Other Purposes	—	177,308	—	1,170,418	1,347,726
Unrestricted	(31,005)	649,679	1,236,315	250,170	2,105,159
Total Net Position	$ 1,802,384	$ 1,538,696	$ 1,328,645	$ 2,937,486	$ 7,607,211

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

STATE OF ALASKA **STATEMENT 1.42**

Statement of Activities

Component Units

For the Fiscal Year Ended June 30, 2018

(Stated in Thousands)

		Program Revenues		
	Expenses	Charges for Services, Royalties and Other Fees	Operating Grants and Contributions	Capital Grants and Contributions
FUNCTIONS/PROGRAMS				
Component Units				
University of Alaska	$ 769,372	$ 194,486	$ 232,857	$ 54,172
Alaska Housing Finance Corporation	212,822	146,639	55,113	32,382
Alaska Industrial Development and Export Authority	95,861	56,667	1,422	44,474
Nonmajor Component Units	430,905	258,988	139,298	661
Total Component Units	$ 1,508,960	$ 656,780	$ 428,690	$ 131,689

This statement continued on the next page.

STATE OF ALASKA **STATEMENT 1.42**

Statement of Activities

Component Units

For the Fiscal Year Ended June 30, 2018

(Stated in Thousands)

	Net (Expense) Revenue and Changes in Net Position				
	University of Alaska	Alaska Housing Finance Corporation	Alaska Industrial Development and Export Authority	Nonmajor Component Units	Total Component Units
FUNCTIONS/PROGRAMS					
Component Units					
University of Alaska	$ (287,857)				$ (287,857)
Alaska Housing Finance Corporation		21,312			21,312
Alaska Industrial Development and Export Authority			6,702		6,702
Nonmajor Component Units				(31,958)	(31,958)
Total Component Units	(287,857)	21,312	6,702	(31,958)	(291,801)
General Revenues:					
Interest and Investment Income (Loss)	23,206	10,000	(39)	81,221	114,388
Payments In from Primary Government	325,302	—	—	10,020	335,322
Other Revenues	—	2,149	6,744	495	9,388
Total General Revenues and Contributions	348,508	12,149	6,705	91,736	459,098
Change in Net Position	60,651	33,461	13,407	59,778	167,297
Net Position - Beginning of Year (Restated)	1,741,733	1,505,235	1,315,238	2,877,708	7,439,914
Net Position - End of Year	$ 1,802,384	$ 1,538,696	$ 1,328,645	$ 2,937,486	$ 7,607,211

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

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Notes to the Basic Financial Statements

STATE OF ALASKA
INDEX
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2018

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 sixty-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 public 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 Social Services; 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 87 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 **Northern Tobacco Securitization Corporation** (NTSC) is a public 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 Social Services; 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 CAFR 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). 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. The corporate structure of AEA was retained but the board of directors of the Alaska Industrial Development and Export Authority (AIDEA) is now the board of directors of AEA. 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, 200, 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 47.30.011). 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 99811-0405.

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, 209 Butrovich Building, 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 CAFR with the Nonmajor Component Units. In addition, fund financial statements are included as other supplementary information, since there are no separately issued financial statements for ASMI.

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. The 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 the ARMB are appointed by and serve at the pleasure of the Governor.

The **Teachers' Retirement System** 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. The 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. The 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. The 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. The 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. The ARMB is the fiduciary of DCP.

Copies of the audited financial statements for the retirement systems (excluding NGNMRS), 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, and agency 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; however, agency funds have no measurement focus. 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.

Agency funds are used to report resources held by the State purely in a custodial capacity (assets equal liabilities). These funds include resources from unclaimed property, wage and hour, deposits/bonds held, offender trust accounts, advocacy/guardianship trusts, and damage recoveries arising out of the Exxon Valdez oil spill.

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.

Absolute return investments 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.

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.

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. In addition, because the State's General Fund and Other Non-segregated Investment (GeFONSI) pool, the Short-term Fixed Income Pool, Short-term Treasury Fixed Income Pool, and the Short-term Liquidity Pool operate as demand deposit accounts, amounts invested in the pools are classified as cash and cash equivalents. At June 30, 2018, the assets of the GeFONSI pool were comprised of shares in the Short-term Fixed Income Pool, the Short-term Liquidity Pool, and the Intermediate-term 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.

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, 2018, the State's estimated liability for compensated absences, as reported in the government-wide Statement of Net Position, is $166.2 million. There is no liability in the accompanying financial statements for unpaid accumulated sick leave. Accumulated sick leave may be used only for actual illness. When an employee separates from service, any sick leave balance to their credit is reduced to zero without additional compensation to the employee. See Note 12 for disclosure of the amount of the sick leave contingency.

The cost of compensated absences (annual/personal leave and sick leave) for State employees is charged against agency appropriations when leave is used rather than when leave is earned, except for the payment of the accumulated annual/personal leave balance for an employee terminating from state service. That amount is charged to a terminal leave liability account rather than the individual agency appropriation. This liability account is funded by a charge to each agency's operating budget.

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 outflow 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 (fund 1004) is committed, and the remaining balance is unassigned. All other governmental funds, including subfunds of the General Fund are presented as restricted or committed, with the exception of the three subfunds of the General Fund and a Capital Project fund as unassigned. The spendable portion of the Alaska Permanent Fund is classified as assigned.

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. There are no assigned balances within the General Fund or subfunds.

The following shows the composition of the fund balance of the governmental funds for the fiscal year ended June 30, 2018 (in thousands):

	General	Permanent	Special Revenue	Debt Service	Capital Projects
Nonspendable:					
Inventory	$ 24,755	$ —	$ —	$ —	$ —
Principal	—	46,680,957	—	—	—
Advances and Prepaid Items	68,982	—	4,236	—	—
Total Nonspendable	93,737	46,680,957	4,236	—	—
Restricted:					
Debt Service	4,678	—	—	42,784	—
Education	15,355	—	6,513	—	23,803
Health & Human Services	643	—	16,792	—	—
Development	25,830	—	42,847	—	104,920
Other Purposes	3,343	—	186	—	—
Total Restricted	49,849	—	66,338	42,784	128,723
Committed:					
Education					
School Foundation Support	7,461	—	—	—	—
Pupil Transportation	498	—	—	—	—
Education Services	361,288	—	5,365	—	—
Construction & Maintenance	264,857	—	—	—	—
Public School Program Support	—	1,445	—	—	—
Health & Human Services	147,770	—	—	—	—
Public Protection	124,357	—	2,488	—	—
Permanent Fund					
Dividend Payments	7,816	—	—	—	—
Development					
Natural Resources	107,759	—	—	—	—
Transportation	597,575	—	—	—	—
Other	274,297	—	47,129	—	—
Other Purposes	81,517		—	—	—
Earnings Reserve Transferable to the General Fund	—	2,722,654	—	—	—
Total Committed	1,975,195	2,724,099	54,982	—	—
Assigned:					
Assigned for Future Appropriations					
Realized Earnings	—	13,739,046	—	—	—
Unrealized Appreciation on Invested Assets	—	2,402,653	—	—	—
Total Assigned	—	16,141,699	—	—	—
Unassigned	1,863,474	—	—	—	—
Total Fund Balance	$ 3,982,255	$ 65,546,755	$ 125,556	$ 42,784	$ 128,723

NET POSITION RESTRICTED BY ENABLING LEGISLATION

The government-wide statement of net position reports $47.9 billion of restricted net position for the primary government, of which $23.8 million is restricted by enabling legislation.

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 18, supplemental appropriations within the operating and capital budgets were enacted. The total supplemental appropriations for the FY 18 operating budget was $687.5 million, of which $142.6 million was from the General Fund, $6.7 million was from other funds, and $538.2 million was appropriated from federal funds. In addition, total supplemental appropriations for the FY 18 capital budget was $45.4 million, of which $34.3 million was appropriated from the General Fund and $11.1 million was appropriated from other funds. Additionally, $43.9 million was transferred between funds. Fund transfers are typically not counted as operating or capital appropriations, as a fund transfer is only moving money from one fund to another fund within the treasury. A separate appropriation is required for the money to leave the treasury.

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. Within this limit, one-third is reserved for capital projects and loan appropriations. For FY 18, the Office of Management and Budget estimated the limit to be approximately $10.1 billion. The FY 18 budget passed by the legislature after vetoes was $5.1 billion (unrestricted General Fund revenues only), or $5.0 billion less than the constitutional spending 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 10 and no borrowing activity from the CBRF occurred during FY 11 through FY 14.

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 thousands). The paragraphs following the schedule provide an explanation of the entries.

Chapter 18, SLA 2014, Section 48	$ 3,000,000
Subtotal FY 15	3,000,000
Chapter 1, SSLA 2015, Section 12(b)	3,617,867
Article IX, Section 17(d) Alaska Constitution (FY 16)	(522,510)
Subtotal FY 16	3,095,357
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 17)	(479,729)
Subtotal FY 17	3,076,716
Chapter 1, SSSLA 2017, Section 45(a)	479,729
Chapter 1, SSSLA 2017, Section 45(b)	1,800,000
Chapter 1, SSSLA 2017, Section 45(c)	66,095
Correction of Prior Year Error	(1,170,209)
Article IX, Section 17(d) Alaska Constitution (FY 18)	(431,688)
Subtotal FY 18	743,927
Total appropriated from the CBRF	$ 9,916,000

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 10, so this schedule shows the repayment activity that has occurred prospectively.

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 the fiscal year ending June 30, 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 fiscal year 2016.

4SSLA 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 fiscal year 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 fiscal year 2018.

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, 2018 was $13,016 million.

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 10, 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 13 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 13, 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 14, 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 15, this resulted in a year-end transfer from the SBRF to the General Fund for $2,503 million.

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. For FY 18, this resulted in a year-end sweep from the SBRF to the General Fund for transfer to the CBRF in the amount of $184 million.

NOTE 3 – DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

In the fund financial statements, governmental funds reported deferred inflows of resources of $365,311 thousand as this amount represents revenues that are earned and measurable, but not available within two months of the end of the reporting period.

Deferred Outflows and Inflows of Resources reported in the government-wide Statement of Net Position as of June 30, 2018 consisted of the following (in thousands):

Deferred Outflows and Inflows of Resources

	Primary Government		
	Governmental Activities	**Business-Type Activities**	**Discrete Component Units**
Deferred Outflows:			
Change in Fair Value-Interest Rate Swaps	$ —	$ —	$ 103,394
Deferred Charge on Bond Refundings	8,943	—	26,061
Deferred Lease Obligation	—	—	3,127
Deferred Outflows Related to Postretirement Benefits	103,990	1,458	9,146
Deferred Outflows Related to Pensions	776,465	6,260	35,356
Total Deferred Outflows	$ 889,398	$ 7,718	$ 177,084
Deferred Inflows:			
Unearned Grant Revenue	$ —	$ —	$ 565,073
Deferred Inflows Related to Postretirement Benefits	285,433	5,206	23,040
Deferred Inflows Related to Pensions	128,733	7,702	35,729
Total Deferred Inflows	$ 414,166	$ 12,908	$ 623,842

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.

The internal service fund total of $4,374 thousand in deferred outflows: $2,384 thousand ($450 thousand for OPEB and $1,934 thousand for pension) is reported in the Highways Equipment Working Capital Fund, $1,851 thousand ($350 thousand for OPEB and $1,501 thousand for pension) in the Information Services Fund, and $139 thousand ($26 thousand for OPEB and $113 thousand for pension) in the Alaska Public Building Fund. Note 6 provides additional information on these deferred outflows.

The internal service fund total of $7,318 thousand in deferred inflows: $3,989 thousand ($1,610 thousand for OPEB and $2,379 thousand for pension) is reported in the Highways Equipment Working Capital Fund, $3,096 thousand ($1,249 thousand for OPEB and $1,847 thousand for pension) in the Information Services Fund, and $233 thousand ($94 thousand for OPEB and $139 thousand for pension) in the Alaska Public Building Fund. Note 6 provides additional information on these deferred inflows.

The business-type activities total of $7,718 thousand in deferred outflows: $7,360 thousand ($1,390 thousand for OPEB and $5,970 thousand for pension) is reported in the International Airports Fund, $16 thousand ($3 thousand for OPEB and $13 thousand for pension) in the Agricultural Revolving Loan Fund, $285 thousand ($54 thousand for OPEB and $231 thousand for pension) in the Commercial Fishing Revolving Loan Fund, $41 thousand ($8 thousand for OPEB and $33 thousand for pension) in the Fisheries Enhancement Revolving Loan Fund, $9 thousand ($2 thousand for OPEB and $7 thousand for pension) in the Alaska Capstone Avionics Revolving Loan Fund, $1 thousand (for pension) in the Commercial Charter Fisheries Revolving Loan Fund, $1 thousand (for pension) in the Mariculture Revolving Loan Fund, $1 thousand (for pension) in the Alaska Microloan Revolving Loan Fund, and $4 thousand ($1 thousand for OPEB and $3 thousand for pension) in the Bulk Fuel Loan Fund. Note 6 provides additional information on these deferred inflows.

The business-type activities of $12,908 thousand in deferred inflows: $12,311 thousand ($4,967 thousand for OPEB and $7,344 thousand for pension) is reported in the International Airports Fund, $26 thousand ($10 thousand for OPEB and $16 thousand for pension) in the Agricultural Revolving Loan Fund, $477 thousand ($192 thousand for OPEB and $285 thousand for pension) in the Commercial Fishing Revolving Loan Fund, $68 thousand ($27 thousand for OPEB and $41 thousand for pension) in the Fisheries Enhancement Revolving Loan Fund, $15 thousand ($6 thousand for OPEB and $9 thousand for pension) in the Alaska Capstone Avionics Revolving Loan Fund, $2 thousand ($1 thousand for OPEB and $1 thousand for pension) in the Commercial Charter Fisheries Revolving Loan Fund, $2 thousand ($1 thousand for OPEB and $1 thousand for pension) in the Mariculture Revolving Loan Fund, $1 thousand (for pension) in the Alaska Microloan Revolving Loan Fund, and $6 thousand ($2 thousand for OPEB and $4 thousand for pension) in the Bulk Fuel Loan Fund. Note 6 provides additional information on these deferred inflows.

The component unit total of $103,394 thousand in deferred outflows: change in fair value-interest rate swaps is reported in the Alaska Housing Finance Corporation. Note 6 provides additional information on these interest rate swaps.

Of the component unit total of $26,061 thousand in deferred outflows: deferred charge on bond refundings; $24,487 thousand is reported in the Alaska Housing Finance Corporation, $10 thousand in the Alaska Energy Authority, $121 thousand in the Alaska Industrial Development and Export Authority, and $1,443 thousand in the University of Alaska.

Of the component unit total of $3,127 thousand in deferred outflows: deferred lease obligation is reported in the Alaska Industrial Development and Export Authority as a result of refunding bonds associated with the Snettisham Hydroelectric project. The restricted direct financing lease will be amortized over the remaining life of the lease.

Of the component unit total of $9,146 thousand in deferred outflows related to postretirement benefits: $1,410 thousand is reported in the Alaska Railroad Corporation, $1,192 thousand in the Alaska Housing Finance Corporation, $82 thousand in the Alaska Aerospace Corporation, $148 thousand in the Alaska Gasline Development Corporation, $187 thousand in the Alaska Industrial Development Export Authority, $31 thousand in the Alaska Seafood and Marketing Institute, $5,958 thousand in the University of Alaska, and $138 thousand in the Alaska Mental Health Trust Authority.

Of the component unit total of $35,356 thousand in deferred outflows related to pension: $4,043 thousand is reported in the Alaska Railroad Corporation, $4,034 thousand in the Alaska Housing Finance Corporation, $354 thousand in the Alaska Aerospace Corporation, $630 thousand in the Alaska Gasline Development Corporation, $1,184 thousand in the Alaska Industrial Development and Export Authority, $134 thousand in the Alaska Seafood Marketing Institute, $24,382 thousand in the University of Alaska, and $595 thousand in the Alaska Mental Health Trust Authority. Note 6 provides additional information on these deferred outflows.

The component unit total of $565,073 thousand in deferred inflows: unearned grant revenue is reported in the Alaska Railroad Corporation and is made up of grant revenues.

The component unit total of $23,040 thousand in deferred inflows related to postretirement benefits: $1,582 thousand is reported in the Alaska Railroad Corporation, $3,115 thousand in the Alaska Housing Finance Corporation, $294 thousand in the Alaska Aerospace Corporation, $578 thousand in the Alaska Gasline Development Corporation, $903 thousand in the Alaska Industrial Development Export Authority, $111 thousand in the Alaska Seafood Marketing Institute, $15,962 thousand in the University of Alaska, and $495 thousand in the Alaska Mental Health Trust Authority.

Of the component unit total of $35,729 thousand in deferred inflows related to pensions: $4,447 thousand is reported in the Alaska Railroad Corporation; $4,467 thousand in the Alaska Housing Finance Corporation, $435 thousand in the Alaska Aerospace Corporation, $1,126 thousand in the Alaska Gasline Development Corporation, $1,334 thousand in the Alaska Industrial Development and Export Authority, $165 thousand in the Alaska Seafood Marketing Institute, $23,023 thousand in the University of Alaska, and $732 thousand in the Alaska Mental Health Trust Authority. Note 6 provides additional information on these deferred inflows.

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 the Commissioner has fiduciary responsibility for. Actual investing is performed by investment officers in Treasury or by contracted external investment managers. Specifically, the Tobacco Revenue Fixed Income, Domestic Equity, and the International Equity Pools are managed externally. Treasury manages the Short-term Fixed Income Pool, Short-term Liquidity Fixed Income Pool, Short-term Treasury Fixed Income Pool, Non-interest Bearing Deposits, Intermediate-term Fixed Income Pool, Broad Market Fixed Income Pool, High Yield Fixed Income Pool, and Real Estate Investment Trust 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, 2018 is as follows:

Fair Value (in thousands)

Investment Type	Short-term Fixed Income Pool	Non-interest Bearing Deposits	Intermediate -term Fixed Income Pool	Broad Market Fixed Income Pool	High Yield Fixed Income Pool	Domestic Equity Pool	International Equity Pool	Real Estate Investment Trust Pool	Tax Credit Loans	Tobacco Revenue Fixed Income	Income Receivable (Payable)
General Fund and GeFONSI	$ 1,245,546	$ 3,694	$ 1,451,095	$ 159,959	$ 91,695	$ 227,574	$ 140,351	$ 34,880	$ 14,920	$ 13,548	$ 1,933
Constitutional Budget Reserve Fund	1,585,938	—	—	569,237	75,790	73,701	27,859	24,858	—	—	2,747
Public School Trust Fund											
Principle	998	—	—	260,466	27,107	214,607	119,523	28,188	—	—	(1,023)
Income	425	—	—	—	—	—	—	—	—	—	1,033
Investment Loss Trust Fund	2,588	—	—	—	—	—	—	—	—	—	5
General Obligation Bond Fund	135,482	—	—	—	—	—	—	—	—	—	240
International Airports Construction Fund	43,210	—	—	—	—	—	—	—	—	—	76
International Airports Fund	88,957	—	—	25,205	3,434	3,174	1,182	1,126	—	—	150
Power Cost Equalization Endowment Fund	45	—	—	300,857	44,739	420,801	248,729	58,207	—	—	—
Retiree Health Insurance Fund											
Major Medical	17,420	—	—	—	—	—	—	—	—	—	31
Long-Term Care	8,926	—	—	263,509	20,798	123,381	67,784	21,627	—	—	14
Mine Reclamation Fund	1	—	—	323	47	444	262	61	—	—	—
Total Invested Assets	$ 3,129,536	$ 3,694	$ 1,451,095	$ 1,579,556	$ 263,610	$ 1,063,682	$ 605,690	$ 168,947	$ 14,920	$ 13,548	$ 5,206

Interest Rate Risk

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 upon purchase. Floating rate securities are limited to three years to maturity or three years expected average life upon purchase. These constraints apply to trade date, except for securities bought at new issue, for which settlement date applies. At June 30, 2018, the expected average life of individual fixed rate securities ranged from 2 days to 4.03 years and the expected average life of floating rate securities ranged from 12 days to 21.6 years.

Short-term Liquidity Fixed Income Pool

Treasury's investment policy limits individual fixed rate securities to six months to maturity. These constraints apply to trade date, except for securities bought at new issue, for which settlement date applies. At June 30, 2018, this pool is in the process of liquidation.

Short-term Treasury Fixed Income Pool

Treasury's investment policy limits individual fixed rate securities to six months to maturity. These constraints apply to the trade date, except for securities bought at new issues, for which settlement date applies. At June 30, 2018, this pool held no securities or cash.

Intermediate, Broad Market, and High Yield Fixed Income Pools

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. Treasury uses industry-standard analytical software developed by The Yield Book, Inc. to calculate effective duration. The software considers various possible future interest rates, historical and estimated prepayment rates, call options, and other variable cash flows for purposes of the effective duration calculation.

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 - ± 20% of the Barclays 1-3 Year Government Bond Index.

Broad Market Fixed Income Pool - ± 20% of the Barclays Capital U.S. Aggregate Bond Index.

High Yield Fixed Income Pool - ± 20% of the US High Yield Ba ex 144As 2% Cap Bond Index.

At June 30, 2018, the effective duration by investment type was as follows:

	Effective Duration (in years)
Corporate Bonds	6.25
Mortgage-backed	4.65
Municipal Bonds	13.87
Other Asset-backed	0.73
U.S. Government Agency	7.22
U.S. Treasury Issuances	2.92
Yankee Corporate	4.42
Yankee Government	5.69
Portfolio Effective Duration	4.01

Credit Risk

Short-term Fixed Income Pool investments are limited to instruments with a long-term credit rating of at least A3 or equivalent and instruments with a short-term credit rating of at least P-1 or equivalent. Commercial paper must be rated at least P-1 by Moody's and A-1 by Standard and Poor's. Asset-backed and non-agency mortgage securities must be rated A3 or equivalent. The A3 rating is defined as the median rating of the following three rating agencies: Standard & Poor's Corporation, Moody's and Fitch. Asset-backed and non-agency mortgage securities may be purchased if only rated by one of these agencies if they are rated AAA.

Short-term Liquidity and Short-term Treasury Pools' investments are limited to U.S. Treasury obligations or other U.S. Government securities issued in full faith or guaranteed by agencies and instrumentalities of the U.S. Government, obligations of foreign governments, sovereign states, supranational entities, and their instrumentalities denominated in U.S. dollars, and the State's internally-managed Short-Term Fixed Income Pool.

Intermediate-term and Broad Market Fixed Income Pool investments are limited to securities with a long-term credit rating of at least Baa3 or equivalent and securities with a short-term credit rating of at least P-1 or equivalent. Asset-backed and non-agency mortgage securities must be rated investment grade. The investment grade rating is defined as the median rating of the following three rating agencies: Standard & Poor's Corporation, Moody's and Fitch. Asset-backed and non-agency mortgage securities may be purchased if only rated by one of these agencies if they are rated AAA.

High Yield Fixed Income Pool investments are limited to no more than 10 percent of the portfolio's assets in securities rated A3 or higher by any rating agency (including government instruments). Cash held in the portfolio will be included in this limitation. Treasury may not invest more than 5 percent in securities rated below B3 or equivalent at the time of investment. Additionally, Treasury may not invest more than 5 percent of the portfolio's assets in unrated securities. Unrated securities shall be assumed to be rated below B3.

The bond indentures governing the investment of tobacco revenue related bond proceeds limit the investment in commercial paper to only those securities rated A-1 or equivalent. Tobacco Revenue Fixed Income Securities consisted of commercial paper rated A-1.

The Commissioner has no policy regarding credit risk relating to Tax Credit Loans. The Commissioner's risk is limited by first lien priorities on tax credits supporting loans.

At June 30, 2018 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 Pool	Intermediate -term Fixed Income Pool	Broad Market Fixed Income Pool	High Yield Fixed Income Pool	Tax Credit Loans
AAA	$ 1,446,892	$ 15,805	$ 29,120	$ —	$ —
AA	111,250	38,273	62,911	—	—
A	83,426	125,803	202,265	—	—
A-1	10,416	—	—	—	—
BBB	—	33,153	198,238	39,128	—
BB	—	—	—	168,860	—
B	—	—	—	24,515	—
U.S. Government Agency	—	—	22,090	—	—
U.S. Treasury Bills, Notes, Bonds, and TIPS	1,404,520	1,224,424	632,812	—	—
Not Rated	368,266	12,016	509,258	2,850	14,920
No Credit Risk	(295,234)	1,621	(77,138)	28,257	—
	$ 3,129,536	$ 1,451,095	$ 1,579,556	$ 263,610	$ 14,920

Custodial Credit Risk - Deposits

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.

The bond indentures governing the investment of tobacco revenue related bond proceeds do not establish a policy with regard to custodial credit risk.

At June 30, 2018 the State had the following uncollateralized and uninsured deposits:

	Amount (in thousands)
International Equity Pool	$ 215

Concentration of Credit Risk

Treasury's policy with regard to concentration of credit risk is to prohibit the purchase of more than five percent of a pool's holdings in corporate bonds backed by any one company or affiliated group. At June 30, 2018, no pool had exposure to any one issuer greater than 5 percent of total invested assets.

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 securities each fund is allowed to hold. The following policies were in place during FY 18 and invested assets included the following holdings at June 30, 2018 for the funds invested in the International Equity Pool:

	Policy	Actual
GeFONSI II	4% - 4%/+5%	4.70%
Constitutional Budget Reserve Fund	1% - 1% /+ 5%	1.20%
Higher Education Fund	24% ± 5%	23.10%
Illinois Creek Mine Reclamation Fund	24% ± 5%	23.00%
AIA Revenue Fund	1% - 1%/ + 5%	1.00%
Power Cost Equalization Endowment Fund	24% ± 5%	23.20%
Public School Trust Fund, Principal	19% ± 5%	18.40%
Retiree Health Insurance Fund, Long Term Care	14% ± 5%	13.40%

At June 30, 2018, the funds invested in the International Equity Pool had exposure to foreign currency risk as follows (in thousands):

Currency	Deposits	Equity
Canadian Dollar	$ 4	$ 4,169
Danish Krone	—	1,449
Euro Currency	—	21,181
Japanese Yen	83	15,147
New Israeli Sheqel	—	30
Norwegian Krone	—	2,449
Pound Sterling	106	22,325
Singapore Dollar	—	1,838
Swedish Krona	40	3,175
Swiss Franc	—	3,864
Subtotal	233	75,627
Other Fiduciary Responsibility	(18)	(5,784)
Total Commissioner Responsibility	$ 215	$ 69,843

Fair Value Measurements

Various inputs are used in valuing the investments held by the Commissioner. Generally Accepted Accounting Principles establishes a hierarchy of inputs used to value investment emphasizing observable inputs and minimizing unobservable inputs. These inputs are summarized as follows:

Level 1 - Quoted prices for identical assets in an active market

Level 2 - Inputs, other than quoted prices, 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, 2018 (in thousands):

Investment by Fair Value Level	Total	Level 1	Level 2	Level 3
Cash Equivalents				
Certificates of Deposits	$ 46,037	$ —	$ 46,037	$ —
Commercial Paper	10,517	—	10,517	
Deposits	37,830	37,830	—	—
Money Market	7,930	—	7,930	—
Repurchase Agreement	359,900	—	359,900	—
Short-term Investment Fund	3,120		3,120	
Total Cash Equivalents	465,334	37,830	427,504	—
Debt Securities				
Corporate Bonds	890,166	—	890,166	—
Mortgage Backed	534,387	—	534,387	—
Municipal Bonds	15,407	—	15,407	—
Other Asset Backed	1,297,752	—	1,297,752	—
Tax Credit Loans	14,920	—	—	14,920
U.S. Government Agency	22,090	—	22,090	—
U.S. Treasury Bills, Notes, Bonds and TIPS	3,261,756	—	3,261,756	—
Yankee Corporate	305,598	—	305,598	—
Yankee Government	35,282	—	35,282	—
Total Debt Securities	6,377,358	—	6,362,438	14,920
Equity Securities				
Commingled Equity Funds	1,723,315	1,723,315	—	—
Common and Preferred Stock	78,838	78,838		
Depository Receipts	1,891	1,891	—	—
Real Estate Inv Trust	167,977	167,977	—	—
Total Equities Securities	1,972,021	1,972,021	—	—
Total Investments by Fair Value Level		$ 2,009,851	$ 6,789,942	$ 14,920
Total Investments Measured at Fair Value	$ 8,814,713			
Other Fiduciary Responsibility	(499,019)			
Net Receivables/(Payables) from Investment Activity	(21,416)			
Total Commissioner Invested Assets	$ 8,294,278			

Debt and equity securities classified as level 1 are valued using prices quoted in active markets for those securities. Debt securities classified as level 2 are valued using matrix pricing. Pricing is obtained from various sources. Debt securities classified as level 3 are valued by the Treasury's valuation committee using an income approach.

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

The Commissioner is exposed to credit risk on investment derivative instruments that are in asset positions. 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 or contingencies. The International Equity Pool's investments include the following income from derivative investments at June 30, 2018 (in thousands):

	Changes in Fair Value		Fair Value		
	Classification	Amount	Classification	Amount	Notional
FX Forwards	Investment Income	$ 2,587	Long-term Instruments	$ —	$ —

The International Equity Pools includes foreign currency forward contracts to buy and sell specified amounts of foreign currencies at specified rates on specified future. 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, 2018, the International Equity Pools had no outstanding contracts.

Tax Credit Loans and Related Parties

In 2015, the Commissioner of Revenue contemplated creating a Tax Credit Loan Program (program). In lieu of the program, a line of credit was extended to an entity majority owned by the Alaska Industrial Development and Export Authority (AIDEA), a major component unit of the State of Alaska. The tax credits issued to the company were used as collateral for the loan. The Commissioner of Revenue (or his designee) serves on the AIDEA board, as appointed by the Governor of Alaska.

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

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, held in trust, are valued based on a unit value determined by the Trustees multiplied by the total units held by the Plan. The unit value is determined by the Trustees based on the fair value of the underlying assets.

Fair Value Measurements

Various inputs are used in valuing the investments held by the ARMB. U.S. generally accepted accounting principles (GAAP) establishes a hierarchy of inputs used to value investment emphasizing observable inputs and minimizing unobservable inputs. These inputs are summarized as follows:

Level 1 - Quoted prices for identical assets in an active market
Level 2 - Inputs, other than quoted prices, 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 ARMB categorizes fair value measurements with the fair value hierarchy established by GAAP. The ARMB has the following fair value measurements at June 30, 2018 (in thousands):

	Totals	Level 1	Level 2	Level 3
Investment by Fair Value Level				
Cash Equivalents				
Certificates of Deposit	$ 3,470	$ —	$ 3,470	$ —
Commercial Paper	580	—	580	
Deposits	178,466	178,466	—	—
Money Market	175,482	—	175,482	—
Repurchase Agreement	27,129	—	27,129	—
Short-term Investment Fund	5,646	—	5,646	—
Total Cash Equivalents	390,773	178,466	212,307	—
Debt Securities				
Bank Loans	1,611	—	1,611	—
Commingled Debt Funds	1,207,752	705,342	502,410	
Convertible Bonds	1,797	—	1,797	—
Corporate Bonds	368,691	—	368,691	—
Foreign Government Bonds	96,294	—	96,294	—
Mortgage Backed	10,608	—	10,608	—
Municipal Bonds	104,494	—	104,494	—
Other Asset Backed	105,343	—	105,343	—
U.S. Government Agency	3,882	—	3,882	—
U.S. Treasury Bills, Notes, Bonds, and TIPS	2,207,901	—	2,207,901	—
Yankee Corporate	84,826	—	84,826	—
Yankee Government	3,282	—	3,282	—
Total Debt Securities	4,196,481	705,342	3,491,139	—
Equity				
Commingled Equity Funds	3,567,530	3,567,530	—	—
Common and Preferred Stock	10,758,200	10,757,766	13	421
Depository Receipts	219,832	219,832	—	—
Futures	1,026	1,026	—	—
Master Limited Partnership	905,372	905,372	—	—
Options	(3,416)	(2,794)	(622)	—
Real Estate Investment Trust	525,457	525,457	—	—
Rights	868	868	—	—
Warrants	7,981	7,981	—	
Total Equities	15,982,850	15,983,038	(609)	421
Other				
Balanced Funds	2,020,611	—	2,020,611	—
Target Date Funds	1,554,111	—	1,554,111	—
Securities Lending Collateral Invested	94,072	—	94,072	—
Total Other	3,668,794	—	3,668,794	—
Total Investments by Fair Value Level	$ 24,238,898	$ 16,866,846	$ 7,371,631	$ 421
Investments Measured at the NAV				
Absolute Return	$ 1,937,579			
Energy	99,448			
Farmland	837,580			
Infrastructure	508,843			
Private Equity	2,404,684			
Real Estate	1,649,790			
Timber	370,002			
Total Investments Measured at NAV	7,807,926			
Total Investments Measured at Fair Value	$ 32,046,824			
Synthetic Investment Contract at Cost	$ 531,271			
Net Payable	(86,923)			
Total Invested Assets	$ 32,491,172			

Equity securities classified as level 1 are valued using prices quoted in active markets for those securities. Debt securities classified as level 2 are valued using matrix pricing. Each balanced and target date options classified as level 2 are priced daily by the investment managers based on the prevailing market values of the underlying security portfolios. Pricing is sourced from various sources. Equity 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 absolute return, energy, farmland, infrastructure, private equity, real estate, and timber are measured at net asset value (NAV) with additional information listed in the following table (in thousands):

	Fair Value	Redemption Frequency (if currently available)	Redemption Notice Period
Absolute Return	$ 1,937,579	Quarterly	2-90 days
Energy	99,448	No redemptions	No redemptions
Farmland	837,580	N/A	N/A
Infrastructure	508,843	Quarterly	30-90 days
Private Equity	2,404,684	No redemptions	No redemptions
Real Estate	1,649,790	Varied	Varied
Timber	370,002	N/A	N/A
Total Investments Measured at NAV	$ 7,807,926		

Absolute Return: This type includes investments in ten fund of funds. Investment strategies include pooled investment vehicles and securities in a variety of markets including structured notes and swaps. The fair values of the investments have been determined using the 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. Absolute return investments undergo annual independent financial statement audits.

Energy: This type includes investments in four energy funds which invest in the debt and equity of energy related companies. The fair values of the investments have been determined using the 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. Energy fund investments undergo annual independent financial statement audits. These investments can never be redeemed with the funds. 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 through the fiscal year 2022.

Farmland: This type includes investments in two wholly owned agriculture funds. These two funds are 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 fair values of the investments have been determined using the 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 are funds of one, therefore they can be liquidated at any time. Farmland investments undergo annual independent financial statement audits.

Infrastructure (Private): This type includes investments in two open-ended infrastructure funds. Investments include electricity generation, transmission, toll roads, pipelines, bridges, and other infrastructure-related assets. The fair values of the investments have been determined using the 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. Infrastructure investments undergo annual independent financial statement audits. Funds can be redeemed on a quarterly basis with proper notice.

Private Equity: This type includes investments in 21 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. The fair values of the investments have been determined using the 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. Private equity funds undergo annual independent financial statement audits. These investments can never be redeemed with the funds. 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 through the fiscal year 2026.

Real Estate: This type includes investments in 19 real estate funds that invest primarily in U.S. commercial real estate including value-added, opportunistic and core investments. The fair values of the investments have been determined using the 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. Real estate investments undergo annual independent financial statement audits. Three of these funds are funds of one, therefore can be liquidated at any time. For the remaining 16 funds, distributions from each fund will be received as the underlying investments of the funds are liquidated. These investments are expected to be funded through fiscal year 2031.

Timber: This type includes investments in two wholly owned timber funds that invest, acquire, manage, and dispose of timberland property and associated timber. The fair values of the investments have been determined using the 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 are fund of one, therefore they can be liquidated at any time. Timber investments undergo annual independent financial statement audits.

Synthetic Investment Contracts (SICs): The ARMB's investment manager entered into investment contracts, on behalf of the ARMB, with four 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, 2018 are as follows (in thousands):

	Contract Provider	Supplemental Benefits System	Deferred Compensation Plan
Contract Value of Investment Contract	Prudential Insurance Company of America	$ 96,760	$ 46,692
Market Value of Portfolio	Prudential Insurance Company of America	94,928	46,072
Average Crediting Rate	Prudential Insurance Company of America	2.46%	2.60%
Contract Value of Investment Contract	Royal Bank of Canada	66,303	37,681
Market Value of Portfolio	Royal Bank of Canada	64,949	37,015
Average Crediting Rate	Royal Bank of Canada	2.50%	2.58%
Contract Value of Investment Contract	Pacific Life Insurance Co.	66,819	37,981
Market Value of Portfolio	Pacific Life Insurance Co.	65,769	37,477
Average Crediting Rate	Pacific Life Insurance Co.	2.55%	2.60%
Contract Value of Investment Contract	State Street Bank & Trust Co.	97,575	46,389
Market Value of Portfolio	State Street Bank & Trust Co.	96,041	45,774
Average Crediting Rate	State Street Bank & Trust Co.	2.55%	2.60%

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 upon purchase. Floating rate securities are limited to three years to maturity or three years expected average life upon purchase. At June 30, 2018, the expected average life of individual fixed rate securities ranged from 2 days to 4.03 years and the expected average life of floating rate securities ranged from 12 days to 21.6 years.

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 is the average fair value weighted duration of each security taking into account all related cash flows. At June 30, 2018, the effective duration of the ARMB's fixed income by investment type, was as follows:

	Effective Duration (in years)
Corporate Bonds	3.40
Foreign Government Bonds	7.21
Mortgage-backed	2.00
Municipal Bonds	9.78
Other Asset Backed	0.05
U.S. Government Agency	6.53
U.S. Treasury Bills, Notes, Bonds, and TIPS	3.90
Yankee Corporate	3.13
Yankee Government	3.80
Total Portfolio	4.06

Synthetic Investment Contracts

The ARMB contracts with an external investment manager who is given the authority to invest funds 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:

> For constant duration SICs, duration cannot exceed the longer of six years or the duration of the Barclays Capital Intermediate Aggregate Index plus one-half year. The aggregate duration of the constant duration SICs was 4.04 years for the Deferred Compensation Plan and 4.06 years for the Supplemental Annuity Plan at June 30, 2018. The duration of the Barclays Capital Intermediate Aggregate Index was 4.28 years at June 30, 2018. The ARMB does not have a policy to limit interest rate risk for the reserve. The balance of the reserve is invested in the custodian's Institutional Treasury Money Market Fund.

Credit Risk

At June 30, 2018, ARMB's invested assets consisted of fixed income securities with credit quality ratings issued by nationally recognized statistical rating organizations as follows (in thousands, using Standard & Poor's Corporation rating scale); securities lending collateral was invested in a registered 2(a)-7 money market fund that was not rated:

Rating	U.S. Dollar	Foreign
AAA	$ 133,121	$ 2,823
AA	131,771	1,347
A	198,718	11,950
A-1	785	—
BBB	73,969	3,101
BB	71,974	5,288
B	47,446	—
CCC	7,355	—
CC	73	—
U.S. Government Agency	3,882	—
U.S. Treasury Bills, Notes, Bonds, and TIPS	2,207,901	—
Not Rated	52,265	71,785
	$ 2,929,260	$ 96,294

Synthetic Investment Contracts

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

Synthetic investment contract issuers must have an investment grade rating,
Supranational Agency and Foreign Government entity investments must have a minimum rate of A- or equivalent,
Corporate debt securities must have a minimum rating of BBB- or equivalent,
Asset-backed securities must have a minimum rating of AAA or equivalent,
The rating assigned to issuers of money market instruments must have the highest rating of any nationally recognized statistical rating organization. This limitation does not apply to the investment funds maintained by the custodian.

Custodial Credit Risk - Deposits

The ARMB does not have a policy in relation to custodial credit risk for deposits. At June 30, 2018, the ARMB's invested assets had the following uncollateralized and uninsured foreign currency deposits of $14,926 thousand.

Foreign Currency Risk

The ARMB's Stable Value Fund policy requires that all investments underlying a synthetic investment contract be denominated in U.S. dollars. For all other funds, through its asset allocation, the ARMB limits total investments in foreign currencies to the following:

Pension System	Opportunistic	Global Equity Ex-U.S.	Private Equity Pool	Real Assets Pool
Public Employees' Retirement System	15%	26%	14%	25%
Teachers' Retirement System	15	26	14	25
Judicial Retirement System	15	26	14	25
Alaska National Guard and Naval Militia Retirement System	15	21	—	—

At June 30, 2018, the ARMB had exposure to foreign currency risk with the following deposits and investments (in thousands):

Currency	Deposits	Equity	Foreign Government Bonds	Rights & Warrants	Private Equity
Australian Dollar	$ 347	$ 146,276	$ —	$ —	$ 1,252
Brazilian Real	67	29,635	3,474	—	—
Canadian Dollar	447	139,855	2,823	—	—
Chilean Peso	—	—	1,139	—	—
Columbian Peso	—	—	1,411	—	—
Czech Koruna	—	—	578		
Danish Krone	643	64,758	—	—	—
Euro Currency	4,507	1,119,413	29,314	848	142,646
Hong Kong Dollar	855	133,402	—	—	—
Hungarian Forint	—	2,083	532	—	—
Indian Rupee	102	14,870	—	—	—
Indonesian Rupiah	135	521	2,785	6	—
Japanese Yen	4,332	739,149	19,153	—	—
Malaysian Ringgit	7	5,059	2,743	—	—
Mexican Peso	—	20,087	8,100	—	—
New Israeli Sheqel	10	9,198	—	—	—
New Taiwan Dollar	476	34,808	—	—	—
New Zealand Dollar	80	14,028	1,347	—	—
Norwegian Krone	133	26,935	—	—	—
Peruvian Sol	—	—	1,181	—	—
Philippine Peso	1	2,895	891	—	—
Polish Zloty	1	704	2,273	—	—
Pound Sterling	1,811	739,244	8,762	20	33,593
Russian Ruble	—	—	2,266	—	—
Singapore Dollar	179	40,971	—	—	—
South African Rand	1	22,415	1,814	—	—
South Korean Won	66	48,992	—	—	—
Swedish Krona	229	92,311	2,012	—	—
Swiss Franc	422	214,904	—	—	—
Thailand Baht	1	4,594	1,398	—	—
Turkish Lira	7	3,674	2,299	—	—
UAE Dirham	3	—	—	—	—
Yuan Renminbi	64	18,198	—	—	—
	$ 14,926	$ 3,688,979	$ 96,295	$ 874	$ 177,491

Concentration of Credit Risk

At June 30, 2018, the ARMB's Invested Assets did not have exposure to any one issuer greater than 5% of total invested assets.

Stable Value Investments

The ARMB's policy with regard to concentration of credit risk for synthetic investment contracts, investments underlying the synthetic investment contracts and the reserve is 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 Stable Value Fund's total value.
>
> No investment will be made if, at the time of the purchase, total investment in any single issuer or in all issuers of the securities held as supporting investments under synthetic investment contracts in the table below would exceed the respective percentages of all investments underlying the synthetic investment contracts. The maximum exposure to securities rated BBB is limited to twenty percent of the total value underlying synthetic investment contracts.

Investment Type	Issuer	All Issuers
U.S. Treasury and Agencies	100%	100%
U.S. Agency Securities	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 and Foreign Government Entity Securities	5	50
Money Market Instruments - Nongovernmental/Agency	5	100
Custodian Short-term Investment Fund	100	100

For the reserve, the total investment of any single issuer of money market instruments may not exceed 5 percent of the total value underlying synthetic investment contracts. This limitation does not apply to the investment funds maintained by the custodian.

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, 2018, the ARMB had the following derivative instruments outstanding (in thousands):

	Change in Fair Value		Fair Value		
	Classification	Amount	Classification	Amount	Notional
FX Forwards	Investment Income	$ 644	Long Term	$ 348	$ 8,192
Index Futures Long	Investment Income	54,773	Futures	—	177
Index Futures Short	Investment Income	(47,921)	Futures	—	(224)
Index Options Bought	Investment Income	(3,199)	Options	34,899	49
Index Options Written	Investment Income	(133)	Options	(38,315)	(278)
Rights	Investment Income	(70)	Common Stock	868	7,308
Warrants	Investment Income	1,115	Common Stock	7,981	370

The International Equity 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 non-performance 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, 2018, the ARMB had the following foreign currency risk related to forward contracts (in thousands):

Currency Name	Right & Warrant Options	Net Receivable	Net Payables	Total Exposure
Euro Currency	$ 848	$ —	$ —	$ 848
Pound Sterling	20	—	—	20
Indonesian Rupiah	6	—	—	6
New Zealand Dollar	—	—	348	348
	$ 874	$ —	$ 348	$ 1,222

At June 30, 2018 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, 2018, the ARMB has 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, 2018, was approximately $91 million. At June 30, 2018, cash collateral received totaling $94 million is reported as a securities lending payable and the fair value of the re-invested cash collateral totaling $94 million is reported as security lending collateral invested in the Schedule of Invested Assets.

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 financial schedules 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, 2018 there were no losses incurred as a result of securities lending transactions and there were no significant 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, an Interest Income Fund and wholly-owned Pooled Investment Funds. At June 30, 2018, Deferred Compensation Plan investments totaled $941.3 million.

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 market values of participant-directed investments at June 30, 2018 are as follows (in thousands):

	FY 2018
S&P 500 Stock Index Fund	$ 212,541
Interest Income Fund	176,326
U.S. Small Cap Trust	112,136
Alaska Long-Term Balanced Trust	90,335
Russell 3000 Index Fund	42,686
International Equity Fund	38,407
Alaska Balanced Trust	29,731
Government/Credit Bond Index Fund	27,250
Alaska Target Date Retirement 2020 Trust	25,855
Allianz/RCM Socially Responsible Investment Fund	22,746
Intermediate Bond Fund	22,522
World Equity Ex-U.S. Index Fund	18,121
Alaska Target Date Retirement 2025 Trust	17,508
State Street Institutional Treasury Money Market Fund	13,838
U.S. TIPS Index Fund	13,045
U.S. Real Estate Investment Trust Index Fund	12,529
Alaska Target Date Retirement 2030 Trust	11,502
Alaska Target Date Retirement 2015 Trust	9,479
Alaska Target Date Retirement 2040 Trust	7,721
Alaska Target Date Retirement 2035 Trust	6,551
Alaska Target Date Retirement 2045 Trust	5,476
Long U.S. Treasury Bond Index Fund	5,352
World Government Bond EX-U.S. Index Fund	4,760
Alaska Target Date Retirement 2055 Trust	4,054
Alaska Target Date Retirement 2010 Trust	4,037
Alaska Target Date Retirement 2050 Trust	3,854
Mass Mutual Equity Fund	2,409
Alaska Target Date Retirement 2060 Trust	444
Mass Mutual Bond Fund	62
	$ 941,277

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 assets.

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 wholly-owned Pooled Investment Funds. At June 30, 2018, SBS investments totaled $3.905 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 market values of participant-directed investments at June 30, 2018 are as follows (in thousands):

	FY 2018
Alaska Balanced Trust	$ 1,144,403
Alaska Long-term Balanced Trust	683,417
S&P 500 Stock Index Fund	454,989
Stable Value Fund	354,899
U.S. Small Capt Trust	175,996
Alaska Target Date Retirement 2020 Trust	94,958
Alaska Target Date Retirement 2015 Trust	85,904
Alaska Target Date Retirement 2025 Trust	76,798
Russell 3000 Index Fund	72,624
International Equity Fund	69,084
Alaska Target Date Retirement 2050 Trust	68,944
Alaska Target Date Retirement 2045 Trust	60,065
Alaska Target Date Retirement 2030 Trust	56,387
Alaska Target Date Retirement 2055 Trust	56,097
World Equity Ex-U.S. Index Fund	54,818
Allianz/RCM Socially Responsible Investment Fund	53,141
Alaska Target Date Retirement 2040 Trust	53,116
Alaska Target Date Retirement 2035 Trust	52,457
Government/Credit Bond Index Fund	50,435
State Street Institutional Treasury Money Market Fund	41,482
Intermediate Bond Fund	40,059
U.S. Real Estate Investment Trust Index Fund	34,012
U.S. Treasury Inflation Protected Security Index Fund	31,695
Long U.S. Treasury Bond Index Fund	13,397
World Government Bond Ex-U.S. Index Fund	12,584
Alaska Target Date Retirement 2010 Trust	10,130
Alaska Target Date Retirement 2060 Trust	3,263
	$ 3,905,154

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 would materially affect participant's account balances and the amounts reported in the statement of fiduciary net assets. 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 governor-appointed public members with recognized competence and experience in finance, investments, or other business management-related fields. 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 Policies

Carrying 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 eligible investments for Fund assets. 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, 2018, the APFC's strategic asset allocation targets were as follows:

Asset Class	Asset Class Target
Public Equities	39%
Fixed Income Plus	22
Private Equity/Growth Opportunities	11
Real Estate	11
Private Credit/Infrastructure/Income Opportunities	6
Absolute Return	5
Asset Allocation	6

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 risk and 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 39 percent, with the green zone range set at 35 to 45 percent, the yellow zone range set at 30 to 35 percent and 45 to 55 percent, and red zone ranges set at allocations of less than 30 percent or greater than 55 percent. 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's 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 5.0, 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, 2018, the Fund held fixed income investments with floating, variable, and step interest rates, valued at $995,628 thousand. These fixed income investments were both domestic and non-domestic, and had current annual interest rates ranging from zero to 38 percent.

Credit Risk

The APFC requires that its investment grade fixed income managers, both internal and external, 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.

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 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 index futures. Realized gains and losses on futures are included in the net increase in the fair value of investments at the time the futures contract expires. The net change in unrealized gains and losses is included in the net increase 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 held at futures brokers, petty cash, U.S. Treasury bills, and the net fair value of foreign exchange forward contracts. The APFC's asset allocation includes 1.9 percent to 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, 2018 (in thousands):

Cash	$ 323,264
Pooled Funds	3,963,473
U.S. Treasury Bills	619,317
Total Cash and Temporary Investments	$ 4,906,054

Uninvested cash was held at the custodian, sub-custodian, or futures 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.

Marketable Debt Securities

Marketable debt securities at June 30, 2018, are summarized as follows (in thousands), categorized by debt instrument type and by country of registration:

	Cost	Fair Value	Unrealized Gains/(Losses)
Treasury and Government Notes/Bonds	$ 1,689,759	$ 1,669,265	$ (20,494)
Mortgage-backed Securities	1,002,636	986,045	(16,591)
Corporate Bonds	5,196,562	5,004,894	(191,668)
Commercial Mortgage/Asset-backed Securities	251,070	244,405	(6,665)
Non-U.S. Treasury and Government Bonds	2,060,999	1,973,013	(87,986)
Non-U.S. Corporate Bonds	996,029	982,828	(13,201)
Bond-backed Exchange Traded Funds	714,402	686,170	(28,232)
Total Marketable Debt Securities	$ 11,911,457	$ 11,546,620	$ (364,837)

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 (approximately 80 percent of bond mandates at June 30, 2018), 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 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. Managers with high yield mandates (approximately 20 percent of bond mandates at June 30, 2018) are allowed to hold positions in assets with below investment grade ratings (high yield bonds) based on the terms of their contracts. 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, 2018, 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	$ 351,659	$ 308,071	$ 659,730	5.71%
AA	404,527	430,644	835,171	7.23
A	1,260,457	847,545	2,108,002	18.26
BBB	2,100,356	764,994	2,865,350	24.82
BB	544,882	240,119	785,001	6.80
B	449,737	149,386	599,123	5.19
CCC	103,826	60,330	164,156	1.42
CC	10,034	—	10,034	0.09
C	1,109	—	1,109	0.01
D	—	15,394	15,394	0.13
Total Fair Value of Rated Debt Securities	5,226,587	2,816,483	8,043,070	69.66
Commingled Bond Funds	503,153	245,571	748,724	6.48
Not Rated	(21,688)	139,358	117,670	1.03
U.S. Government Explicitly Backed by the U.S. Government (AA)	1,948,424	—	1,948,424	16.87
U.S. Government Implicitly Backed by the U.S. Government (AA)	688,732	—	688,732	5.96
Total Fair Value Debt Securities	$ 8,345,208	$ 3,201,412	$ 11,546,620	100.00%

Marketable Debt Duration

To manage its interest rate risk on marketable debt securities, the APFC monitors fair values daily and routinely reviews portfolio effective duration in comparison to established benchmarks. At June 30, 2018, the effective duration by investment type, based on fair value, is as follows:

	Percent of bond holdings	Duration
Domestic Bonds		
Treasury and Government Notes/Bonds	20.00%	5.41
Mortgage-backed Securities	11.82	6.23
Corporate Bonds	59.97	7.30
Commercial Mortgage and Asset-backed Securities	2.93	3.61
Bond-Backed Exchange Traded Funds	5.28	—
Total Domestic Bonds	100.00%	6.30
Non-domestic Bonds		
Non-U.S.Treasury and Government Bonds	61.63%	7.05
Non-U.S. Corporate Bonds	30.70	5.84
Bond-Backed Exchange Traded Funds	7.67	—
Total Non-domestic Bonds	100.00%	6.13

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, 2018 are summarized as follows (in thousands) which include the net fair value of equity index futures of $(7.9 million):

	Cost	Fair Value	Unrealized Holding Gains/(Losses)
Direct Investments			
Domestic Stock	$ 11,351,254	$ 13,773,474	$ 2,422,220
Non-domestic Stock	10,744,402	12,081,136	1,336,734
Commingled Funds	355,180	394,120	38,940
Total Preferred and Common Stock	$ 22,450,836	$ 26,248,730	$ 3,797,894

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 into various countries and currencies.

At June 30, 2018, the Fund's cash holdings, foreign currency forward 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 Equivalents	Foreign Exchange Forward Contracts	Public/Private Equity, Real Estate, Infrastructure	Debt	Total Foreign Currency Exposure
Argentina Peso	$ 204	$ —	$ —	$ 6,086	$ 6,290
Australian Dollar	10,185	82,888	448,165	24,067	565,305
Brazil Real	2,137	(14,186)	157,092	36,305	181,348
Canadian Dollar	2,648	327,221	604,430	27,838	962,137
Chilean Peso	493	(20,536)	9,992	21,657	11,606
Chinese Yuan Renminbi	1,274	(33)	123,492	—	124,733
Columbian Peso	576	—	3,580	15,642	19,798
Czech Koruna	398	(24,353)	1,934	23,659	1,638
Danish Krone	1,549	(5,941)	133,524	2,149	131,281
Dominican Republic Peso	—	—	—	1,118	1,118
Egyptian Pound	8,286	—	143	3,485	11,914
Euro Currency	1,367	(854,445)	3,014,689	481,372	2,642,983
Ghanaian Cedi	415	—	—	6,395	6,810
Hong Kong Dollar	727	2,467	1,167,526	—	1,170,720
Hungarian Forint	15	—	10,258	—	10,273
Indian Rupee	(1,000)	(33,800)	289,722	42,099	297,021
Indonesian Rupiah	899	(4,151)	70,134	25,156	92,038
Israeli Shekel	236	(23,121)	50,668	—	27,783
Japanese Yen	4,931	(381,526)	1,780,959	430,880	1,835,244
Kenyan Shilling	66	—	—	2,796	2,862
Malaysian Ringgit	1,394	(3,732)	67,359	22,771	87,792
Mexican Peso	672	(16,016)	63,608	56,113	104,377
New Taiwan Dollar	3,126	(21)	227,787	—	230,892
New Zealand Dollar	2,039	97,276	28,412	5,249	132,976
Nigerian Naira	5,640	—	—	8,728	14,368
Norwegian Krone	885	9,476	72,088	5,697	88,146
Pakistan Rupee	—	—	101	—	101
Peruvian Sol	117	—	—	10,423	10,540
Phillipines Peso	51	—	7,799	—	7,850
Polish Zloty	998	(22,287)	17,522	38,290	34,523
Pound Sterling	13,241	(134,104)	1,979,773	117,856	1,976,766
Qatari Riyal	7	—	23,581	—	23,588
Romanian Leu	66	—	—	7,140	7,206
Russian Ruble	664	—	60	29,190	29,914
Singapore Dollar	1,329	(65,570)	108,401	18,290	62,450
South African Rand	1,405	(12,639)	153,592	34,460	176,818
South Korean Won	3,797	(61,044)	304,473	60,039	307,265
Swedish Krona	(404)	(206,362)	179,276	5,560	(21,930)
Swiss Franc	4,507	(389,175)	340,309	—	(44,359)
Thailand Baht	2,957	1,256	129,132	20,007	153,352
Turkish Lira	1,072	(5,645)	45,174	17,035	57,636
UAE Dirham	84	—	18,470	—	18,554
Uruguayan Peso	—	—	—	9,216	9,216
Zambia Kwacha	128	—	—	3,016	3,144
Total foreign currency exposure	$ 79,181	$ (1,758,103)	$ 11,633,225	$ 1,619,784	$ 11,574,087

Cash amounts in the schedule presented on the prior page include receivables, payables, certificates of deposit, 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 assets are invested in U.S. cash, equities, and debt, as well as in direct real estate properties, absolute return and similar funds, and infrastructure, all of which are denominated in U.S. dollars, and are not included in the schedule presented on the prior page.

Real Estate

The Fund holds a variety of real estate interests, including directly owned real estate, real estate investment trusts, multi-family and industrial real estate operating companies, and other entities in which the assets consist primarily of real property. 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 Fund's directly owned real estate investments.

The APFC periodically reviews real estate investments for other than temporary impairment. There was no impairment recognized in FY 18.

Real estate investments at June 30, 2018 are summarized as follows (in thousands):

	Cost	Fair Value	Unrealized Holding Gains (Losses)
Real Estate Investment Trusts	$ 1,228,746	$ 1,354,127	$ 125,381
American Homes 4 Rent II	135,208	161,608	26,400
Directly Owned Real Estate			
Retail	883,168	1,892,975	1,009,807
Office	1,114,183	1,383,865	269,682
Hotel	59,413	67,980	8,567
Industrial	177,156	281,137	103,981
Multifamily	220,278	319,247	98,969
Total Real Estate	$ 3,818,152	$ 5,460,939	$ 1,642,787

Alternative Investments

Alternative investments include the Fund's investments in or through real return mandates, absolute return strategies, private equity, infrastructure, and private credit. The APFC periodically reviews alternative investments for other than temporary impairment.

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 is invested in three existing limited partnerships, in which the Fund is the only limited partner ("fund-of-one"). The Fund also holds direct hedge fund investments, in which the Fund is one of many limited partners. External investment management services are provided by institutional investment managers who have acknowledged their status as fiduciaries to the Fund. In FY 17, it was decided to redeem the fund-of-one accounts and move toward more direct hedge fund investments. The liquidation of these accounts is expected to take time, given the illiquid nature of some of the underlying funds. Because of 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 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 select private equity holdings diversified by geography and strategy. Private equity is funded slowly over time as opportunities are identified by 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. During FY 18 it was determined that eight private equity funds were impaired and would not recover their 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, $25.7 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 (decrease) in the fair value of private equity investments.

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, as well as through securities listed on public exchanges. The limited partnerships 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. During FY 18 it was determined that no infrastructure funds were impaired.

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.

Alternative investments at June 30, 2018 are summarized as follows (in thousands):

	Cost	Fair Value	Unrealized Holding Gains
Absolute Return	$ 4,543,075	$ 5,288,072	$ 744,997
Private Equity	5,423,697	7,198,347	1,774,650
Infrastructure	2,453,999	3,035,277	581,278
Private Credit	1,251,673	1,311,423	59,750
Total Alternative Investments	$ 13,672,444	$ 16,833,119	$ 3,160,675

As of June 30, 2018, the APFC, on behalf of the Fund, had outstanding future funding commitments of: $4.1 billion for private equity; $1.5 billion for infrastructure; and $1.7 billion for private credit investments. Many alternative investments have liquidity constraints and may not be available for cash withdrawal until a specified period of time has elapsed.

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 Mellon (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 the loaned securities for domestic 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, the 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, 2018, 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, 2018 the value of securities on loan is as follows (in thousands):

Fair Value of Securities on Loan, Secured by Cash Collateral	$ 1,962,327
Cash Collateral	2,011,760
Fair Value of Securities on Loan, Secured by Non-cash Collateral	4,032,717
Non-cash Collateral	4,452,279

The Fund receives 80 percent of earnings derived from securities lending transactions, and the Bank retains 20 percent. During the year ended June 30, 2018, the Fund incurred no losses from securities lending transactions. The Fund received income of $26,285 thousand from securities lending for the year ended June 30, 2018, which is recorded in real estate and other income on the statements of revenues, expenditures and changes in fund balances.

Fair Value Measurement

Various inputs are used in valuing the investments held by the Fund. 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 - Quoted prices for identical assets in an active market

Level 2 - Inputs, other than quoted prices, 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.

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 Fund's investments and derivative instruments at June 30, 2018 are summarized as follows (in thousands):

	Measured Using Input Levels			Measured Using	
	Level 1	Level 2	Level 3	NAV	Total
Marketable Debt Securities	$ 2,316,765	$ 9,229,855	$ —	$ —	$ 11,546,620
Preferred and Common Stock	26,248,730	—	—	—	26,248,730
Real Estate	1,354,428	—	—	4,106,511	5,460,939
Absolute Return	765,039	1,677,382	43,971	2,801,680	5,288,072
Private Equity	—	—	—	7,198,347	7,198,347
Infrastructure	640,754	—	—	2,394,523	3,035,277
Private Credit	—	—	—	1,311,423	1,311,423
Total Investments	$ 31,325,716	$ 10,907,237	$ 43,971	$ 17,812,484	$ 60,089,408

Marketable debt securities and preferred and common stock classified as level 1 are valued using prices quoted in active markets for those securities. Debt securities classified as level 2 are valued using matrix pricing. Pricing is sourced from various sources.

Publicly traded real estate investment trusts are valued using prices quoted in active markets and are reported as level 1. Directly owned real estate through ownership of interests in corporations, limited liability companies and partnerships that hold title to real estate are reported at the NAV of the capital account balance nearest to the balance sheet date, adjusted for subsequent contributions and distributions. Directly owned real estate investments are subject to annual appraisals and audits. American Homes 4 Rent II is reported at the NAV of the capital account balance nearest to the balance sheet date, adjusted for subsequent contributions and distributions, and does not allow redemptions until the company is wound-up and dissolved.

Absolute return investments are reported at NAV of the capital account balance nearest to the balance sheet date, adjusted for subsequent contributions and distributions. Former External Chief Investment Officer (ECIO) investments are now grouped with Absolute return investments. These investments have readily determinable fair values and are therefore reported by level. Level 2 valuations are a result of liquidity terms as well as the pricing transparency of the investments held. Level 3 valuations are provided by managers and audited by third party auditing firms. Absolute return investments undergo annual independent financial statement audits. The redemption notice period is from 1-91 days and the frequency of redemption is daily to quarterly.

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

Publicly traded infrastructure investments are classified as level 1 and are valued using prices quoted in active markets for those securities. The majority of infrastructure investments are reported at the NAV of the capital account balance nearest to the balance sheet date, adjusted for subsequent contributions and distributions. Infrastructure investments undergo annual independent financial statement audits. Redemptions are not allowed and the usual life of these investments is 5-7 years.

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

Investment Income by Source

Investment income during the year ended June 30, 2018, is summarized as follows (in thousands):

Interest		
Marketable Debt Securities	$	377,001
Short-term Domestic and Other		82,392
Total Interest	$	459,393
Dividends	$	640,620
Real Estate and Other Income		
Directly Owned Real Estate Net Rental Income	$	225,651
Real Estate Investment Trust Dividends		61,753
Absolute Return Management Expenses, Net of Dividend and Interest Income		22,150
Private Credit Interest Income, Net of Fees		22,622
Infrastructure Interest and Dividend Income, Net of Fees		80,929
Private Equity Dividend Income, Net of Management Expenses		39,344
Class Action Litigation Income		1,361
Loaned Securities, Commission Recapture, and Other Income		26,685
Total Real Estate and Other Income	$	480,495

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, 2018 ranged between one and 121 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 non-performance by these counterparties. The Fund's market risk as of June 30, 2018 is limited to the difference between contractual rates and forward market rates determined at the end of the fiscal year.

Activity and balances related to FX forward contracts for FY 18 are summarized as follows (in thousands):

Balances at June 30, 2018:		
Face Value of FX Forward Contracts	$	4,723,992
Net Unrealized Holding Gains (losses) on FX Forward Contracts		21,230
Fair Value of FX Forward Contracts	$	4,745,222
Activity for Fiscal Year Ending June 30, 2018		
Change in Unrealized Holding Losses	$	(34,893)
Realized Gains		22,027
Net Increase (decrease) in Fair Value of FX Forward Contracts	$	(12,866)

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

Activity and balances related to futures in equity accounts for FY 18 are summarized as follows (in thousands):

Balances at June 30, 2018:		
Face Value of Equity Index Futures	$	80,090
Net Unrealized Holding Losses on Futures		(7,895)
Fair Value of Equity Index Futures	$	72,195
Activity for Fiscal Year Ending June 30, 2018		
Change in Unrealized Holding Losses	$	(4,996)
Realized Gains		58,998
Net Increase in Fair Value of Equity Index Futures	$	54,002

Activity and balances related to futures in fixed income accounts for FY 18 is summarized as follows (in thousands):

Balances at June 30, 2018:		
Face Value of U.S. Treasury Index Futures	$	2,177,855
Net Unrealized Holding Losses on Futures		(42,512)
Fair Value of U.S. Treasury Index Futures	$	2,135,343
Activity for Fiscal Year Ending June 30, 2018		
Change in Unrealized Holding Gains	$	40,796
Realized Gains		16,961
Net Increase in Fair Value of U.S. Treasury Index Futures	$	57,757

The face value of FX forward contracts and futures shown in these schedules is not required to be included in the Fund's balance sheets. All other balance and activity amounts shown above are included in the Fund's financial statements within the net increase in fair value of investments on the Statement of Revenues, Expenditures and Changes in Fund Balances.

NOTE 5 – CAPITAL ASSETS

PRIMARY GOVERNMENT

Capital assets, which include property, plant, equipment, 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 reported separately in the notes to the financial statements; however, on the face of the financial statements, intangibles are grouped with the asset class they most resemble. 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:

	Governmental Activities		Business-type Activities	
Capital Asset	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, 2018, are as follows (in millions):

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated:				
Intangible - Easements and Right-of-Way	$ 649	$ 15	$ —	$ 664
Land	366	16	(3)	379
Construction in progress	1,638	344	(589)	1,393
Total capital assets not being depreciated	2,653	375	(592)	2,436
Capital assets being depreciated:				
Buildings	2,356	172	(47)	2,481
Intangible - Software	205	68	(1)	272
Equipment	992	43	(36)	999
Infrastructure	8,657	486	(25)	9,118
Total capital assets being depreciated	12,210	769	(109)	12,870
Less accumulated depreciation for:				
Buildings	(796)	(75)	46	(825)
Intangible - Software	(111)	(28)	6	(133)
Equipment	(571)	(45)	31	(585)
Infrastructure	(5,719)	(352)	135	(5,936)
Total accumulated depreciation	(7,197)	(500)	218	(7,479)
Total capital assets being depreciated, net	5,013	269	109	5,391
Capital assets, net	$ 7,666	$ 644	$ (483)	$ 7,827

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

During FY18, the State of Alaska implemented the capital asset module of the ERP system, IRIS, which calculates depreciation differently than it had historically been estimated. Historically, a full year of depreciation was calculated for an asset that was placed into service at any given point in time during the fiscal year. In IRIS, depreciation is calculated based on the number of days the asset was in service during the fiscal year.

Business-type Activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated:				
Land	$ 31	$ —	$ —	$ 31
Construction in Progress	22	53	(57)	18
Total capital assets not being depreciated	53	53	(57)	49
Capital assets being depreciated:				
Buildings	1,129	7	—	1,136
Equipment	117	12	(2)	127
Infrastructure	954	37	—	991
Total capital assets being depreciated	2,200	56	(2)	2,254
Less accumulated depreciation for:				
Buildings	(444)	(32)	—	(476)
Equipment	(85)	(8)	2	(91)
Infrastructure	(498)	(33)	—	(531)
Total accumulated depreciation	(1,027)	(73)	2	(1,098)
Total capital assets being depreciated, net	1,173	(17)	—	1,156
Capital assets, net	$ 1,226	$ 36	$ (57)	$ 1,205

The following relates to the land owned by the State:

The total state entitlement amounts to approximately 105.7 million acres, 102.5 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), 100.5 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 expense was charged to the functions of the primary government as follows (in millions):

Governmental Activities:	Amount
General Government	$ 24
Education	21
Health and Human Services	21
Law and Justice	4
Natural Resources	4
Development	1
Public Protection	17
Transportation	374
Intergovernmental Revenue Sharing	4
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.	30
Total Depreciation Expense - Governmental Activities	$ 500
Business-type Activities:	
Enterprise	$ 73

DISCRETELY PRESENTED COMPONENT UNITS

The estimated useful lives of capital assets range from 4 to 50 years. Intangibles, except for easements and right-of-way, are reported separately in the notes to the financial statements; however, on the face of the financial statements, all intangibles are grouped with the asset class they most resemble. Software and Right of Use are grouped with equipment. The following table summarizes net capital assets reported by the discretely presented component units at June 30, 2018 (in millions):

	Beginning Balance (Restated)	Additions	Deletions	Ending Balance
Capital assets not being depreciated:				
Land	$ 114	$ 2	$ (2)	$ 114
Museum collections	7	—	—	7
Construction in Progress	633	214	(265)	582
Total capital assets not being depreciated	754	216	(267)	703
Capital assets being depreciated/depleted:				
Intangible - Software	2	—	—	2
Intangible - Right of Use	21	—	—	21
Land	4	—	—	4
Library Books	56	—	—	56
Buildings	2,272	180	(8)	2,444
Equipment	877	22	(22)	877
Infrastructure	1,824	35	(52)	1,807
Total capital assets being depreciated/depleted	5,056	237	(82)	5,211
Less accumulated depreciation/depletion for:				
Intangible - Software	(2)	—	—	(2)
Intangible - Right of Use	(8)	(1)	—	(9)
Land	(1)	—	—	(1)
Library Books	(47)	(1)	—	(48)
Buildings	(1,112)	(71)	4	(1,179)
Equipment	(490)	(45)	12	(523)
Infrastructure	(813)	(67)	19	(861)
Total accumulated depreciation/depletion	(2,473)	(185)	35	(2,623)
Total capital assets being depreciated/depleted, net	2,583	52	(47)	2,588
Capital assets, net	$ 3,337	$ 268	$ (314)	$ 3,291

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 balances are being restated to reflect the sale of the Alaska Industrial Development and Export Authority's (AIDEA) interest in Pentex Alaska Natural Gas Company, LLC, which AIDEA was the sole member in.

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 bond anticipation notes during FY 18 totaling $1,583 thousand and $1,648 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 used to retire the bond anticipation notes. No balance was outstanding at year end.

Long-Term liabilities

The following table summarizes changes in long-term liabilities for Governmental Activities for the fiscal year ended June 30, 2018 (in thousands):

Governmental Activities	Beginning Balance (Restated)	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Revenue bonds payable	$ 356,442	$ 1,479	$ 28,617	$ 329,304	$ 3,105
General obligation debt	859,532	—	65,835	793,697	54,499
Notes payable	14,244	68	2,556	11,756	2,546
Capital leases payable	268,938	12,093	26,706	254,325	21,479
Unearned revenue	53,324	254,965	262,986	45,303	25,442
Certificates of participation	30,149	—	1,935	28,214	1,830
Compensated absences	167,579	155,704	157,106	166,177	165,644
Claims and judgments	144,990	46,511	27,996	163,505	38,048
Pollution remediation	119,776	15,744	9,925	125,595	12,560
Other noncurrent liabilities	2,785	15,352	15,342	2,795	—
Net pension liability	4,431,885	839,911	673,584	4,598,212	—
Net OPEB liability	812,012	103,468	263,683	651,796	—
Total	$ 7,261,656	$ 1,445,294	$ 1,536,271	$ 7,170,679	$ 325,153

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 and special revenue funds in which the leases are recorded typically liquidate the capital lease obligations. 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.

Beginning balances for Governmental Activities are being restated due to the implementation of the Governmental Accounting Standards Board's Pronouncement 75 (GASB 75) as it relates to the reporting of other postemployment benefit (OPEB) liabilities. Section C of this note has additional information regarding OPEB liabilities and Note 14 has additional information regarding the restatement of beginning net position.

The following table summarizes changes in long-term liabilities for Business-type Activities for the fiscal year ended June 30, 2018 (in thousands):

Business-type Activities	Beginning Balance (Restated)	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Revenue bonds payable	$ 439,837	$ —	$ 37,789	$ 402,048	$ 12,455
Unearned revenue	23,621	437	—	24,058	24,058
Compensated absences	4,526	454	645	4,335	4,237
Pollution remediation	3,970	1,620	220	5,370	537
Other Noncurrent Liabilities	21,071	13,136	10,535	23,672	—
Net pension liability	76,975	—	20,176	56,799	—
Net OPEB liability	15,912	—	6,551	9,361	—
Total	$ 585,912	$ 15,647	$ 75,916	$ 525,643	$ 41,287

Beginning balances for Business-type Activities are being restated due to the implementation of GASB 75 as it relates to the reporting of OPEB liabilities. Section C of this note has additional information regarding OPEB liabilities and Note 14 has additional information regarding the restatement of beginning net position.

B. NET PENSION LIABILITY

Net Pension Liability is recorded in the schedule of long-term liabilities above. The total pension liability for the June 30, 2017 measurement date for all plans was determined by actuarial valuations as of June 30, 2016, which were rolled forward to June 30, 2017. The actuarial valuations used the following actuarial assumptions, applied to all periods included in the measurement:

System	Investment Rate of Return	Inflation Rate	Salary Scale Increases
PERS	8%, net of pension plan investment expenses. This is based on an average inflation of 3.12% and a real rate of return of 4.88%	3.12%	Graded by service, from 9.66% to 4.92% for Peace Officer/Firefighter Graded by age and service from 8.55% to 4.34% for all others
TRS	8%, net of pension plan investment expenses. This is based on an average inflation rate of 3.12% and a real rate of return of 4.88%	3.12%	Graded by service, from 8.11% to 3.87%
JRS	8%, net of pension plan investment expenses. This is based on an average inflation rate of 3.12% and a real rate of return 4.88%	3.12%	3.62% per year, compounded annually
NGNMRS	7%, net of pension plan investment expenses. This is based on an average inflation rate of 3.12% and a real rate of return of 3.88%	3.12%	None

PERS post-termination mortality rates were based on 96 percent of all rates of the RP-2000 table, 2000 Base Year projected to 2018 with Projection Scale BB. Pre-termination mortality rates were based upon the 2010-2013 actual mortality experience, 60 percent of male and 65 percent of female post-termination rates. Deaths are assumed to be occupational 70 percent of the time for Peace Officer/Firefighters, 50 percent of the time for others. The actuarial assumptions used in the June 30, 2016 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2013, resulting in changes in actuarial assumptions adopted by the Alaska Retirement Management Board to better reflect expected future experience.

TRS post-termination mortality rates were based on 94 percent of the male rates and 97 percent of the female rates of the RP-2000 Mortality Table, 2000 Base Year projected to 2018 with Projection Scale BB, with a 3-year setback for males and 4-year setback for females. The rates for pre-termination mortality were based upon the 2010-2013 actual mortality experience, 68 percent of the male and 60 percent of female post-termination rates. Deaths are assumed to be non-occupational causes 85 percent of the time. The actuarial assumption used in the June 30, 2016 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2009 to June 30, 2013, resulting in changes in actuarial assumptions adopted by the Alaska Retirement Management Board to better reflect expected future experience.

JRS post-termination mortality rates were based on 94 percent of the male rates and 97 percent of the female rates of the RP-2000 Combined Mortality Table, 2000 Base Year projected to 2018 with Projection Scale BB, with a 3-year setback for males and 4-year setback for females. The rates for pre-termination mortality were 68 percent of the male rates and 60 percent of the female rates of the post-termination mortality rates. The actuarial assumptions used in the June 30, 2016 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2009 to June 30, 2013, resulting in changes in actuarial assumptions adopted by the Alaska Retirement Management Board to better reflect expected future experience.

NGNMRS post-termination mortality rates were based on 96 percent of all rates of RP-2000 Combined Mortality, 2000 Base Year projected to 2018 with Projection Scale BB. Pre-termination mortality is based on 60 percent of the male and 65 percent of female rates of the post-termination healthy mortality rates. The actuarial assumptions used in the June 30, 2016 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2009 to June 30, 2013, resulting in changes in actuarial assumptions adopted by the Alaska Retirement Management Board to better reflect future experience.

For PERS and TRS, 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 pension plan 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 by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the System pension plan's target asset allocation as of June 30, 2014 are summarized in the next table (note that the rates shown exclude the inflation component):

For JRS, 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 pension plan 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 by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the System pension plan's target asset allocation as of June 30, 2017 are summarized in the next table (note that the rates shown exclude the inflation component):

For 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 pension plan 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 by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the System pension plan's target asset allocation as of June 30, 2016 are summarized in the following table (note that the rates shown exclude the inflation component):

System	Asset Class	Long-term Expected Real Rate of Return
PERS/TRS/JRS	Domestic Equity	8.83%
	Global ex-U.S. equity	7.79
	Intermediate Treasuries	1.29
	Opportunistic	4.76
	Real assets	4.94
	Absolute return	4.76
	Private equity	12.02
	Cash Equivalents	0.63
NGNMRS	Domestic Equity	8.33
	Global Equity (non-U.S.)	7.79
	Fixed Income Composite	1.36
	Cash Equivalents	0.63

The discount rate used to measure the total pension liability was 8 percent for PERS, TRS and JRS. The discount rate used to measure the total pension liability was 7 percent for NGNMRS. The projection of cash flows used to determine the discount rate assumed that the employer and the nonemployer 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.

The following presents the net pension liability/(asset) for each plan as of June 30, 2017, 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 7%	Discount Rate 8%	1% Increase 9%
Primary Government's proportionate share of the PERS net pension (asset) liability	$ 3,437,210	$ 2,616,648	$ 1,923,717
Discrete Component Units' proportionate share of the PERS net pension (asset) liability	321,735	244,871	180,067
Primary Government's proportionate share of the TRS net pension (asset) liability	19,172	13,601	8,920
Discrete Component Units' proportionate share of the TRS net pension (asset) liability	46,039	32,661	21,421
Primary Government's JRS net pension (asset) liability	76,371	52,602	32,471

	1% Decrease 6%	Discount Rate 7%	1% Increase 8%
Primary Government's NGNMRS net pension (asset) liability	$ (3,989)	$ (5,652)	$ (7,156)

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, 2018 to a projected fully funded year of 2039. At June 30, 2017 the proportionate share of the net pension liability attributed to the State was 55.35 percent (50.62 percent for the primary government and 4.74 percent for the discrete component units) for the Public Employee's Retirement System (PERS) and 2.28 percent (0.67 for the primary government and 1.61 for the discrete component units) for the Teacher's Retirement System (TRS). This was a decrease of 2.30 percent (1.25 percent decrease for the primary government and 1.04 percent decrease for the discrete component units) for PERS and a decrease of 0.61 percent (0.08 percent decrease for the primary government and 0.53 percent decrease for the discrete component units) for TRS from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the State recognized pension expense of $195,641 thousand ($195,243 thousand for the primary government and $398 thousand for the discrete component units) broken out by plan as follows (in thousands):

Systems	Pension Expense
Public Employees' Retirement System - Primary Government	$ 189,777
Public Employees' Retirement System - Discrete Component Units	2,649
Teachers' Retirement System - Primary Government	(14)
Teachers' Retirement System - Discrete Component Units	(2,251)
Judicial Retirement System - Primary Government	6,162
Alaska National Guard and Alaska Naval Militia Retirement System - Primary Government	(682)

At June 30, 2018, 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 Expected and Actual Experience	$ —	$ 47,045
	Difference Between Projected and Actual Investment Earnings	70,187	—
	Changes in Proportions and Difference Between Employer Contributions and Proportionate Share of Contributions	2,310	31,915
	Contributions Subsequent to the Measurement Date	183,334	—
Discrete Component Units	Difference Between Expected and Actual Experience	—	4,398
	Difference Between Projected and Actual Investment Earnings	6,666	—
	Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	639	21,228
	Contributions Subsequent to the Measurement Date	20,590	—
TRS			
Primary Government	Difference Between Expected and Actual Experience	—	227
	Difference Between Projected and Actual Investment Earnings	622	—
	Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	—	731
	Contributions Subsequent to the Measurement Date	1,004	—
Discrete Component Units	Difference Between Expected and Actual Experience	—	545
	Difference Between Projected and Actual Investment Earnings	1,493	—
	Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	66	5,111
	Contributions Subsequent to the Measurement Date	1,859	—
JRS			
Primary Government	Difference Between Projected and Actual Investment Earnings	1,732	—
	Difference Between Expected and Actual Experience	—	2,798
	Contributions Subsequent to the Measurement Date	10,286	—
NGNMRS			
Primary Government	Difference Between Projected and Actual Investment Earnings	1,231	—
	Difference Between Expected and Actual Experiences	313	5,051
	Changes in Assumptions	36	—
	Contributions Subsequent to the Measurement Date	907	—

$217,980 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 2019 ($195,531 thousand for the primary government and $22,449 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
2019	$ (73,722)	$ (24,534)	$ (846)	$ (5,321)	$ (2,906)	$ (1,234)
2020	73,087	6,841	561	1,347	2,334	(989)
2021	32,810	3,071	270	649	968	(1,109)
2022	(40,605)	(3,801)	(321)	(772)	(1,462)	(139)

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, 2018 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 7%	Discount Rate 8%	1% Increase 9%
PERS net pension liability	$ 909,632	$ 692,476	$ 509,097
TRS net pension liability	1,803,869	1,279,682	839,308

At June 30, 2017 the proportionate share of the net pension liability attributed to the State for the special funding situation was 13.40 percent for the Public Employee's Retirement System (PERS) and 63.14 percent for the Teacher's Retirement System (TRS), which was an increase of 8.02 percent and 9.24 percent from its proportion measured as of June 30, 2016 for PERS and TRS respectively.

For the year ended June 30, 2018, the State recognized expenses of $312,236 thousand in relation to the special funding situation broken out by plan as follows (in thousands):

Systems	Pension Expense
Public Employees' Retirement System	$ 160,105
Teachers' Retirement System	152,131

At June 30, 2018, 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	$ —	$ 12,450
	Difference Between Projected and Actual Investment Earnings	18,574	—
	Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	191,522	9,831
	Contributions Subsequent to the Measurement Date	36,399	—
TRS	Difference Between Expected and Actual Experience	—	21,343
	Difference Between Projected and Actual Investment Earnings	58,507	—
	Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	94,719	5,043
	Contributions Subsequent to the Measurement Date	111,042	—

$147,441 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 2019. 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):

Year Ending June 30	PERS	TRS
2019	$ 172,504	$ 78,871
2020	19,342	52,803
2021	8,683	25,419
2022	(10,746)	(30,253)

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, 2017 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, 2017	$ 205,548	$ 144,819	$ 60,729
Changes for the year:			
Service Cost	6,227	—	6,227
Interest	16,449	—	16,449
Contributions - employer	—	11,086	(11,086)
Contributions - employee	—	886	(886)
Net investment income	—	18,910	(18,910)
Benefit payments, including refunds of employee contributions	(11,589)	(11,589)	—
Administrative expense	—	(79)	79
Net Changes	11,087	19,214	(8,127)
Balances at June 30, 2018	$ 216,635	$ 164,033	$ 52,602

NGNMRS	**Increase (Decrease)**		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Asset (a)-(b)**
Balances at June 30, 2017	$ 31,184	$ 35,826	$ (4,642)
Changes for the year:			
Service Cost	611	—	611
Interest	2,170	—	2,170
Contributions - employer	—	866	(866)
Net investment income	—	3,182	(3,182)
Benefit payments, including refunds of employee contributions	(1,485)	(1,485)	—
Administrative expense	—	(257)	257
Net Changes	1,296	2,306	(1,010)
Balances at June 30, 2018	$ 32,480	$ 38,132	$ (5,652)

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 nonrepresented employees who are not covered by the Civil Service Retirement System. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016. The actuarial valuation used the following actuarial assumptions:

Actuarial Assumption	**December 31, 2017**
Inflation	2.8%
Salary increases	3.0% CPI plus merit based rates
Cost of living allowance	1.4%
Retirement, disablement, and termination	Based on 2010-2014 experience study
Administrative expenses	0.86% of payroll, based on current year Actuarially Determined Contribution

Mortality rates were based on the Society of Actuaries RP-2000 combined mortality table (65%/35% blended blue/white collar) and the Scale AA 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 7.5 percent was determined using a building-block method 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 long-term expected rate 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 geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	**Target allocation**	**Long-term expected real rate of return**
Cash	—%	0.50%
U.S. Treasury Inflation-Protected Securities (TIPS)	5.00	2.00
Total Return Bond	13.00	2.50
Global Bond	5.00	2.50
High Yield Bond	7.00	4.00
Domestic Large Cap	20.00	7.00
Domestic Mid Cap	12.00	8.00
Domestic Small Cap	8.00	9.00
International Equity	13.00	7.25
Commodities	2.00	1.50
Real Estate	15.00	4.75
Total	100.00%	

The discount rate used to measure the total pension liability was 7.5 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 calculated using the discount rate of 7.5 percent as well as what the net pension liability 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 (6.5%)	Current discount rate (7.5%)	1% Increase (8.5%)
Net pension liability	$ 44,208	$ 15,385	$ (8,293)

For the year ended December 31, 2017, the ARRC recognized pension expense of $5,498 thousand and the following deferred outflows and deferred inflows (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 3,826	$ 383
Changes in assumptions	217	—
Net difference between actual and projected earnings on investments	—	4,064

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

	Amount
Year ending December 31,	
2018	$ 1,281
2019	1,281
2020	(932)
2021	(2,034)

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a)-(b)
Balances at January 1, 2017	$ 187,054	$ 161,588	$ 25,466
Changes for the year:			
Service Cost	5,777	—	5,777
Interest	14,230	—	14,230
Change of benefit terms	154	—	154
Difference between expected and actual experience	(482)	—	(482)
Changes of assumptions	272	—	272
Contributions - employer	—	4,051	(4,051)
Contributions - employee	—	4,302	(4,302)
Net investment income	—	22,088	(22,088)
Benefit payments, including refunds of employee contributions	(6,197)	(6,197)	—
Administrative expense	—	(409)	409
Net Changes	13,754	23,835	(10,081)
Balances at December 31, 2017	$ 200,808	$ 185,423	$ 15,385

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, 2017 measurement date for all plans was determined by actuarial valuations as of June 30, 2016, which were rolled forward to June 30, 2017. The actuarial valuations used the following actuarial assumptions, applied to all periods included in the measurement:

System	Investment Rate of Return	Inflation Rate	Salary Scale Increases	Healthcare Cost Trend Rates (ARHCT and RMP)
PERS	8%, net of postemployment healthcare plan investment expenses. This is based on an average inflation of 3.12% and a real rate of return of 4.88%	3.12%	Graded by service, from 9.66% to 4.92% for Peace Officer/Firefighter. Graded by service from 8.55% to 4.34% for all others	Pre-65 medical; 8.8% grading down to 4.4% Post-65 medical; 5.8% grading down to 4.0% Prescription drugs; 5.4% grading down to 4.0%
TRS	8%, net of postemployment healthcare plan investment expenses. This is based on an average inflation rate of 3.12% and a real rate of return of 4.88%	3.12%	Graded by service, from 8.11% to 3.87%	Pre-65 medical; 8.8% grading down to 4.4% Post-65 medical; 5.8% grading down to 4.0% Prescription drugs; 5.4% grading down to 4.0%
JRS	8%, net of postemployment healthcare plan investment expenses. This is based on an average inflation rate of 3.12% and a real rate of return of 4.88%	3.12%	3.62% per year, compounded annually	Pre-65 Medical; 8.8% grading down to 4.4% Post-65 medical; 5.8% grading down to 4.0% Prescription drugs; 5.4% grading down to 4.0%

PERS and TRS Post-termination mortality rates for each plan were based on 96 percent of all rates of the RP-2000 Combined Mortality Table, 2000 Base Year projected to 2018 with Projection Scale BB. Pre-termination mortality rates for each plan were based upon the 2010-2013 actual mortality experience, 60 percent of male and 65 percent of female post-termination rates. Deaths are assumed to be occupational 70 percent of the time for peace officer/firefighters, 50 percent of the time for all others. The actuarial assumption used in the June 30, 2016 actuarial valuations were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2013.

JRS post-termination mortality rates were based on 94 percent of the male rates and 97 percent of the female rates of the RP-2000 Combined Mortality Table, 2000 base Year projected to 2018 with Projection Scale BB, with a three-year setback for males and four-year setback for females. The rates for pre-termination mortality were 68 percent of the male rates and 60 percent of the female rates of the post-termination mortality rates. The actuarial assumptions used in the June 30, 2016 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2009 to June 30, 2013, resulting in changes in actuarial assumptions effective for the June 30, 2014 actuarial valuation adopted by the Alaska Retirement Management Board to better reflect expected future experience. The assumptions used in the June 30, 2016 actuarial valuation are the same as those used in the June 30, 2014 valuation.

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 postretirement healthcare plan 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 as of June 30, 2017 are summarized in the following table (note that the rates shown below exclude the inflation component):

System	Asset Class	Long-term Expected Real Rate of Return
PERS/TRS/JRS	Domestic Equity	8.83%
	Global ex-U.S. equity	7.79%
	Intermediate Treasuries	1.29%
	Opportunistic	4.76%
	Real assets	4.94%
	Absolute return	4.76%
	Private equity	12.02%
	Cash Equivalents	0.63%

The discount rate used to measure the total OPEB liability/asset for each plan was 8%. 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.

The following presents the net OPEB liability/(asset) for each plan as of June 30, 2017, 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 7%	Discount Rate 8%	1% Increase 9%
Primary Government's proportionate share of the PERS Alaska Retiree Healthcare Trust Plan net OPEB liability (asset)	$ 915,437	$ 427,754	$ 17,544
Discrete Component Units' proportionate share of the PERS Alaska Retiree Healthcare Trust Plan net OPEB liability (asset)	85,648	39,552	1,641
Primary Government's proportionate share of the PERS Occupational Death and Disability net OPEB liability (asset)	(6,295)	(6,972)	(7,527)
Discrete Component Units' proportionate share of the PERS Occupational Death and Disability net OPEB liability (asset)	(515)	(103)	(616)
Primary Government's proportionate share of the PERS Retiree Medical Plan net OPEB liability (asset)	12,006	2,563	(4,811)
Discrete Component Units' proportionate share of the PERS Retiree Medical Plan net OPEB liability (asset)	983	210	(394)
Primary Government's proportionate share of the TRS Alaska Retiree Healthcare Trust Plan net OPEB liability (asset)	3,759	1,234	(862)
Discrete Component Units' proportionate share of the TRS Alaska Retiree Healthcare Trust Plan net OPEB liability (asset)	9,004	2,955	(2,064)
Primary Government's proportionate share of the TRS Occupational Death and Disability net OPEB liability (asset)	(12)	(12)	(12)
Discrete Component Units' proportionate share of the TRS Occupational Death and Disability net OPEB liability (asset)	(75)	(75)	(75)
Primary Government's proportionate share of the TRS Retiree Medical Plan net OPEB liability (asset)	7	(17)	(35)
Discrete Component Units' proportionate share of the TRS Retiree Medical Plan net OPEB liability (asset)	47	(109)	(227)
Primary Government's JRS net OPEB (asset) liability	(10,611)	(12,515)	(14,124)

The following presents the net OPEB liability/(asset) for each applicable plan as of June 30, 2017, calculated using the healthcare cost trend rates as summarized in the 2016 actuarial valuation reports, as well as what the respective plans' net OPEB liability 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)	$ (47,450)	$ 427,754	$ 999,061
Discrete Component Units' proportionate share of the PERS Alaska Retiree Healthcare Trust Plan net OPEB liability (asset)	(4,439)	39,552	93,472
Primary Government's proportionate share of the PERS Retiree Medical Plan net OPEB liability (asset)	(6,344)	2,563	14,496
Discrete Component Units' proportionate share of the PERS Retiree Medical Plan net OPEB liability (asset)	(519)	210	1,187
Primary Government's proportionate share of the TRS Alaska Retiree Healthcare Trust Plan net OPEB liability (asset)	(1,150)	1,234	4,132
Discrete Component Units' proportionate share of the TRS Alaska Retiree Healthcare Trust Plan net OPEB liability (asset)	(2,754)	2,955	9,898
Primary Government's proportionate share of the TRS Retiree Medical Plan net OPEB liability (asset)	(39)	(17)	14
Discrete Component Units' proportionate share of the TRS Retiree Medical Plan net OPEB liability (asset)	(251)	(109)	87
Primary Government's JRS net OPEB (asset) liability	(14,433)	(12,515)	(10,227)

The State's proportion of the net OPEB liability for the defined benefit 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, 2018 to a projected fully funded year of 2039. The State's proportion of net OPEB liability/asset for the defined contribution plans were based on employer retiree medical contributions made during the year. The following represents the proportionate share of the multiple employer net OPEB liability/asset attributed to the state at June 30, 2017 and the associated change from its proportion measured as of June 30, 2016:

	2017	2018	Increase/ (Decrease)
PERS Alaska Retiree Healthcare Trust Plan	57.68%	55.38%	(2.30)%
Primary Government	51.97	50.64	(1.33)
Discrete Component Units	5.71	4.74	(0.97)
PERS Occupational Death and Disability Plan	54.68	53.16	(1.52)
Primary Government	51.37	49.14	(2.23)
Discrete Component Units	3.31	4.02	0.71
PERS Retiree Medical Plan	54.68	53.16	(1.52)
Primary Government	51.37	49.14	(2.23)
Discrete Component Units	3.31	4.02	0.71
TRS Alaska Retiree Healthcare Trust Plan	2.88	2.28	(0.60)
Primary Government	0.75	0.67	(0.08)
Discrete Component Units	2.13	1.61	(0.52)
TRS Occupational Death and Disability Plan	2.68	2.66	(0.02)
Primary Government	0.41	0.36	(0.05)
Discrete Component Units	2.27	2.30	0.03
TRS Retiree Medical Plan	2.68	2.66	(0.02)
Primary Government	0.41	0.36	(0.05)
Discrete Component Units	2.27	2.30	0.03

For the year ended June 30, 2018 the State recognized OPEB expense of $72,110 thousand ($67,469 thousand for the primary government and $4,641 thousand for the discrete component units) broken out by plan as follows (in thousands):

Systems	OPEB Expense
PERS Alaska Retiree Healthcare Trust Plan - Primary Government	$ 61,200
PERS Alaska Retiree Heathcare Trust Plan - Discrete Component Units	4,005
PERS Occupational Death and Disability Plan - Primary Government	1,169
PERS Occupational Death and Disability Plan - Discrete Component Units	81
PERS Retiree Medical Plan - Primary Government	5,311
PERS Retiree Medical Plan - Discrete Component Units	444
TRS Alaska Retiree Healthcare Trust Plan - Primary Government	57
TRS Alaska Retiree Healthcare Trust Plan - Discrete Component Units	56
TRS Retiree Medical Plan - Primary Government	9
TRS Retiree Medical Plan - Discrete Component Units	54
Judicial Retirement System - Primary Government	(277)

At June 30, 2018 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	$ —	$ 23,066
	Difference Between Projected and Actual Investment Earnings	—	133,952
	Changes in Proportions and Difference Between Employer Contributions and Proportionate Share of Contributions	—	10,331
	Contributions Subsequent to the Measurement Date	41,929	—
Discrete Component	Difference Between Expected and Actual Experience	—	2,157
Units	Difference Between Projected and Actual Investment Earnings	—	12,532
	Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	—	4,109
	Contributions Subsequent to the Measurement Date	6,060	—
PERS Occupational Death and Disability Plan			
Primary Government	Difference Between Expected and Actual Experience	—	206
	Difference Between Projected and Actual Investment Earnings	—	436
	Changes in Proportions and Difference Between Employer Contributions and Proportionate Share of Contributions	274	—
	Contributions Subsequent to the Measurement Date	1,088	—
Discrete Component	Difference Between Expected and Actual Experience	—	17
Units	Difference Between Projected and Actual Investment Earnings	—	36
	Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	3	98
	Contributions Subsequent to the Measurement Date	85	—

		Deferred Outflows of Resources	Deferred Inflows of Resources
PERS Retiree Medical Plan			
Primary Government	Difference Between Expected and Actual Experience	$ —	$ 20
	Difference Between Projected and Actual Investment Earnings	—	1,245
	Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	—	183
	Contributions Subsequent to the Measurement Date	5,641	
Discrete Component Units	Difference Between Expected and Actual Experience	—	2
	Difference Between Projected and Actual Investment Earnings	—	102
	Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	60	2
	Contributions Subsequent to the Measurement Date	532	—
TRS Alaska Retiree Healthcare Trust Plan			
Primary Government	Difference Between Expected and Actual Experience	—	160
	Difference Between Projected and Actual Investment Earnings	—	663
	Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	—	122
	Contributions Subsequent to the Measurement Date	153	—
Discrete Component Units	Difference Between Expected and Actual Experience	—	383
	Difference Between Projected and Actual Investment Earnings	—	1,588
	Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	—	405
	Contributions Subsequent to the Measurement Date	921	—
TRS Occupational Death and Disability Plan			
Primary Government	Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	2	—
Discrete Component Units	Difference Between Projected and Actual Investment Earnings	—	3
	Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	—	1
TRS Retiree Medical Plan			
Primary Government	Difference Between Projected and Actual Investment Earnings	—	3
	Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	1	—
	Contributions Subsequent to the Measurement Date	13	—
Discrete Component Units	Difference Between Projected and Actual Investment Earnings	—	22
	Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	—	1
	Contributions Subsequent to the Measurement Date	75	—
JRS			
Primary Government	Difference Between Projected and Actual Investment Earnings	—	1,067
	Difference Between Expected and Actual Experience	58	—
	Contributions Subsequent to the Measurement Date	594	—

$56,250 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 in fiscal year 2019 ($49,418 thousand for the primary government and $6,832 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					
	2019	2020	2021	2022	2023	Thereafter
PERS Alaska Retiree Healthcare Trust Plan - Primary Government	$ (52,316)	$ (48,550)	$ (33,488)	$ (33,488)	$ —	$ —
PERS Alaska Retiree Healthcare Trust Plan - Discrete Component Units	(6,615)	(5,919)	(3,133)	(3,133)	—	—
PERS Occupational Death and Disability Plan - Primary Government	(101)	(100)	(100)	(100)	8	26
PERS Occupational Death and Disability Plan - Discrete Component Units	(23)	(23)	(23)	(23)	(14)	(43)
PERS Retiree Medical Plan - Primary Government	(336)	(336)	(336)	(336)	(25)	(78)
PERS Retiree Medical Plan - Discrete Component Units	(18)	(18)	(18)	(18)	7	22
TRS Alaska Retiree Healthcare Trust Plan - Primary Government	(367)	(246)	(166)	(166)	—	—
TRS Alaska Retiree Healthcare Trust Plan - Discrete Component Units	(960)	(622)	(397)	(397)	—	—
TRS Occupational Death and Disability Plan - Primary Government	—	—	—	—	1	1
TRS Occupational Death and Disability Plan - Discrete Component Units	(1)	(1)	(1)	(1)	—	—
TRS Retiree Medical Plan - Primary Government	(1)	(1)	(1)	(1)	1	1
TRS Retiree Medical Plan - Discrete Component Units	(6)	(6)	(6)	(5)	—	—
JRS - Primary Government	(242)	(241)	(259)	(267)	—	—

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 or obligation, in a legally enforceable sense, for the non-State employer GASB 75 net OPEB 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 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, 2018 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 7%	Discount Rate 8%	1% Increase 9%
PERS Alaska Retiree Healthcare Trust Plan	$ 242,378	$ 113,255	$ 4,645
TRS Alaska Retiree Healthcare Trust Plan	354,553	116,351	(81,289)

The following presents the net OPEB liability/asset associated with the special funding situation for each applicable plan as of June 30, 2017, calculated using the healthcare cost trend rates as summarized in the 2016 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	$ (12,563)	$ 113,255	$ 264,518
TRS Alaska Retiree Healthcare Trust Plan	(108,462)	116,351	389,756

At June 30, 2017 the proportionate share of the net OPEB liability attributed to the State for the special funding situation was 13.41 percent for the Public Employee's Retirement System (PERS) and 63.26 percent for the Teacher's Retirement System (TRS), which was an increase of 8.04 percent and 9.18 percent from its proportion measured as of June 30, 2016 for PERS and TRS respectively.

For the year ended June 30, 2018, the State recognized expenses of $63,828 thousand in relation to the special funding situation broken out by plan as follows (in thousands):

Systems	OPEB Expense
Public Employees' Retirement System	$ 44,742
Teachers' Retirement System	19,086

At June 30, 2018, 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	$ —	$ 6,108
	Difference Between Projected and Actual Investment Earnings	—	35,467
	Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	48,014	—
TRS	Difference Between Expected and Actual Experience	—	15,082
	Difference Between Projected and Actual Investment Earnings	—	62,528
	Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	7,681	—

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
2019	$ 14,689	$ (20,918)
2020	9,977	(17,747)
2021	(8,867)	(15,632)
2022	(8,867)	(15,632)

STATE ADMINISTERED SINGLE EMPLOYER PLANS

The schedules of changes in plan net OPEB asset for the JRS defined benefit OPEB plan as of the measurement date, June 30, 2017 are below (in thousands):

	Increase (Decrease)		
	Total OPEB Liability (a)	**Plan Fiduciary Net Position (b)**	**Net OPEB asset (a)-(b)**
Balances at June 30, 2017	$ 16,246	$ 26,848	$ (10,602)
Changes for the year:			
Service Cost	734	—	734
Interest	1,318	—	1,318
Difference between expected and actual experience	83	—	83
Retiree Drug Subsidy	64	64	—
Pharmacy Rebates	62	62	—
Other	—	1	(1)
Contributions - employer	—	628	(628)
Net investment income	—	3,470	(3,470)
Benefit payments, including refunds of employee contributions	(1,031)	(1,031)	—
Administrative expense	—	(51)	51
Net Changes	1,230	3,143	(1,913)
Balances at June 30, 2018	$ 17,476	$ 29,991	$ (12,515)

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 Tax Deferred Savings, 457 and Health Care Trust Plan Committee covering nonrepresented and Alaska Railroad Workers represented employees, who became employed prior to November 4, 2014. The plan also covers regular represented employees covered under the American Train Dispatchers Association or other represented employees hired before March 4, 2016 for United Transportation Union; April 2, 2015 for Carmen's Division of Transportation Communication International Union; and April 26, 2016 for International Brotherhood of Teamsters 959, as specified in the labor agreements.

The net OPEB liability/asset was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2016. The actuarial valuation used the following actuarial assumptions:

Actuarial Assumption	**December 31, 2017**
Discount Rate	6.75%
Inflation	2.8%
Salary increases	3.0% CPI plus merit based rates
Retirement, disablement, and termination	Based on 2010-2014 experience study
Administrative expenses	0.22% of payroll, based on current year actuarially determined contribution
Participation Rates	Varies from 35% to 85%
Medical Trend	6.2%, grading down over five years to 4.5%

Mortality rates were based on the Society of Actuaries RP-2000 combined mortality table (65%/35% blended blue/white collar) and the Scale AA 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 6.75 percent on OPEB 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 OPEB plan 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 by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	**Target allocation**	**Long-term expected real rate of return**
Cash	—%	0.50%
U.S. Treasury Inflation-Protected Securities (TIPS)	5.00	2.00
Intermediate Term Bond	30.00	2.50
Global Bond	5.00	2.50
High Yield Bond	10.00	4.00
Domestic Large Cap	15.00	7.00
Domestic Mid Cap	5.00	8.00
Domestic Small Cap	4.00	9.00
U.S. Healthcare (Equity)	5.00	7.50
International Equity	6.00	7.25
Real Estate	15.00	4.75
Total	100.00%	

The discount rate used to measure the total OPEB liability was 6.75 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 using the discount rate of 6.75 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 5.75%	**Current discount rate 6.75%**	**1% Increase 7.75%**
Net OPEB liability (asset)	$ (26,769)	$ (29,475)	$ (31,658)

The following presents the net OPEB liability/asset calculated using the medical cost trend rate of 7.5 percent beginning in 2015 reducing over eight years to 4.5 percent, 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 6.5%	**Medical Cost Trend Rate 7.5%**	**1% Increase 8.5%**
Net OPEB liability (asset)	$ (32,177)	$ (29,475)	$ (26,022)

For the year ended December 31, 2017, the ARRC recognized net OPEB income of $113 thousand and the following deferred outflows and deferred inflows (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ —	$ 1,582
Changes in assumptions	1,129	—
Net difference between actual and projected earnings on investments	281	—

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

	Amount
Year ending December 31,	
2018	$ 360
2019	360
2020	(334)
2021	(344)
2022	(60)
Thereafter	(154)

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

	Increase (Decrease)		
	Total OPEB Liability (a)	**Plan Fiduciary Net Position (b)**	**Net OPEB asset (a)-(b)**
Balances at January 1, 2017	$ 15,327	$ 42,740	$ (27,413)
Changes for the year:			
Service Cost	700	—	700
Interest	1,095	—	1,095
Change of benefit terms	526	—	526
Difference between expected and actual experience	(165)	—	(165)
Net investment income	—	4,295	(4,295)
Benefit payments, including refunds of employee contributions	(331)	(331)	—
Administrative expense	—	(77)	77
Net Changes	1,825	3,887	(2,062)
Balances at June 30, 2018	$ 17,152	$ 46,627	$ (29,475)

D. GENERAL OBLIGATION BONDS AND REVENUE BONDS

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, 2018, the following were the General Obligation Bond debt outstanding (in millions):

Year Ending June 30	Principal	Interest	Total
2019	$ 54.3	$ 34.9	$ 89.2
2020	45.2	32.7	77.9
2021	46.5	30.5	77
2022	38.0	28.5	66.5
2023	39.7	26.6	66.3
2024-2028	205.2	103.6	308.8
2029-2033	203.7	49.5	253.2
2034-2038	91.8	7.1	98.9
Total debt service requirements	724.4	$ 313.4	$ 1,037.8
Unamortized bond premium	69.3		
Total principal outstanding	$ 793.7		

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 2010 A 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 2013 A 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.

Federal subsidies related to the interest payments made during the year on the bonds were $4.8 million.

At June 30, 2018, the amount of General Obligation Bonds authorized was $1,012.1 million with $811.0 million issued. General Obligation Bonds authorized but not issued at June 30, 2018 was $201.1 million.

REVENUE BONDS

As of June 30, 2018, the following were the revenue bonds outstanding (in millions):

	Governmental Activities		Business-Type Activities	
Year Ending June 30	Principal	Interest	Principal	Interest
2019	$ 3.1	$ 15.4	$ 12.4	$ 18.1
2020	3.2	15.3	13.2	17.5
2021	3.4	15.1	13.9	16.8
2022	7.2	15	24.2	15.8
2023	9.7	14.6	17.4	14.8
2024-2028	34	67.4	91.7	61.4
2029-2033	46.4	57.7	120.3	35.9
2034-2038	59.9	44.8	82.4	6.7
2039-2043	80.7	28	—	—
2044-2048	73.6	131.4	—	—
Total debt service requirements	321.2	$ 404.7	375.5	$ 187.0
Unamortized bond (discounts)/premiums	(4.8)		26.5	
Plus accreted value	12.9		—	
Total principal outstanding	$ 329.3		$ 402.0	

There are two types of revenue bonds within governmental activities reported above, the Northern Tobacco Securitization Corporation Revenue Bonds and the State of Alaska Sport Fishing Revenue Bonds. This debt is reported in the Governmental Activities column of the Government-wide Statement of Net Position.

Northern Tobacco Securitization Corporation Revenue Bonds

The Northern Tobacco Securitization Corporation (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, 2018 includes $304.3 million in principal, $402.1 million in interest, $5.3 million in unamortized discount, and $12.9 million in accreted value on the Series 2006B and Series 2006C Bonds.

Alaska Sport Fishing Revenue Bonds

The State of Alaska Sport Fishing Revenue Bonds Series 2006 were issued under Article 5A of Chapter 15 of Title 37 of the Alaska Statutes. The bonds were issued to provide a portion of the funds necessary to finance the construction and renovation of fisheries rehabilitation, enhancement and development projects that benefit sport fishing. These revenue bonds are special, limited obligations of the State secured by and payable from the sport fishing facilities surcharge imposed under AS 16.05.340 and from funds received from the federal government which by their terms are not restricted in use and legally available for the payment for debt service on Parity Bonds. The bonds are not general obligations of the State, and the State does not pledge its full faith and credit to the payment of the bonds. Sport Fishing Revenue Bond total at year end includes $16.9 million in principal, $2.6 million in interest, and $0.5 million in unamortized premium.

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 18 International Airports paid $11.4 million of bonds that had matured and also paid $24.3 million of bond principal through optional redemptions prior to scheduled maturity. At June 30, 2018 there was no bond interest arbitrage rebate liability. Federal subsidies related to the interest payments made during the year on Build American Bonds were $430 thousand. International Airports Revenue Bond total at year end includes $375.5 million in principal, $187.0 million in interest and $26.5 million in unamortized premiums/discounts and deferred gains/losses.

E. CAPITAL AND OPERATING LEASES

A summary of noncancelable operating and capital lease commitments to maturity are (in millions):

Governmental Activities	Operating	Capital Leases		
Year Ending June 30	Leases	Principal	Interest	Total
2019	$ 31.0	$ 21.5	$ 12.2	$ 33.7
2020	15.1	20.8	11.1	31.9
2021	8.4	18.6	10.1	28.7
2022	6.5	18.6	9.2	27.8
2023	4.3	16.5	8.3	24.8
2024-2028	9.6	79.0	30.2	109.2
2029-2033	3.5	79.3	9.9	89.2
2034-2038	0.6	—	—	—
2039-2043	0.3	—	—	—
2044-2048	0.3	—	—	—
2049-2053	0.3	—	—	—
2054-2058	0.2	—	—	—
2059-2063	0.2	—	—	—
2064-2068	1.6	—	—	—
Total	$ 81.9	$ 254.3	$ 91.0	$ 345.3

Leases at June 30, 2018 are reported by the State of Alaska within Governmental Activities and Business-Type Activities, as applicable.

The State leases office facilities, office and computer equipment, and other assets under a variety of agreements. Although lease terms vary, most leases are subject to appropriation from the State Legislature to continue the obligation. If the possibility of receiving no funding from the Legislature is remote, leases are considered noncancelable for financial reporting purposes. Leases that represent acquisitions are classified as capital leases, and the related assets and liabilities are recorded in the financial records at the inception of the lease. Other leases are classified as operating leases with the lease payments recorded as expenditures or expenses during the life of the lease. Certain operating leases are renewable for specified periods. In most cases, management expects that the leases will be renewed or replaced by other leases.

Buildings and equipment under capital leases as of June 30, 2018 include the following (in thousands):

	Governmental Activities	Business-Type Activities
Buildings	$ 466,534	$ —
Equipment	5,816	—
Less: Accumulated Depreciation	(123,993)	—
	$ 348,357	$ —

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, 2018 (in millions):

Governmental Activities	Certificates of Participation		
Year Ending June 30	Principal	Interest	Total
2019	$ 1.8	$ 1.1	$ 2.9
2020	2.0	1.1	3.1
2021	2.3	1.0	3.3
2022	2.2	0.9	3.1
2023	2.5	0.8	3.3
2024-2028	14.2	2.5	16.7
2029-2033	3.2	0.2	3.4
Total	$ 28.2	$ 7.6	$ 35.8

G. DISCRETELY PRESENTED COMPONENT UNITS

Debt service requirements are (in millions):

Year Ending June 30	Principal	Interest	Total
2019	$ 201.9	$ 162.3	$ 364.2
2020	211.8	154.0	365.8
2021	221.4	144.9	366.3
2022	227.5	135.2	362.7
2023	210.2	125.5	335.7
2024-2028	929.9	497.0	1,426.9
2029-2033	958.4	293.7	1,252.1
2034-2038	465.1	153.5	618.6
2039-2043	287.9	73.8	361.7
2044-2048	330.5	24.0	354.5
2049-2053	6.2	0.3	6.5
Total debt service requirements	4,050.8	$ 1,764.2	$ 5,815.0
Unamortized (discounts)/premiums	120.1		
Unamortized swap termination penalty	(6.6)		
Total principal outstanding	$ 4,164.3		

The preceding table does not include $941 thousand of Alaska Energy Authority arbitrage interest payable.

H. ALASKA HOUSING FINANCE CORPORATION DERIVATIVES

The Alaska Housing Finance Corporations (AHFC) entered into derivatives to reduce the overall cost of borrowing long-term 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 derivative constitutes 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 use of capital profit. The fair value represents the current price to settle swap asset 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 swaps' fair value. As of June 30, 2018, AHFC has 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, 2018, are shown below:

Related Bond Issue	Effective Dates	Fixed Rate Paid	Variable Rate Received	SWAP Termination Date	Counterparty Credit Rating[7]
GP01A[1]	12/1/2008	2.4530%	67% of 1M LIBOR[4]	12/1/2030	BBB+/A3
GP01B	8/2/2001	4.1427%	67% of 1M LIBOR	12/1/2030	AA/Aa3
E021A1[2]	10/9/2008	2.9800%	70% of 3M LIBOR[5]	6/1/2032	AA-/Aa2
SC02C[3]	12/5/2002	4.3030%	SIFMA[6] +0.115%	7/1/2022	A+/Aa2
E071AB	5/31/2007	3.7345%	70% of 3M LIBOR	12/1/2041	AA-/Aa2
E071BD	5/31/2007	3.7200%	70% of 3M LIBOR	12/1/2041	A+/Aa2
E091A	5/28/2009	3.7610%	70% of 3M LIBOR	12/1/2040	A+/Aa1
E091B	5/28/2009	3.7610%	70% of 3M LIBOR	12/1/2040	AA-/Aa2
E091ABD	5/28/2009	3.7400%	70% of 3M LIBOR	12/1/2040	A+/Aa2

[1] Governmental Purpose Bonds
[2] Home Mortgage Revenue Bonds
[3] State Capital Project Bonds
[4] London Interbank Offered Rate ("LIBOR") 1 month
[5] London Interbank Offered Rate 3 Month
[6] Securities Industry and Financial Markets Municipal Swap Index
[7] Standard & Poor's/Moody's

The change in fair value and ending balance of AHFC's hedging derivatives as of June 30, 2018, 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, 2018	Fair Values June 30, 2017	Change in Fair Values
GP01A	$ 43,505	$ 45,082	$ (1,577)	$ (3,267)	$ 1,690
GP01B	53,165	60,691	(7,526)	(10,488)	2,962
E021A1	35,940	38,379	(2,439)	(4,153)	1,714
SC02C	29,160	30,502	(1,342)	(2,545)	1,203
E071AB	139,095	165,543	(26,448)	(35,626)	9,178
E071AD	92,730	110,103	(17,373)	(23,509)	6,136
E091A	72,789	87,161	(14,372)	(19,228)	4,856
E091B	72,789	86,786	(13,997)	(18,810)	4,813
E091ABD	97,052	115,373	(18,321)	(24,748)	6,427
Total	$ 636,225	$ 739,620	$ (103,395)	$ (142,374)	$ 38,979

As of June 30, 2018, 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.

Year Ending June 30	Outstanding Variable-Rate Debt Principal	Outstanding Variable-Rate Debt Interest	Swap Net Payment	Total Payment
2019	$ 19,140	$ 9,321	$ 13,067	$ 41,528
2020	23,310	9,058	12,648	45,016
2021	27,780	8,709	12,102	48,591
2022	29,230	8,293	11,494	49,017
2023	27,175	7,853	10,856	45,884
2024-2028	135,915	33,454	46,424	215,793
2029-2033	141,590	22,608	31,866	196,064
2034-2038	134,850	12,884	18,333	166,067
2039-2043	97,235	2,613	3,709	103,557
	$ 636,225	$ 114,793	$ 160,499	$ 911,517

Interest Rate Risk

AHFC is exposed to interest rate risk on all of its interest rate swaps. As the London Interbank Offered Rate (LIBOR) or the Securities Industry and Financial Markets Association (SIFMA) index decreases, AHFC's net payment on the swaps increases.

Credit Risk

As of June 30, 2018, AHFC is not exposed to credit risk on any of the swaps because the swaps all have negative fair values. If interest rates rise and the fair value of the swaps becomes positive, AHFC would be exposed to credit risk in the amount of the swaps' fair value. The swap agreements contain varying collateral agreements with the counterparties and 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 39 percent of the total notional amount of the swaps is held with one counterparty rated AA-/Aa2. Another 34.4 percent of the total notional amount of the swaps is held with another counterparty rated A+/Aa2. Of the remaining swaps, one counterparty is rated A+/Aa1, another counterparty is rated AA/Aa3, and the remaining counterparty is rated BBB+/A3, approximating 11.4 percent, 8.4 percent, and 6.8 percent respectively, of the total notional amount of the swaps.

Basis Risk

All of AHFC's variable-rate bond interest payments related to interest rate swaps are based on the tax exempt SIFMA index. Therefore, AHFC is exposed to basis risk on swaps where the variable payment received on the swaps is based on a taxable LIBOR index and does not fully offset the variable rate paid on the bonds. The SC02C swap is based on the SIFMA index and thus is not exposed to any basis risk. As of June 30, 2018, SIFMA was 1.51 percent and 1 month LIBOR was 2.09 percent, resulting in a SIFMA/LIBOR ratio of 72.24 percent. The 3 month LIBOR was 2.34 percent resulting in a SIFMA/LIBOR ratio of 64.65 percent. The SIFMA/LIBOR ratios have fluctuated since the agreements became effective but the anticipated cost savings from the swaps increases as the ratios decrease.

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.

In fiscal year 2009, three swaps were terminated because of bankruptcy events with the counterparties, resulting in AHFC making termination payments totaling $22.2 million to the counterparties. AHFC replaced the swaps with new swaps that had provisions that resulted in a lower cost overall on the underlying debt. The termination payments were deferred and are being amortized to interest expense over the life of the bonds related to those terminated swaps. An additional payment of $150 thousand was made to a former counterparty in fiscal year 2013 as settlement of any and all claims relating to that counterparty's swap termination. This payment was expensed as insurance and financing expense in fiscal year 2013.

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. The Home Mortgage Revenue Bonds, 2002 Series A swaps were set up in several tranches of various sizes that can be cancelled to parallel the redemption of debt from mortgage prepayments. In addition, the Governmental Purpose Bonds, 2001 Series A and B swaps cover only a portion of the total debt issuance, allowing any increase in the speed of mortgage prepayments to be directed to the un-swapped portion of the debt.

INVESTMENT DERIVATIVES

The State Capital Project Bonds, 2002 Series B, were fully redeemed in fiscal year 2009, so the associated interest rate swap was no longer a hedging derivative and is accounted for as an investment derivative.

The significant terms and credit ratings of AHFC's investment derivatives as of June 30, 2018, are shown below:

Related Bond Issue	Effective Dates	Fixed Rate Paid	Variable Rate Received	SWAP Termination Date	Counterparty Credit Rating
SC02B	12/5/2002	3.77%	70% of 1M LIBOR	7/1/2024	A+/Aa2

The change in fair value of the investment derivatives as of June 30, 2018, is shown below (in thousands) and is presented on the net change of hedge termination line in the Statement of Revenues, Expenses, and Changes in Net Position.

Related Bond Issue	Notional Amounts	Present Values	Fair Values June 30, 2018	Fair Values June 30, 2017	Changes in Fair Value
SC02B	$ 14,555	$ 15,835	$ (1,280)	$ (2,040)	$ 760

Credit Risk

As of June 30, 2018, AHFC was not exposed to credit risk on this outstanding swap because the swap had a negative fair value. If interest rates rise and the fair value of the swap becomes positive, AHFC would be exposed to credit risk in the amount of the swaps' fair value. The swap agreement requires the counterparty to fully collateralize the fair value amount of the swap should the counterparty's rating fall to BBB+/Baa1. The counterparty on this swap is rated A+/Aa2.

NOTE 7 – DEFINED BENEFIT PENSION PLANS

A. STATE ADMINISTERED 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 employees. Benefit and contribution provisions are established by Chapter 35 of Alaska Statute 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.

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), 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, 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 not eligible to participate in the ARHCT, along with optional dental, vision, audio, and long-term care coverage to all retirees 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 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 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/.

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 pensions and OPEB liability, 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. The Plans own shares in various investment pools that are administered by the State of Alaska, Department of Revenue, Division of Treasury (Treasury). The Plans' investment in the pools, except for the Short-term Fixed Income Pool, is reported at fair value based on the net asset value reported by the Treasury. The Short-term Fixed Income Pool maintains a share price of $1. Each participant owns shares in the pool, the number of which fluctuates daily with contributions and withdrawals. Additional information about the Plans' fiduciary net position can be found in the Plans' audited financial statements.

At June 30, 2018 the number of PERS participating employers were:

State of Alaska	4
Municipalities	74
School Districts	53
Other	24
Total Employers	155

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 members' 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). The 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, 2018 was capped at 22 percent of compensation.

The state's employer contributions to PERS-DB for the fiscal years ended June 30, 2018, 2017, and 2016 were $220.5, $224.7, and $231.2 million respectively for the year. For the FY 18 contributions, $171.2 million ($147.0 million for the primary government and $24.2 million for the discretely presented component units) was for pensions and $49.3 million ($41.9 million for the primary government and $7.4 million for the discretely presented component units) was for postemployment benefits. The contributions were equal to the required contributions in FY 18.

Alaska Statute 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 less

B. The total of the employer contributions for:

    a. The defined contribution employer matching amount

b. Major Medical

c. Occupational death and disability

d. Health reimbursement arrangement

The difference is deposited based on an actuarial allocation into the DB Plan's pension and healthcare funds.

Chapter 1 SSSLA 2017 appropriated $64.0 million from the General Fund and $8.6 million from the Alaska Higher Education Investment Fund and Chapter 17 SLA 2018 appropriated $148.0 thousand from the General Fund to the PERS-DB as an additional state contribution for FY 18. The portion of this payment attributable to State of Alaska employers is $40.6 million ($35.9 million for the primary government as an employer contribution and $4.7 million for the discretely presented component units as nonemployer contributions) for pensions.

Postemployment healthcare benefits are provided to retirees and their surviving spouses without cost for all employees first hired before July 1, 1986, and employees who are disabled or age 60 or older, 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 ten 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 or are receiving disability benefits. Members hired after June 30, 1986 but before June 30, 1996, 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.

The components of the net pension liability/(asset) of the participating employers at June 30, 2018, were as follows (in thousands):

Total Pension Liability	$ 14,275,702
Plan Fiduciary Net Position	(9,306,675)
Employers' Net Pension Liability (Asset)	$ 4,969,027
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	65.19%

The components of the net OPEB liability/(asset) of the participating employers at June 30, 2018, were as follows (in thousands):

Total OPEB Liability	$ 8,638,289
Plan Fiduciary Net Position	(7,612,001)
Employers' Net OPEB Liability (Asset)	$ 1,026,288
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	88.12%

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, 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 not eligible to participate in the ARHCT, along with optional dental, vision, audio, and long-term care coverage to all retirees 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 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 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/.

For purposes of measuring the net pension liability, net OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB liability, 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. The Plans own shares in various investment pools that are administered by the State of Alaska, Department of Revenue, Treasury. The Plans' investment in the pools, except for the Short-term Fixed Income Pool, is reported at fair value based on the net asset value reported by the Treasury. The Short-term Fixed Income Pool maintains a share price of $1. Each participant owns shares in the pool, the number of which fluctuates daily with contributions and withdrawals. Additional information about the Plans' fiduciary net position can be found in the Plans' audited financial statements.

At June 30, 2018 the number of participating employers were:

State of Alaska	2
School Districts	53
Other	2
Total Employers	57

Vested members hired prior to July 1, 1990 are entitled to 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 also 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 members' 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. The employee contributions are deducted before federal income tax is withheld.

The TRS 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. The employer rate for the State of Alaska for the year ended June 30, 2018 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, 2018, 2017, and 2016 were $3.4, $3.8, and $4.1 million respectively, equal to the required contributions for each year. For the FY 18 contributions, $2.3 million ($0.3 million for the primary government and $2.0 million for the discretely presented component units) was for pensions and $1.1 million was for postemployment benefits ($0.1 million for the primary government and $1.0 million for the discretely presented component units). The contributions were equal to the required contributions in FY 18.

Alaska Statute 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 ARMB for that fiscal year.

Chapter 1 SSSLA 2017 appropriated $91.3 million from the General Fund and $20.4 million from the Alaska Higher Education Investment Fund to the TRS-DB as an additional state contribution for FY 18. The portion of this payment attributable to State of Alaska employers is $5.2 million ($0.7 million for the primary government as an employer contribution and $4.5 million for the discretely presented component units as nonemployer contributions) for pensions.

Postemployment healthcare benefits are provided 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 components of the net pension liability/(asset) of the participating employers at June 30, 2018, were as follows (in thousands):

Total Pension Liability	$ 7,387,056
Plan Fiduciary Net Position	(5,472,727)
Employers' Net Pension Liability (Asset)	$ 1,914,329
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.09%

The component of the net OPEB liability/(asset) of the participating employers at June 30, 2018, were as follows (in thousands):

Total OPEB Liability	$ 3,181,074
Plan Fiduciary Net Position	(2,870,135)
Employers' Net OPEB Liability (Asset)	$ 310,939
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	90.23%

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 not eligible to participate in the ARHCT, along with optional dental, vision, audio, and long-term care coverage to all retirees 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 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://doa.alaska.gov/drb/.

For purposes of measuring the net pension liability, net OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB liability, 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 recognized in the period in which they are due. Benefits are recognized when due and payable. The Plans own shares in various investment pools that are administered by the State of Alaska, Department of Revenue, Treasury. The Plans' investment in the pools, except for the Short-term Fixed Income Pool, is reported at fair value based on the net asset value reported by the Treasury. The Short-term Fixed Income Pool maintains a share price of $1. Each participant owns shares in the pool, the number of which fluctuates daily with contributions and withdrawals. 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, are sufficient to accumulate assets to pay benefits when due. The employer rate for the State of Alaska for the year ended June 30, 2018, was 74.21 percent of compensation. Total employer contributions for FY 18 were $10,528 thousand for pensions, and $621 thousand for postemployment benefits. Included in the total employer contribution amounts is $5.4 million appropriated in Chapter 1 SSSLA 2017 from the General Fund to JRS as an additional state contribution for the purpose of funding the retirement system.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The components of the net pension liability/(asset) at June 30, 2018, were as follows (in thousands):

Total Pension Liability	$ 228,334
Plan Fiduciary Net Position	(176,795)
Employers' Net Pension Liability (Asset)	$ 51,539
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	77.43%

The components of the net OPEB liability/(asset) at June 30, 2018, were as follows (in thousands):

Total OPEB Liability	$ 18,573
Plan Fiduciary Net Position	(31,498)
Employers' Net OPEB Liability (Asset)	$ (12,925)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	169.58%

The Alaska National Guard and Alaska Naval Militia Retirement System (NGNMRS)

NGNMRS is a defined benefit, single-employer retirement 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 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 (the 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 recognized in the period in which they are due. Benefits are recognized when due and payable. The Plan owns shares in various investment pools that are administered by the State of Alaska, Department of Revenue, Treasury. The Plan’s investment in the pools, except for the Short-term Fixed Income Pool, is reported at fair value based on the net asset value reported by the Treasury. The Short-term Fixed Income Pool maintains a share price of $1. Each participant owns shares in the pool, the number of which fluctuates daily with contributions and withdrawals.

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 on-time lump sum.

Upon the death of an eligible member, as previously described, 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 periodic contributions by 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.

Chapter 1 SSSLA 2017 appropriated $835 thousand from the General Fund to the NGNMRS for the purpose of funding past service liability and $72 thousand as an additional state contribution for FY 18.

The components of the net pension liability/(asset) at June 30, 2018, were as follows (in thousands):

Total Pension Liability	$ 34,001
Plan Fiduciary Net Position	(39,418)
Employers' Net Pension Liability (Asset)	$ (5,417)
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	115.93%

ASSET VALUATION

See Note 4 for information on pension funds' deposits and investments risk categories. The table below discloses the fair value of each pension plan's cash and investments. All amounts are in thousands.

Systems	Fair Value
Public Employees' Retirement System	$ 16,994,893
Teachers' Retirement System	8,379,934
Judicial Retirement System	208,727
Alaska National Guard and Alaska Naval Militia Retirement System	39,571

PLAN MEMBERSHIPS

The table below includes the plan membership counts from the notes to the separately issued financial statements for the various plans.

	PERS	TRS	JRS	NGNMRS
Inactive plan members or beneficiaries currently receiving benefits	35,139	12,962	122	676
Inactive plan members entitled to but not yet receiving benefits	5,606	801	4	1,427
Inactive plan members not entitled to benefits	11,128	1,906	—	—
Current active employees	13,611	4,457	70	4,054
Total	65,484	20,126	196	6,157

Actuarial Method and Assumptions

Under the Entry Age Normal Actuarial Cost Method, any funding surpluses or unfunded actuarial accrued liability are amortized over a closed 25-year period (established June 30, 2014) as a level percentage of payroll amount. State statutes allow the contribution rate to be determined on payroll for all members, defined benefit and defined contribution member payroll combined. Projected pension and postemployment healthcare benefits were determined for all active members. Cost factors designed to produce annual costs as a constant percentage of each member's expected compensation in each year for pension benefits (constant dollar amount for healthcare benefits) from the assumed entry age to the assumed retirement age were applied to the projected benefits to determine the normal cost (the portion of the total cost of the plan allocated to the current year under the method). The normal cost is determined by summing intermediate results for active members and determining an average normal cost rate which is then related to the total payroll of active members. The actuarial accrued liability for active members (the portion of the total cost of the plan allocated to prior years under the method) was determined as the excess of the actuarial present value of projected benefits over the actuarial present value of future normal costs. The actuarial accrued liability for retired members and their beneficiaries currently receiving benefits, terminated vested members and disabled members not yet receiving benefits was determined as the actuarial present value of the benefits expected to be paid. No future normal costs are payable for these members. The actuarial accrued liability under this method at any point in time is the theoretical amount of the fund that would have been accumulated had annual contributions equal to the normal cost been made in prior years (it does not represent the liability for benefits accrued to the valuation date). The unfunded actuarial accrued liability is the excess of the actuarial accrued liability over the actuarial value of plan assets measured on the valuation date. Under this method, experience gains or losses, i.e., decreases or increases in accrued liabilities attributable to deviations in experience from the actuarial assumptions, adjust the unfunded actuarial accrued liability.

The following main assumptions were used in the actuarial valuation.

System	Investment Rate of Return	Actuarial Cost Method	Amortization Method	Equivalent Single Amortization Period	Salary Scale Increase	Valuation Date
PERS	8% (net of plan investment expenses), Inflation 3.12%, Real Return 4.88%	Entry age normal; level percentage of pay normal cost basis	Level percentage of pay; closed	25 years as of 6/30/14	For Peace Officer/ Firefighter, increases range from 9.66% to 4.92% based on service. For all others, increases range from 8.55% to 4.34% based on age and service.	6/30/2017
TRS	8% (net of plan investment expenses), Inflation 3.12%, Real Return 4.88%	Entry age normal; level percentage of pay Normal Cost Basis	Level percentage of pay, closed	25 years as of 6/30/14	Graded by service, from 8.11% to 3.87%	6/30/2017
JRS	8% Includes Inflation at 3.12%	Entry age normal; level dollar for healthcare	Level dollar, closed	13 years	3.62%	6/30/2016
NGNMRS	7% (net of investment expense) Inflation at 3.12%	Entry age normal	Level dollar, open	20 years less average military service of active members	None	6/30/2016

		Health Care Cost Trend			
		Medical Pre-65	Medical Post-65	Rx	RDS/EGWP
For PERS/TRS:	FY18	8.0%	5.5%	9.0%	6.5%
	FY19	7.5	5.5	8.5	6.2
For JRS:	FY18	8.2	5.7	5.1	
	FY19	7.6	5.6	4.8	

For PERS and TRS, assets are at fair value, with 20 percent of the investment gains or losses recognized each year, for a period of up to 5 years. For JRS, assets are at market value, with 20 percent of the investment gains or losses recognized in each of the current and preceding four years and phased in over the next five years. For NGNMRS, assets are at market value, with 20 percent of the investment gains or losses recognized in each of the current and preceding four years. JRS and NGNMRS valuation assets cannot be outside a range of 80 to 120 percent of the market value of assets. Assets are valued at a five-year smoothed market valuation method.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress in the Required Supplementary Information presents multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial report purposes are based on the substantive plan and included in the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial method and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

B. NON-STATE ADMINISTERED PLANS

ALASKA RAILROAD CORPORATION PENSION AND HEALTH CARE TRUST

Alaska Railroad Corporation Pension Plan

The Alaska Railroad Corporation (ARRC) has a single-employer defined benefit pension plan (the Plan) administered by the Tax Deferred Savings and Pension Committee covering all regular represented and nonrepresented employees who are not covered by the Civil Service Retirement System (CSRS). Benefits provided by the Plan include retirement, disability, and death benefits. Benefit terms and contribution rates are established and amended under the authority of the Board of Directors. Benefits under this Plan are based upon the employee’s years of service and final average compensation. The ARRC’s funding policy is to contribute each year an actuarially determined contribution rate recommended by an independent actuary. The actuarially determined contribution rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees contribute an amount equal to 9 percent of eligible compensation.

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 pensions and OPEB asset, and pension and OPEB expense, information about the fiduciary net position of the 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. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The fair value for mutual fund investments is determined based on published market prices and quotations from national security exchanges. The fair value of real estate and collective funds is determined based on the nest asset value per share of the fund.

As of December 31, 2017, the Plan assets consist of cash and cash equivalents of 4.3 percent, fixed income securities 27.0 percent, equities 57.5 percent, commodities of 1.8 percent, and real estate investments of 9.4 percent.

At December 31, 2017, the plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	268
Inactive plan members entitled to but not yet receiving benefits	364
Active plan members	647
	1,279

The components of the net pension liability at December 31, 2017 were as follows (in thousands):

Total Pension Liability	$ 200,808
Plan Fiduciary Net Position	(185,423)
Employers' Net Pension Liability (Asset)	$ 15,385
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.34%

Alaska Railroad Corporation Health Care Trust

The ARRC sponsors a single-employer, defined benefit retiree health care plan (Plan) administered by the Nonrepresented Tax Deferred Saving, 457 and Health Care Trust Plan Committee covering nonrepresented and Alaska Railroad Workers (ARW) represented employees, who became employed prior to November 4, 2014. The Plan also covers regular represented employees covered under the American Train Dispatchers Association (ATDA) or other represented employees hired before March 4, 2016 for United Transportation Union (UTU), April 2, 2015 for Carmen's Division of Transportation Communication International Union (TCU), and April 26, 2016 for International Brotherhood of Teamsters Local 959 (IBT), as specified in the labor agreements.

The Plan provides postretirement medical benefits to employees receiving retirement under the pension plan and retired CSRS employees who do not qualify for the federal medical insurance, and who move directly from active coverage to retiree coverage. The Plan is contributory with retiree premiums adjusted annually, and contains other cost-sharing features such as deductibles and coinsurance. The ARRC's funding policy is to contribute each year an amount equal to the actuarially determined contribution. Benefit terms and contribution rates are established and amended under the authority of the Board of Directors and management.

There were no contributions recognized or due by the Plan from the ARRC during the year ended December 31, 2017. As of December 31, 2017, the Plan assets are held in trust and consist of cash and cash equivalents of 4.8 percent, fixed income securities of 48.1 percent, equities of 35.9 percent, and real estate investments of 11.2 percent. The value of trust assets used for GASB 75 excludes certain Trust assets segregated for use toward the ARRC Welfare Benefit Plan.

At December 31, 2017 the Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	31
Inactive plan members entitled to but not yet receiving benefits	—
Active plan members	444
	475

The components of the net OPEB asset for the Plan at December 31, 2017, were as follows (in thousands):

Total OPEB Liability	$ 17,152
Plan Fiduciary Net Position	(46,627)
Employers' Net OPEB Liability (Asset)	$ (29,475)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	(271.85)%

Actuarial Method and Assumptions

The following main assumptions were used in the actuarial valuation dated January 1, 2017:

	Investment Rate of Return	Amortization Method	Equivalent Single Amortization Period	Salary Scale Increase
Pension	7.50%, Inflation 2.8%	Level Dollar	Rolling (open) 30-year period	3.0% CPI plus merit based rates; cost of living allowance 1.4%
Healthcare	6.75%, Inflation 2.8%	Level Dollar	Rolling (open) 6-year period	3.0% CPI plus merit based rates

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, cost-sharing, 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 Healthcare 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/.

As of June 30, 2018, there were 157 employers participating in PERS-DCR. There were 20,811 members, of which 18,906 are general employees and 1,905 are peace officers and firefighters.

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 ration 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 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, 2018 by the State of Alaska employees were $47,928 thousand and the State of Alaska employers were $27,299 thousand. The State of Alaska PERS other postemployment contributions for the year ended June 30, 2018 were $26,933 thousand ($1,174 thousand for OD&D, $19,586 thousand for HRA, and $6,173 thousand for RMP).

See note 4 for information on pension funds' deposit and investment risk categories. The fair value of the PERS-DCR, RMP, HRA, and OD&D cash and investments as of June 30, 2018 is $1,569,489 thousand. PERS-DCR investments in collective investment funds, held in trust, are stated at fair value based on the unit value as reported by the Trustees multiplied by the number of units held by PERS-DCR. The unit value is determined by the Trustees based on the fair value of the underlying assets. Purchases and sales of securities are recorded on a trade-date basis.

For the year ended June 30, 2018 the State of Alaska recognized $12,292 thousand in pension expense for the PERS-DCR as an employer. Forfeitures of $17,671 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 and long-term disability benefits to all active employees as a result of death or disability on the job. PERS-DCR participants are eligible members of RMP and HRA and their postemployment healthcare benefits are paid out of these funds.

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB liability, OPEB expense, information about the fiduciary net position of the PERS defined contribution OD&D, HRA, and RMP 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 recognized in the period in which they are due. Benefits are recognized when due and payable. The Plans own shares in various investment pools that are administered by the State of Alaska, Department of Revenue, Treasury. The Plans' investment in the pools, except for the Short-term Fixed Income Pool, is reported at fair value based on the net asset value reported by the Treasury. The Short-term Fixed Income Pool maintains a share price of $1. Each participant owns shares in the pool, the number of which fluctuates daily with contributions and withdrawals. Additional information about the Plans' fiduciary net position can be found in the Plans' audited financial statements.

The employer RMP contribution rate for FY 18 for each member's compensation was 1.03 percent for medical coverage and 0.16 percent for death and disability (0.43 percent for peace officers and firefighters). HRA is $173.68 per month for full time employees and $1.34 per hour for part time employees.

Members in the HRA Plan consisted of the following at June 30, 2018:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	19
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	1,175
Inactive Plan Members Not Entitled to Benefits	11,896
Active Plan Members	20,811

The components of the net OPEB liability (asset) of the participating employers for the OD&D Plan at June 30, 2018, were as follows (in thousands):

Total OPEB Liability	$	11,383
Plan Fiduciary Net Position		(30,805)
Employers' Net OPEB Liability/(Asset)	$	(19,422)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability		270.62%

Members in the OD&D Plan consisted of the following at June 30, 2018:

Active Plan Members	20,811
Participating Employers	157
Open Claims	29

The components of the net OPEB liability (asset) of the participating employers for the RMP at June 30, 2018, were as follows (in thousands):

Total OPEB Liability	$	112,740
Plan Fiduciary Net Position		(100,015)
Employers' Net OPEB Liability (Asset)	$	12,725
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability		88.71%

Members in the RMP consisted of the following at June 30, 2018:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	11
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	1,183
Inactive Plan Members Not Entitled to Benefits	11,896
Active Plan Members	20,811

The total OPEB liability for each plan was determined by actuarial valuations as of June 30, 2017, using the following actuarial assumptions, applied to all periods in the measurement, and rolled forward to the measurement date of June 30, 2018:

Inflation	3.12%
Salary Increases	Graded by service, from 9.66% to 4.92% for peace officer/ firefighter. Graded by age and service, from 8.55% to 4.34% for all others
Investment Rate of Return	8.00% net of postretirement healthcare plan investment expenses. This is based on an average inflation rate of 3.12% and a real return of 4.88%
Healthcare Cost Trend Rates (RMP)	Pre-65 medical: 8.0% grading down to 4.0% Post-65 medical: 5.5% grading down to 4.0% RX: 9.0% grading down to 4.0% RDS/EGWP: 6.5% grading down to 4.0%

B. The Teachers' Retirement System - Defined Contribution Retirement Plan (TRS-DCR)

TRS-DCR is a defined contribution, cost-sharing, 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 Healthcare 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/.

As of June 30, 2018, there were 57 employers participating in TRS-DCR. There were 4,937 active members.

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 ration 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 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, 2018 by the employees were $770 thousand and the State of Alaska employers were $626 thousand. The State of Alaska TRS other postemployment contributions for the year ended June 30, 2018 were $330 thousand ($243 thousand for HRA and $88 thousand for RMP).

See note 4 for information on pension funds' deposit and investment risk categories. The fair value of the TRS-DCR, RMP, HRA, and OD&D cash and investments as of June 30, 2018 is $600,856 thousand. TRS-DCR investments in collective investment funds, held in trust, are stated at fair value based on the unit value as reported by the Trustees multiplied by the number of units held by TRS-DCR. The unit value is determined by the Trustees based on the fair value of the underlying assets. Purchases and sales of securities are recorded on a trade-date basis.

For the year ended June 30, 2018 the State of Alaska recognized $658 thousand in pension expense for the TRS-DCR as an employer. Forfeitures of $16 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 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 and long-term disability benefits to all active employees as a result of death or disability on the job. 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 18 for each member's compensation was 0.91 percent for medical coverage and zero percent for death and disability. HRA is $173.68 per month for full-time employees while part-time employees are based on the contract percentage worked multiplied by the full-time employee rate.

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB liability, OPEB expense, information about the fiduciary net position of the TRS defined contribution OD&D, HRA, and RMP 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 recognized in the period in which they are due. Benefits are recognized when due and payable. The Plans own shares in various investment pools that are administered by the State of Alaska, Department of Revenue, Treasury. The Plans' investment in the pools, except for the Short-term Fixed Income Pool, is reported at fair value based on the net asset value reported by the Treasury. The Short-term Fixed Income Pool maintains a share price of $1. Each participant owns shares in the pool, the number of which fluctuates daily with contributions and withdrawals. Additional information about the Plans' fiduciary net position can be found in the Plans' audited financial statements.

Members in the HRA Plan consisted of the following at June 30, 2018:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	9
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	614
Inactive Plan Members Not Entitled to Benefits	2,387
Active Plan Members	4,937

The components of the net OPEB liability (asset) of the participating employers for the OD&D Plan at June 30, 2018, were as follows (in thousands):

Total OPEB Liability	$ 291
Plan Fiduciary Net Position	(3,797)
Employers' Net OPEB Liability (Asset)	$ (3,506)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1,304.81%

Members in the OD&D Plan consisted of the following at June 30, 2018:

Active Plan Members	4,937
Participating Employers	57
Open Claims	7

The components of the net OPEB liability (asset) of the participating employers for the RMP at June 30, 2018, were as follows (in thousands):

Total OPEB Liability	$ 33,466
Plan Fiduciary Net Position	(36,665)
Employers' Net OPEB Liability (Asset)	$ (3,199)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	109.56%

Members in the RMP consisted of the following at June 30, 2018:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	13
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	610
Inactive Plan Members Not Entitled to Benefits	2,387
Active Plan Members	4,937

The total OPEB liability for each plan was determined by actuarial valuations as of June 30, 2017, using the following actuarial assumptions, applied to all periods in the measurement, and rolled forward to the measurement date of June 30, 2018:

Inflation	3.12%
Salary Increases	Graded by service, from 8.11% to 3.87%
Investment Rate of Return	8.00% net of postretirement healthcare plan investment expenses. This is based on an average inflation rate of 3.12% and a real return of 4.88%
Healthcare Cost Trend Rates (RMP)	Pre-65 medical: 8.0% grading down to 4.0% Post-65 medical: 5.5% grading down to 4.0% RX: 9.0% grading down to 4.0% RDS/EGWP: 6.5% grading down to 4.0%

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 and the Supplemental Benefits Cafeteria 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, 2018, there were 23 employers participating in SBS. There were 45,504 participants in the Plan.

The Division of Retirement and Benefits is responsible for administration and record keeping. Through September 30, 2005, the Alaska State Pension Investment Board (ASPIB) was responsible for the specific investment of monies in SBS. Effective October 1, 2005, ASPIB was disbanded and their duties were assumed by the Alaska Retirement Management Board.

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/drb/.

Mandatory contributions are made to the Supplemental Annuity Plan and voluntary contributions to the Supplemental Benefits Cafeteria 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, 2018, were $71,844 thousand and amounts contributed by employees were $71,844 thousand. The State's covered payroll was $1,172,008 thousand. For the year ended June 30, 2018 the State of Alaska recognized $71,844 thousand in pension expense for the SBS as an employer.

Supplemental Benefit Cafeteria Plan contributions are voluntary based upon the optional benefits elected by each employee enrolled in SBS. Each employee agrees to a wage reduction based upon the benefit options selected. The benefit amounts are deducted from each employee's wages and remitted by the employer to SBS on the employee's behalf. State employee voluntary contributions for the year ended June 30, 2018, were $3,509 thousand.

Employees are eligible to withdraw from the Supplemental Annuity Plan 60 days after termination. Benefits are payable in the form of a lump sum annuity or one of various continuing annuities purchased from an insurance carrier, which are excluded from Plan assets. The SBS administrator issues lump-sum payments through its contracted record keeper.

Benefits available under the Supplemental Benefits Cafeteria Plan include life, death, disability, survivor benefits, and critical illness insurance. Selection of these benefits is at the discretion of the employee, with certain restrictions, and may be amended and/or changed on an annual basis or in conjunction with an employee change in status.

Supplemental annuity contributions were deposited with investment managers under contract with SBS for the year ended June 30, 2018. Participant accounts under the Supplemental Annuity Plan are self-directed with respect to investment options. Each participant designates how contributions are allocated among the investment options. Each participant's account is credited with the contributions, the increase or decrease 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.

University contributions are remitted to the plan's authorized employee-selected annuity providers or investment managers. The contribution rates and amounts for fiscal year 2018 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	$34,529	$2,706	$112,701
University Contributions	$4,834	$325	$13,524

At June 30, 2018, plan assets (participants' accounts attributable to employer contributions) for ORP Tier 1, Tier 2, and Tier 3 had a net value to $276.2 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.

Effective January 1, 2018, employer contributions for regular employees were 7.65 percent of covered wages up to $42.0 thousand. For certain faculty classified as temporary, the employer contributions were 7.65 percent of covered wages up to $128.4 thousand in 2018. 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.

In fiscal year 2018, the University's total covered payroll for the Pension plan was $153.3 million. The University's gross costs to fund and administer the plan totaled $11.7 million for the year ended June 30, 2018. At June 30, 2018, plan assets (participants' accounts) had a net value of $436.3 million.

NOTE 9 – DEFERRED COMPENSATION PLAN

The State of Alaska Deferred Compensation Plan was created by Alaska statutes. It is a deferred compensation plan under Section 457 of the Internal Revenue Code. It is available to all permanent and long-term non-permanent employees, and elected officials of the State (and with the March 1, 2006 amendment, members of State of Alaska boards and commissions) who have completed a pay period of employment. Participants authorize the State to reduce their current salary 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. As of June 30, 2018 the Deferred Compensation Plan had 11,230 participants.

As a result of the passage of The Small Business Job Protection Act of 1996 (SBJPA), all amounts deferred, including amounts deferred before the effective date of the law, under an eligible 457 plan must be held in a trust for the exclusive benefit of employees and beneficiaries. This law repealed the requirement that a Section 457 plan sponsored by a government be solely the property of the employer, subject only to the claims of the employer's general creditors. The trust requirement generally applies to assets and income held by a plan on and after the date of enactment of the SBJPA. The Plan Document for the State of Alaska Deferred Compensation Plan was amended to recognize and establish the trust requirement for the Deferred Compensation Plan.

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.

Participant accounts are self-directed with respect to investment options. Each participant designates how his or her contribution is to be allocated among the investment options. Each participant's account is credited with the participant's contributions and the increase or decrease in unit value for the investment funds and deductions for administrative fees.

Deferred Compensation Plan net position as of June 30, 2018 was $945,399 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, 2018, and interfund transfers for the year then ended (in thousands):

INTERFUND RECEIVABLE / PAYABLE BALANCES

	Due from Other Funds								
Due to Other Funds	General Fund	Alaska Permanent Fund	Nonmajor Governmental Funds	International Airports	Nonmajor Enterprise Funds	Internal Service Funds	Fiduciary Funds	Other	Total
General Fund	$ —	$ 18,227	$ 4,845	$ 1,856	$ 1,372	$ 12,920	$ 36,457	$ 6,686	$ 82,363
Alaska Permanent Fund	43,395	—	—	—	—	—	—	—	43,395
Nonmajor Governmental Funds	8,468	—	—	—	—	—	—	—	8,468
International Airports	75	—	—	—	—	—	—	—	75
Nonmajor Enterprise Funds	1,463	—	—	—	—	—	—	—	1,463
Internal Service Funds	46	—	—	—	—	—	—	—	46
Fiduciary Funds	2,416	—	—	—	—	—	—	—	2,416
Other	2	—	—	—	—	—	—	—	2
Total	$ 55,865	$ 18,227	$ 4,845	$ 1,856	$ 1,372	$ 12,920	$ 36,457	$ 6,686	$ 138,228

The $43.4 million balance due from the Alaska Permanent Fund to the General Fund is to be transferred to the Alaska Capital Income Fund.

The $6.7 million reported in the Other column consists of transfers from the General Fund to the Alaska Permanent Fund that was not included in the Alaska Permanent Fund outside audit. The amount is immaterial to the Alaska Permanent Fund's audited financial statements thus the audit was not restated.

INTERFUND TRANSFERS

	Transfers to					
Transfers From	General Fund	Nonmajor Governmental Funds	Nonmajor Enterprise Funds	Internal Service Funds	Other	Total
General Fund	$ —	$ 89,816	$ —	$ 7,197	$ 1	$ 97,014
Alaska Permanent Fund	769,345	—	—	—	—	769,345
Nonmajor Governmental Funds	—	6,428	—	—	—	6,428
Nonmajor Enterprise Funds	—	—	410	—	—	410
Total	$ 769,345	$ 96,244	$ 410	$ 7,197	$ 1	$ 873,197

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 $688.4 million transfer for payment of the Permanent Fund dividends and for administrative and associated costs of the dividend program and a $43.4 million transfer to the Alaska Capital Income Fund.

NOTE 11 – RELATED PARTY ACTIVITY

Based on understandings and board approved agreements between the Alaska Industrial Development and Export Authority (AIDEA) and Alaska Energy Authority (AEA), AIDEA provides administrative, personnel, data processing, communications and other services to AEA. AIDEA recognized revenue totaling $5.05 million for providing these services during FY 18. On June 30, 2018 AIDEA had $4.28 million receivable from AEA for services and short-term borrowings. In addition, AIDEA received $200 thousand for administration of the Bradley Lake Hydroelectric Project and $22 thousand for administration of the Battle Creek Project.

On September 30, 2010, pursuant to legislation and an agreement, AIDEA purchased 37 loans from AEA with an outstanding balance of $24,254 thousand, plus accrued interest, for $20,631 thousand. Under the agreement, at AIDEA's request, AEA is required to repurchase any loan upon a payment default. The current loan outstanding balance at June 30, 2018 is $14,184 thousand.

AEA is party to an agreement with utilities (GVEA, MEA, CEA, and ML&P) using the Alaska Intertie for wheeling of electrical power. Pursuant to the Intertie agreement, the Intertie Management Committee (IMC) was established to manage the system. The IMC is comprised of a representative from AEA and each of the utilities. AEA is reimbursed for operation and maintenance costs on a monthly basis with an annual settlement to adjust the payment to actual costs. AEA received $99 thousand during fiscal year 2018 for administrative services.

On December 7, 1987, AEA entered into a Power Sales Agreement (PSA) with utilities (GVEA, MEA, CEA, ML&P, HEA, and City of Seward) purchasing electric power produced by the Bradley Lake Hydroelectric Project. In 1988, legislation was passed which made the PSA effective. Pursuant to the PSA, a Project Management Committee (PMC) was formed to manage the project. The PMC is comprised of a representative from AEA and each of the utilities. The participating utilities make monthly payments directly to the bond trustee based on their respective percentage share of the estimated annual project costs. AEA has an agreement with the PMC to provide administrative services to the Bradley Lake Project and received $222 thousand for these services.

Northern Tobacco Securitization Corporation (NTSC) entered into a memorandum of agreement with Alaska Housing Finance Corporation (AHFC) that retains AHFC as administrator with respect to the preparation of all reports and other instruments and documents that NTSC is required to prepare, execute, file or deliver pursuant to the bond indenture and the related agreements for a monthly fee. NTSC also entered into a sub-lease agreement with AHFC for office space, overhead and operating services from AHFC for a monthly fee. The cost to NTSC for these services provided by AHFC for the year ended June 30, 2018 was approximately $9 thousand.

Alaska Gasline Development Corporation (AGDC) utilizes certain AHFC administrative and support services and products such as payroll administration for half of the fiscal year, employee medical plans and their associated administrative services. There was no outstanding balance due to AHFC at June 30, 2018.

The Department of Transportation and Public Facilities (DOTPF) provides administrative and technical services benefiting all Alaska's airports and aircraft bases. Related costs are allocated based upon budgetary estimates of the pro rata portion which should be borne by various facilities as set forth in the annual appropriation and budget document of the State. Costs allocated to the International Airport Fund (IAF) as operating expenses totaled $3,557 thousand for the year ended June 30, 2018. Capital project management services are performed by DOTPF personnel and are capitalized to IAF capital assets. The indirect costs allocated to the IAF and capitalized to construction in progress totaled $3,326 thousand during the year ended June 30, 2018.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

A. SICK LEAVE

The cost of state employee sick leave is charged against agency appropriations when leave is used rather than when leave is earned. There is no recorded liability for sick leave in the financial records of the State. Accordingly, the statements in this report do not include an estimate of this obligation as either a liability or a reserve.

The estimated amount of unused accumulated sick leave as of June 30, 2018, is $12,823 thousand. This amount was calculated using the base pay on file for each employee as of June 30, 2018. It does not include an estimate of the cost of fringe benefits (supplemental benefits, retirement, group insurance, etc.) which can vary depending on the status of the employee when leave is taken.

B. 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. The higher percentages apply to earlier years.

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 18 expended for school debt was $110,589 thousand, which was 99 percent of the entitlement. The remaining FY 18 entitlement of $1,063 thousand; 1 percent, was paid out in FY 19. The total debt requirement, assuming the State makes full payment of its share of school debt service, would be approximately $912,289 thousand. The State has in the past and did appropriate less than the full amount which the municipalities are entitled under statute in FY 18.

C. 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 known 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 throughout 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 and custom bonding, accidental death and disability (including medical expenses) for volunteers, computer fraud and foreign liability, 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 18, the State completely self-insured all statutory workers' compensation claims, general (premises and operations) and professional liability, and automobile liability. The State had Self-Insured Retention (SIR) levels of $1 million per claim for property, $500 thousand for marine risks, and $250 thousand per incident for airport and aviation liability exposures. Limits of excess insurance vary by risk: $1 billion per occurrence for marine, $225 million for property, 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, in cases of multiple occupancy, allocated to each department on the basis of their square foot use.

The "Cost of Risk" premium is collected through two methods from individual state agency operating budgets. Reimbursable Services 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, 2017 and June 30, 2018 (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 17 and for FY 18. 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
2017	$ 133,572	$ 33,544	$ (31,922)	$ 135,194
2018	135,194	46,399	(27,610)	153,983

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 are handled with a combination of self-insurance, commercial insurance, and membership in a reciprocal risk retention group.

The University is self-insured up the maximum of $2.0 million per occurrence for casualty claims and $250 thousand for property claims. Commercial carriers provide coverage in excess of these amounts. Health care, workers' compensation and unemployment claims are fully self-insured. Liabilities have been established using actuarial analysis to cover estimates for specific reported losses, estimates for unreported losses based upon past experience modified for current trends, and estimates of expenses for investigation and settling claims.

Changes in applicable self-insured liability amounts follow (in thousands):

	Balance July 1, 2017	Provision for Claims	Claims Payments	Balance June 30, 2018
Health	$ 6,215	$ 52,809	$ (52,989)	$ 6,035
General Liability	2,408	1,927	(1,241)	3,094
Workers' Compensation	5,082	926	(1,303)	4,705
Unemployment	88	572	(505)	155
	$ 13,793	$ 56,234	$ (56,038)	$ 13,989

ALASKA RAILROAD CORPORATION

The Alaska Railroad Corporation (ARRC) is self-insured to certain limits for employee health benefits, personal injury, property and casualty damage claims, and workers' compensation claims, and establishes reserves for the estimated losses of such claims, including estimates of losses incurred but not reported, based on historical experience adjusted for current trends. The ARRC uses third-party administrators that process claims based on the provisions of the employee health plan, or for on-the-job injuries, in compliance with the State of Alaska Workers' Compensation Act. ARRC's commercial insurance policies with self-insured retention limits are summarized as follows at December 31, 2017 (in thousands):

Casualty/Liability	$ 300,000
Property Damage	100,000
Casualty/Liability Retention	5,000
Property Damage Retention	10,000

Self-insurance activity is summarized as follows during the year ended December 31, 2017 (in thousands):

	Balance at December 31, 2016	Incurred Claims	Claim Payments	Balance at December 31, 2017
Employee Health Benefits	$ 1,174	$ 11,155	$ (11,116)	$ 1,213
Workers' Compensation	1,732	1,401	(1,737)	1,396

D. 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 $9,038 thousand, with an additional possible liability of $7,210 thousand. 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 Department of Revenue, Oil and Gas Audit Group performs periodic audits of oil and gas companies. Audits often result in additional assessments. Oil and gas companies sometimes choose to pay the additional assessments “under protest” to avoid accruing interest. Because these payments are deposited in the Constitutional Budget Reserve Fund but are still under dispute, the oil and gas audit assessment revenues recognized in the Constitutional Budget Reserve Fund could be adversely affected by a potential refund resulting from a decision issued by the Department of Revenue’s Appeals Group, by the Department of Administration’s Office of Administrative Hearings, or by a Superior Court or Supreme Court ruling. The amount subject to potential refund could not be estimated.

E. 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.

F. 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.

G. FUTURE LOAN COMMITMENTS

As of June 30, 2018, 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, 2018, 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 $112,375 thousand and $42,056 thousand respectively.

As of June 30, 2018, the Department of Commerce, Community and Economic Development identified outstanding loan commitments. Agreements have been entered into, yet funds have not yet been disbursed. The open loan commitments include the Alaska Commercial Fishing Revolving Loan Fund for $1,265 thousand, the Alaska Fisheries Enhancement Revolving Loan Fund for $2,260 thousand, and the Mariculture Revolving Loan Fund for $27 thousand.

At June 30, 2018, the Alaska Energy Authority had open Power Project Fund loan commitments of $9,787 thousand.

At June 30, 2018, the Alaska Industrial Development and Export Authority (AIDEA) had extended loan participation purchase commitments to be funded by the Revolving Fund of $31.2 million and loan guarantees of $1.4 million. AIDEA extended commitments to fund a loan to the Interior Gas Utility not to exceed $125 million from the Sustainable Energy Transmission and Supply Development Fund for the Interior Energy Project. At June 30, 2018, AIDEA has funded approximately $77 million, resulting in a remaining commitment of approximately $48 million.

AIDEA has legislative authorization to guarantee loans made to the Alaska Insurance Guaranty Association (AIGA). The AIGA pays, from assessments to member insurers, the claims of insurance companies regulators put into liquidation. AIDEA can guarantee only loans AIGA needs to meet cash flow needs up to a maximum of $30 million in outstanding principal balance at any time. No guarantees have been made pursuant to this authorization.

H. POTENTIAL DEVELOPMENT PROJECTS

The Alaska Gasline Development Corporation (AGDC) entered into an agreement where $4,658 thousand would become due and payable when (a) the State awards permits, work product, and other results of the North Slope to Tidewater 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 North Slope to Tidewater pipeline 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 North Slope to Tidewater 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 North Slope to Tidewater development and construction expenses.

I. INVESTMENT COMMITMENTS

The Alaska Retirement Management Board (ARMB) has entered into agreements with external investment managers to provide funding for future pension fund investments. At June 30, 2018, ARMB's unfunded commitments were as follows (in thousands):

Investment Type		
Absolute Return	$	55,546
Energy		41,614
Infrastructure		52,789
Private Equity		1,592,732
Real Estate		184,520
	$	1,927,201

J. 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, functions, 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. The standard 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. This has occurred within one fund.

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, 2017, the General Fund had pollution remediation obligations of $119,776 thousand. As of June 30, 2018, the State had an increase to the obligation of $15,744 thousand and recognized a decrease of $9,925 thousand, for an ending balance of $125,595 thousand in pollution remediation obligation related activities. The State has an estimated potential recovery of $23,252 thousand from other responsible parties.

At July 1, 2017, the International Airports Fund (IAF) reported pollution remediation liabilities of $3,970 thousand for which IAF is in whole or in part a responsible party. As of June 30, 2018, the IAF reported an increase of $1,620 thousand and a decrease of $220 thousand for an ending balance of $5,370 thousand. The estimated liabilities were measured using the estimated mean of the future cash flows of costs and recovery associated with those sites, measured at current value. This accrual includes the estimated obligation for eleven sites for which obligating events have been determined to have occurred and the IAF is in whole or part a responsible party.

At December 31, 2016, the Alaska Railroad Corporation had pollution remediation obligations of $2,466 thousand. As of December 31, 2017, the Alaska Railroad Corporation had no additional obligations and reductions in obligations of $11 thousand, for an ending liability of $2,455 thousand. The Alaska Railroad Corporation estimated the liability for pollution remediation by estimating a reasonable range of potential outlays and multiplying those outlays by the probability of occurrence, reduced by the allocation of liability to other potentially responsible parties where applicable. The liabilities associated with these sites could change over time due to changes in costs of goods and services, changes in remediation technology, or changes in laws and regulations governing the remediation efforts.

K. 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, 2018:

	Amount (in thousands)
General Fund	$ 510,690
Special Revenue Funds	7,963
Capital Project Funds	34,288
Permanent Funds	101
Total Encumbrances	$ 553,042

A review of the appropriations with encumbrance balances over $5 million were identified and analyzed below:

The Department of Education and Early Development, Department of Environmental Conservation, and Department of Transportation and Public Facilities had several construction/maintenance projects underway which totals $151.0 million of which $139.6 million is in the General Fund, $5.9 million are Capital Project Funds, and $5.5 million is in the Statutory Budget Reserve Fund. These projects are funded by a mixture of general funds and bond proceeds.

The Department of Commerce, Community and Economic Development administers grants to municipalities and named recipients which total $78.0 million of which $59.6 million is in the General Fund and $18.4 million is in the Capital Project Fund. These projects are funded by the general fund and bond proceeds.

The Department of Transportation and Public Facilities has a project for the Alaska Marine Highway System Alaska Class Ferry purchase for a total of $18.9 million, which is in the General Fund. This is funded by general fund resources.

Construction commitments for the University of Alaska at June 30, 2018 aggregated $38.2 million. At June 30, 2018, the University had received $30.8 million from the State of Alaska capital appropriations and other sources in advance of expenditures. The advances are included in unearned revenue and deposits.

L. MEDICAID

The Alaska Health Enterprise (AHE) system processes 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.

M. OIL AND GAS TAX CREDITS

Producers or explorers of oil and gas can apply for a tax credit for certain qualifying losses and expenditures under AS 43.55.023 and AS 43.55.025. As of June 30, 2018, the Department of Revenue has received tax credit applications totaling $64.9 million, which have not been accrued as a liability in the general fund financial statements. Due to the complexity of the approval process, the amount of the tax credit that will ultimately be issued or denied cannot be estimated.

NOTE 13 – SUBSEQUENT EVENTS

A. ALASKA MUNICIPAL BOND BANK AUTHORITY

Subsequent to June 30, 2018, the Alaska Municipal Bond Bank Authority (AMBBA) issued the 2018 Series One general obligation bonds in the principal amount of $12.1 million. The 2018 Series One bonds priced on November 8, 2018, and closed on November 27, 2018. The true interest cost for the total issuance was 4.2 percent, subject to the alternative minimum tax, with last maturity on February 1, 2038. The 2018 Series One proceeds were used to make two new loans to the City and Borough of Sitka, and to pay a portion of the costs of issuing the 2018 Series One Bonds.

On February 4, 2019, AMBBA instructed The Bank of New York Mellon Trust Company, N.A. to optionally redeem $4.4 million of AMBBA reserve obligation bonds, including all accrued interest through the call date of March 8, 2019. The $4.4 million consists of $2.2 million in principle and accrued interest of the 2008 Series One AMBBA Reserve Obligation; $0.8 million in principle and accrued interest of the 2008 Series Two AMBBA Reserve Obligation; $0.4 million in principal and accrued interest of the 2009 Series One AMBBA Reserve Obligation; and $1.0 million in principle and accrued interest of the 2009 Series Two AMBBA Reserve Obligation.

B. ALASKA CLEAN WATER FUND

Pursuant to legislative authorization obtained during the 2018 session of the Alaska Legislature, Series A Revenue Bond Anticipation Notes for FY 19 in the amount of $1,924 thousand were issued on November 27, 2018. 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 2018 session of the Alaska Legislature, Series B Revenue Bond Anticipation Notes for FY 19 in the amount of $2,226 thousand were issued on November 27, 2018. The borrowing is secured by interest earnings of the Alaska Drinking Water Fund.

D. ALASKA HOUSING FINANCE CORPORATION

On August 28, 2018, the Alaska Housing Finance Corporation (AHFC) delivered its $167,780 thousand General Mortgage Revenue Bonds II, 2018 Series A and B. The Series A Bonds are $109,260 thousand tax-exempt general obligations of the AHFC with a final maturity of December 1, 2048. The Series B Bonds are $58,520 thousand tax-exempt general obligations of the AHFC with a final maturity of December 1, 2035. Interest on the Series A and B Bonds is payable each June 1 and December 1 at fixed rates ranging from 1.55 percent to 5.00 percent. Proceeds of the Series A and B Bonds will be used to finance mortgage loans, to refund certain outstanding obligations of the AHFC, to finance additional authorized activities of the AHFC, and to pay certain costs of issuance of the Bonds.

In August of 2018. the AHFC closed a $5,000 thousand conduit bond issuance for Marina and Karina Park Project, a 21-unit multi-family rental facility in Anchorage, Alaska. The conduit bonds will not constitute an indebtedness of the AHFC or the State of Alaska, but will instead by payable solely by the borrower.

On November 2, 2018, AHFC entered into a forward delivery interest rate swap agreement with a June 1, 2019 effective date and a December 1, 2029 maturity date. The $140 million notional amount swap agreement will be an effective hedging instrument relating to AHFC's $140 million State Capital Project Bonds II, 2014 Series C, variable rate bonds. AHFC will pay a 3.222 percent fixed rate in exchange for receiving a 1-month LIBOR variable rate. As of November 2, 2018, the swap counterparty was rated AA-/Aa2 by S&P Global Ratings and Moody's Investors Service. Consistent with AHFC's existing interest rate swaps, the new agreement requires that if the rating 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.

E. ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY

In September 2018, AIDEA and Caracol Petroleum LLC (Caracol) executed a Purchase and Sale Agreement. Caracol is a wholly owned subsidiary of Alpha Energy Holding Limited (Alpha), a Singapore company, publicly traded on the Signapore stock exchange.

Under the terms of the agreements, AIDEA will sell its membership interests in Mustang Road LLC and Mustang Operations Center 1 LLC (MOC1) to Caracol for $64 million as part of a larger restructure of Mustang field ownership. AIDEA will finance the sales price with a loan to Caracol. Closing is subject to conditions precedent including but not limited to the extension of a line of credit MOC1 has with the Alaska Department of Revenue and approvals by various parties involved. Provided all conditions precedent are satisfied, AIDEA anticipates closing to occur by the end of 2018.

Concurrent with the execution of the Purchase and Sale Agreement, AIDEA executed an Option Agreement with a five-year exercise period, providing AIDEA with the opportunity to purchase stock in Alpha. AIDEA cannot exercise the option to purchase Alpha stock until after the closing on the Purchase and Sale Agreement occurs and other conditions are satisfied.

F. STATE OF ALASKA

On November 30, 2018, the State of Alaska experienced a magnitude 7.0 earthquake located 10 miles north of Anchorage, AK. It was followed by a 5.7 magnitude aftershock centered 2.5 miles north-northwest of Anchorage. The earthquake caused severe damage to roads and bridges, buildings, water and wastewater pipes, and electrical systems. The total costs of the earthquake response cannot be accurately calculated at this time.

NOTE 14 - PRIOR PERIOD ADJUSTMENTS AND RESTATED BEGINNING NET POSITION

PRIOR PERIOD ADJUSTMENT

Imbalance between Government-wide Statements

An error occurred in FY 17 causing Government-Wide statement 1.02 Governmental Activities, Net Position - End of Year to not equal Government-Wide statement 1.01 Governmental Activities, Total Net Position for a difference of $16,504 thousand.

RESTATED BEGINNING NET POSITION

Governmental Accounting Standards Board Statement No. 75

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statements addresses accounting and financial reporting for Postemployment Benefits Other Than Pensions (OPEB) that is provided to the employees of state and local governmental employers and establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and OPEB expense.

The State of Alaska and its component units adopted the provisions of Statement 75 during FY 18; with the exception of the Alaska Railroad Corporation, who implemented during FY 016. The implementation of GASB 75 resulted in the reporting of an OPEB liability and deferred outflow of resources for contributions subsequent to the measurement date as of July 1, 2016. The effects of adopting Statement 75 are reported as a restated beginning net position as of July 1, 2017 due to a change in accounting principle. The following funds and component units had an effect on the beginning net position due to this change as follows (in thousands):

	Net Position Beginning Balance	GASB 75 Adjustment	Net Position Restated
Government-Wide			
Governmental Activities	$ 69,419,333	$ (743,836)	$ 68,675,497
Governmental Funds		(736,090)	
Internal Service Funds			
Alaska Public Building Fund	149,469	(245)	149,224
Information Services Fund	55,815	(3,279)	52,536
Highway Equipment Working Capital Fund	201,774	(4,221)	197,553
Business Type Activities	2,594,192	(13,667)	2,580,525
International Airports Fund	895,768	(13,034)	882,734
Agriculture Revolving Loan Fund	20,243	(28)	20,215
Commercial Fishing Revolving Loan Fund	114,004	(505)	113,499
Fisheries Enhancement Loan Fund	101,534	(72)	101,462
Alaska Capstone Avionics Revolving Loan Fund	5,182	(16)	5,166
Commercial Charter Fisheries Revolving Loan Fund	5,064	(2)	5,062
Mariculture Revolving Loan Fund	5,082	(2)	5,080
Alaska Microloan Revolving Loan Fund	2,570	(1)	2,569
Bulk Fuel Loan Fund	24,516	(7)	24,509
Component Units	7,500,648	(60,734)	7,439,914
Alaska Aerospace Development Corporation	87,713	(771)	86,942
Alaska Gasline Development Corporation	82,516	(1,309)	81,207
Alaska Housing Finance Corporation	1,513,628	(8,393)	1,505,235
Alaska Industrial Development and Export Authority	1,317,607	(2,369)	1,315,238
Alaska Mental Health Trust Authority	639,775	(1,299)	638,476
Alaska Seafood Marketing Institute	16,069	(292)	15,777
University of Alaska	1,788,034	(46,301)	1,741,733

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Required Supplementary Information

STATE OF ALASKA **STATEMENT 2.01**
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2018
(Stated in Thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Unrestricted:				
Taxes	$ 1,108,903	$ 1,108,803	$ 1,155,101	$ (46,298)
Licenses and Permits	109,762	108,726	127,311	(18,585)
Charges for Services	257,622	252,441	173,193	79,248
Fines and Forfeitures	17,053	17,053	18,934	(1,881)
Rents and Royalties	736,769	734,759	1,040,369	(305,610)
Premiums and Contributions	1,902	1,554	(901)	2,455
Interest and Investment Income	90,762	88,240	145,736	(57,496)
Payments In from Component Units	140,563	139,926	60	139,866
Other Revenues	74,422	68,569	77,609	(9,040)
Restricted:				
Federal Grants in Aid	9,330,814	9,475,783	2,997,727	6,478,056
Interagency	607,659	705,888	505,508	200,380
Payments In from Component Units	24,072	25,672	12,704	12,968
Other Revenues	2	815	11,177	(10,362)
Total Revenues	12,500,305	12,728,229	6,264,528	6,463,701
EXPENDITURES				
Current:				
General Government	522,021	480,200	509,970	(29,770)
Alaska Permanent Fund Dividend	843,890	848,890	698,016	150,874
Education	2,150,586	2,156,912	1,986,339	170,573
University	592,679	606,767	380,284	226,483
Health and Human Services	2,946,229	4,120,243	3,103,462	1,016,781
Law and Justice	302,909	333,783	273,968	59,815
Public Protection	1,178,071	1,160,907	851,220	309,687
Natural Resources	569,519	578,037	338,005	240,032
Development	654,736	635,861	291,778	344,083
Transportation	7,684,068	6,960,504	1,666,694	5,293,810
Intergovernmental Revenue Sharing	105,735	113,735	111,486	2,249
Debt Service:				
Principal	22,773	22,772	22,723	49
Interest and Other Charges	14,415	14,415	14,415	—
Total Expenditures	17,587,631	18,033,026	10,248,360	7,784,666
Excess (Deficiency) of Revenues Over Expenditures	(5,087,326)	(5,304,797)	(3,983,832)	(1,320,965)
OTHER FINANCING SOURCES (USES)				
Transfers In from Other Funds	3,132,824	3,132,764	4,302,973	(1,170,209)
Transfers (Out to) Other Funds	(1,245,028)	(1,245,028)	(3,628,794)	2,383,766
Total Other Financing Sources and Uses	1,887,796	1,887,736	674,179	1,213,557
Excess (Deficiency) of Revenues, Expenditures, Other Financing Sources, Special and Extraordinary Items, Budgetary Basis	$ (3,199,530)	$ (3,417,061)	(3,309,653)	$ (107,408)
RECONCILIATION OF BUDGETARY / GAAP REPORTING:				
Adjust Expenditures for Encumbrances			872,148	
Basis Difference			129,150	
Excess (Deficiency) of Revenues, Expenditures, Other Financing Sources, Special and Extraordinary Items, GAAP Basis			(2,308,355)	
Fund Balances - Beginning of Year			6,290,610	
Fund Balances - End of Year			$ 3,982,255	

Note to Required Supplementary Information - Budgetary Reporting
For the Fiscal Year Ended June 30, 2018

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/cafr.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	$	213,430
Medical Assistance Program		(85,265)
Tobacco Tax		(1,095)
Alcohol Tax		(116)
Tire Tax		(23)
Vehicle Rental Tax		150
Commercial Passenger Vessel Excise Tax		791
Marijuana Tax		1,278
Total General Fund Basis Difference	$	129,150

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)

	2018	2017	2016	2015	2014
Primary government's proportion of the net pension liability	50.62%	51.87%	50.75%	52.23%	51.60%
Component unit's proportion of the net pension liability	4.74%	5.79%	5.52%	4.44%	4.43%
Nonemployer contributing state's proportion of the net pension liability	13.40%	5.38%	10.40%	21.86%	22.87%
Primary government's proportionate share of the net pension liability	$2,616,648	$2,899,139	$2,461,215	$2,436,220	$2,709,520
Component unit's proportionate share of the net pension liability	$ 244,871	$ 323,541	$ 267,632	$ 207,090	$ 232,515
Nonemployer contributing state's share of the net pension liability	$ 692,476	$ 300,921	$ 504,300	$1,019,583	$1,201,055
Primary government's covered payroll (restated)	$1,092,504	$1,090,607	$1,148,502	$1,136,811	$1,094,801
Component unit's covered payroll (restated)	$ 128,050	$ 140,886	$ 150,562	$ 143,205	$ 145,495
Primary government's proportionate share of the net pension liability as a percentage of its covered payroll (restated)	239.51%	265.83%	214.30%	214.30%	247.49%
Component unit's proportionate share of the net pension liability as a percentage of its covered payroll (restated)	191.23%	229.65%	177.76%	144.61%	159.81%
Plan fiduciary net position as a percentage of the total pension liability	63.37%	59.55%	63.96%	62.37%	56.04%

This schedule is intended to present information for ten years. Additional years will be displayed as they become available.

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STATE OF ALASKA **STATEMENT 2.11**

Employer Contributions Schedule

Public Employees' Retirement System - Pension

Last Ten Fiscal Years

(Stated in Thousands)

	2018	2017	2016	2015	2014
Primary Government					
Statutorily required contribution	$ 181,720	$ 170,247	$ 164,533	$ 285,769	$ 200,076
Contributions in relation to the statutorily required contribution	183,334	179,742	164,533	636,865	200,076
Contribution deficiency (excess)	$ (1,614)	$ (9,495)	$ —	$ (351,096)	$ —
Covered payroll (restated)	$1,093,885	$ 1,092,504	$ 1,090,607	$ 1,148,502	$ 1,136,811
Contributions as a percentage of covered payroll (restated)	16.76%	16.45%	15.09%	55.45%	17.60%
Component Units					
Statutorily required contribution	$ 20,590	$ 19,693	$ 17,969	$ 18,561	$ 17,313
Contributions in relation to the statutorily required contribution	20,590	19,693	17,969	18,561	17,313
Contribution deficiency (excess)	$ —	$ —	$ —	$ —	$ —
Covered payroll (restated)	$ 119,018	$ 128,050	$ 140,886	$ 150,562	$ 143,205
Contributions as a percentage of covered payroll (restated)	17.30%	15.38%	12.75%	12.33%	12.09%
Primary Government Nonemployer Contribution					
Statutorily required contribution	$ 36,399	$ 40,360	$ 43,535	$ 153,622	$ 82,554
Contributions in relation to the statutorily required contribution	36,770	50,027	43,535	479,750	82,554
Contribution deficiency (excess)	$ (371)	$ (9,667)	$ —	$ (326,128)	$ —

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.

There are no changes in benefit terms between the valuation data presented above.

There are no changes in assumptions used between the valuation data presented above.

In FY 15 the legislature appropriated $1.0 billion to the Public Employee's Retirement System's retirement funds from the Constitutional Budget Reserve Fund to help with the net pension liability.

STATE OF ALASKA **STATEMENT 2.11**

Employer Contributions Schedule

Public Employees' Retirement System - Pension

Last Ten Fiscal Years

(Stated in Thousands)

	2013
Primary Government	
Statutorily required contribution	$ 177,375
Contributions in relation to the statutorily required contribution	177,375
Contribution deficiency (excess)	$ —
Covered payroll (restated)	$1,094,801
Contributions as a percentage of covered payroll (restated)	16.20%
Component Units	
Statutorily required contribution	$ 15,819
Contributions in relation to the statutorily required contribution	15,819
Contribution deficiency (excess)	$ —
Covered payroll (restated)	$ 145,495
Contributions as a percentage of covered payroll (restated)	10.87%
Primary Government Nonemployer Contribution	
Statutorily required contribution	$ 77,689
Contributions in relation to the statutorily required contribution	77,689
Contribution deficiency (excess)	$ —

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)

	2018
Primary government's proportion of the net pension liability	50.64%
Component unit's proportion of the net pension liability	4.74%
Nonemployer contributing state's proportion of the net pension liability	13.41%
Primary government's proportionate share of the net pension liability	$ 427,754
Component unit's proportionate share of the net pension liability	$ 39,552
Nonemployer contributing state's share of the net pension liability	$ 113,255
Primary government's covered payroll	$ 1,092,504
Component unit's covered payroll	$ 128,050
Primary government's proportionate share of the net pension liability as a percentage of its covered payroll	39.15%
Component unit's proportionate share of the net pension liability as a percentage of its covered payroll	30.89%
Plan fiduciary net position as a percentage of the total pension liability	89.7%

This schedule is intended to present information for ten years. Additional years will be displayed as they become available.

STATE OF ALASKA **STATEMENT 2.13**

Employer Contributions Schedule

Public Employees' Retirement System - Alaska Retiree Healthcare Trust Plan

Last Ten Fiscal Years

(Stated in Thousands)

	2018
Primary Government	
Statutorily required contribution	$ 44,192
Contributions in relation to the statutorily required contribution	41,929
Contribution deficiency (excess)	$ 2,263
Covered payroll	$1,093,885
Contributions as a percentage of covered payroll	3.83%
Component Units	
Statutorily required contribution	$ 6,060
Contributions in relation to the statutorily required contribution	6,060
Contribution deficiency (excess)	$ —
Covered payroll	$ 119,018
Contributions as a percentage of covered payroll	5.09%
Primary Government Nonemployer Contribution	
Statutorily required contribution	$ 2,316
Contributions in relation to the statutorily required contribution	—
Contribution deficiency (excess)	$ 2,316

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.

There are no changes in benefit terms between the valuation data presented above.

There are no changes in assumptions used between the valuation data presented above.

STATE OF ALASKA **STATEMENT 2.14**

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)

		2018
Primary government's proportion of the collective net OPEB liability		49.14%
Component unit's proportion of the collective net OPEB liability		4.03%
Primary government's proportionate share of the collective net OPEB liability (asset)	$	(6,972)
Component unit's proportionate share of the collective net OPEB liability (asset)	$	(103)
Primary government's covered payroll	$	508,805
Component unit's covered payroll	$	65,874
Primary government's proportionate share of the collective net OPEB liability as a percentage of its covered payroll		1.37%
Component unit's proportionate share of the collective net OPEB liability as a percentage of its covered payroll		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.

STATE OF ALASKA **SCHEDULE 2.15**

Employer Contributions Schedule

Public Employees' Retirement System - Occupational Death & Disability Plan

Last Ten Fiscal Years

(Stated in Thousands)

	2018
Primary Government	
Statutorily required contribution	$ 1,088
Contributions in relation to the statutorily required contribution	1,088
Contribution deficiency (excess)	$ —
Covered payroll	$ 547,669
Contributions as a percentage of covered payroll	0.20%
Component Units	
Statutorily required contribution	$ 85
Contributions in relation to the statutorily required contribution	85
Contribution deficiency (excess)	$ —
Covered payroll	$ 65,276
Contributions as a percentage of covered payroll	0.13%

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.

There are no changes in benefit terms between the valuation data presented above.

There are no changes in assumptions used between the valuation data presented above.

STATE OF ALASKA **SCHEDULE 2.16**

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)

		2018
Primary government's proportion of the collective net OPEB liability		49.14%
Component unit's proportion of the collective net OPEB liability		4.03%
Primary government's proportionate share of the collective net OPEB liability	$	2,563
Component unit's proportionate share of the collective net OPEB liability	$	210
Primary government's covered payroll	$	508,805
Component unit's covered payroll	$	65,874
Primary government's proportionate share of the collective net OPEB liability as a percentage of its covered payroll		0.50%
Component unit's proportionate share of the collective net OPEB liability as a percentage of its covered payroll		0.32%
Plan fiduciary net position as a percentage of the total OPEB liability		94.0%

This schedule is intended to present information for ten years. Additional years will be displayed as they become available.

STATE OF ALASKA **STATEMENT 2.17**

Employer Contributions Schedule

Public Employees' Retirement System - Retiree Medical Plan

Last Ten Fiscal Years

(Stated in Thousands)

	2018
Primary Government	
Statutorily required contribution	$ 5,641
Contributions in relation to the statutorily required contribution	5,641
Contribution deficiency (excess)	$ —
Covered payroll	$ 547,669
Contributions as a percentage of covered payroll	1.03%
Component Units	
Statutorily required contribution	$ 532
Contributions in relation to the statutorily required contribution	532
Contribution deficiency (excess)	$ —
Covered payroll	$ 65,276
Contributions as a percentage of covered payroll	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.

There are no changes in benefit terms between the valuation data presented above.

There are no changes in assumptions used between the valuation data presented above.

STATE OF ALASKA **STATEMENT 2.20**

Proportionate Share of the Net Pension Liability Schedule

Teachers' Retirement System - Pension

Last Ten Fiscal Years

As of Measurement Date

(Stated in Thousands)

	2018	2017	2016	2015	2014
Primary government's proportion of the net pension liability	0.67%	0.75%	0.78%	0.79%	0.78%
Component unit's proportion of the net pension liability	1.61%	2.14%	2.03%	0.97%	1.02%
Nonemployer contributing state's proportion of the net pension liability	63.14%	53.90%	61.03%	84.10%	83.41%
Primary government's proportionate share of the net pension liability	$ 13,601	$ 17,047	$ 14,501	$ 23,739	$ 25,930
Component unit's proportionate share of the net pension liability	$ 32,661	$ 48,846	$ 37,680	$ 29,024	$ 33,771
Nonemployer contributing state's share of the net pension liability	$ 1,279,682	$ 1,230,776	$ 1,135,514	$ 2,522,174	$ 2,761,123
Primary government's covered payroll (restated)	$ 4,853	$ 5,388	$ 5,620	$ 5,920	$ 5,834
Component unit's covered payroll	$ 22,128	$ 25,212	$ 31,575	$ 34,497	$ 36,150
Primary government's proportionate share of the net pension liability as a percentage of its covered payroll (restated)	280.26%	316.39%	258.02%	401.00%	444.46%
Component unit's proportionate share of the net pension liability as a percentage of its covered payroll	147.60%	193.74%	119.33%	84.13%	93.42%
Plan fiduciary net position as a percentage of the total pension liability	72.4%	68.4%	73.82%	55.7%	49.76%

This schedule is intended to present information for ten years. Additional years will be displayed as they become available.

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STATE OF ALASKA **STATEMENT 2.21**

Employer Contributions Schedule

Teachers' Retirement System - Pension

Last Ten Fiscal Years

(Stated in Thousands)

	2018	2017	2016	2015	2014
Primary Government					
Statutorily required contribution	$ 989	$ 872	$ 925	$ 2,644	$ 1,951
Contributions in relation to the statutorily required contribution	1,004	1,003	925	12,500	1,951
Contribution deficiency (excess)	$ (15)	$ (131)	$ —	$ (9,856)	$ —
Covered payroll (restated)	$ 4,768	$ 4,853	$ 5,388	$ 5,620	$ 5,920
Contributions as a percentage of covered payroll (restated)	21.06%	20.67%	17.17%	222.42%	32.96%
Component Units					
Statutorily required contribution	$ 1,859	$ 2,003	$ 1,973	$ 2,314	$ 2,385
Contributions in relation to the statutorily required contribution	1,859	2,003	1,973	2,314	2,385
Contribution deficiency (excess)	$ —	$ —	$ —	$ —	$ —
Covered payroll	$ 22,128	$ 25,212	$ 27,848	$ 31,575	$ 34,497
Contributions as a percentage of covered payroll	8.40%	7.94%	7.08%	7.33%	6.91%
Primary Government Nonemployer Contribution					
Statutorily required contribution	$ 105,888	$ 94,775	$ 89,957	$ 315,279	$ 207,271
Contributions in relation to the statutorily required contribution	111,042	115,980	89,957	1,650,517	207,271
Contribution deficiency (excess)	$ (5,154)	$ (21,205)	$ —	$ (1,335,238)	$ —

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.

There are no changes in benefit terms between the valuation data presented above.

There are no changes in assumptions used between the valuation data presented above.

In FY 15 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 2.21**

Employer Contributions Schedule

Teachers' Retirement System - Pension

Last Ten Fiscal Years

(Stated in Thousands)

	2013
Primary Government	
Statutorily required contribution	$ 1,836
Contributions in relation to the statutorily required contribution	1,836
Contribution deficiency (excess)	$ —
Covered payroll (restated)	$ 5,834
Contributions as a percentage of covered payroll (restated)	31.47%
Component Units	
Statutorily required contribution	$ 2,390
Contributions in relation to the statutorily required contribution	2,390
Contribution deficiency (excess)	$ —
Covered payroll	$ 36,150
Contributions as a percentage of covered payroll	6.61%
Primary Government Nonemployer Contribution	
Statutorily required contribution	$ 195,435
Contributions in relation to the statutorily required contribution	195,435
Contribution deficiency (excess)	$ —

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)

	2018
Primary government's proportion of the collective net OPEB liability	0.67%
Component unit's proportion of the collective net OPEB	1.61%
Nonemployer contributing state's proportion of the collective net OPEB liability	63.26%
Primary government's proportionate share of the collective net OPEB liability	$ 1,234
Component unit's proportionate share of the collective net OPEB liability	$ 2,955
Nonemployer contributing state's share of the collective net OPEB liability	$ 116,351
Primary government's covered payroll	$ 4,853
Component unit's covered payroll	$ 22,128
Primary government's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	25.43%
Component unit's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	13.35%
Plan fiduciary net position as a percentage of the total OPEB liability	93.8%

This schedule is intended to present information for ten years. Additional years will be displayed as they become available.

STATE OF ALASKA **STATEMENT 2.23**

Employer Contributions Schedule

Teachers' Retirement System - Alaska Retiree Healthcare Trust Plan

Last Ten Fiscal Years

(Stated in Thousands)

		2018
Primary Government		
Statutorily required contribution	$	186
Contributions in relation to the statutorily required contribution		153
Contribution deficiency (excess)	$	33
Covered payroll	$	4,768
Contributions as a percentage of covered payroll		3.21%
Component Units		
Statutorily required contribution	$	921
Contributions in relation to the statutorily required contribution		921
Contribution deficiency (excess)	$	—
Covered payroll	$	22,128
Contributions as a percentage of covered payroll		4.16%
Primary Government Nonemployer Contribution		
Statutorily required contribution	$	5,154
Contributions in relation to the statutorily required contribution		—
Contribution deficiency (excess)	$	5,154

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.

There are no changes in benefit terms between the valuation data presented above.

There are no changes in assumptions used between the valuation data presented above.

STATE OF ALASKA **STATEMENT 2.24**

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)

	2018
Primary government's proportion of the collective net OPEB liability	0.36%
Component unit's proportion of the collective net	2.30%
Primary government's proportionate share of the collective net OPEB liability (asset)	$ (12)
Component unit's proportionate share of the collective net OPEB liability (asset)	$ (75)
Primary government's covered payroll	$ 1,246
Component unit's covered payroll	$ 8,200
Primary government's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	0.96%
Component unit's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	0.91%
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

Teachers' Retirement System - Occupational Death & Disability Plan

Last Ten Fiscal Years

(Stated in Thousands)

	2018
Primary Government	
Statutorily required contribution	$ —
Contributions in relation to the statutorily required contribution	—
Contribution deficiency (excess)	$ —
Covered payroll	$ 1,328
Contributions as a percentage of covered payroll	—%
Component Units	
Statutorily required contribution	$ —
Contributions in relation to the statutorily required contribution	—
Contribution deficiency (excess)	$ —
Covered payroll	$ 8,200
Contributions as a percentage of covered payroll	—%

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.

There are no changes in benefit terms between the valuation data presented above.

There are no changes in assumptions used between the valuation data presented above.

STATE OF ALASKA

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)

	2018
Primary government's proportion of the collective net OPEB liability	0.36%
Component unit's proportion of the collective net	2.30%
Primary government's proportionate share of the collective net OPEB liability (asset)	$ (17)
Component unit's proportionate share of the collective net OPEB liability (asset)	$ (109)
Primary government's covered payroll	$ 1,246
Component unit's covered payroll	$ 8,200
Primary government's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	1.36%
Component unit's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	1.33%
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.

STATE OF ALASKA **STATEMENT 2.27**

Employer Contributions Schedule

Teachers' Retirement System - Retiree Medical Plan

Last Ten Fiscal Years

(Stated in Thousands)

	2018
Primary Government	
Statutorily required contribution	$ 13
Contributions in relation to the statutorily required contribution	13
Contribution deficiency (excess)	$ —
Covered payroll	$ 1,328
Contributions as a percentage of covered payroll	0.98%
Component Units	
Statutorily required contribution	$ 75
Contributions in relation to the statutorily required contribution	75
Contribution deficiency (excess)	$ —
Covered payroll	$ 8,200
Contributions as a percentage of covered payroll	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.

There are no changes in benefit terms between the valuation data presented above.

There are no changes in assumptions used between the valuation data presented above.

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)

	2018	2017	2016	2015
Total pension liability				
Service cost	$ 6,227	$ 6,025	$ 5,814	$ 5,186
Interest	16,449	16,417	15,564	15,320
Differences between expected and actual experience	—	(10,791)	—	(3,741)
Changes of assumptions	—	—	—	1,407
Benefit payments, including refunds of employee contributions	(11,589)	(11,228)	(10,684)	(10,578)
Net change in total pension liability	11,087	423	10,694	7,594
Total pension liability - beginning	205,548	205,125	194,431	186,837
Total pension liability - ending (a)	216,635	205,548	205,125	194,431
Plan fiduciary net position				
Contributions - employer	11,086	11,710	10,222	8,862
Contributions - employee	886	802	811	780
Net investment income	18,910	(567)	4,349	21,845
Other income	—	2	—	—
Benefit payments, including refunds of employee contributions	(11,589)	(11,228)	(10,684)	(10,578)
Administrative expenses	(79)	(60)	(86)	(66)
Net change in plan fiduciary net position	19,214	659	4,612	20,843
Plan fiduciary net position - beginning	144,819	144,160	139,548	118,705
Plan fiduciary net position - ending (b)	164,033	144,819	144,160	139,548
State's net pension liability - ending (a) - (b)	$ 52,602	$ 60,729	$ 60,965	$ 54,883
Plan fiduciary net position as a percentage of the total pension liability	75.72%	70.46%	70.28%	71.77%
Covered payroll	$ 14,089	$ 13,597	$ 13,507	$ 13,731
State's net pension liability as a percentage of covered payroll	373.36%	446.64%	451.36%	399.70%

This schedule is intended to present information for ten years. Additional years will be displayed as they become available.

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STATE OF ALASKA **STATEMENT 2.31**

Employer Contributions Schedule

Judicial Retirement System - Pension

Last Ten Fiscal Years

(Stated in Thousands)

	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 10,632	$ 10,471	$ 11,183	$10,329	$ 9,156
Contributions in relation to the actuarially determined contribution	10,286	11,086	11,710	10,222	8,862
Contribution deficiency (excess)	$ 346	$ (615)	$ (527)	$ 107	$ 294
Covered payroll	$ 14,599	$ 14,089	$ 13,996	$13,507	$ 13,731
Contributions as a percentage of covered payroll	70.46%	78.69%	83.67%	75.68%	64.54%

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.

From the June 30, 2013 to the June 30, 2014 actuarial valuation Pre-termination mortality has changed from 45% of the male rates and 55% of the females rates of the 1994 GAM Table, 1994 Base Year without margin projected to 2013 with Projection Scale AA to 68% of the male rates and 60% of the female rates of the post-termination mortality rates. Post-termination mortality has changed from 1994 GAM Table, 1994 Base Year without margin projected to 2013 with Projection Scale AA, with a 3-year setback for males and with a 1-year setback for females to 94% of the male rates and 97% of the female rates of RP-2000 Combined Mortality, 2000 Base Year projected to 2018 with Projection Scale BB, with a 3-year setback for males and 4-year setback for females. Salary Scale has changed from 4.12% per year, compounded annually to 3.62% per year, compounded annually. Retirement has changed from 3% if vested and age is less than 59 and 10% if vested and age is greater then 59, and 100% at age 70 to retirement rates based on 2010-2013 experience and terminated vested members are expected to commence benefits at age 60. Disability Mortality has changed from RP-2000 Disabled Retiree Mortality Table to RP-2000 Disabled Retiree Table, 2000 Base Year projected to 2018 with Projection Scale BB.

Employer Contributions Schedule
Judicial Retirement System - Pension
Last Ten Fiscal Years
(Stated in Thousands)

	2013	2012
Actuarially determined contribution	$ 8,367	$ 5,052
Contributions in relation to the actuarially determined contribution	8,094	5,419
Contribution deficiency (excess)	$ 273	$ (367)
Covered payroll	$ 13,289	$ 11,803
Contributions as a percentage of covered payroll	60.91%	45.91%

This schedule is intended to present information for ten years. Additional years will be displayed as they become available.

STATE OF ALASKA **STATEMENT 2.32**

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)

	2018
Total OPEB liability	
Service cost	$ 734
Interest	1,318
Differences between expected and actual experience	83
Retiree Drug Subsidy	64
Pharmacy Rebates	62
Benefit payments, including refunds of employee contributions	(1,031)
Net change in total OPEB liability	1,230
Total OPEB liability - beginning	16,246
Total OPEB liability - ending (a)	17,476
Plan fiduciary net position	
Contributions - employer	628
Net investment income	3,470
Other income	127
Benefit payments, including refunds of employee contributions	(1,031)
Administrative expenses	(51)
Net change in plan fiduciary net position	3,143
Plan fiduciary net position - beginning	26,848
Plan fiduciary net position - ending (b)	29,991
State's net OPEB liability - ending (a) - (b)	$ (12,515)
Plan fiduciary net position as a percentage of the total OPEB liability	171.61 %
Covered payroll	$ 14,089
State's net OPEB liability as a percentage of covered payroll	(88.83)%

This schedule is intended to present information for ten years. Additional years will be displayed as they become available.

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STATE OF ALASKA **STATEMENT 2.33**

Employer Contributions Schedule

Judicial Retirement System - Alaska Retiree Healthcare Trust Plan

Last Ten Fiscal Years

(Stated in Thousands)

	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 632	$ 631	$ 501	$ 313	$ 1,094
Contributions in relation to the actuarially determined contribution	594	628	508	520	882
Contribution deficiency (excess)	$ 38	$ 3	$ (7)	$ (207)	$ 212
Covered payroll	$ 14,599	$ 14,089	$ 13,996	$ 13,507	$ 13,731
Contributions as a percentage of covered payroll	4.07%	4.46%	3.63%	3.85%	6.42%

This schedule is intended to present information for ten years. Additional years will be displayed as they become available.

Employer Contributions Schedule

Judicial Retirement System - Alaska Retiree Healthcare Trust Plan

Last Ten Fiscal Years

(Stated in Thousands)

	2013	2012
Actuarially determined contribution	$ 723	$ 1,433
Contributions in relation to the actuarially determined contribution	834	599
Contribution deficiency (excess)	$ (111)	$ 834
Covered payroll	$ 13,289	$ 11,803
Contributions as a percentage of covered payroll	6.28%	5.07%

This schedule is intended to present information for ten years. Additional years will be displayed as they become available.

STATE OF ALASKA **STATEMENT 2.40**

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)

	2018	2017	2016	2015
Total pension liability				
Service cost	$ 611	$ 603	$ 604	$ 632
Interest	2,170	2,660	2,554	2,363
Differences between expected and actual experience	—	(8,659)	—	241
Changes of assumptions	—	—	—	27
Benefit payments, including refunds of employee contributions	(1,485)	(1,729)	(1,564)	(1,611)
Net change in total pension liability	1,296	(7,125)	1,594	1,652
Total pension liability - beginning	31,184	38,309	36,715	35,063
Total pension liability - ending (a)	32,480	31,184	38,309	36,715
Plan fiduciary net position				
Contributions - employer	866	735	628	740
Net investment income	3,182	182	590	4,528
Benefit payments, including refunds of employee contributions	(1,485)	(1,729)	(1,564)	(1,611)
Administrative expenses	(257)	(242)	(241)	(223)
Net change in plan fiduciary net position	2,306	(1,054)	(587)	3,434
Plan fiduciary net position - beginning	35,826	36,880	37,467	34,033
Plan fiduciary net position - ending (b)	38,132	35,826	36,880	37,467
State's net pension liability - ending (a) - (b)	$ (5,652)	$ (4,642)	$ 1,429	$ (752)
Plan fiduciary net position as a percentage of the total pension liability	117.40%	114.89%	96.27%	102.05%
Covered payroll	N/A	N/A	N/A	N/A
State's net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A

This schedule is intended to present information for ten years. Additional years will be displayed as they become available.

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Employer Contributions Schedule
Alaska National Guard and Alaska Naval Militia Retirement System
Last Ten Fiscal Years
(Stated in Thousands)

	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 907	$ 867	$ 735	$ 627	$ 475
Contributions in relation to the actuarially determined contribution	907	867	735	627	740
Contribution deficiency (excess)	$ —	$ —	$ —	$ —	$ (265)
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.

Notes to required schedule

Significant methods and assumptions used in calculating the actuarially determined contribution are presented in Note 6.

Changes in assumptions have occurred over the ten year period presented.

From the June 30, 2008 to the June 30, 2010 actuarial valuation investment return has changed from 7.25% per year, compounded annually, net of expenses to 7.00% per year, compounded annually, net of expenses. Pretermination mortality has changed from 1994 Group Annuity Mortality (GAM) Table, 1994 Year without margin to 80% of the male rate and 60% of the female rates of the 1994 GAM Table, 1994 Base Year without margin projected to 2013 with Projection Scale AA. Post-termination mortality has changed from 1994 GAM Table, 1994 Base Year without margin to 1994 GAM Table, 1994 Base Year without margin projected to 2013 with Projection Scale AA for males and with a 1-year set-forward for females. Total inflation has changed from 3.5% annually to 3.12% annually. Turnover has changed from unisex; 2-year select period; ultimate follows T-3 Table from Pension Actuary’s Handbook to unisex; 5-year select period; increase all ultimate rates by 50%. Retirement age has changed from members are assumed to retire after 20 years of eligibility service, unless they complete 20 years before age 55, then it is assumed that they will work one-half of the remaining years to age 55 to members are assumed to begin retiring at the earliest eligible retirement age in accordance with the table of retirement rates. Disability mortality has changed from table ranging from 5.10% for males and 4.26% for females at age 20 to 8.13% for males and 4.73% for females at age 64 to RP-2000 Disabled Retiree Mortality Table. Disability rate has changed from disability rates under Group Long Term Disability policies, as given in the 1978 Society of Actuaries Study to incidence rates based upon the 2005-2009 actual experience of the State of Alaska Public Employees’ Retirement System Peace Officer/Firefighter Plan.

From the June 30, 2010 to the June 30, 2012 actuarial valuation are no changes in actuarial assumptions from the prior valuations.

From the June 30, 2012 to the June 30, 2014 actuarial valuation Pre-termination mortality has changed from 80% of the male rates and 60% of the females rates of the 1994 GAM Table, sex-distinct, 1994 Base Year without margin projected to 2013 with Projection Scale AA to 60% of the male rates and 65% of the female rates of the post-termination mortality rates. Post-termination mortality has changed from 1994 GAM Table, sex-distinct, 1994 Base Year without margin projected to 2013 with Projection Scale AA for males and with a 1-year set-forward for females to 96% of all rates of RP-2000 Combined Mortality, 2000 Base Year projected to 2018 with Projection Scale BB. Retirement has changed from 5% if vested and age is less than 51 and increasing linearly until 100% at age 65 to retirement rates based on 2010-2013 experience and terminated vested members are expected to commence benefits at age 50. Disability Mortality has changed from RP-2000 Disabled Retiree Mortality Table to RP-2000 Disabled Retiree Mortality Table, 2000 Base Year projected to 2018 with Projection Scale BB.

Employer Contributions Schedule
Alaska National Guard and Alaska Naval Militia Retirement System
Last Ten Fiscal Years
(Stated in Thousands)

	2013	2012	2011	2010	2009
Actuarially determined contribution	$ 431	$ 896	$ 965	$ 2,415	$ 2,473
Contributions in relation to the actuarially determined contribution	739	896	965	2,603	2,473
Contribution deficiency (excess)	$ (308)	$ —	$ —	$ (188)	$ —
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 schedule is intended to present information for ten years. Additional years will be displayed as they become available.

STATE OF ALASKA **STATEMENT 2.50**

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)

	2018	2017	2016
Total pension liability			
Service cost	$ 5,777	$ 5,853	$ 5,834
Interest	14,230	13,244	11,832
Changes of benefits terms	154	—	—
Differences between expected and actual experience	(482)	6,368	—
Changes of assumptions	272	—	—
Benefit payments, including refunds of employee contributions	(6,197)	(5,541)	(4,920)
Net change in total pension liability	13,754	19,924	12,746
Total pension liability - beginning	187,054	167,130	154,384
Total pension liability - ending (a)	200,808	187,054	167,130
Plan fiduciary net position			
Contributions - employer	4,051	4,163	3,571
Contributions - employee	4,302	4,383	4,290
Net investment income	22,088	11,774	(199)
Benefit payments, including refunds of employee contributions	(6,197)	(5,541)	(4,920)
Administrative expenses	(409)	(593)	(550)
Net change in plan fiduciary net position	23,835	14,186	2,192
Plan fiduciary net position - beginning	161,588	147,402	145,210
Plan fiduciary net position - ending (b)	185,423	161,588	147,402
State's net pension liability - ending (a) - (b)	$ 15,385	$ 25,466	$ 19,728
Plan fiduciary net position as a percentage of the total pension liability	92.34%	86.39%	88.20%
Covered payroll	$ 47,804	$ 48,705	$ 47,660
State's net pension liability as a percentage of covered payroll	32.18%	52.29%	41.39%

This schedule is intended to present information for ten years. Additional years will be displayed as they become available.

STATE OF ALASKA **STATEMENT 2.51**

Employer Contributions Schedule

Alaska Railroad Corporation Defined Benefits Pension Plan

Last Ten Fiscal Years

(Stated in Thousands)

	2018	2017	2016
Actuarially determined contribution	$ 4,051	$ 4,163	$ 3,571
Contributions in relation to the actuarially determined contribution	4,051	4,163	3,571
Contribution deficiency (excess)	$ —	$ —	$ —
Covered payroll	47,804	48,705	47,660
Contributions as a percentage of covered payroll	8.47%	8.55%	7.49%

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.

There are no changes in benefit terms between the valuation data presented above.

There are no changes in assumptions used between the valuation data presented above.

STATE OF ALASKA **STATEMENT 2.52**

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)

	2018	2017	2016
Total OPEB liability			
Service cost	$ 700	$ 699	$ 633
Interest	1,095	985	1,021
Changes of benefits terms	526	—	—
Differences between expected and actual experience	(165)	(1,832)	—
Changes of assumptions	—	1,442	—
Benefit payments, including refunds of employee contributions	(331)	(506)	(193)
Net change in total OPEB liability	1,825	788	1,461
Total OPEB liability - beginning	15,327	14,539	13,078
Total OPEB liability - ending (a)	17,152	15,327	14,539
Plan fiduciary net position			
Contributions - employer	—	—	—
Net investment income	4,295	2,670	(384)
Benefit payments, including refunds of employee contributions	(331)	(506)	(193)
Administrative expenses	(77)	(66)	(48)
Net change in plan fiduciary net position	3,887	2,098	(625)
Plan fiduciary net position - beginning	42,740	40,642	41,267
Plan fiduciary net position - ending (b)	46,627	42,740	40,642
State's net OPEB liability - ending (a) - (b)	$ (29,475)	$ (27,413)	$ (26,103)
Plan fiduciary net position as a percentage of the total OPEB liability	271.85 %	278.85 %	279.54 %
Covered payroll	$ 35,292	$ 46,941	$ 47,660
State's net OPEB liability as a percentage of covered payroll	(83.52)%	(58.40)%	(54.77)%

This schedule is intended to present information for ten years. Additional years will be displayed as they become available.

STATE OF ALASKA **STATEMENT 2.53**

Employer Contributions Schedule

Alaska Railroad Corporation Defined Benefits Postretirement Medical Plan

Last Ten Fiscal Years

(Stated in Thousands)

	2018	2017	2016
Actuarially determined contribution	$ —	$ —	$ —
Contributions in relation to the actuarially determined contribution	—	—	—
Contribution deficiency (excess)	$ —	$ —	$ —
Covered payroll	35,292	46,941	47,660
Contributions as a percentage of covered payroll	—%	—%	—%

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.

There are no changes in benefit terms between the valuation data presented above.

There are no changes in assumptions used between the valuation data presented above.

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SECTION II – FINDINGS AND QUESTIONED COSTS

INTRODUCTION

The findings and questioned costs have been organized by department. The specific status of prior year findings is presented in the introduction of each department.

Generally, the status of prior year findings fall into one of four categories:

- Resolved by the department.
- Not fully resolved by the department and reiterated with its current status in this report.
- Not fully resolved by the department, yet the current year effects were not a significant audit issue; therefore, it is not reiterated in this report.
- State compliance findings not resolved yet not reiterated.

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SUMMARY OF FINDINGS
For the Fiscal Year Ended June 30, 2018

	--------------------*Control Deficiencies*--------------------					
	Basic Financial Statements		*Federal Programs*			
State Department	*Material Weakness*	*Significant Deficiency*	*Material Weakness*	*Significant Deficiency*	*Federal Compliance*	*Other State Issues*
GOV						
DOA		2018-001, 2018-002, 2018-003, 2018-004, 2018-005, 2018-006, 2018-007, 2018-008, 2018-009, 2018-010, 2018-011				2018-012, 2018-013, 2018-014
LAW						
DOR	2018-015	2018-016, 2018-017				2018-015, 2018-018
DEED				2018-020	2018-019	2018-021
DHSS		2018-022	2018-024, 2018-028	2018-023, 2018-027, 2018-028, 2018-029, 2018-030, 2018-031, 2018-032, 2018-033	2018-023, 2018-024, 2018-025, 2018-026, 2018-028, 2018-029, 2018-030, 2018-031, 2018-032, 2018-033, 2018-034, 2018-035, 2018-036	2018-037
DLWD		2018-038				2018-039, 2018-040
DCCED			2018-044, 2018-045	2018-041, 2018-042, 2018-043	2018-041, 2018-042, 2018-043, 2018-044, 2018-045	

SUMMARY OF FINDINGS For the Fiscal Year Ended June 30, 2018						
	--------------------Control Deficiencies--------------------					
	Basic Financial Statements		*Federal Programs*			
State Department	*Material Weakness*	*Significant Deficiency*	*Material Weakness*	*Significant Deficiency*	*Federal Compliance*	*Other State Issues*
DMVA		2018-046		2018-047, 2018-048, 2018-050	2018-047, 2018-049, 2018-050, 2018-051	2018-052
DNR	2018-053, 2018-054	2018-055, 2018-056	2018-057, 2018-062	2018-058, 2018-060	2018-057, 2018-059, 2018-061, 2018-062	2018-053, 2018-054, 2018-063
DFG				2018-065, 2018-066	2018-064, 2018-065, 2018-066	
DPS						
DEC						
DOC						
DOTPF		2018-067, 2018-068, 2018-069, 2018-070, 2018-071				2018-072, 2018-073
Court System						
Component Units	2018-074					2018-074

Findings and Recommendations

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OFFICE OF THE GOVERNOR

No findings were issued to the Office of the Governor in the *State of Alaska, Single Audit for the Fiscal Year Ended June 30, 2017*.

No new findings have been issued during the FY 18 statewide single audit.

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DEPARTMENT OF ADMINISTRATION (DOA)

Eighteen findings were issued to DOA in the *State of Alaska, Single Audit for the Fiscal Year Ended June 30, 2017*. Prior year Finding Nos. 2017-001, 2017-007, 2017-010, 2017-015, and 2017-018 are resolved. Prior year Finding Nos. 2017-002 through 2017-006, 2017-008, 2017-009, 2017-011, 2017-014, and 2017-017 are not resolved and are reiterated in this report as Finding Nos. 2018-001, 2018-002, 2018-006 through 2018-009, 2018-003, 2018-010, 2018-012, and 2018-013, respectively. Prior year Finding No. 2017-016 was issued to both DOA and the Department of Labor and Workforce Development (DLWD). The DOA portion of 2017-016 is resolved. Prior year Finding Nos. 2017-012 and 2017-013 were not fully resolved, but were not significant issues in the current year and are not reiterated in this report.

Four new findings have been issued during the FY 18 statewide single audit and are included as Finding Nos. 2018-004, 2018-005, 2018-011, and 2018-014. One finding issued to both DOA and the Department of Natural Resources (DNR) is included as Finding No. 2018-058 on page II-98 in DNR's Section II.

The views of responsible officials and management's corrective action plan are included in Section IV – Corrective Action Plan.

Finding No. 2018-001

Prior Year Findings: 2016-007, 2017-002
Type: Basic Financial Statements
Impact: Significant Deficiency

Condition:
Testing of the FY 18 draft Comprehensive Annual Financial Report (CAFR) identified the year-end draw from the Constitutional Budget Reserve Fund (CBRF) to the general fund was not accurately calculated, including the repayment presentation required by Article IX, Section 17(d) of the Alaska Constitution.[1]

Context:
The year-end draw calculation from the CBRF to the general fund has multiple required components that have not been adequately defined in procedures. Inaccurate FY 18 financial reporting resulted from a combination of the following:

- The balance of the long-term borrowing was not accurate in the draw calculation.
- General fund contra assets were not included in the draw calculation.
- The nonspendable fund balance in the draw calculation was not accurate.
- The final draw formula did not add back the oil and gas tax credit liability.
- The formula results were incorrectly interpreted as a repayment instead of a draw.
- An amount was manually added outside of the draw calculation that was not necessary.
- The repayment calculated from the Statutory Budget Reserve Fund (SBRF) included balances that should have been reported as committed.
- Some liability accounts were incorrectly excluded from the general fund subfund balances for the repayment.
- New subfunds of the general fund were not evaluated for the repayment presentation.

Cause:
Procedures did not provide enough detail for determining the value of specific components used in the calculation for the draw between the CBRF and the general fund and presenting the year-end sweep.

Criteria:
Codification of Governmental Accounting and Financial Reporting Standards, Section 1600.116 requires that governmental funds be reported using the modified accrual basis of accounting, under which expenditures and transfers are recognized when measurable and when the related liability is incurred.

[1] Article IX, Section 17(d) of the Alaska Constitution 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. This repayment is also referred to as the sweep.

Effect:
The year-end borrowing from the CBRF to the general fund was understated by $310.1 million and the repayment presentation was overstated by $70.4 million in the FY 18 draft CAFR.

The noted errors were corrected via audit adjustments and the activity was properly reported in the FY 18 CAFR.

Recommendation:
DOA's state accountant should ensure procedures are updated timely to accurately report CBRF and SBRF financial activity including the presentation of the repayment required by Article IX, Section 17(d) of the Alaska Constitution. The revised procedures for the calculation of the draw from the CBRF to the general fund should provide detail on the specific components of the calculation and an annual evaluation of the methodology for changes.

Finding No. 2018-002

Prior Year Finding:	2017-003
Type:	Basic Financial Statements
Impact:	Significant Deficiency

Condition:
Division of Finance's (DOF) director has not developed and implemented a comprehensive policy for configuration management of its accounting and reporting systems.

Context:
The details related to this control weakness and relevant audit criteria are being withheld from this report to prevent the weakness from being exploited. Pertinent details have been communicated to agency management in a separate, confidential document.

Cause:
Competing priorities and lack of resources contributed to the control weakness.

Criteria:
State of Alaska Information Security Policies provide specific criteria related to the identified deficiencies.

Effect:
Lack of well-designed configuration management may result in inappropriate system changes that cause disruptions, financial misstatements, inefficiencies, and noncompliance with federal and state laws, and/or loss of productivity.

Recommendation:
DOF's director should implement strong system configuration management controls over its accounting and reporting systems.

Finding No. 2018-003

Prior Year Finding:	2017-009
Type:	Basic Financial Statements
Impact:	Significant Deficiency

Condition:
An evaluation of DOA's State payroll system controls identified several internal control weaknesses.

Context:
The details related to this control weakness and relevant audit criteria are being withheld from this report to prevent the weakness from being exploited. Pertinent details have been communicated to agency management in a separate, confidential document.

Cause:
Competing priorities, lack of resources, and management's reliance on contractor support contributed to the control weakness.

Criteria:
State of Alaska Information Security Policies provide specific criteria related to the identified deficiencies.

Effect:
The control weaknesses increase the risk of noncompliance with state and federal regulations, financial misstatements, and misuse of sensitive information.

Recommendation:
DOF's director should improve the State's payroll system controls.

Finding No. 2018-004

Type:	Basic Financial Statements
Impact:	Significant Deficiency

Condition:
Internal control weaknesses were identified over logical access to DOA's State accounting system.

Context:
The details related to this control weakness and relevant audit criteria are being withheld from this report to prevent the weakness from being exploited. Pertinent details have been communicated to agency management in a separate, confidential document.

Cause:
The weaknesses are attributed to inadequate training, human errors, and deficiencies in the design of internal controls.

Criteria:
State of Alaska Information Security Policies provide specific criteria related to the identified deficiencies.

Effect:
The control weaknesses increase the risk of financial misstatements, and potential misuse of confidential or sensitive information.

Recommendation:
DOF's director should strengthen controls over logical access to the accounting system.

Finding No. 2018-005

Type:	Basic Financial Statements
Impact:	Significant Deficiency

Condition:
DOF's director lacks needed assurance over the Integrated Resource Information System (IRIS) contractor's internal control procedures and processes.

Context:
DOF has a professional services agreement with a contractor, which provides for the daily operation of the IRIS system. The contractor duties include, but are not limited to, payroll processing, code releases, and configuration changes. The division relies on the services of the contractor with limited assurance that the contractor's internal controls are in place and operating effectively.

Cause:
Management provides oversight of its contractor through the approval of all system changes and periodic status meetings of ongoing projects. Per management, these processes are

sufficient to provide assurances over its contractor's internal controls. However, the existing monitoring of controls does not effectively address the significant internal control risk associated with database management, logical access, and configuration management.

Criteria:
State of Alaska Information Security Policy 162 5.1.1 states that executive management must ensure that the capacity and performance of information systems are monitored to assure the confidentiality, integrity, and availability of information. National Institute of Standards and Technology (NIST) Special Publication 800-53 provides an extensive framework for system controls and assessments. Per NIST control SA-9, third-party service providers should be subject to the same information system security policies and procedures of the supported organization, and must conform to the same security control and documentation requirements as would apply to the organization's internal systems.

Additionally, Section 3.09 of the Department of Administration's Division of General Services Request for Proposal form requires that contracts with third party service providers include a provision for annual Statement of Attestation Engagement Report covering the providers' internal control structure and processes.

Effect:
Without adequate assurance that the contractor's internal controls are properly designed and operating effectively, there is an increased risk of financial misstatements, loss or manipulation of data, and misuse of information.

Recommendation:
DOA's DOF director should amend DOF's agreement with the IRIS contractor to require the contractor provide an annual independent report on internal controls consistent with best practices and the State's RFP directives. Additionally, the director should develop internal control procedures to evaluate the results of those examinations.

Finding No. 2018-006

Prior Year Finding:	2016-013, 2017-004
Type:	Basic Financial Statements
Impact:	Significant Deficiency

Condition:
Government-wide governmental activities revenues in the draft FY 18 Statement of Activities contained numerous classification errors.

Context:
Government-wide governmental activities revenues are classified by DOF accountants utilizing a process that classifies revenues as program or general revenues. Government-wide governmental activities revenue classification has contained significant errors since FY 16.

Cause:
Several factors contributed to the errors. DOF accountants did not fully incorporate prior year audit adjustments into the FY 18 revenue classification work. Data entry errors were not prevented or detected and corrected by DOF accountants. Additionally DOF's revenue classification procedures were not updated and finalized at the time of CAFR preparation, and supporting documentation of revenue classifications was not consistently maintained by DOF accountants.

Criteria:
Codification of Governmental Accounting and Financial Reporting Standards, Sections 1800.142-.143 require revenues to be classified as program revenues or general revenues. Program revenues are derived directly from the program itself and classified between charges for services, operating grants and contributions, and capital grants and contributions. General revenues include all other revenues not meeting the definition of program revenues and breaks out taxes by the different tax types, including sales tax, property tax, and income tax.

Effect:
Government-wide governmental activities revenues on the Statement of Activities in the FY 18 draft CAFR were misclassified by $110.0 million. FY 18 errors were ultimately corrected via audit adjustments and properly reported in the FY 18 CAFR.

Recommendation:
DOA's state accountant should review and improve procedures to ensure revenues are consistently and accurately classified. Additionally, supporting documentation of revenue classifications should be maintained.

Finding No. 2018-007

Prior Year Finding:	2016-014, 2017-005
Type:	Basic Financial Statements
Impact:	Significant Deficiency

Condition:
The capital asset accounts on the draft FY 18 government-wide governmental activities Statement of Net Position and related footnote five contained multiple significant errors.

Context:
Prior to FY 18, capital assets were tracked via spreadsheets. Related depreciation was also calculated via formulas on the spreadsheets and it was standard policy to recognize a full year of depreciation in the year an asset was placed in service. Beginning in FY 18, DOF utilized the capital asset functionality of IRIS for the tracking and reporting of capital assets. IRIS calculates depreciation based on the day an asset is placed in service resulting in a partial year's depreciation being taken the first year. This change in depreciation calculation methodology resulted in a one-time adjustment to prior year accumulated depreciation in FY 18 for all assets previously tracked on the capital asset spreadsheets.

Cause:
No reconciliation was completed by DOF accountants to ensure capital asset data entered in IRIS matched legacy spreadsheet data. DOF provided insufficient monitoring of agency updates to capital assets to help ensure proper reporting. Additionally, utilization of IRIS for capital asset reporting required revisions to DOF procedures for calculating asset additions and deletions which were not finalized until after the draft CAFR was compiled. FY 18 calculations of asset additions and deletions utilized incorrect parameters resulting in the understatement of draft note 5 disclosures.

Criteria:
Codification of Governmental Accounting and Financial Reporting Standards, Sections 1400.102-.104 require capital assets to be reported at historical cost and include all tangible or intangible assets used in operations that have initial useful lives extending beyond a single reporting period and be depreciated over their useful lives.

Effect:
Multiple errors were identified in draft FY 18 government-wide governmental activities Statement of Net Position capital asset accounts including:

- CIP overstated $110.7 million;
- Land understated $60.3 million;
- Buildings Net of Depreciation understated $43.3 million;
- Equipment Net of Depreciation understated $37.0 million;
- Infrastructure Net of Depreciation understated $96.9 million.

Additionally, calculations of asset additions in footnote five resulted in a $239.4 million understatement to total asset additions and deletions. Incorrect reporting of the change in depreciation calculation methodology between the legacy spreadsheets and IRIS contributed to a $157.6 million understatement in total governmental activities depreciation deletions in footnote five. Once identified by the auditors, the errors were corrected and properly reported in the FY 18 CAFR.

Recommendation:
DOA's state accountant should improve procedures to ensure accurate reporting of capital assets in the annual CAFR. Procedures should include monitoring of agency capital assets during CAFR preparation so questionable items can be timely followed up with agencies and corrected.

Finding No. 2018-008

Prior Year Finding: 2017-006
Type: Basic Financial Statements
Impact: Significant Deficiency

Condition:
General fund revenues and deferred inflows of resources were significantly misstated in the FY 18 draft CAFR.

Context:
General fund revenues that have not been received within 60 days are not considered "available." DOF accountants process an adjustment to reclassify revenues earned but not available as deferred revenues.

DOF changed its procedures used to calculate deferred revenues for FY 18. A report was developed to identify all open revenue receivables as of August 31, 2018 and was used to support a $254 million entry to reclassify general fund revenues as deferred inflows of resources. An evaluation of DOF's entry identified three significant errors in the methodology:

1. DOF's report included over 1,300 FY 19 revenue receivables with balances totaling $48 million. This resulted in an overstatement of deferred inflows and an understatement of general fund revenues.

2. CAFR adjustments that were used to correct converted or modified revenue receivables in FY 16 and FY 17 were incorrectly included in DOF's report, resulting in an understatement of general fund deferred inflows and an overstatement of revenues of $6 million.

3. DOF's new procedures did not consider instances in which agencies had received cash prior to August 31, 2018, but had not cleared the related receivable balance as of August 31, 2018. The audit identified 12 such instances totaling $13 million where cash was received but receivables were not cleared by August 31, 2018, resulting in an overstatement in general fund deferred inflows and an understatement of revenues.

Cause:
DOF had insufficient procedures to verify that the data supporting the new deferred revenue adjustment methodology was adequate. Additionally, the Alaska Data Enterprise Reporting (ALDER) report used to support the FY 18 deferral included all receivable transactions posted in IRIS since July 1, 2016. Many of the transactions included in the population had no effect on the adjustment balance. Given the volume of data and ALDER reporting limitations, the process of identifying transactions that made up DOF's $254 million adjustment was arduous, thereby limiting DOF's ability to perform a quality review.

Criteria:
Codification of Governmental Accounting and Financial Reporting Standards, Section 1600.106 requires governmental fund revenues to be recognized in the accounting period in which they become both measurable and available to finance expenditures of the fiscal period.

Effect:
The general fund's FY 18 deferred inflows of resources was overstated by a net $55 million and revenues were understated by the same amount. Once identified by auditors, the error was corrected and the amounts were properly reported in the FY 18 CAFR.

Recommendation:
DOA's state accountant should improve procedures to ensure that the calculation of deferred inflows of resources is accurately reported and properly supported.

Finding No. 2018-009

Prior Year Finding:	2017-008
Type:	Basic Financial Statements
Impact:	Significant Deficiency

Condition:
DOF accountants did not properly classify net position related to long-term debt in the draft FY 18 government-wide governmental activities Statement of Net Position.

Context:
Government-wide governmental activities net position is classified on the Statement of Net Position by DOF accountants.

Cause:
DOF accountants did not properly update State ownership of assets funded by General Obligation and Northern Tobacco Securitization Corporation bonds. Additionally, DOF debt procedures for classifying bond premiums on the government-wide Statement of Net Position were inaccurate.

Criteria:
Codification of Governmental Accounting and Financial Reporting Standards, Section 2200, Parts 118, 119, and 124 require net position to be reported as restricted, unrestricted, or invested in capital assets in accordance with specific definitions.

Effect:
Government-wide governmental activities net position on the Statement of Net Position in the FY 18 draft CAFR was misclassified by $93.4 million. After identification by auditors, errors were corrected and the activity was accurately reported in the FY 18 CAFR.

Recommendation:
DOA's state accountant should improve procedures to ensure governmental activities net position related to long-term debt is accurately reported in the CAFR's government-wide Statement of Net Position.

Finding No. 2018-010

Prior Year Finding:	2016-017, 2017-011
Type:	Basic Financial Statements
Impact:	Significant Deficiency

Condition:
The audit of the Alaska National Guard and Alaska Naval Militia Retirement System (NGNMRS) FY 18 financial statements could not be completed by an outside auditor (OA).

Additionally, FY 18 financial statement audits for the Deferred Compensation Plan, Supplemental Benefits System, Public Employees Retirement System, Judicial Retirement System, Teachers Retirement System, and Group Health and Life Fund were received on November 21, 2018, approximately seven weeks after the audits were required to be submitted to DOF. The Retiree Health Fund audit was issued December 5, 2018, approximately nine weeks late.

Context:
The audits of pension funds and the Group Health and Life Fund are performed by an OA. The audit process requires cooperation between DOA's Division of Retirement and Benefits (DRB) accountants, the plans' third party administrator and the division's actuary. To allow for timely completion of the draft CAFR, DOF accountants required outside audits of funds and accounts be submitted to DOF by October 1, 2018.

During FY 18, the State of Alaska implemented the Governmental Accounting Standards Board (GASB) statement number 75 that requires specific other postemployment benefits (OPEB) information to be reported in the pension plans and plan participants' (employers) financial statements, footnotes, and supplemental information that accompanies the financial statements. The OPEB information must first be compiled into employer allocation schedules. For employer auditors to obtain sufficient audit evidence over OPEB information, the schedules must be audited by the OA. Once the audited OPEB schedules are available, the information can be incorporated into participating employers' financial statements.

Cause:
According to DRB's acting chief financial officer (CFO), several factors delayed the audits. Due to inaccurate census data and insufficient internal controls, DRB staff could not verify the accuracy of the Department of Military and Veterans' Affairs census information to allow for an audit of NGNMRS. Additionally, due to competing priorities and a lack of resources, DRB staff were not able to provide supporting information to the OA in a timely manner. Information needed to complete the financial audits was determined by the OA to be inaccurate, incomplete, and/or missing from the actuary, third party administrator, and/or DRB's staff. Further DRB management lacked sufficient internal controls over the financial reporting process and related contracts to facilitate the audit process.

Criteria:
State law (AS 37.05.210(a)(1)) requires DOF to issue the audited CAFR for the preceding fiscal year by December 15th.

Effect:
Untimely draft CAFR information delayed the issuance of the CAFR, which may negatively impact decision-making by report users. Furthermore, the delays decreased audit efficiency.

Recommendation:
DRB's CFO should improve procedures to ensure financial statement audits of the pension and health funds are performed timely.

Finding No. 2018-011

Type:	Basic Financial Statements
Impact:	Significant Deficiency

Condition:
DOA's DRB chief financial officer failed to issue the audited schedules of employer and non-employer OPEB allocations for the Public Employees' Retirement System (PERS) and the Teachers' Retirement System (TRS) in a timely manner.

Context:
During FY 18, the State of Alaska implemented GASB statement number 75 that requires specific OPEB information to be reported in the pension plans and plan participants' (employers) financial statements, footnotes, and supplemental information that accompanies the financial statements. The OPEB information must first be compiled into employer

allocation schedules. For employer auditors to obtain sufficient audit evidence over OPEB information, the schedules must be audited by the OA. Once the audited OPEB schedules are available, the information can be incorporated into participating employer's financial statements.

Cause:
Communication was inadequate between DRB management, the outside audit firm engaged to audit the OPEB schedules, and the division's actuarial consulting firm regarding expectations and timelines for issuing the schedules. Communication deficiencies were exacerbated by turnover in the division's chief financial officer position.

Criteria:
Alaska Statute 37.05.210 requires DOA to submit audited financial statements to the governor and legislative auditor by December 15th of each year, and AS 14.14.050 requires school districts provide audited financial statements to the State before October 1st of each year. The commissioner of education is required to withhold all payments of State funds after November 15th to a school district that fails to file a copy of the district's audit.

Effect:
Delayed issuance of the audited OPEB allocation schedules resulted in the delayed issuance of audited financial statements for pension plans, several State entities, as well as many school districts and local governments. The commissioner of education held harmless those school districts that failed to file audits timely by not withholding State funds which violated AS 14.14.050(b).

Recommendation:
DRB's CFO should ensure the audited schedules of employer and non-employer OPEB allocations for PERS and TRS are provided timely to participating employers.

Finding No. 2018-012

Prior Year Finding:	2017-014
Type:	Other State Issues
Impact:	Noncompliance

Condition:
DOA's Office of Information Technology (OIT) accounting staff have not reconciled the Information Services Fund (ISF) asset tracking system to the State accounting system.

Context:
During FY 11, DOA staff implemented an asset tracking system, FASGov, which appeared adequate to meet basic asset tracking needs. Although the system improved asset tracking, historical data input into the new system was unreliable as the information was never

reconciled to information in the State accounting system. Furthermore, no physical inventory was completed for ISF capital assets. No progress was made during FY 12 through FY 15 to address the finding. OIT staff periodically but unsuccessfully attempted to complete a comprehensive inventory of ISF assets during FY 16, FY 17, and FY 18. During FY 18, asset data within FASGov continued to be unreliable. At FY 18 year-end, a documented difference of $10.8 million existed between the ISF assets recorded in the State accounting system and the FASGov total assets report. A documented difference of $9.6 million existed between the ISF accumulated depreciation account in the State accounting system and the FASGov total assets report.

Cause:
Due to competing priorities and management turnover, OIT staff was unable to complete a comprehensive inventory of ISF assets.

Criteria:
Codification of Governmental Accounting and Financial Reporting Standards, Sections 1400.102-.104 state that capital assets should be reported at historical cost and depreciated over their estimated useful lives. Generally accepted accounting principles also require the ISF, an internal service fund, to be operated on a cost reimbursement basis, including recovering the cost of capital assets.

Effect:
Inaccurate or incomplete ISF asset records limit the State's ability to accurately report capital assets in the financial statements and may impair the accuracy of OIT reimbursement rates.

Recommendation:
DOA's OIT chief information officer should allocate staff resources to properly account for capital assets owned by the ISF.

Finding No. 2018-013

Prior Year Findings:	2016-010, 2017-017
Type:	Other State Issues
Impact:	Noncompliance

Condition:
During FY 18, DOF management did not provide training to support State agencies' use of the ALDER 2.0 system.

Context:
ALDER 2.0 is a statewide reporting system designed to integrate data from multiple systems into a unified environment for simpler and more effective reporting. With the implementation

of IRIS, which has limited reporting capabilities, ALDER 2.0 became critical for querying and summarizing the State's accounting data.

As of January 2019, no formalized training classes and no comprehensive reference manuals have been provided to ALDER users since going live in July 2015.

Cause:
According to DOF management, staff constraints prohibited the agency from developing and implementing ALDER 2.0 training classes or a comprehensive reference manual. During FY 18, a position was reclassified as an Accountant V with the sole responsibility of developing the ALDER 2.0 training program and an employee was hired into the position in March 2018. As an initial step, the Accountant V created a document that identified the top 10 ALDER report mistakes and made it available to users through DOF's website. Prior to completing development of the ALDER training program, the employee resigned. The position was filled in October 2018. The training program is expected to be completed by August 31, 2019.

Criteria:
An effective internal control system requires management communicate quality information to enable personnel to achieve management's objective. Quality information is appropriate, current, complete, accurate, accessible, and provided on a timely basis.[2]

Effect:
The lack of formal training adversely impacted agency fiscal personnel's ability to perform their duties, including the timely and accurate recording of transactions in IRIS.

Recommendation:
DOF's director should develop and implement ALDER 2.0 training classes and a comprehensive reference manual to ensure State agencies' fiscal personnel using ALDER 2.0 are properly trained.

Finding No 2018-014

Type:	Other State Issues
Impact:	Noncompliance

Condition:
An evaluation of OIT's information technology controls identified security weaknesses in relation to a Department of Revenue (DOR) system.

[2] GAO-14-704G 13.05 and 14.03, "Standards for Internal Control in the Federal Government," issued by the Comptroller General of the United States.

Context:
The details related to this control weakness and relevant audit criteria are being withheld from this report to prevent the weakness from being exploited. Pertinent details have been communicated to agency management in a separate, confidential document.

Cause:
OIT's informal policies applied to the DOR system were not aligned with State Information Security Policies.

Criteria:
State of Alaska Information Security Policies and NIST Special Publication 800-53 r4 provide specific criteria related to the identified deficiencies.

Effect:
The control weaknesses increase the risk of loss, misuse, or abuse data.

Recommendation:
OIT's chief information officer should work with DOR's director, with oversight over the referenced system, to strengthen internal controls.

DEPARTMENT OF LAW (LAW)

One finding was issued to LAW in the *State of Alaska, Single Audit for the Fiscal Year Ended June 30, 2017*. Prior year Finding No. 2017-019 was not a significant issue in the current year and is not reiterated in this report.

No new findings have been issued during the FY 18 statewide single audit.

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DEPARTMENT OF REVENUE (DOR)

Four findings were issued to DOR in the *State of Alaska, Single Audit for the Fiscal Year Ended June 30, 2017*. Prior year Finding Nos. 2017-021 and 2017-023 are resolved. Prior year Finding No. 2017-020 is not resolved and is reiterated in this report as Finding No. 2018-017. Prior year Finding No. 2017-022 was not resolved, but was not a significant issue in the current year and is not reiterated in this report.

Three new findings have been issued during the FY 18 statewide single audit and are included as Finding Nos. 2018-015, 2018-016, and 2018-018.

The views of responsible officials and management's corrective action plan are included in Section IV – Corrective Action Plan.

Finding No. 2018-015

Type: Basic Financial Statements, Other State Issues
Impact: Material Weakness, Noncompliance

Condition:
Revenues eligible for transfer to the Constitutional Budgetary Reserve Fund (CBRF) were not transferred during FY 18 and revenues that should have remained in the CBRF were moved to the general fund.

Context:
DOR administers the regulation, collection, auditing, and proper reporting of taxes on oil and gas produced in the state. The oil and gas severance taxes are based on the net value of oil and gas, which is the value at the point of production, less all qualified capital and operating expenditures. Operating expenditures represent the cost associated with the production process, including tariffs paid for the use of the Trans-Alaska pipeline.

Pipeline tariff rates are regulated by the Federal Energy and Regulatory Commission (FERC). In two of its more recent decisions, issued on April 21, 2016 and February 28, 2018, the FERC reduced tariff rates for production periods occurring after 2009. DOR oil and gas taxpayers were required to amend prior period tax returns by retroactively applying the newly approved tariff rates. The returns amended for the FERC tariff decision yielded $113.5 million of CBRF eligible revenue during FY 18. Historically, taxes received as a result of FERC decisions were deposited into the CBRF. Based on guidance from the attorney general and the Governor's Office of Management and Budget, DOR staff did not deposit the $113.5 million into the CBRF and the monies remained in the general fund.

Cause:
Prior to FY 18, DOR staff deposited FERC-related tax revenues into the CBRF. That policy was changed during FY 18 in response to legal guidance provided by the Department of Law's attorney general. The guidance concluded that FERC proceedings could not be considered an administrative action or litigation for CBRF purposes because FERC had no jurisdiction over State taxes or royalties. Additionally, the attorney general advised that prior year FERC-related receipts deposited in the CBRF should have remained in the general fund.

Auditors engaged the Legislative Division of Legal Services (Legislative Legal) to help determine whether the taxes and royalties received as a result of FERC's decisions regarding the 2009-2015 Trans-Alaska Pipeline System (TAPS) tariff rates should have been deposited into the CBRF. Legislative Legal reviewed the facts of the TAPS case and concluded that the TAPS case met the constitutional requirement for deposit into the CBRF because it was a settlement of litigation and the case involved taxes and royalties.

The Legislative Legal opinion concluded that the State was a party to the TAPS case. As a party to the litigation, the State asserted that the TAPS tariff rates were too high resulting in reduced royalty and tax obligations by the shippers that utilize TAPS. The overall settlement includes settlement of litigation before the state Regulatory Commission of Alaska (RCA) and FERC. The State was a signor of both RCA and FERC settlement agreements. The commissioners of the DOR and the Department of Natural Resources (DNR) were each required to submit a letter acknowledging that the settlement addressed the tax and royalty concerns. These facts help support Legislative Legal's opinion that the FERC TAPS case did "involve" taxes and royalties. Consequently, the windfall of royalty and tax monies received by DOR and DNR as a result of the FERC TAPS decision should have been deposited into the CBRF.

Criteria:
Article 17(a) of the Alaska Constitution states that "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."

Effect:
The CBRF year-end balances in footnote two of the FY 18 Comprehensive Annual Financial Report (CAFR) is understated by $1.04 billion due to $113.5 million in FY 18 FERC-related revenues not being deposited in the CBRF, and $923.8 million of prior year FERC-related deposits to the CBRF being moved to the general fund. These unadjusted errors contributed to a qualification of the FY 18 CAFR financial opinion. Additionally, $34.9 million of FERC-related revenues that should have been deposited into the CBRF were offset to tax credits.

Recommendation:
DOR's commissioner should ensure all CBRF eligible revenues are transferred to the CBRF.

Finding No. 2018-016

Type: Basic Financial Statements
Impact: Significant Deficiency

Condition:
DOR's FY 18 year-end adjusting entry to properly report interest and penalties remitted with taxes was not calculated correctly.

Context:
Oil and gas related tax revenues received by DOR are initially recorded in the State's accounting system, IRIS, as tax revenues even though a portion of the receipts relate to interest and penalties. A year-end adjustment is necessary to reclassify the tax revenue as interest

revenue and penalties revenue. Auditors found that DOR staff used an incorrect report from DOR's Tax Revenue Management System (TRMS), to calculate the FY 18 adjustment. Once identified by auditors, the error was corrected via an audit adjustment and the activity was properly reported in the FY 18 CAFR.

Cause:
Due to inadequate supervisor review, the TRMS report used by DOR's Tax Division staff did not include all oil and gas tax receipts deposited during the fiscal year which resulted in incomplete reporting of the actual interest and penalties received during the fiscal year.

Criteria:
Generally Accepted Accounting Principles (Codification Section 1100, Paragraph 113 and Section 1800, Paragraph 188) require that terminology and classification of budgets, accounts, and financial reports be consistent to ensure comparability of financial data.

Effect:
In the FY 18 draft CAFR, general fund interest was understated by $14.7 million, taxes were overstated by $14.7 million, and penalties were overstated by approximately $15,000.

Recommendation:
DOR's Tax Division director should strengthen internal controls over the annual adjustment of oil and gas production taxes, interest, and penalties to ensure proper presentation of fiscal year activity.

Finding No. 2018-017

Prior Year Finding:	2017-020
Type:	Basic Financial Statements
Impact:	Significant Deficiency

Condition:
There was no evidence that supervisory review of DOR's Schedule of Expenditures of Federal Awards (SEFA) was performed prior to submission. In addition, DOR's instructions for SEFA preparation included report filters that were not accurate for financial reporting.

Context:
Prior to FY 18, DOR staff did not have written procedures for the preparation of the SEFA. During FY 18, DOR developed written procedures for the preparation of the SEFA. However, the written procedures contained incorrect reporting parameters that included FY 19 expenditures and excluded portions of FY 18 expenditures by limiting the appropriation budget fiscal year (BFY) to BFY 18. Furthermore, the written procedures did not include a process for supervisory review and procedures for documenting review prior to submission.

Cause:
According to management, DOR staff were shorthanded during the year due to turnover in the finance officer position. In addition, DOR staff misunderstood the filters necessary to report the data on a modified accrual basis for FY 18 SEFA reporting.

Criteria:
Per 2 CFR 200.508(b), the auditee must prepare appropriate financial statements, including the SEFA, in accordance with federal regulation. Furthermore, per 2 CFR 200.303, the auditee is responsible for establishing effective internal controls.

Effect:
Inadequate SEFA preparation and review procedures increase the risk of financial reporting errors. The SEFA serves as the primary basis for the determination of major programs as required by federal regulation. Inaccuracies in the amount of expenditures reported on the SEFA increase the risk of noncompliance with federal audit and reporting requirements. Noncompliance with federal regulations may result in the federal awarding agency imposing additional conditions or taking corrective action including additional reporting requirements or withholding/terminating funding. Although the FY 18 SEFA was materially accurate, incorrect procedures increase the risk of material errors in the future.

Recommendation:
DOR's Division of Administrative Services director should revise written procedures over the preparation and review of the SEFA to correct the reporting parameters and to include a process for supervisory review and documentation of review prior to submission.

Finding No. 2018-018

Type: Other State Issues
Impact: Noncompliance

Condition:
A DOR information technology system has internal control weaknesses.

Context:
The details related to this control weakness and relevant audit criteria are being withheld from this report to prevent the weakness from being exploited. Pertinent details have been communicated to agency management in a separate, confidential document.

Cause:
Lack of automated notifications and employee turnover are the most significant factors contributing to the internal control weakness.

Criteria:
DOR policies, State of Alaska Information Security Policies, and the United States' Code of Federal Regulation provide specific information related to the identified deficiencies.

Effect:
The control weaknesses increase the risk of misuse or abuse of data and may limit DOR's ability to effectively perform tasks.

Recommendation:
DOR's director, with oversight of the specific system, should strengthen information technology controls.

DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT (DEED)

Eight findings were issued to DEED in the *State of Alaska, Single Audit for the Fiscal Year Ended June 30, 2017.* Prior year Finding Nos. 2017-024, 2017-025, 2017-028, 2017-029, and 2017-031 are resolved. Prior year Finding Nos. 2017-026, 2017-027, and 2017-030 were not fully resolved, but were not significant issues in the current year and are not reiterated in this report.

Three new findings have been issued during the FY 18 statewide single audit and are included as Finding Nos. 2018-019 through 2018-021.

The views of responsible officials and management's corrective action plan are included in Section IV – Corrective Action Plan.

Finding No. 2018-019

Federal Awarding Agency:	USDA
Impact:	Noncompliance
CFDA Number and Title:	10.553, 10.555 Child Nutrition Cluster (CNC)
Federal Award Number:	187AKAK3N1099, 187AKAK3N2020
Applicable Compliance Requirement:	Reporting

Condition:
DEED staff did not submit an amended FNS-10 90-day report for December 2017 to report meal count revisions that caused the State's funding level to change by more than .5 percent.

Context:
The Food and Nutrition Service Report of School Program Operations (FNS-10) captures the number of meals, by category and type, served by School Food Authorities (SFA) overseen by the State during the reporting period. The State is required to submit monthly meal counts on the FNS-10 at 30 days and again at 90 days after the close of each report month. The FNS-10 30-day report may contain estimated participation data. The 90-day report must contain actual participation data. Additionally, a final close out report for each month is due in accordance with the FNS closeout-schedule.

Cause:
DEED management lacked sufficient internal controls over FNS-10 reporting to monitor the impact of claims submitted by SFAs for meals not previously reported. DEED correctly submitted their December 2017 FNS-10 90-day report in March 2018. In April 2018, additional December 2017 meal claims were reimbursed to SFAs. The additional meal claims caused the State's funding level to increase by more than the .5 percent threshold for revising the report.

Criteria:
Title 7 CFR 210.5(d)(1) requires FNS monthly reports to be adjusted in accordance with FNS guidance. FNS' School Programs Policy Memo 02-11 "60-90 Day Reporting in Child Nutrition Programs" dated February 26, 2002 established a tolerance level of +/- .5 percent for adjusting each month's 90-day report. Adjustments exceeding the tolerance level require immediate submission of a revised report.

Title 2 CFR 200.303 requires non-federal entities to establish and maintain effective internal control over federal awards that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Effect:
Failure to amend the FNS-10 90-day reports as required reduces transparency and may impact federal oversight agency decision making.

Questioned Costs:
None

Recommendation:
DEED's nutrition program manager should strengthen internal controls over the FNS-10 by implementing a procedure for monitoring claims received after the submission of the 90-day report to ensure revised reports are submitted as required. Additionally, DEED's nutrition program manager should submit an amended FNS-10 90-day December 2017 report.

Finding No. 2018-020

Federal Awarding Agency:	USDA
Impact:	Significant Deficiency
CFDA Number and Title:	10.553, 10.555 CNC
Federal Award Number:	187AKAK3N1099, 187AKAK3N2020
Applicable Compliance Requirement:	Cash Management

Condition:
Twelve of 17 USDA FY 18 federal draws tested were not reviewed by DEED staff for accuracy prior to submission.

Context:
DEED staff perform weekly reimbursement based federal draws for CNC in accordance with the federally approved Treasury State Agreement. The audit identified federal draws were performed weekly and on a reimbursement basis, however, there was no evidence of a review by DEED staff to ensure the accuracy of draws occurring prior to April 2018.

Cause:
Due to an oversight by DEED management, internal controls over USDA federal drawdowns were not designed to effectively prevent noncompliance. The draw and supporting documentation was reviewed at the time funds were received from the USDA rather than prior to requesting the funds. This internal control deficiency was identified by USDA monitoring staff during an FY 17 federal management review. DEED management corrected this deficiency in April 2018.

Criteria:
Title 2 CFR 200.303 requires non-federal entities to establish and maintain effective internal control over federal awards that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Effect:
The lack of review could result in unsupported or inaccurate draws.

Questioned Costs:
None

Recommendation:
DEED's Division of Administrative Services director should continue to ensure federal draws are reviewed for accuracy prior to submission.

Finding No. 2018-021

Type:	Other State Issues
Impact:	Noncompliance

Condition:
DEED management did not withhold State funds from a school district that was significantly late in filing an FY 17 audit as required by State law.

Context:
The school board in each of the State's 53 school districts is required, before October 1st of each year, to provide for an audit of all school accounts for the school year ending the preceding June 30th. A certified copy of each audit is to be submitted to DEED by November 15th. School district audits are necessary to ensure State funds are properly administered.

A review of 17 school districts found five did not meet the November 15th filing deadline. Four of the five school districts had State funding withheld until an audit was received; however, the Anchorage School District continued to receive State funding. The Anchorage School District filed its audit in February 2018 – three months late.

Cause:
The Anchorage School District was granted a filing extension by DEED's commissioner. According to DEED management, the waiver extension was granted due to the district's ongoing implementation of new accounting software.

Criteria:
Alaska Statute 14.14.050(b) states "[t]he commissioner shall withhold all payments of state funds after November 15 to a school district that fails to file a certified copy of the audit with the department."

Effect:
Untimely audits increase the risk that a school district will fail to take timely and appropriate corrective action on audit findings resulting in improper use of State funds.

Recommendation:
DEED's commissioner should follow statutory requirements to withhold State funds from all school districts that do not submit an audit by November 15th.

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DEPARTMENT OF HEALTH AND SOCIAL SERVICES (DHSS)

Fifteen findings were issued to DHSS in the *State of Alaska, Single Audit for the Fiscal Year Ended June 30, 2017*. Prior year Finding Nos. 2017-032, 2017-033, 2017-036, 2017-038, 2017-039, 2017-041, 2017-044, and 2017-045 are resolved. Prior year Finding Nos. 2017-035, 2017-037, 2017-040, 2017-042, and 2017-043 were not resolved, but were not significant issues in the current year and are not reiterated in this report. Prior year Finding No. 2017-046 is not resolved and is reiterated as part of a new expanded current year Finding No. 2018-037. Prior year Finding No. 2017-034 is not resolved and is reiterated in this report as Finding No. 2018-022.

Fourteen new findings have been issued during the FY 18 statewide single audit and are included as Finding Nos. 2018-023 through 2018-036.

The views of responsible officials and management's corrective action plan are included in Section IV – Corrective Action Plan.

Finding No. 2018-022

Prior Year Finding: 2017-034
Type: Basic Financial Statements
Impact: Significant Deficiency

Condition:
There was no evidence that supervisory review of DHSS' Schedule of Expenditures of Federal Awards (SEFA) was performed prior to submission to the Department of Administration (DOA). In addition, there was no evidence the federal expenditure data reported in the SEFA was verified for completeness.

Context:
DHSS lacks department specific written procedures for preparing the SEFA. In FY 18, Finance and Management Services (FMS) staff relied on the DOA Division of Finance's (DOF) written instructions for preparing the SEFA that were provided to all departments. Because each department designs and implements the accounting structures differently, DOF's general instructions were insufficient to ensure DHSS' federal expenditure data was reported in the statewide SEFA accurately and completely.

Cause:
DHSS staff did not consider the need for documenting department specific SEFA preparation procedures. Additionally, staff considered the email submitting the SEFA to DOF as adequate evidence of supervisory review. Also, according to DHSS management, accounting staff have not created a process to capture reliable evidence to verify the completeness of detail data reported in the SEFA on an annual basis.

Criteria:
Per 2 CFR 200.508(b), the auditee must prepare appropriate financial statements, including the SEFA, in accordance with federal regulation. Furthermore, per 2 CFR 200.303, the auditee is responsible for establishing effective internal controls.

Effect:
Inadequate SEFA preparation and review procedures increases the risk of financial reporting errors. In FY 18, FMS staff inaccurately reported federal awards expended for two programs on DHSS' preliminary SEFA submitted to DOF, which resulted in under-reporting federal awards by approximately $33 million. Once identified by auditors, material errors were corrected by agency staff and accurately presented on the FY 18 statewide SEFA.

The SEFA serves as the primary basis for the determination of major programs as required by federal regulation. Inaccuracies in the amount of expenditures reported on the SEFA increase the risk of noncompliance with federal audit and reporting requirements. Noncompliance with federal regulations may result in the federal awarding agency imposing additional conditions or taking corrective action including additional reporting requirements or withholding/terminating funding.

Recommendation:
DHSS' FMS director should develop and implement written procedures over the preparation of the SEFA to ensure it is accurate, complete, and supported. The procedures should provide for supervisory review, documentation of review, and verification of data completeness prior to submission.

Finding No. 2018-023

Federal Awarding Agency:	USDHHS
Impact:	Significant Deficiency, Noncompliance
CFDA Number and Title:	93.558 Temporary Assistance to Needy Families (TANF) Cluster 93.575, 93.596 Child Care and Development Fund (CCDF) Cluster
Federal Award Number:	1701AKTANF, G1701AKCCDF, G1801AKCCDF
Applicable Compliance Requirement:	Allowable Costs/Cost Principles

Federal Awarding Agency:	USDHHS
Impact:	Significant Deficiency
CFDA Number and Title:	93.775, 93.777, 93.778 Medicaid Cluster 93.767 Children's Health Insurance Program (CHIP)
Federal Award Number:	1705AK5MAP, 1805AK5MAP, 1705AK5021, 1805AK5021
Applicable Compliance Requirement:	Allowable Costs/Cost Principles

Condition:
Review of FY 18 personal service expenditures identified multiple instances of noncompliance. The audit tested one judgmentally selected timesheet and 80 randomly selected timesheets. Two of 20 TANF timesheets and five of 34 CCDF timesheets directly charging costs to federal programs lacked adequate supporting documentation, including two that did not fully comply with DHSS' federally approved Public Assistance Cost Allocation Plan (PACAP). In addition, two of 27 timesheets allocating costs to multiple federal programs did not fully comply with the PACAP.

Context:
To ensure compliance with federal requirements for personal service costs, DHSS procedures require that costs charged directly to a federal program be supported by either positive timekeeping or a signed biennial certification that certifies 100 percent of the employee's time

is spent working on a single federal program. To be allowable under federal regulations, personal service costs allocated to multiple federal programs must be charged in accordance with the PACAP.

Of the two erred TANF direct timesheets, one employee did not use positive timekeeping and lacked a certification, and one employee signed a certification after the auditors requested the certification. Of the five erred CCDF direct timesheets, one lacked positive timekeeping and a signed certification, two employees certified they worked 100 percent of their time on CCDF but charged overtime to a PACAP allocation for which the positions were not approved, and two employees should have charged to a PACAP allocation based on their job classification. The two erred allocated timesheets charged a portion of time to a PACAP allocation for which the positions were not approved.

Cause:
Biennial certifications were not obtained for three employees due to an oversight by DHSS staff. Two employees were mistakenly set up in the State accounting system to record 100 percent of time to CCDF instead of an allocation methodology as required by the PACAP based on the job classifications.

The two CCDF direct and two allocated timesheet errors where time charged to federal programs did not fully comply with the PACAP resulted from a management directive. Due to unfilled clerical positions, DHSS management requested volunteers to assist in clearing backlogged filing in Division of Public Assistance (DPA) field offices. Filing was a management priority and overtime for non-field service staff was approved to assist DPA clerical staff. However, DHSS management did not submit a PACAP amendment to ensure the overtime costs complied with the approved PACAP.

Criteria:
Title 2 CFR 200.430 dictates that charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed. The records must be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated. Furthermore, the records must comply with established accounting policies of the entity.

Per title 2 CFR 200 Appendix VI, administrative costs (direct and indirect) of federally-financed state public assistance agencies are charged to federal awards by implementing a USDHHS-approved PACAP. Federally-financed programs administered by state public assistance agencies include, in part: TANF, Medicaid, CHIP, and CCDF. States are required to promptly submit PACAP amendments to USDHHS for approval.

Title 45 CFR 95.517 requires the State to claim federal reimbursement for administrative costs associated with a program only in accordance with its approved PACAP.

Effect:
The multiple instances of noncompliance resulted in questioned costs totaling $259,255.

Questioned Costs:
CFDA 93.575: $93,087
CFDA 93.558: $150,073
CFDA 93.778: $12,462
CFDA 93.767: $3,633

Recommendation:
DHSS' FMS director should strengthen procedures to ensure that personal service expenditures charged to federal programs comply with federal cost principles.

Finding No. 2018-024

Federal Awarding Agency:	USDHHS
Impact:	Material Weakness and Noncompliance
CFDA Number and Title:	93.775, 93.777, 93.778 Medicaid Cluster, 93.767 CHIP
Federal Award Number:	1705AK5MAP, 1805AK5MAP, 1705AK5021, 1805AK5021
Applicable Compliance Requirement:	Allowable Costs/Cost Principles

Condition:
Six of 60 Medicaid claim lines tested and eight of 60 CHIP claim lines tested were paid at rates higher than regulations allowed for professional services claim types.

Context:
DHSS amended its regulations effective October 1, 2017 to decrease Medicaid payment rates by approximately 10 percent for professional services rates determined using the Resource-Based Relative Value Scale (RBRVS) rate setting methodology.[3] This methodology involves several factors including a conversion factor (CF). The CF should have been adjusted October 1, 2017 in the Alaska Health Enterprise (AHE) Medicaid claims processing system to reduce professional services rates but was not adjusted until June 2018. Consequently, providers continued to be paid for professional services claim types at the higher rate until DHSS staff identified its mistake and updated the CF in the AHE system.

DHSS accounting staff performed an analysis of actual claims affected as a result of the issue and identified $13,984,225 in total overpayments to providers, of which $9,505,744 was federally reimbursed. The analysis by DHSS was reviewed by auditors and found to be reasonable.

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[3] The RBRVS methodology is outlined in 7 AAC 145.050. Providers whose rates are determined using this method include physicians, physician assistants, advanced nurse practitioners, nurse anesthetists, psychologists, direct entry midwives, chiropractors, podiatrists, optometrists, physical and occupational therapists, speech-language pathologists, and other professional services.

Cause:
Due to turnover in key agency staff and a lack of procedures for ensuring regulatory changes affecting Medicaid payment rates were monitored, the Division of Health Care Services (HCS) staff failed to timely update the AHE system with the new CF for the calculation of professional services rates.

Criteria:
Uniform Guidance requirements at 2 CFR 200.53 dictate that federal funds should not be expended on improper payments, which include those that were made in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements. Furthermore, 2 CFR 200.303 requires non-federal entities receiving federal awards to establish and maintain effective internal control to provide reasonable assurance of compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Effect:
Medicaid providers were overpaid a total of $13,984,224 during FY 18, of which $9,505,744 was federally reimbursed. DHSS staff must recoup overpayments and the State pays the full cost of overpaid claims not recovered.

Questioned Costs:
CFDA 93.778: $9,070,584
CFDA 93.767: $435,160

Recommendation:
HCS' director should implement procedures to ensure all regulatory changes affecting Medicaid payment rates are monitored and implemented timely in the AHE system. In addition, HCS' director should repay the federal government for the amount of unallowable costs that were federally reimbursed.

Finding No. 2018-025

Federal Awarding Agency:	USDHHS
Impact:	Noncompliance
CFDA Number and Title:	93.775, 93.777, 93.778 Medicaid Cluster
Federal Award Number:	1705AK5MAP, 1805AK5MAP
Applicable Compliance Requirement:	Eligibility

Condition:
Testing of 60 Medicaid recipients who received Medicaid benefits during FY 18 identified eight renewal applications were not processed within 12 months as required by federal regulation. Furthermore, documentation was not available to support the recertification of one Medicaid recipient.

Context:
DPA eligibility technicians review applications, identify and evaluate income and financial resources, and make determinations whether individuals are eligible to receive medical benefits. Medicaid recipients are required to have their eligibility redetermined at least every 12 months for continued benefits.

DPA uses two systems to determine eligibility for Medicaid recipients: the Alaska Resource for Integrated Eligibility Services (ARIES) and the Eligibility Information Services (EIS). In FY 18, ARIES was used for Medicaid eligibility determinations made under the modified adjusted gross income (MAGI) methodology while EIS was used for non-MAGI eligibility determinations. MAGI, established by the federal Affordable Care Act, is the basis for determining Medicaid income eligibility for most children, pregnant women, parents, and adults. Individuals exempt from the MAGI-based income counting rules include individuals whose eligibility is based on blindness, disability, or age (65 or older).

The errors were specific to non-MAGI Medicaid eligibility determinations processed in EIS. Auditors did not review MAGI eligibility determinations.[4]

Cause:
DPA management stated that a backlog of applications impacted eligibility technicians' ability to process renewals timely. Additionally, DPA management stated that the application that lacked documentation to support recertification was originally processed in ARIES and then later moved to EIS once it was determined that the individual qualified under non-MAGI groups and supporting documentation was not maintained.

Criteria:
Title 2 CFR 200.303 requires the State to establish and maintain effective internal control over the federal award that provides reasonable assurance that the State is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Title 42 CFR 435.916(b) requires a state to re-determine eligibility of Medicaid beneficiaries at least every 12 months.

DPA's Administrative Procedures Manual, Section 109 requires that all public assistance cases have documentation that supports eligibility, ineligibility, and benefit level determinations. The documentation must be in sufficient detail to allow a reader or reviewer to determine the reasonableness and accuracy of the determination. Documentation is done by recording information about each action taken, verification used, and contacts made using the online case note screen on EIS or on a Report of Contact sheet.

[4] FY 18 federal single audit guidelines issued by the US Office of Management and Budget directed auditors to not test MAGI eligibility determinations. MAGI was reviewed under Medicaid and Children's Health Insurance Program eligibility review pilot projects overseen by USDHHS' Centers for Medicare and Medicaid Services during the initial years of Affordable Care Act implementation.

Effect:
Untimely and unsupported processing of renewal applications increases the risk of ineligible recipients receiving Medicaid benefits.

Questioned Costs:
None

Recommendation:
DHSS' DPA director should ensure procedures are followed for processing renewal applications within the 12-month timeframe and adequate support is maintained.

Finding No. 2018-026

Federal Awarding Agency:	USDHHS
Impact:	Noncompliance
CFDA Number and Title:	93.775, 93.777, 93.778 Medicaid Cluster
Federal Award Number:	1705AK5MAP, 1805AK5MAP
Applicable Compliance Requirement:	Special Tests and Provisions

Condition:
DHSS' information technology (IT) staff did not perform biennial system security reviews of the EIS during FY 18.

Context:
EIS is DPA's automated statewide management system designed to control and account for all factors in eligibility determinations as required per 45 CFR 205.36. EIS is used to determine eligibility for multiple federal programs, and its security plays a critical role in ensuring that eligibility determinations are correctly performed. A system security review of EIS has not been performed since FY 14.

DHSS has been in the process of replacing EIS with a new eligibility determination system, ARIES. In FY 18, ARIES was used for Medicaid eligibility determinations made under the MAGI methodology while EIS was used for non-MAGI eligibility determinations. MAGI, established by the Affordable Care Act, is the basis for determining Medicaid income eligibility for most children, pregnant women, parents, and adults[5]. Individuals exempt from the MAGI-based income counting rules include individuals whose eligibility is based on blindness, disability, or age (65 or older).

[5] FY 18 federal single audit guidelines issued by the US Office of Management and Budget directed auditors to not test MAGI eligibility determinations. MAGI was reviewed under Medicaid and CHIP eligibility review pilot projects overseen by USDHHS' Centers for Medicare and Medicaid Services during the initial years of Affordable Care Act implementation.

Cause:
According to DHSS management, IT resources were not used to conduct security reviews of EIS to allow resources to be used to develop and implement ARIES.

Criteria:
Title 45 CFR 95.621(f) requires a state agency to be responsible for the security of all Automated Data Processing (ADP) projects under development, and operational systems involved in the administration of the Health and Human Services (HHS) programs.

Title 45 CFR 95.621(f)(2)(iii) requires a state to establish and maintain a program of conducting periodic risk analyses to ensure that appropriate, cost effective safeguards are incorporated into new and existing systems.

Title 45 CFR 95.621(f)(3) requires a state agency to review the ADP system security of installations involved in the administration of HHS programs on a biennial basis. At a minimum, the reviews must include an evaluation of physical and data security operating procedures, and personnel practices.

Effect:
Lack of periodic security reviews puts EIS hardware at risk of theft, software at risk of unauthorized use, and data at risk of being compromised or lost. As a result, there is the potential for unauthorized system use, data manipulation, and improper eligibility determinations of medical benefits.

Questioned Costs:
None

Recommendation:
DHSS' FMS director should work with DPA's director to ensure biennial security reviews of EIS are conducted according to federal regulations.

Finding No. 2018-027

Federal Awarding Agency:	USDHHS
Impact:	Significant Deficiency
CFDA Number and Title:	93.558 TANF Cluster 93.775, 93.777, 93.778 Medicaid Cluster
Federal Award Number:	1601AKTANF, 1701AKTANF, 1801AKTANF; 1705AK5MAP, 1805AK5MAP
Applicable Compliance Requirement:	Eligibility

Condition:
DHSS' IT staff did not properly limit user access to the eligibility system during FY 18.

Context:
The details related to this control weakness and the relevant audit criteria are being withheld from this report to prevent the weakness from being exploited. Pertinent details have been communicated to agency management in a separate, confidential document.

Cause:
DHSS IT staff focused their resources on replacing the eligibility system.

Criteria:
Title 2 CFR 200.303 requires states to establish and maintain effective internal controls over a federal award that provides reasonable assurance that states are managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the award.

Additionally, 45 CFR 205.36 requires a state plan under title IV-A of the Social Security Act provide for the establishment and operation of an automated statewide management system designed to automatically control and account for all factors in the total eligibility determination. The system must also be designed to provide for security against unauthorized access to, or use of, the data in the system. The State of Alaska has established Information Security Policies to ensure the proper user management for State systems.

Effect:
Lack of adequate internal controls increase the risk of unauthorized system use, including data manipulation which may result in ineligible recipients and unallowable expenditures.

Questioned Costs:
None

Recommendation:
DHSS' FMS director should work with DPA's director to improve the eligibility system logical access controls.

Finding No. 2018-028

Federal Awarding Agency:	USDHHS
Impact:	Significant Deficiency, Noncompliance
CFDA Number and Title:	93.558 TANF Cluster
Federal Award Number:	1601AKTANF, 1701AKTANF, 1801AKTANF
Applicable Compliance Requirement:	Allowable Costs/Cost Principles

Federal Awarding Agency:	USDHHS
Impact:	Material Weakness, Noncompliance
CFDA Number and Title:	93.558 TANF Cluster
Federal Award Number:	1601AKTANF, 1701AKTANF, 1801AKTANF
Applicable Compliance Requirement:	Eligibility, Special Tests and Provisions

Condition:
Four of the 40 TANF applications tested (10 percent) were not processed within 30 days. Additionally, 21 of 40 (53 percent) TANF recipient case files tested lacked documentation supporting the request and use of the income and benefit information through the Income Eligibility and Verification System (IEVS) for determining eligibility and benefits.

Eight eligibility errors were identified in testing a random sample of 40 FY 18 TANF recipient applications including:

- One recipient exceeded the resource limit, but was classified as eligible and inappropriately received one month of TANF benefits.
- One recipient reported an income change which was not processed timely resulting in the recipient inappropriately receiving four additional months of TANF benefits.
- Two recipients reported on their applications they were not U.S. citizens. The recipients' case files lacked evidence the eligibility technician verified the applicants' immigration status.
- Four recipients had not completed the required child support section of the applications. The recipients' case files lacked the required signed 1603 Child Support Information form.

Context:
The State is required to ensure only financially needy families that consist of a minor child living with a parent or other caretaker relatives receive TANF assistance. DPA employs eligibility technicians who review applications, identify income and financial resources, and make a determination whether a family is eligible to receive benefits, including the amount of the benefits.

Cause:
DPA management reported a backlog of applications impacted the eligibility technicians' ability to process applications and reported changes timely.

DPA has a policy for supervisors and regional case reviewers to perform a specific number of reviews of eligibility technicians' cases per month. Auditors noted the minimum number of supervisor and regional case reviews were not conducted. Consequently, eligibility technicians did not receive sufficient feedback for areas of improvement in the application review, eligibility determination process, or case file documentation.

Criteria:
Title 2 CFR 200.303 requires the State to establish and maintain effective internal control over the federal award that provides reasonable assurance that the State is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Title 45 CFR 206.10(a)(3) requires that a decision be made promptly on applications, pursuant to reasonable State-established time standards not in excess of 45 days. Per Alaska State Plan for the TANF, December 31, 2016, Section 4.1, applications are required to be processed within 30 days of receipt.

Title 45 CFR 205.55 requires the State to coordinate data exchanges with other federally assisted benefits programs, and to request and use income and benefit information when making eligibility determinations.

DPA's Temporary Assistance Manual further outlines specific State requirement for applications and eligibility determinations to include:

- Section 705 – Information from Data Systems and EIS Interfaces, several data systems and computer interfaces are available through the Internet and online EIS access. Some interfaces must be checked at each application and recertification as part of the verification process. Others only need to be checked if questionable or if certain conditions apply.
- Section 713 – US Citizenship and Eligible Alien Status, applicants must have US citizenship or eligible alien status.
- Section 717 – Child Support Assignment and Cooperation, custodial parent applicants must sign form 1603a and agree to cooperate with the Child Support Services Division.
- Section 790 – Case Management, families are required to report certain changes, such as employment or pay rate, within 10 days of knowledge that may affect their eligibility or payment amount. Caseworkers must take action within 10 days of the agency's receipt of the report of change.

DPA's Administrative Procedures Manual, Section 109 requires that all public assistance cases have documentation that supports eligibility, ineligibility, and benefit-level determinations. The documentation must be in sufficient detail to allow a reader or reviewer to determine the reasonableness and accuracy of the determination. Documentation is done by recording information about each action taken, verification used, and contacts made using the online case note screen on EIS or on a Report of Contact sheet.

Effect:
Two errors resulted in TANF benefit overpayments. Auditors could not verify eligibility for 21 of 40 cases tested due to a lack of IEVS documentation in the case files. The State may be penalized for up to two percent of the federal grant for failure to participate in IEVS.

Questioned Costs:
Known questioned costs of $1,072 and likely questioned costs exceeding $25,000.

Recommendation:
DHSS' DPA director should ensure procedures are followed for determining eligibility and retaining documentation in the TANF recipients' case files, including the documentation to

support compliance with IEVS, verification of citizenship, and eligibility determinations. In addition, the DPA director should ensure applications and changes in status are processed timely.

Finding No. 2018-029

Federal Awarding Agency:	USDHHS
Impact:	Significant Deficiency, Noncompliance
CFDA Number and Title:	93.558 TANF Cluster
Federal Award Number:	1701AKTANF
Applicable Compliance Requirement:	Reporting

Condition:
The FFY 17 ACF-204 annual report was not submitted timely.

Context:
The State is required to file an annual report containing information on the TANF program and the State's maintenance of effort programs within 45 days of the September quarter end. DPA management did not realize the FFY 17 report was not submitted until an auditor requested a copy. DPA staff filed the report in August 2018.

Cause:
DPA management stated that the ACF-204 report was not filed during FY 18 due to a lack of adequate procedures and a change in program staff.

Criteria:
Title 45 CFR 265.9(a) requires each state to file an annual report containing information on the TANF program and the State's maintenance of effort program(s) for that year.

Title 45 CFR 265.10 states that the annual report is due the same time as the fourth quarter TANF data report, which is 45 days following the end of the quarter.

Effect:
Untimely federal reporting limits transparency and may impair the federal oversight agency's ability to properly oversee the program. Furthermore, by not meeting reporting requirements the State could be subject to a reduction of the federal grant award.

Questioned Costs:
None

Recommendation:
DPA's director should strengthen reporting procedures to ensure the ACF-204 report is filed timely.

Finding No. 2018-030

Federal Awarding Agency:	USDHHS
Impact:	Significant Deficiency, Noncompliance
CFDA Number and Title:	93.558 TANF Cluster
Federal Award Number:	1601AKTANF, 1701AKTANF, 1801AKTANF
Applicable Compliance Requirement:	Reporting, Special Tests and Provisions

Condition:
Eight of 27 TANF cases tested (30 percent) had inaccurate information reported in the ACF-199 data file. Additionally, six of 27 TANF cases tested (22 percent) reported work participation activities in the ACF-199 data file that were inaccurate, unsupported, or unverified.

Context:
The quarterly ACF-199 report is compiled monthly from information that is either entered in the EIS by eligibility technicians or entered into EIS through an interface with its case management system. The information is electronically captured through a data file and transmitted to the Administration for Children and Families (ACF). The data transmitted for the ACF-199 report serves as the basis for ACF to determine whether the State has met the required work participation rates under the work verification plan. Several key line items for person-level data and work participation activities were not reported accurately in the data file that was electronically transmitted for the ACF-199 reports for the quarters ended September 2017, December 2017, and March 2018.

Summary of ACF-199 Errors		
Quarter end	**Number of cases with errors**	**Line number in error**
September 2017	2	44, 49
December 2017	1	50
March 2018	5	30, 32, 38, 44, 50, 55

Summary of Work Verification Errors	
Quarter end	**Number of cases with errors**
September 2017	1
December 2017	1
March 2018	4

Cause:
DPA management lacked adequate internal control procedures for ensuring the accuracy of information recorded in the EIS system which supports the ACF-199 report. Additionally, DPA management contracted with vendors to perform much of the work activity case

management, but did not establish internal controls procedures to ensure data reported for work activities was verified, supported by documentation in the case file, and accurate. Furthermore, there was a lack of supervisory review for work activity case management performed by DPA staff.

Criteria:
Title 45 CFR 265.3(a)(1) requires a state to collect on a monthly basis, and file on a quarterly basis, the data specified in the ACF-199 report.

Title 45 CFR 261.60(a) requires a state to report the actual hours that an individual participates in an activity. Furthermore, in section 45 CFR 261.61(a) a state must support each individual's hours of participation through documentation in the case file and 45 CFR 261.62(a)(2) requires a state to ensure the accuracy of the reporting by establishing and employing procedures for determining how to count and verify reported hours of work. Additionally, 45 CFR 261.62(a)(4) requires a state to establish and employ internal controls to ensure compliance with procedures.

Effect:
The State could be subject to a reduction of the federal grant award by inaccurately reporting data that supports the ACF-199 report. Furthermore, by not complying with requirements of the work verification plan the State could be subject to a penalty equal to not less than one percent and not more than five percent of the federal grant award.

Questioned Costs:
None

Recommendation:
DPA's director should develop and implement internal control procedures to ensure data reported for the ACF-199 report is complete and accurate, including internal controls to ensure work activities reported by TANF recipients are verified, supported, and accurate.

Finding No. 2018-031

Federal Awarding Agency:	USDHHS
Impact:	Significant Deficiency, Noncompliance
CFDA Number and Title:	93.575, 93.596 – CCDF Cluster
Federal Award Number:	1701AKCCDF 1801AKCCDF
Applicable Compliance Requirement:	Allowable Costs/Cost Principles

Condition:
Nine calculation errors (15 percent) were identified in testing 60 FY 18 CCDF program beneficiary payments. Eligibility staff of DHSS' Child Care Program Office (CCPO) and grant

subrecipient staff used incorrect pay factors (seven instances) and incorrect pay information (two instances) when determining monthly earned income.

Context:

Management and oversight of the CCDF grant is performed by the CCPO. Grants are provided to subrecipients to assist in the execution of the grant including eligibility determinations and review and submission of monthly program beneficiary expenditures. Subrecipients are responsible for adhering to program policies and procedures and the CCPO provides support to subrecipients as needed. Monthly payments are processed by the State and remitted directly to program beneficiaries or providers.

In determining the monthly co-pay for a program beneficiary, the earned and unearned income is added together and adjustments made for any allowable deductions (e.g. child support payments) to arrive at the beneficiary's available income. Earned income is calculated based on the average earnings received per pay period multiplied by a factor dependent upon the frequency of pay (four for a weekly pay period, two for bi-monthly, 2.15 for bi-weekly, and one for monthly).

Auditors randomly selected a sample of 60 expenditures for testing. Due to the large number of program beneficiaries included on each individual expenditure transaction, auditors judgmentally selected one program beneficiary from each expenditure for testing from a total of 7,038 FY 18 CCDF expenditure transactions.

Cause:

The errors noted were the result of misapplication of program guidelines and untimely secondary review by CCPO and subrecipient staff. In addition, insufficient monitoring of subrecipient activity by the CCPO (as outlined in Finding 2018-033 on page II-56) and a lack of detailed policies and procedures on the use of earned income pay factors and the income to be used for eligibility determinations contributed to the errors.

Criteria:

Title 2 CFR 200.303(a) requires entities establish and maintain effective internal controls over the federal award that provides reasonable assurance that the entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Per 42 CFR 98.45(k)(2), lead agencies shall establish, and periodically revise, by rule, a sliding fee scale(s) for families that receive CCDF child care services that is based on income and the size of the family and may be based on other factors as appropriate, but may not be based on the cost of care or amount of subsidy payment.

Title 2 CFR 200.53 dictates that federal funds may not be expended on improper payments which include payments that were made in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements.

Effect:

Seven calculation errors resulted in program beneficiaries being undercharged for their monthly co-pay for the benefit year and one program beneficiary being overcharged for their monthly co-pay for the benefit year. One earned income calculation error resulted in no change to the program beneficiary's monthly co-pay as the corrected family income was within the same income range for the originally determined monthly co-pay.

Undercharging co-pays causes federal and state subsidies to be overpaid resulting in questioned costs. Charging unallowable costs to the program could result in the loss or reduction of future grant funding or imposition of additional grant requirements by the federal oversight agency.

Questioned Costs:

Known questioned costs of $6,650 (CFDA 93.575) and likely questioned costs exceeding $25,000.

Recommendation:

DHSS' DPA director should ensure that procedures are strengthened to provide for more timely review of co-pay determinations. Procedures should also be updated to provide additional clarification for required calculations. In addition, the DPA director should ensure that all program and subrecipient staff adhere to program guidelines.

<u>Finding No. 2018-032</u>

Federal Awarding Agency:	USDHHS
Impact:	Significant Deficiency, Noncompliance
CFDA Number and Title:	93.575, 93.596 – CCDF Cluster
Federal Award Number:	1701AKCCDF 1801AKCCDF
Applicable Compliance Requirement:	Eligibility

Condition:

FY 18 testing of 60 CCDF program beneficiaries identified five instances (eight percent) where eligibility redeterminations were performed by CCPO or subrecipient staff prior to the minimum 12 month standard required by the federal grant.

Context:

The audit randomly selected a sample of 60 expenditure transactions for testing. Due to the large number of CCDF program beneficiaries included on each individual expenditure transaction, auditors judgmentally selected one program beneficiary from each expenditure for testing from a total of 7,038 FY 18 CCDF expenditure transactions.

Cause:
A lack of clearly defined eligibility redetermination procedures and insufficient monitoring of subrecipients (as outlined in Finding 2018-033 on page II-56) resulted in the misapplication of program guidelines. Untimely secondary review by program staff also contributed to the errors.

Criteria:
Title 2 CFR 200.303(a) requires entities establish and maintain effective internal controls over the federal award that provides reasonable assurance that the entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Per 42 USC 9858c(c)(2)(N)(i)(l), an approved state plan must demonstrate that each child who receives assistance under this subchapter in the state will be considered to meet all eligibility requirements for such assistance and will receive such assistance, for not less than 12 months before the State or designated local entity redetermines the eligibility of the child under this subchapter, regardless of a temporary change in the ongoing status of the child's parent as working or attending a job training or educational program or a change in family income for the child's family, if that family income does not exceed 85 percent of the state median income for a family of the same size.

Effect:
Erroneous eligibility determinations may result in federal and state governments funding subsidies for ineligible families.

Questioned Costs:
None

Recommendation:
DHSS' DPA director should ensure that procedures are strengthened to provide for more timely review of eligibility redeterminations and ensure that all program staff adhere to program guidelines.

Finding No. 2018-033

Federal Awarding Agency:	USDHHS
Impact:	Significant Deficiency, Noncompliance
CFDA Number and Title:	93.575, 93.596 – CCDF Cluster
Federal Award Number:	1701AKCCDF 1801AKCCDF
Applicable Compliance Requirement:	Subrecipient Monitoring

Condition:

DPA staff did not sufficiently monitor FY 18 subrecipients. Annual risk assessments for all six CCDF subrecipients were not performed as required by federal regulations. In addition, monitoring activities outlined in division policy and procedure manuals were not performed as required.

Context:

DPA staff are responsible for ensuring subrecipients administer the program in compliance with federal requirements. DPA utilizes written procedures to ensure adequate monitoring of CCDF subrecipients. The procedures are described in the Child Care Assistance Program Policy and Procedure manual, section 4400, and the Continuous Improvement Monitoring Guide, section 320-2. These procedures include the performance of random monthly file reviews by CCPO supervisors and subrecipient managers covering five percent of the open and closed family and provider cases processed.

Six subrecipients and the CCPO were subject to the monthly monitoring outlined in the program policies and procedures. The CCPO and four of the six subrecipients were reviewed by auditors for compliance with the program monitoring over four months. The audit determined the CCPO and one subrecipient performed no internal file reviews, while the three other subrecipients selected for testing performed file reviews for less than the five percent minimum.

Cause:

DHSS lacks written procedures regarding the specific requirements for performing and documenting annually required risk assessments of subrecipients. Furthermore, FMS grants and contracts staff believed the grant application review process was sufficient to address the risk assessment requirements of the Uniform Guidance.

Additionally, DPA's written procedures did not require DPA staff ensure subrecipients performed file reviews in accordance with policies. As a result, DPA staff relied on subrecipients' management to comply with the policies outlined in the Child Care Assistance Policy and Procedure manual, section 4400, and the Continuous Improvement Monitoring Guide, section 320-2.

Criteria:

Title 2 CFR 200.303(a) requires entities to establish and maintain effective internal control over the federal award that provides reasonable assurance that the entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Per 2 CFR 200.331(b), the State is required to evaluate each subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the grant award. In addition, under 2 CFR 200.331(d) the State is required to monitor activities of subrecipients as necessary to ensure grant funding is used for authorized purposes, complies with federal statutes, regulations, and the terms and conditions of the grant award, and that performance goals are achieved.

Effect:
Ineffective monitoring activities increase the risk of subrecipient noncompliance with federal laws, regulations, and grant agreements. Insufficient monitoring was a contributing factor in the co-pay and early eligibility redetermination errors noted in Finding Nos. 2018-031 and 2018-032 respectively.

Questioned Costs:
None

Recommendation:
DHSS' FMS director should develop and implement procedures to ensure annual risk assessments are conducted for CCDF subrecipients as required by federal regulations.

DHSS' DPA director should ensure staff carry out existing CCDF subrecipient monitoring procedures and adopt written policies and procedures to ensure timely monitoring of the work performed by subrecipients.

<u>Finding No. 2018-034</u>

Federal Awarding Agency:	USDA
Impact:	Noncompliance
CFDA Number and Title:	10.557 Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
Federal Award Number:	187AKAK7W1003, 187AKAK7W1006
Applicable Compliance Requirement:	Subrecipient Monitoring

Condition:
DPA staff did not document risk assessments for the 12 FY 18 WIC subrecipients as required by the Uniform Guidance.

Context:
WIC subrecipients (local agencies) certify applicants' eligibility for WIC program benefits and deliver such benefits to eligible persons. Each local agency administers one or more WIC clinic sites in an area of operation where WIC applicants are screened for eligibility.

WIC program regulations require the State to operate a management evaluation system that, at a minimum, includes monitoring of local agency operations, review of financial reports, development of corrective action plans, and on-site reviews. An on-site review must be conducted on each local agency at least once every two years, including on-site reviews of at least 20 percent of the clinics in each local agency.

The audit confirmed that WIC program staff operated a management evaluation system in accordance with federal regulations. However, there was no evidence to show that the management evaluation system employed a risk-based approach to monitoring as required by Uniform Guidance.

Cause:
DPA staff was not aware of the Uniform Guidance requirement for performing risk assessments of all subrecipients to determine an appropriate level of monitoring. According to WIC program staff, the local agency management evaluation system includes ongoing evaluation of local agency performance. This process may result in enhanced monitoring and special conditions placed on local agencies. However, these ongoing evaluations are informal and not documented.

Criteria:
Title 2 CFR 200.331(b) requires the State to evaluate each subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring.

Effect:
The lack of risk assessment may impair the efficiency and effectiveness of local agency monitoring performed by WIC staff. Ineffective monitoring increases the risk of local agency noncompliance with federal regulations.

Questioned Costs:
None

Recommendation:
DHSS' DPA director should ensure risk assessments are performed and documented for WIC local agencies as required by federal regulations. The risk assessments should support the level of monitoring determined appropriate for each local agency.

Finding No. 2018-035

Federal Awarding Agency:	USDA
Impact:	Noncompliance
CFDA Number and Title:	10.557 WIC
Federal Award Number:	187AKAK7W1003, 187AKAK7W1006
Applicable Compliance Requirement:	Cash Management

Condition:
One of 20 tested FY 18 WIC cash draws did not fully comply with federal cash management requirements.

Context:
The WIC program is not included in the State's Treasury State Agreement (TSA); however federal regulations require the State to minimize the time between the drawdown of federal funds from the federal government and their disbursement for federal program purposes. Under DHSS procedures, FMS staff draw federal funds on a reimbursement basis to ensure compliance with federal regulations.

The 20 tested FY 18 WIC drawdowns totaled $3.6 million of which $413,731 (12 percent) was drawn in advance of program expenditures. Approximately $303,000 was drawn one week in advance; the remaining $110,000 was drawn two weeks in advance. Since the USDA transfers WIC funds within 24 hours of the request, the State's advance request of funds did not properly minimize the time between the drawdown of federal funds and disbursement for WIC program purposes.

Cause:
According to management, the staff responsible for the FY 18 WIC federal draw requests did not follow established procedures which led to the finding.

Criteria:
Title 31 CFR 205.33(a) requires the State to minimize the time between the drawdown of funds from the federal government and their disbursement for federal program purposes. The timing and amount of funds transfers must be as close as administratively feasible to the State's actual cash outlay for direct program costs and the proportionate share of any allowable indirect costs.

Effect:
FMS' inability to comply with federal requirements in executing WIC drawdowns may result in the imposition of the more stringent cash management requirements of the annual TSA.

Questioned Costs:
None

Recommendation:
DHSS' FMS director should ensure WIC drawdowns are executed in accordance with DHSS procedures and federal regulations.

Finding No. 2018-036

Federal Awarding Agency:	USDA
Impact:	Noncompliance
CFDA Number and Title:	10.557 WIC
Federal Award Number:	187AKAK7W1003, 187AKAK7W1006
Applicable Compliance Requirement:	Special Tests and Provisions

Condition:
For one of four tested months, DPA staff did not perform follow-up on WIC food instruments (FI) identified as questionable items or suspected errors within 120 days of detection as required by federal regulations.

Context:
DPA staff are required under federal regulations to review the disposition of all FIs issued for the WIC program. Each month, DPA staff review a system-generated reconciliation report of all FIs processed in the benefit month two months prior to the reconciliation month. Review of the reconciliation report identifies items for follow-up including lost, voided, expired, and duplicate FIs.

The audit reviewed four FY 18 FI monthly reconciliation reports and confirmed that WIC program staff performed the FI disposition review in accordance with federal regulations. However, FIs identified as "voided but paid" in the April 2018 reconciliation report (February 2018 FIs) were not followed-up within 120 days of detection. Follow-up occurred 234 days after the questionable FIs were detected.

Cause:
According to WIC program staff, the monthly reconciliation was performed timely, however the follow-up documentation was not maintained.

Criteria:
Title 7 CFR 246.12(k)(1) requires the State to take follow-up action within 120 days of detecting any questionable FIs.

Effect:
The lack of timely follow-up may impair WIC staff's ability to recover improperly paid FI benefits. Furthermore, per 7 CFR 246.23(a)(4), the federal oversight agency could establish a claim against the State for not taking action on redeemed FIs that cannot be matched against valid enrollment and issuance records.

Questioned Costs:
None

Recommendation:
DPA's director should ensure questionable FIs are followed up within 120 days as required by federal regulations.

Finding No. 2018-037

Prior Year Finding: 2017-046
Type: Other State Issues
Impact: Noncompliance

Condition:
Seven potential shortfalls were identified for FY 18.

Context:
Three potential shortfalls previously identified in FY 16 State Single Audit were still outstanding in the following amounts as of January 2019:

Appropriation	Appropriation Title	Amount
H297 (BFY 2008)	Mandatory Automated Child Welfare Info & Billing System Improvements	$174,810
H001 (BFY 2016)	Alaska Pioneer Homes	15,903
H007 (BFY 2016)	Public Health	204,376

Three potential shortfalls previously identified in FY 17 State Single Audit were still outstanding in the following amounts as of January 2019:

Appropriation	Appropriation Title	Amount
H324 (BFY 2002)	Medicaid Management Information System Reprocurement	$3,511,336
H001 (BFY 2017)	Alaska Pioneer Homes	66,141
H009 (BFY 2017)	Departmental Support Services	577,431

Additionally, one FY 18 potential shortfall was identified as follows:

Appropriation	Appropriation Title	Amount
H308 (BFY 2007)	Medicaid Management Information System Completion	$211,444

Cause:
According to DHSS management, the shortfall in appropriation H297 is due to expenditures determined ineligible for federal reimbursement caused by issues with MAXCARs[6] allocation.

[6] MAXCARs is DHSS' prior cost allocation system.

According to DHSS management, DHSS staff obtained ratification in FY 18 for the portion of H001 (BFY 2016) and H007 (BFY 2016) that was believed uncollectible at the time. However, subsequent to the FY 18 ratifications, DHSS staff determined the additional amounts were uncollectible. DHSS management stated that the Integrated Resource Information System implementation and conversion issues contributed to the shortfalls.

According to DHSS management, the revenue shortfalls in appropriations H324 and H308 were due to USDHHS disallowing expenditures that were claimed beyond the period of performance. DHSS management asserted claiming was delayed due to litigation with the system development contractor, XEROX State Healthcare, LLC. In FY 18, DHSS management attempted to negotiate a waiver for these expenditures, however CMS again determined the expenditures were ineligible for reimbursement.

According to DHSS management, the appropriation H001 (BFY 2017), Alaska Pioneer Home, had expenditures in FY 17 that were subsequently determined ineligible for federal reimbursement resulting in under collection of anticipated revenue.

For appropriation H009, DHSS staff failed to timely bill expenditures that were federally reimbursable due to incorrect setup of accounting structures associated with a reimbursable services agreement. When DHSS management discovered the structure error the fiscal year was closed and corrective action could not be taken.

Criteria:
The *State Budget Act* provides that if actual collections fall short of the appropriated program receipts, an agency is required to reduce its budget by the estimated reduction in collections.

Effect:
As a result of the shortfalls, unauthorized general funds were expended.

Recommendation:
DHSS' FMS director should take measures to resolve revenue shortfalls, including collecting any remaining revenue if possible and requesting a supplemental appropriation, if necessary. Additionally, the FMS director should improve procedures over billing and monitoring revenue collections to prevent future revenue shortfalls.

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DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT (DLWD)

Five findings were issued to DLWD in the *State of Alaska, Single Audit for the Fiscal Year Ended June 30, 2017*. Prior year Finding Nos. 2017-047 and 2017-049 are resolved. Prior year Finding Nos. 2017-048 and 2017-050 are not resolved and are reiterated in this report as Finding Nos. 2018-038 and 2018-039 respectively. DLWD's portion of prior year Finding No. 2017-016, issued to both DLWD and the Department of Administration, is not resolved and is reiterated in this report as Finding No. 2018-040.

No new findings have been issued during the FY 18 statewide single audit.

The views of responsible officials and management's corrective action plan are included in Section IV – Corrective Action Plan.

Finding No. 2018-038

Prior Year Finding:	2015-030, 2016-038, 2017-048
Type:	Basic Financial Statements
Impact:	Significant Deficiency

Condition:
Multiple deficiencies in accounting for FY 18 unemployment compensation fund (UCF) activity were identified. DLWD staff did not process an FY 18 year-end transaction to clear the UCF suspense receipts liability account. In addition, DLWD staff incorrectly recorded monthly and year-end entries to the State's accounting system (IRIS) for FY 18 unemployment insurance (UI) benefit expenses, fraud penalties, benefit overpayments and allowance for doubtful accounts.

Context:
The year-end balance of the UCF suspense receipts account totaled $6,763,757 and represents amounts that likely should have been allocated to revenue or expense accounts. DLWD was unable to provide adequate support to allow for a correcting audit adjustment.

DLWD posts UI financial activity from their subsystem into IRIS monthly. The postings record all of the monthly UCF activity related to unemployment benefit payments, penalties received, and benefit overpayments received. The methodology for posting this activity was changed in FY 18. The changes caused multiple accounts to be recorded incorrectly. The resulting errors were corrected via an audit adjustment and the activity was correctly reported in the FY 18 Comprehensive Annual Financial Report (CAFR).

Cause:
During FY 18, DLWD staff analyzed the suspense account balance but were unable to identify the corrections needed.

DLWD staff attempted to revise the monthly entries to record UI benefit financial activity in response to a prior year audit recommendation that directed the agency to improve accounting for fraud penalties. The staff made errors when creating the new process due to lack of understanding of information presented on the UI subsystem reports and how to record the activity in compliance with generally accepted accounting principles.

Criteria:
In accordance with *Codification of Governmental Accounting and Financial Reporting Standards,* Section 1800.188, the budget, the accounts, and the financial reports are inseparable elements in the financial administration process. Terminology and classification consistency among them is essential to achieving viable accounting systems and comparable, unambiguous financial reporting.

Codification of Governmental Accounting and Financial Reporting Standards, Section 1600.130 requires proprietary fund statements of net position and revenues, expenses, and changes in fund net position be presented using the economic resources measurement focus and the accrual basis of accounting.

Effect:
Errors related to the suspense receipts liability account caused an overstatement of liabilities and unknown misstatement to revenue and expense accounts.

The monthly and year-end UI entries posted by DLWD staff caused the following UCF accounts to be misstated: accounts receivable were understated by $1.1 million, accounts payable and accrued liabilities were understated $1.7 million, net position: restricted for unemployment compensation was overstated $671,000, premiums and contributions revenue was overstated by $6.7 million, fines and forfeitures revenue was understated by $4.0 million, and benefit expenses were overstated $2 million.

Recommendation:
DLWD's Division of Administrative Services (DAS) director should improve internal controls including ensuring staff responsible for recording financial activity are properly trained in governmental accounting.

Finding No. 2018-039

Prior Year Finding:	2017-050
Type:	Other State Issues
Impact:	Noncompliance

Condition:
Control deficiencies were identified in a DLWD Information Technology (IT) system.

Context:
The details related to the control weakness and the relevant audit criteria are being withheld from this report to prevent the weakness from being exploited. Pertinent details have been communicated to agency management in a separate, confidential document.

Cause:
The control deficiencies were mainly due to a lack of available resources to correct the deficiency.

Criteria:
State of Alaska's Information Security Policies provide criteria related to the identified deficiencies.

Effect:
The IT control deficiencies increase the risk of loss or manipulation of sensitive data.

Recommendation:
DLWD's DAS director should strengthen IT controls in accordance with State security policy.

Finding No. 2018-040

Prior Year Finding:	2017-016
Type:	Other State Issues
Impact:	Noncompliance

Condition:
Control deficiencies were identified in DLWD's IT system security.

Context:
The details related to the control weakness and the relevant audit criteria are being withheld from this report to prevent the weakness from being exploited. Pertinent details have been communicated to agency management in a separate, confidential document.

Cause:
Staff turnover contributed to the deficiency.

Criteria:
State of Alaska's Information Security Policy and National Institute of Standards and Technology Special Publication 800-53 Revision 4,[7] provide specific criteria related to the identified deficiencies.

Effect:
The IT control deficiencies increase the risk of loss or manipulation of sensitive data.

Recommendation:
DLWD's DAS director should coordinate with the Department of Administration, Office of Information Technology chief information officer to address system security concerns.

[7] Security and Privacy Controls for Federal Information Systems and Organizations.

DEPARTMENT OF COMMERCE, COMMUNITY,
AND ECONOMIC DEVELOPMENT (DCCED)

One finding was issued to DCCED in the *State of Alaska, Single Audit for the Fiscal Year Ended June 30, 2017*. Prior year Finding No. 2017-051 is resolved.

Five new findings have been issued during the FY 18 statewide single audit and are included as Finding Nos. 2018-041 through 2018-045.

The views of responsible officials and management's corrective action plan are included in Section IV – Corrective Action Plan.

Finding No. 2018-041

Federal Awarding Agency:	USDA
Impact:	Significant Deficiency, Noncompliance
CFDA Number and Title:	10.665 Forest Service Schools and Roads Cluster (FSRC)
Federal Award Number:	ASR-18-01
Applicable Compliance Requirement:	Activities Allowed or Unallowed Allowable Costs/Cost Principles

Condition:
A review of six FY 18 unorganized borough payments identified that five were calculated inaccurately. An expanded review of all payments determined that 22 of 23 FY 18 payments to unorganized boroughs were calculated inaccurately.

Context:
The FSRC funds are to be distributed to communities with land located in the Tongass and Chugach National Forests for the benefit of public schools and public roads. State regulations[8] outline the calculation to determine the amounts to distribute to communities located within the national forest boundaries. Additionally, State regulations[9] allow adjustments to the current year's payment to correct any prior year overpayments.

A total of 23 unorganized boroughs received FY 18 payments which included inaccurately calculated adjustments to correct FY 17 payment errors. As a result of the inaccurate calculations, there was an overall underpayment totaling $44,657 to four Chugach communities and overpayment to 18 Tongass communities by the same amount.

Cause:
DCCED's Division of Community and Regional Affairs (DCRA) lacked procedures to ensure payments were calculated correctly and reviewed for accuracy prior to disbursement.

Criteria:
Per 16 USC 7112 (c)(1), a state that receives a payment under subsection (a) for federal land described in section 7102(7)(A) shall distribute the appropriate payment amount among the appropriate counties in the state in accordance with 16 USC 500.

Effect:
The inaccurate payment calculations resulted in inequitable distribution of funds among communities located within the Chugach and Tongass National Forests which may have negatively impacted operations.

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[8] 3 AAC 132.055.
[9] 3 AAC 132.160.

Questioned Costs:
None

Recommendation:
DCCED's DCRA director should develop and implement procedures to ensure the Schools and Roads payments are accurate.

Finding No. 2018-042

Federal Awarding Agency:	USDA
Impact:	Significant Deficiency, Noncompliance
CFDA Number and Title:	10.665 FSRC
Federal Award Number:	ASR-18-01
Applicable Compliance Requirement:	Cash Management

Condition:
DCCED's DCRA management did not minimize the time between receipt of federal program funds and disbursement to communities.

Context:
In FY 18, federal funds were received by the State in two payments. In February 2018, the State received approximately $510,600 in program funds. In March, the State was notified an additional $8.9 million payment was anticipated, which was received in May. In June, DCRA staff sought clarification prior to disbursement. Due to the delay, the first payment was held for almost four months prior to disbursement and the second payment was held for one month. The potential interest liability due to the federal agency was determined immaterial.

Cause:
Lack of procedures and staff turnover resulted in a lack of awareness by responsible staff of the federal requirements to ensure payments are issued timely.

Criteria:
Title 31 CFR 205.33 requires that a state minimize the time between the drawdown of federal funds from the federal government and their disbursement for federal program purposes. The timing of funds transfers must be as close as is administratively feasible to a state's actual cash outlay for direct program costs.

Effect:
Late disbursements to communities could adversely impact school or other community operations.

Questioned Costs:
None

Recommendation:
DCCED's DCRA director should develop and implement procedures to ensure the Schools and Roads payments are issued timely.

Finding No. 2018-043

Federal Awarding Agency:	USDHHS
Impact:	Significant Deficiency, Noncompliance
CFDA Number and Title:	93.423 1332 State Innovation Waivers
Federal Award Number:	SIWIW18004-01-00
Applicable Compliance Requirement:	Reporting

Condition:
Quarterly financial reporting for the period ending June 30, 2018 erroneously over-reported $26.1 million in cash disbursements, and no internal controls were in place over the reporting process.

Context:
Financial reporting requirements for the 1332 State Innovation Waivers program were outlined in the FY 18 grant award terms and conditions. A review of the only financial report required for FY 18, the SF-425 for period ending June 30, 2018, identified that the report was completed on the cash basis of accounting. The SF-425 allows for reporting under the accrual basis or the cash basis. According to the SF-425 instructions, under cash basis accounting, amounts should be reported in the period the disbursements were issued. Payments to subrecipients issued during August 2018 totaling $26.1 million were incorrectly reported as cash disbursements as of June 30, 2018.

Cause:
Management was unaware of federal requirements for implementation of internal controls, and staff had insufficient training on federal reporting requirements for cash disbursements.

Criteria:
Title 2 CFR 200.303 requires that recipients of federal funding establish and maintain effective internal control over the federal award that provides reasonable assurance that the recipient is managing the award in compliance with statutes, regulations, and the terms and conditions of the award.

USDHHS Notice of Award Mandatory Terms and Conditions Administrative Requirement Nos. 19 and 20 establish the SF-425 quarterly financial reporting requirement with a due date of 30 days after the end of each quarter.

Effect:
Users of the financial report may make incorrect decisions based on erroneous data.

Questioned Costs:
None

Recommendation:
DCCED's Division of Administrative Services director should develop and implement review and approval procedures over SF-425 report preparation, and adequate training should be provided to grant financial management staff responsible for preparing financial reports.

Finding No. 2018-044

Federal Awarding Agency:	USDHHS
Impact:	Material Weakness, Noncompliance
CFDA Number and Title:	93.423 1332 State Innovation Waivers
Federal Award Number:	SIWIW18004-01-00
Applicable Compliance Requirement:	Procurement and Suspension and Debarment

Condition:
No procedures were performed to verify the only subrecipient of the program was not suspended or debarred from receiving federal funds.

Context:
The State of Alaska's waiver application and subsequent federal grant for section 1332 of the Affordable Care Act was for the purpose of operating the Alaska Reinsurance Program. Alaska Statute 21.55 assigned the responsibility for running the Alaska Reinsurance Program to the Alaska Comprehensive Health Insurance Association (ACHIA). The State awarded 100 percent of the federal grant award to ACHIA as a subrecipient to administer the program.

Cause:
Staff responsible for grants management were unfamiliar with federal suspension and debarment requirements for managing grant awards.

Criteria:
Title 2 CFR 200.303 requires that recipients of federal funding establish and maintain effective internal control over the federal award that provides reasonable assurance that the recipient is managing the award in compliance with statutes, regulations, and the terms and conditions of the award.

Title 2 CFR 180.300 requires agencies to verify that subrecipients are not excluded or disqualified from being awarded federal funds prior to entering into a covered transaction with the entity. This can be done by: (a) checking System of Award Management (SAM) exclusions; (b) collecting a certification from the entity; or (c) adding a clause or condition to the covered transaction with the entity.

Effect:
Auditors verified ACHIA was not suspended or debarred from receiving federal awards. The lack of internal controls increase risk that the State may enter into a covered transaction using federal funds with a suspended or debarred subrecipient.

Questioned Costs:
None

Recommendation:
DCCED's Division of Insurance (DOI) director should ensure adequate grant management training is provided to responsible staff, and ensure internal controls are implemented over suspension and debarment requirements.

Finding No. 2018-045

Federal Awarding Agency:	USDHHS
Impact:	Material Weakness, Noncompliance
CFDA Number and Title:	93.423 1332 State Innovation Waivers
Federal Award Number:	SIWIW18004-01-00
Applicable Compliance Requirement:	Subrecipient Monitoring

Condition:
The sole subrecipient of the federal award was not registered in SAM prior to receiving a subaward. In addition, DOI staff failed to complete a risk assessment and perform adequate monitoring procedures to ensure the subrecipient was in compliance with the terms of the award.

Context:
The State of Alaska's waiver application and subsequent federal grant for section 1332 of the Affordable Care Act was for the purpose of operating the Alaska Reinsurance Program. Alaska Statute 21.55 assigned the responsibility for running the Alaska Reinsurance Program to ACHIA. The State passed through 100 percent of the federal grant award to ACHIA in order to fund ACHIA's operation of the program, but did not follow federal requirements of pass through entities for managing subrecipients. The audit verified ACHIA completed SAM registration July 21, 2018 which was after the federal subaward date of July 4, 2018.

Cause:
DOI staff responsible for grants management were unfamiliar with federal requirements for managing grant awards and subrecipients. DOI lacked procedures to ensure compliance.

Criteria:
Title 2 CFR 25.205 prohibits agencies from making an award to a subrecipient prior to the subrecipient maintaining an active SAM registration.

Title 2 CFR 200.331 requires pass through entities perform annual risk assessment and monitoring procedures over subrecipients.

Effect:
Inadequate subrecipient monitoring may result in a failure to achieve the intended purpose of federal grants and/or in the misuse or misreporting of activity under the subaward.

Questioned Costs:
None

Recommendation:
DCCED's DOI director should develop and implement procedures for performing the annual risk assessment of the subrecipients and establish monitoring activities such as requiring the subrecipient to submit the results of quarterly claims audits.

(Intentionally left blank)

DEPARTMENT OF MILITARY AND VETERANS' AFFAIRS (DMVA)

Two findings were issued to DMVA in the *State of Alaska, Single Audit for the Fiscal Year Ended June 30, 2017*. Prior year Finding No. 2017-052 is not resolved and is reiterated in this report as Finding No. 2018-046. Prior year Finding No. 2017-053 is not resolved and is reiterated as part of a new expanded current year Finding No. 2018-052.

Five new findings have been issued during the FY 18 statewide single audit and are included as Finding Nos. 2018-047 through 2018-051.

The views of responsible officials and management's corrective action plan are included in Section IV – Corrective Action Plan.

Finding No. 2018-046

Prior Year Finding:	2017-052
Type:	Basic Financial Statements
Impact:	Significant Deficiency

Condition:
DMVA staff lacks department specific written procedures for preparing the Schedule of Expenditures of Federal Awards (SEFA). Further, there was no evidence that supervisory review of DMVA's FY 18 SEFA was performed prior to submission to the Department of Administration (DOA).

Context:
In FY 18, DMVA staff relied on DOA Division of Finance's (DOF) written guidance for preparing the SEFA. Because each department designs and implements its accounting structure differently, DOF's general instructions were insufficient to ensure DMVA's federal expenditure data was reported in the statewide SEFA accurately and completely.

Cause:
DMVA staff did not consider the need for documenting department specific SEFA preparation procedures. Additionally, DMVA management considered DOF's email accepting DMVA's SEFA as adequate evidence of supervisory review.

Criteria:
Per Title 2 CFR 200.508(b), the auditee must prepare appropriate financial statements, including the SEFA, in accordance with federal regulation. Furthermore, 2 CFR 200.303, states the auditee is responsible for establishing effective internal controls.

Effect:
The SEFA serves as the primary basis for the determination of major programs as required by federal regulation. Inaccuracies in the amount of expenditures reported on the SEFA increase the risk of noncompliance with federal audit and reporting requirements. Noncompliance with federal regulations may result in the federal awarding agency imposing additional conditions or taking corrective action including additional reporting requirements or withholding/terminating funding. Although DMVA's FY 18 SEFA was materially accurate, lack of written procedures increases the risk of material errors in the future.

Questioned Costs:
None

Recommendation:
DMVA's finance officer should develop and implement written procedures over SEFA preparation and review to ensure it is accurate, complete, and supported. The procedures should include data completion verification, supervisory review, and documentation of verification and review.

Finding No. 2018-047

Federal Awarding Agency:	USDOD
Impact:	Significant Deficiency, Noncompliance
CFDA Number and Title:	12.401 National Guard Military Operations and Maintenance Projects
Federal Award Number:	W91ZRU-16-2-1000
Applicable Compliance Requirement:	Allowable Costs/Cost Principles Matching, Level of Effort, Earmarking

Condition:
DMVA's management did not ensure the State's accounting system was updated for changes made to the FFY 17 federally certified Facilities Inventory and Support Plan (FISP).

Context:
The National Guard Military Operations and Maintenance Projects (NGMOMP) program is administered through a Master Cooperative Agreement (MCA)[10] between the federal National Guard Bureau (NGB) and the State. The MCA includes all terms and conditions related to NGB's contribution of funds for the operation and training of the Army and Air National Guard within the State. Appendix 1 of the MCA outlines the requirements for the Army National Guard (ARNG) facilities programs. The facilities programs provide federal support to DMVA for the operation and maintenance of authorized facilities included in the FISP as prescribed in National Guard Regulations (NGR) 420-10.

The FISP is the Department of Defense's (DOD) federal registry of real property inventory, and includes detailed information on all federal/state owned and state operated ARNG facilities within the State. All ARNG facilities are owned by, leased for, or licensed to the State. As a result, the State operates and maintains all ARNG facilities. The FISP identifies the agreement support, which dictates the level of federal reimbursement authorized for each real property facility. The FISP uses support codes, which identify the level of federal support. NGR Pamphlet 420-10, Chapter 7, provides the support codes with the corresponding funding level percentage (i.e. 100 percent, 75 percent, 50 percent, or no support).

The FISP is annually updated and certified to identify new facilities, changes in funding support, or facilities no longer supported by DOD. The certified FISP is provided to DMVA

[10] Master agreement number W91ZRU-16-2-1000.

management for tracking of ARNG facilities and appropriate funding levels. DMVA management tracks the facilities using location codes in the State's accounting system. The appropriate federal and state funding level is recorded for each location code.

In FY 18 there were expenditures for 161 facility codes. The audit reviewed all 161 facilities and found nine (six percent) had expenditures allocated at a higher federal rate than authorized in the FISP. Three additional facilities had incorrect funding levels in the State's accounting system and the federal program was undercharged for expenditures.

Cause:
DMVA management stated the errors were due to inadequate procedures and staff turnover.

Criteria:
Title 2 CFR 200.303 requires the State establish and maintain effective internal control over the federal award that provides reasonable assurance that the State is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Title 2 CFR 200.403 requires costs to be allocable, allowable, and reasonable, and conform to any limitations or exclusions in the federal award as to types or amount of cost items.

NGR 5-1 section 5-4, dated May 28, 2010, states that when there is an identified cost share in an agreement, the grantor shall reimburse the grantee only for the grantor's percentage share of the total allowable costs.

NGR Pamphlet 410-10, Reissuance of Interim Chapter 7, dated April 18, 2018, section 7-2 states the rate of reimbursement to a state for all authorized charges shall be based on the FISP support code for the facility generating the expenditures.

Effect:
Failing to update the State's accounting system resulted in DMVA management overcharging expenditures to the federal program. Noncompliance with federal regulations may result in the federal awarding agency imposing additional conditions or taking corrective action including additional reporting requirements or withholding/terminating funding.

Questioned Costs:
$46,954

Recommendation:
DMVA's Division of Administrative Services (DAS) director, and DMVA's Facility Maintenance Office (FMO) division operations manager, should develop procedures to ensure the State's accounting system is updated annually based on revisions to the certified FISP.

Finding No. 2018-048

Federal Awarding Agency:	USDOD
Impact:	Significant Deficiency
CFDA Number and Title:	12.401 NGMOMP
Federal Award Number:	W91ZRU-16-2-1000
Applicable Compliance Requirement:	Allowable Costs/Cost Principles

Condition:
Three of 60 FY 18 NGMOMP timesheets tested (five percent) were entered into the State's accounting system with incorrect coding. Three of 25 personal service adjustments tested found three adjustments (12 percent) were inaccurate. One adjustment was recorded at the funding profile level, which identifies whether an expenditure is federal or state, instead of at the program level, which allows the expenditure to be charged to the correct federal program. Two adjustment errors were related to quarterly centralized personnel plan allocations which incorrectly omitted one position in the calculation.

Context:
Certain facilities are federally funded as outlined in the FISP. These facilities may also support other entities, such as the Coast Guard. Maintenance staff working on the facilities directly charge time to the facility based on location codes in the State's accounting system.

The audit reviewed a random sample of 60 timesheets with FY 18 personal service expenditures charged to NGMOMP. Three of the timesheets were entered into the accounting system using incorrect program codes or profile codes that resulted in under and overcharging the program. Additionally, auditors reviewed 25 personal service adjustments. In one instance, staff recorded the adjustment at the funding profile level resulting in undercharging the Coast Guard and overcharging the NGMOMP program. Additionally, the two instances related to incorrectly calculating the centralized personnel plan allocation resulted in undercharging personal services.

Cause:
DMVA management stated inadequate procedures and staff turnover resulted in timesheets being entered incorrectly and allocations not being reviewed.

Criteria:
Title 2 CFR 200.303 requires a state establish and maintain effective internal control over the federal award that provides reasonable assurance that a state is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Title 2 CFR 200.403 requires costs to be allocable, allowable and reasonable and conform to any limitations or exclusions in the federal award as to types or amount of cost items.

Section 304 of the MCA states the allowability of the costs shall be determined according to the terms and conditions of 2 CFR part 200, as amended, and NGR 5-1, Chapter 5. NGR 5-1, section 5-6, states it is the grantee's responsibility to properly account for costs incurred under the agreement and ensure that the cost principles are followed. The grantee shall take particular care to ensure that it does not charge costs incurred in performance of one agreement to another, or to both.

Effect:
Errors resulted in DMVA staff charging the NGMOMP program for unallowable personal service costs. Noncompliance with federal regulations may result in the federal awarding agency imposing additional conditions or taking corrective action including additional reporting requirements or withholding/terminating funding.

Questioned Costs:
$1,675

Recommendation:
DMVA's DAS director and FMO's division operations manager should develop procedures, including supervisory review, to ensure timesheets are accurately entered into the State's payroll system and quarterly allocations are correctly calculated.

Finding No. 2018-049

Federal Awarding Agency:	USDOD
Impact:	Noncompliance
CFDA Number and Title:	12.401 NGMOMP
Federal Award Number:	W91ZRU-16-2-1000
Applicable Compliance Requirement:	Allowable Costs/Cost Principles

Condition:
DMVA management failed to obtain federal approval to charge the NGMOMP program for indirect information technology (IT) personal service expenditures.

Context:
In reviewing FY 18 NGMOMP personal service expenditures, the audit identified that IT staff administrative support hours were allocated to the NGMOMP program.

Cause:
The federally approved centralized personnel plan (CPP) did not identify IT staff personal services as reimbursable indirect costs. DMVA management stated that the agency had received verbal federal approval to charge IT staff personal service costs to NGMOMP. However, due to staff turnover and an oversight by management, no formal federal approval to charge IT staff personal service indirect costs to the NGMOMP program was obtained.

Criteria:
Title 2 CFR 200.403 requires costs to be allocable, allowable and reasonable and conform to any limitations or exclusions in the federal award as to types or amount of cost items.

Section 304 of the MCA states the allowability of the costs shall be determined according to the terms and conditions of 2 CFR part 200, as amended, and NGR 5-1, Chapter 5.

NGR 5-1 allows for a CPP and states the CPP is the mechanism which allows reimbursement to the grantee should the grantee choose to centralize cooperate agreement personnel with in the State Military Department. Per the NGR, the CPP authorizes the human resource office, procurement office, and accounting office as the three areas where personnel costs can be paid.

Effect:
Unallowable expenditures were charged to NGMOMP. Noncompliance with federal regulations may result in the federal awarding agency imposing additional conditions or taking corrective action including additional reporting requirements or withholding/terminating funding.

Questioned Costs:
$106,110

Recommendation:
DMVA's DAS director should ensure only allowable personal service costs are charged to the National Guard Military Operations and Maintenance Projects program.

Finding No. 2018-050

Federal Awarding Agency:	USDOD
Impact:	Significant Deficiency, Noncompliance
CFDA Number and Title:	12.401 NGMOMP
Federal Award Number:	W91ZRU-16-2-1000
Applicable Compliance Requirement:	Procurement and Suspension and Debarment

Condition:
The audit reviewed a random sample of nine procurement files and one file (11 percent) did not have documentation to support a notice of intent to award was sent to all bidders. Additionally, one judgmentally selected procurement file did not have documentation that the solicitation was publicly noticed. A review of the State's Online Public Notices System found that no public notice was issued for the solicitation. Further, a review of 18 procurement files found 14 files (78 percent) did not contain evidence that staff verified the contractor was not suspended or debarred in the federal System of Award Management (SAM).

Context:
Procurement for the NGMOMP program was performed by DAS staff or FMO staff, depending on the type of procurement. FMO staff perform construction related procurements and DAS staff perform all other procurement types for the federal program.

The audit reviewed nine of 29 procurement files for compliance with state procurement procedures and 18 of 18 procurement files for compliance with federal suspension and debarment requirements.

Cause:
DMVA management lacked adequate procedures to ensure compliance with the State's procurement code. Additionally, DMVA management was not aware the MCA requires DMVA staff check SAM exclusions to verify the contractor is not suspended or debarred from receiving federal funds.

Criteria:
Title 2 CFR 200.317 requires states, when procuring property and services under a federal award, to follow the same policies and procedures it uses for procurements from its non-federal funds. The State's procurement policies are outlined in the State Procurement Code - AS 36.30.

Alaska Statute 36.30.130(a) states the procurement officer shall give adequate public notice of the invitation to bid at least 21 days before the date for the opening of bids. Notice shall be posted on the Alaska Online Public Notices System.

Alaska Statute 36.30.365 states that at least 10 days before the formal award of a contract that is not for construction, and at least five days before the award for a construction contract, the procurement officer shall provide each bidder or offeror notice of intent to award a contract.

Title 2 CFR 180.300 requires staff verify that an entity is not excluded or disqualified before entering into a covered transaction with an entity. This verification may be done by:

(a) checking SAM exclusions; or
(b) collecting a certificate from that entity; or
(c) adding a clause or condition to the covered transaction with that entity.

Section 808 of the MCA requires DMVA staff comply with DOD's implementation of 2 CFR Part 180 by checking SAM exclusions to verify contractor eligibility to receive contracts and subcontracts resulting from this agreement. This verification must be documented in the grantee contract files.

Effect:
Noncompliance with State procurement statutes may prohibit potential vendors from becoming aware of a solicitation which could limit competition and may limit bidders'

understanding of the right to appeal. Noncompliance with federal verification procedures increases the risk of entering into contracts with entities that have been suspended or debarred.

Questioned Costs:
None

Recommendation:
DMVA's DAS director and FMO's division operations manager, should strengthen procedures to ensure staff comply with State procurement requirements and maintain adequate documentation to support the procurement. Furthermore, the DAS director should develop and implement procedures to ensure compliance with federal suspension and debarment requirements.

Finding No. 2018-051

Federal Awarding Agency:	USDHS
Impact:	Noncompliance
CFDA Number and Title:	97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters)
Federal Award Number:	4351DRAKP0000000001
Applicable Compliance Requirement:	Subrecipient Monitoring

Condition:
A review of all four FY 18 Disaster Grants program subrecipients obligating award documents (OAD) found the documents did not include all federally required information.

Context:
DMVA enters into awards with subrecipients using the OAD as the subgrant agreement. During FY 18, DMVA awarded four Disaster Grants subawards. The audit reviewed all four subrecipients' OADs and found the documents did not clearly identify the Federal Award Identification Number (FAIN), Catalog of Federal Domestic Assistance (CFDA) name, and did not include the federal awarding agency name.

Cause:
DMVA management stated the FAIN and the CFDA field names were redesigned to help simplify the OAD to make the document easier to understand; however, the changes resulted in not fully listing the information. DMVA management also stated that the federal awarding agency name was not included due to human error.

Criteria:
Title 2 CFR 200.331 requires pass-through entities ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the required information at the time

of the subaward. Required information includes FAIN, federal awarding agency name, and CFDA name.

Effect:
Not providing the required award information increases the risk of subrecipient noncompliance with the terms and conditions of the federal award.

Questioned Costs:
None

Recommendation:
DMVA's Homeland Security and Emergency Management director should update DMVA's OAD to clearly identify the FAIN and CFDA name, and ensure the federal awarding agency name is identified on the document.

Finding No. 2018-052

Prior Year Finding:	2017-053
Type:	Other State Issues
Impact:	Noncompliance

Condition:
Three potential DMVA shortfalls were identified for FY 18.

Context:
One potential shortfall previously identified in FY 17 State Single Audit was still outstanding in the following amount as of January 2019:

Appropriation	Appropriation Title	Amount
35091-15	Military Veterans Affairs	$126,697

Additionally, two new potential shortfalls were identified as follows:

Appropriation Group	Appropriation Title	Amount
M071 (BFY 2007)	AK National Guard Construction, Contingency, and Planning	$2,429
M111 (BFY 2011)	Army Guard Facilities Projects ORIG2011	$15,882

Cause:
According to DMVA management, the revenue shortfall for 35091-15 was caused by problems recording revenues during conversion to the State's new accounting system (IRIS). Specifically, revenues collected in IRIS did not appear to post to a revenue account code for

this appropriation, therefore the appropriation appears in shortfall. DMVA stated in the FY 17 Corrective Action Plan that the issue would be resolved with the help of DOF. As of January 2019, corrective action has not been taken to resolve this issue.

DMVA management stated that potential shortfalls in the remaining two appropriation groups were due to conversion to IRIS. Specifically, federally reimbursable expenditures recorded under the State's legacy accounting system, AKSAS, were not billed. DMVA management intends to process a manual bill which will resolve the shortfalls.

Criteria:
The *State Budget Act* provides that if actual collections fall short of the appropriated program receipts, an agency is required to reduce its budget by the estimated reduction in collections.

Effect:
As a result of the shortfalls, unauthorized general funds were expended.

Recommendation:
DMVA's finance officer should take measures to resolve the shortfalls, including collecting any remaining revenue if possible and requesting a supplemental appropriation, if necessary.

(Intentionally left blank)

DEPARTMENT OF NATURAL RESOURCES (DNR)

Eight findings were issued to DNR in the *State of Alaska, Single Audit for the Fiscal Year Ended June 30, 2017*. Prior year Finding Nos. 2017-054, 2017-055, 2017-057, and 2017-060 are not resolved and are reiterated in this report as Finding Nos. 2018-056 through 2018-058, and 2018-061 respectively. Prior year Finding No. 2017-061 is not resolved and is reiterated as part of a new expanded current year Finding No. 2018-063. Prior year Finding Nos. 2017-056, 2017-058, and 2017-059 were not resolved, but were not significant issues in the current year and are not reiterated in this report.

Six new findings have been issued during the FY 18 statewide single audit and are included as Finding Nos. 2018-053 through 2018-055, 2018-059, 2018-060, and 2018-062.

The views of responsible officials and management's corrective action plan are included in Section IV – Corrective Action Plan.

Finding No. 2018-053

Type: Basic Financial Statements, Other State Issues
Impact: Material Weakness, Noncompliance

Condition:
DNR did not transfer to the Alaska Permanent Fund (APF) all dedicated mineral lease revenues received during FY 18.

Context:
The Permanent Fund Amendment to Alaska's Constitution, Article IX, Section 15, provides 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." A review of legislative history found that the words "at least" were added before the words "twenty-five percent" via floor amendment by Representative Specking, who stated the amendment was intended to permit future legislatures to increase the dedication without having to amend the constitution.

The legislature chose to dedicate more than 25 percent as allowed by the Permanent Fund Amendment. Alaska Statutes 37.13.010(a)(1) and (2) reflect the existing dedications of revenue from leases and bonuses authorized by the Permanent Fund Amendment.

> ***Sec. 37.13.010. Alaska permanent fund.***
>
> *(a) Under art. IX, sec. 15, of the state constitution, there is established as a separate fund the Alaska permanent fund. The Alaska permanent fund consists of*
>
> *(1) 25 percent of all mineral lease rentals, royalties, royalty sale proceeds, net profit shares under AS 38.05.180 (f) and (g), and federal mineral revenue sharing payments received by the state from mineral leases issued on or before December 1, 1979, and 25 percent of all bonuses received by the state from mineral leases issued on or before February 15, 1980;*
>
> *(2)* ***50 percent*** *of all mineral lease rentals, royalties, royalty sale proceeds, net profit shares under AS 38.05.180 (f) and (g), and federal mineral revenue sharing payments received by the state from mineral leases issued after December 1, 1979, and 50 percent of all bonuses received by the state from mineral leases issued after February 15, 1980; and…* [emphasis added]

DNR has administrative oversight over all mineral lease revenues collected by the State. When revenues are received, administrative staff calculate the amounts due to the APF and transfer cash to the APF, as deemed appropriate per statutes.

Cause:
Historically, AS 37.13.010(a)(1) and (a)(2) have been explicitly appropriated in the annual operating budget, authorizing the transfer of cash to the APF. During preparation of the FY 18 budget, the executive branch requested the legislature reduce the amount allocated to the principal of the APF. The reduction was intended to apply only to post-1980 mineral lease revenues dedicated to the principal of the APF that exceeded the minimum 25 percent dedication expressly mandated by the Permanent Fund Amendment.

The legislature agreed with the reduction and purported to accomplish the reduction by omitting from the FY 18 annual operating budget bill a reference to AS 37.13.010(a)(2). Although there was no appropriation for the post-1980 leases revenues, the Governor's Office of Management and Budget instructed DNR staff to transfer 25 percent of the post-1980 lease revenues to the APF. The transfer occurred without an appropriation.

When auditors questioned DNR staff's failure to comply with the statutory mandate to transfer 50 percent to the APF, the attorney general asserted that AS 37.13.010(a)(2) did not represent a valid dedication of revenues and was, therefore, subject to the annual appropriation. Per the attorney general, only the minimum amount (25 percent) required by the Constitution was dedicated and allowed to be transferred without an appropriation.

The legislative auditor agreed that valid dedications of revenue can be transferred to the APF without an appropriation. However, the legislative auditor disagreed with the attorney general's interpretation that only a portion of the revenues described in AS 37.13.010(a)(2) was a valid dedication of revenue. Legal review and auditor evaluation supports the position that all revenues contained in AS 37.13.010(a)(2) are validly dedicated as an exception to the anti-dedication clause and expressly permitted by the Permanent Fund Amendment.

Criteria:
Article IX, Section 15 of the Alaska Constitution
AS 37.13.010(a)(1) and (a)(2)

Effect:
By not transferring all revenues to the APF as required by AS 37.13.010(a)(2), the general fund incurred a liability to the APF. The portion of FY 18 revenues described in AS 37.13.010(a)(2) that were not transferred to the APF may not be kept in the general fund and used for another purpose. As such, the draft FY 18 Comprehensive Annual Financial Report (CAFR) understated general fund liabilities by $99.8 million, and overstated general fund rents and royalties revenues by the same amount. The proposed audit adjustment to correct the error was rejected by the Department of Administration's (DOA) Division of Finance (DOF) staff and the misstatements remain in the FY 18 CAFR. Failure to correct the error contributed to a qualification of the FY 18 CAFR audit opinion for the general fund.

Additionally, by not authorizing the transfer of all revenues dedicated under AS 37.13.010(a)(2) to the APF, the FY 18 appropriation bill was used to effectively change the substance of existing state laws. This type of action is prohibited by Article II, Section 13 of the Alaska Constitution which states that appropriation bills are confined to appropriations. Per the audit's legal analysis, it is beyond the scope of an appropriation bill to make substantive policy changes to existing law.

Recommendation:
DNR's commissioner should transfer all dedicated mineral lease revenues to the APF in compliance with State law.

Finding No. 2018-054

Type: Basic Financial Statements, Other State Issues
Impact: Material Weakness, Noncompliance

Condition:
Royalty revenues eligible for transfer to the Constitutional Budgetary Reserve Fund (CBRF) were not transferred during FY 18 and revenues that should have remained in the CBRF were moved to the general fund.

Context:
DNR's responsibility to manage State-owned land provides for the oversight of third party land lease agreements. The agreements allow entities to produce oil and gas in exchange for royalties, either in kind or in value. Royalties in value are calculated for the minerals produced from State-owned land. The calculation factors in production costs, which include tariffs paid for the use of the Trans-Alaska Pipeline.

Per the Alaska Constitution, DNR must deposit monies into the CBRF received as a result of the termination of an administrative proceeding or of litigation in a state or federal court involving royalties. The CBRF is referred to as the State's savings account.

Pipeline tariff rates are regulated by the Federal Energy and Regulatory Commission (FERC). In two of its more recent decisions, issued on April 21, 2016 and February 28, 2018, the FERC reduced tariff rates for production periods occurring after 2009. DNR lessees were required to amend prior period royalty payments by retroactively applying the newly approved rates. The amended FERC related payments yielded $41.5 million of royalty revenue collections during FY 18. Historically, royalties received as a result of FERC decisions were deposited into the CBRF. Based on guidance from the attorney general and office of management and budget, DNR staff did not deposit the $41.5 million into the CBRF and the monies remained in the general fund.

Cause:
Prior to FY 18, DNR staff deposited FERC-related revenues into the CBRF. That policy was changed during FY 18 in response to legal guidance provided by the attorney general. The guidance concluded that FERC proceedings could not be considered an administrative action

or litigation for CBRF purposes because FERC had no jurisdiction over State taxes or royalties. Additionally, the attorney general advised that prior year FERC-related receipts deposited in the CBRF should have remained in the general fund.

Auditors engaged the Legislative Division of Legal Services (Legislative Legal) to help determine whether the taxes and royalties received as a result of FERC's decision regarding the 2009-2015 Trans-Alaska Pipeline System (TAPS) tariff rates should have been deposited into the CBRF. Legislative Legal reviewed the facts of the TAPS case and concluded that the TAPS case met the constitutional requirement for deposit into the CBRF because it was a settlement of litigation and the case involved taxes and royalties.

The Legislative Legal opinion concluded that the State was a party to the TAPS case. As a party to the litigation, the State asserted that the TAPS tariff rates were too high, resulting in reduced royalty and tax obligations by the shippers that utilize TAPS. The overall settlement includes the settlement of litigation before the State's Regulatory Commission of Alaska (RCA) and FERC. The State was a signor of both RCA and FERC settlement agreements. As part of the settlement, the Department of Revenue and DNR commissioners were each required to submit a letter acknowledging that the settlement addressed the tax and royalty concerns. These facts help support Legislative Legal's opinion that the FERC TAPS case did "involve" taxes and royalties. Consequently, the windfall of royalty and tax monies received by DNR and the Department of Revenue as a result of the FERC TAPS decision should have been deposited into the CBRF.

Criteria:
Article 17(a) of the Alaska Constitution states that "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."

Effect:
The CBRF year-end balances in footnote two of the FY 18 CAFR is understated by $287.9 million due to $41.5 million in FY 18 FERC-related royalty revenues not being deposited in the CBRF, and $246.4 million of prior year FERC-related royalty deposits to the CBRF being moved to the general fund. These unadjusted errors contributed to a qualification of the FY 18 CAFR financial opinion.

Recommendation:
DNR's Commissioner should ensure all CBRF eligible revenues are transferred to the CBRF.

Finding No. 2018-055

Type: Basic Financial Statements
Impact: Significant Deficiency

Condition:
DNR's inventory valuation methodology did not comply with generally accepted governmental accounting standards.

Context:
Annually, DNR provides DOF with the total value of items remaining in its fire warehouse inventory. DOF uses this information to reclassify general fund expenditures as inventory assets for presentation in the CAFR. The draft FY 18 CAFR reported $15.2 million of inventory related to DNR.

An evaluation of DNR's inventory catalog identified items that were valued at replacement cost rather than acquisition price. For example, DNR acquired 53 inventory items at no cost on April 16, 2018 and May 11, 2018. The items were valued at the replacement cost of $1,234,201 in the fire warehouse inventory. The audit also reviewed five categories of inventory and determined that three items were valued more than 25 percent higher than the acquisition cost and the acquisition cost for one item was not documented in the inventory catalog.

Cause:
According to management, DNR changed its inventory valuation methodology in 2002 at the direction of the former finance officer. When the process was changed, the acquisition cost of inventory items was not routinely maintained as that information was no longer deemed necessary.

Criteria:
Codification of Governmental Accounting and Financial Reporting Standards, Section 1600(a) states financial statements for governmental funds should be presented using the current financial resources measurement focus. Expenditures should be recognized in the accounting period in which the fund liability is incurred, if measurable. Section 1600.127 states that inventory items may be considered expenditures either when purchased or consumed, but significant amounts should be reported on the balance sheet.

Effect:
DOF staff's year-end CAFR entries assume that DNR staff recorded expenditures and cash disbursements when inventory was purchased. DOF's year-end entries recognize assets and reduce expenditures for items remaining in inventory at year-end. By valuing inventory at an amount higher than purchase price, the year-end entries understate expenditures and overstate inventory. The FY 18 misstatement identified by auditors was $1,762,291. The error was below the audit adjustment threshold and not adjusted. Due to the systematic nature of the

error and a lack of purchase documentation, the inventory balance is overstated by unknown amounts.

Recommendation:
DNR's Division of Support Services (DSS) director should work with the state accountant to implement procedures that value inventory in accordance with governmental accounting standards.

Finding No. 2018-056

Prior Year Finding:	2017-054
Type:	Basic Financial Statements
Impact:	Significant Deficiency

Condition:
DNR management lacked sufficient written procedures for the preparation and review of DNR's Schedule of Expenditures of Federal Awards (SEFA).

Context:
DNR staff lacks department-specific written procedures for preparing the SEFA. When preparing the FY 18 SEFA, DNR staff relied on DOF's written guidance for preparing the SEFA that was provided to all departments. Since each department designs and implements the accounting structures differently, DOF's general instructions were insufficient to ensure DNR's federal expenditure data was reported in the statewide SEFA accurately and completely.

Cause:
According to DNR management, procedures were drafted but were found to be insufficient and not used. Additionally, management asserted the Alaska Data Enterprise Reporting information was verified against the Integrated Resource Information System (IRIS); however, management did not consider it necessary to maintain evidence of review.

Criteria:
Title 2 CFR § 200.508(b) requires the auditee to prepare appropriate financial statements, including the SEFA, in accordance with federal regulation. Furthermore, Title 2 CFR § 200.303 states the auditee is responsible for establishing effective internal controls.

Effect:
The SEFA serves as the primary basis for the determination of major programs as required by federal regulation. Inaccuracies in the amount of expenditures reported on the SEFA increase the risk of noncompliance with federal audit and reporting requirements. Noncompliance with federal regulations may result in the federal awarding agency imposing additional

conditions or taking corrective action, including additional reporting requirements or withholding/terminating funding. Although DNR's FY 18 SEFA was materially accurate, lack of written procedures increases the risk of material errors in the future.

Questioned Costs:
None

Recommendation:
DNR's DSS director should develop and implement written procedures over the preparation and review of the SEFA.

Finding No. 2018-057

Prior Year Finding:	2017-055
Federal Awarding Agency:	USDA
Impact:	Material Weakness, Noncompliance
CFDA Number and Title:	10.U08, 10.U09, 10.U10 United States Forest Service (USFS) Fire Suppression
Federal Award Number:	15-FI-11100100-016
Applicable Compliance Requirement:	Allowable Costs/Cost Principles

Condition:
Testing of FY 18 personal service expenditures (60 State personnel timesheets) charged to the USFS Fire Suppression program identified multiple instances of noncompliance including lack of the federally required OF-288 timesheets, unsigned timesheets, State timesheet hours that did not match federal timesheets, unsigned hazard pay forms, work-rest ratio violations, and unallowable compensation for meal breaks and shift differential pay on travel days. Testing of 60 emergency firefighter (EFF) timesheets identified missing employee signatures.

Context:
The audit selected statistically valid random samples totaling 120 timesheets. The random samples included 60 State employee timesheets and 60 EFF timesheets charged to the USFS Fire Suppression program.[11] For State employees, time is recorded on a federal OF-288 timesheet and a State timesheet. EFF time is only recorded on federal OF-288 timesheets. The instances of noncompliance were as follows:

- Thirty-six of 60 State employee timesheets that charged costs to the USFS Fire Suppression program were not supported by a federally required OF-288 timesheet and could not be reviewed by auditors. Of the 24 State timesheets that were reviewed, 10 OF-288 timesheets did not match the hours or days reported on the State timesheet and six State timesheets reported a greater number of hours than were reported on the OF-288

[11] The USFS timesheet population equaled 1,019 for State employees and 690 for EFFs.

timesheet. In addition, three had work-rest ratio violations,[12] one was missing an employee's signature on the OF-288 timesheet, eight received additional compensation for meal breaks or shift differential pay when the timesheet indicated the employee was on travel status, one had hours coded to the incorrect fire code, and three were missing employees' signatures on the hazard pay worksheet.
- Four of 60 EFF timesheets charged to the USFS Fire Suppression program were not signed by the employee.

Cause:
DNR management did not actively require federal timesheets to be turned in by all employees that work on federal fires. Furthermore, DNR management lacked procedures to ensure:

- the State and federal timesheets reported the same number of hours worked for the day and clearly indicated travel time;
- the timesheets and hazard pay worksheets were signed by the employees; and
- situations that exceeded the work-rest ratio were supported by a written justification.

Criteria:
Title 2 CFR § 200.303 requires agencies establish and maintain effective internal control over the federal award that provides reasonable assurance that the State is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Title 2 CFR § 200.430(a)(1) states that costs of compensation are allowable if the cost is reasonable for the services rendered and conforms to the established written policy of the non-federal entity. Title 2 CFR § 200.430(i) also states that charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated.

The USFS Fire Suppression program is administered through a Master Cooperative Wildland Fire Management Agreement (Master Agreement) between USFS and DNR. Per this agreement, OF-288 timesheets are required to be completed, signed, and retained. DNR's procedures[13] state that fire personnel time is kept on the OF-288 timesheet. The Alaska Incident Business Management Handbook requires a form to be completed for hazard pay. The hazard pay form requires an employee signature certifying the hazard time reported is accurate.

Effect:
The multiple instances of noncompliance resulted in questioned costs totaling $163,024. Due to the systematic nature of the control deficiencies, likely questioned costs exceed $2 million

[12] A 2:1 work-rest ratio requires an employee who works a 16-hour shift to rest for at least eight hours before beginning another shift.
[13] 2017 and 2018 Alaska Incident Business Management Handbooks.

based on the rate of dollar noncompliance observed in the sample projected over the test population. Noncompliance with federal regulations may result in the federal award agency imposing additional conditions or taking corrective action including additional reporting requirements or withholding/terminating funding.

Questioned Costs:
CFDA 10.U09: $154,056
CFDA 10.U10: $8,968

Recommendation:
DNR's Division of Forestry deputy director should improve procedures to ensure personal service costs charged to the USFS Fire Suppression program are allowable, accurately calculated, and supported by required documentation.

Finding No. 2018-058

Prior Year Finding:	2017-057
Federal Awarding Agency:	USDA
Impact:	Significant Deficiency
CFDA Number and Title:	10.U08, 10.U09, 10.U10 USFS Fire Suppression
Federal Award Number:	15-FI-11100100-016
Applicable Compliance Requirement:	Allowable Costs/Cost Principles

Condition:
DOA's Division of Personnel (DOP) management lacks adequate review procedures over the manual calculations necessary for processing DNR's Division of Forestry timesheets.

Context:
The audit selected a statistically valid random sample of 60 State employee timesheets that charged personal service costs to the USFS Fire Suppression program. The audit did not review 36 State employee timesheets that were not supported by the federal OF-288 timesheet. Of the 24 State timesheets that were reviewed, three (12.5 percent) were calculated incorrectly.

Cause:
DOP staff calculates and enters State timesheets on behalf of DNR's Division of Forestry. Due to a high volume of timesheets that require manual calculations for various compensation requirements, the calculations are prone to error. DOP management stated that an automated data entry and calculation function is necessary to help reduce errors. DOP management reported that review procedures were improved after the prior FY 17 State Single Audit identified similar deficiencies; however, the improvements were effective for FY 19.

Criteria:
Per Title 2 CFR § 200.430(i), charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated.

Effect:
Insufficient timesheet processing procedures increases the risk of calculation errors which could result in charging the USFS Fire Suppression program unallowable personal service costs.

Questioned Costs:
Indeterminate

Recommendation:
DNR's Division of Forestry deputy director and DOA's DOP director should work together to improve timesheet processing procedures for the USFS Fire Suppression program.

Finding No. 2018-059

Federal Awarding Agency:	USDA
Impact:	Noncompliance
CFDA Number and Title:	10.U09, 10.U10 USFS Fire Suppression
Federal Award Number:	15-FI-11100100-016
Applicable Compliance Requirement:	Allowable Costs/Cost Principles

Condition:
The audit identified two function (fire) codes in the State accounting system that were assigned an incorrect federal program.

Context:
DNR staff uses function codes to record and track expenditures by fires. Each function code corresponds to a federal program.

Cause:
The incorrect coding in the State accounting system was due to human error.

Criteria:
Title 2 CFR § 200.403 requires costs be allowable, reasonable, and adequately documented. Title 2 CFR § 200.302 requires the financial management system of the state to provide for identification, in its accounts, of all federal awards received and expended and the federal programs under which they were received. The financial management system must also

provide for accurate, current, and complete disclosure of the financial results of each federal award or program.

Effect:
The inaccurate function codes resulted in charging unallowable costs to the USFS Fire Suppression program. Noncompliance with federal regulations may result in the federal award agency imposing additional conditions or taking corrective action including additional reporting requirements or withholding/terminating funding.

Questioned Costs:
10.U09: $31,067
10.U10: $11,526

Recommendation:
DNR's DSS director should ensure function codes are set up in the State accounting system correctly.

Finding No. 2018-060

Federal Awarding Agency:	USDA, USDOI
Impact:	Significant Deficiency
CFDA Number and Title:	10.U08, 10.U09, 10.U10 USFS Fire Suppression 15.U04, 15.U05, 15.U06, 15.U07 Bureau of Land Management (BLM) Fire Suppression
Federal Award Number:	15-FI-11100100-016 BLM MOU AK-2015-002
Applicable Compliance Requirement:	Allowable Costs/Cost Principles

Condition:
Testing a random sample of FY 18 non-personal services expenditures charged to the USFS Fire Suppression program (60 transactions) and the BLM Fire Suppression program (60 transactions) identified 10 transactions authorized by DNR's Division of Forestry staff lacking an appropriate delegation of authority.

Context:
The audit reviewed statistically valid random samples of 60 non-personal services transactions for each program. For the USFS Fire Suppression program, three of 60 (five percent) did not have the appropriate level of authority or any authority to authorize payment. For the BLM Fire Suppression program, seven of 60 (12 percent) did not have the appropriate level of authority or any authority to authorize payment. Testing results were projected to the population.

Cause:
Due to competing priorities, turnover, and the implementation of the State's new accounting system, DNR management had not evaluated the delegation and authorization process or updated the delegation of authority form.

Criteria:
Title 2 CFR § 200.303 requires a state to establish and maintain effective internal control over the federal award that provides reasonable assurance that a state is managing the federal award in compliance with federal statutes, regulations, and terms and conditions of the federal award.

DNR's significant control over financial transactions is the approver's signature on invoices authorizing payment. The approver ensures the expenditure is allowable, supported, coded to the correct fire code, and within the period of performance. DNR uses a delegation of authority form to give authority to an individual to approve financial transactions. A limited dollar authority or unlimited authority is noted on the delegation form and the signer of the form attests that all appropriate statutes, regulations, policies, and procedures related to this authority will be followed.

Effect:
The approval of expenditures by individuals lacking the appropriate delegation of authority increases the risk that expenditures may be unallowable, unsupported, or miscoded. In addition, vendors may be paid inappropriately or inaccurately.

Questioned Costs:
None

Recommendation:
DNR's Division of Forestry deputy director and DNR's DSS director should work together and reevaluate the delegation of authority and transaction approval procedures and update forms as needed.

Finding No. 2018-061

Prior Year Finding:	2017-060
Federal Awarding Agency:	USDA, USDOI
Impact:	Noncompliance
CFDA Number and Title:	10.U09 USFS Fire Suppression 15.U05, 15.U07 BLM Fire Suppression
Federal Award Number:	15-FI-11100100-016 BLM MOU AK-2015-002
Applicable Compliance Requirement:	Procurement and Suspension and Debarment

Condition:
The audit identified nine aircraft rental agreements and seven emergency equipment rental agreements not in compliance with the competitive bidding process outlined in the State procurement code. In addition, the audit identified five vendors were selected without a competitive procurement process or were paid at rates higher than allowed by the contracts.

Context:
Expenditures related to aircraft rental agreements totaled $127,281 for the USFS Fire Suppression program and $501,473 for the BLM Fire Suppression program during FY 18. Expenditures related to emergency equipment rental agreements totaled $31,499 for the BLM Fire Suppression program during FY 18. The audit identified two vendors that were selected without a competitive procurement process and three vendors that were paid invoices at rates higher than allowed by the contracts.

Cause:
During March of 2018, as part of the FY 17 State Single Audit, auditors communicated to DNR management that aircraft rental agreements did not comply with the procurement statute because the agreements were solicited prior to the occurrence of an emergency condition and no written determination of an emergency was made by the chief procurement officer. Prior to that time, Division of Forestry management operated with the understanding that aircraft rental agreements and emergency equipment rental agreements complied with the emergency procurement statute. Due to the timing of the prior finding, corrective action did not impact FY 18.

Per management, not updating contract rates was an oversight by staff.

Criteria:
Per the Master Agreement, the Division of Forestry must abide by the State's procurement code. The aircraft rental agreement, emergency equipment rental agreement, and fuel purchases must adhere to the competitive sealed bid or proposal and award process outlined in Articles 02 and 03 of the State procurement code as documented in AS 36.30.100 through AS 36.30.270, or the emergency procurement statute outlined in AS 36.30.310.

Per AS 36.30.310, emergency procurement may be used when there exists a threat to public health, welfare, or safety, when a situation exists that makes a procurement through competitive seal bidding or competitive seal proposals impracticable or contrary to the public interest, or to protect public or private property. The statute also requires a written determination of the basis for the emergency by the chief procurement officer be made.

Effect:
State procurement laws are designed to provide a fair, competitive, and open procurement process. By not complying with these laws, the State may not have benefitted from the lowest rates that result from a competitive bidding process.

Questioned Costs:
None

Recommendation:
DNR's Division of Forestry deputy director should ensure the procurement of all services complies with the appropriate State procurement statutes.

Finding No. 2018-062

Federal Awarding Agency:	USDOI
Impact:	Material Weakness, Noncompliance
CFDA Number and Title:	15.U04, 15.U05, 15.U06, 15.U07 BLM Fire Suppression
Federal Award Number:	BLM MOU AK-2015-002
Applicable Compliance Requirement:	Allowable Costs/Cost Principles

Condition:
Testing of FY 18 personal service expenditures (60 State personnel timesheets) charged to the BLM Fire Suppression program identified multiple instances of noncompliance including lack of the federally required OF-288 timesheets, unsigned timesheets, State timesheet hours that did not match federal timesheets, unsigned hazard pay forms, work-rest ratio violations, and unallowable compensation for meal breaks and shift differential pay on travel days. Testing of 60 EFF timesheets identified missing employee signatures.

Context:
The audit selected statistically valid random samples totaling 120 timesheets. The random samples included 60 State employee timesheets and 60 EFF timesheets charged to the BLM Fire Suppression program.[14] For State employees, time is recorded on a federal OF-288 timesheet and a State timesheet. EFF time is only recorded on OF-288 timesheets. The instances of noncompliance were as follows:

- Thirty-seven of 60 tested State employee timesheets that charged costs to the BLM Fire Suppression program were not supported by a federally required OF-288 timesheet and could not be reviewed by the auditors. Of the 23 State timesheets that were reviewed, 17 OF-288 timesheets did not match hours or days reported on the State timesheet and three State timesheets included more hours than reported on the OF-288 timesheet. In addition, five had missing employee signatures on the OF-288 timesheet, three had work-rest ratio violations, one received additional compensation for shift differential when the timesheet indicated the employee was on travel status, and four were missing employees' signatures on the hazard pay worksheet.

[14] The BLM timesheet population equaled 643 for State employees and 240 for EFFs.

- Eleven of 60 EFF timesheets charged to the BLM Fire Suppression program were not signed by the employee.

Cause:
DNR management did not actively require federal timesheets to be turned in by all employees that work on federal fires. Furthermore, DNR management lacked procedures to ensure:

- the State and federal timesheets reported the same number of hours worked for the day and clearly indicated travel time;
- the timesheets and hazard pay worksheets were signed by the employees; and
- situations that exceeded the work-rest ratio were supported by a written justification.

Criteria:
Title 2 CFR § 200.303 requires agencies establish and maintain effective internal control over the federal award that provides reasonable assurance that the State is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Title 2 CFR § 200.430(a)(1) states that costs of compensation are allowable if the cost is reasonable for the services rendered and conforms to the established written policy of the non-federal entity. Title 2 CFR § 200.430(i) also states that charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated.

The BLM Fire Suppression program is administered through a Master Agreement between BLM and DNR. Per this agreement, OF-288 timesheets are required to be completed, signed, and retained. DNR's procedures[15] state that fire personnel time is kept on the OF-288 timesheet. The Alaska Incident Business Management Handbook requires a form to be completed for hazard pay. The hazard pay form requires an employee signature certifying the hazard time reported is accurate.

Effect:
The multiple instances of noncompliance resulted in questioned costs totaling $111,490. Due to the systematic nature of the control deficiencies, likely questioned costs exceed $1 million based on the rate of dollar noncompliance observed in the sample projected over the test population. Noncompliance with federal regulations may result in the federal award agency imposing additional conditions or taking corrective action including additional reporting requirements or withholding/terminating funding.

Questioned Costs:
CFDA 15.U05: $57,604
CFDA 15.U07: $53,886

[15] 2017 and 2018 Alaska Incident Business Management Handbooks.

Recommendation:
DNR's Division of Forestry deputy director should improve procedures to ensure personal service costs charged to the BLM Fire Suppression program are allowable, accurately calculated, and supported by required documentation.

Finding No. 2018-063

Prior Year Finding: 2017-061
Type: Other State Issues
Impact: Noncompliance

Condition:
Four potential shortfalls were identified for FY 18.

Context:
One potential shortfall previously identified in FY 17 State Single Audit was still outstanding in the following amount as of January 2019:

Appropriation	Appropriation Title	Amount
NUBC (BFY 2014)	DNR – Unbudgeted Capital RSAs	$7,635

Additionally, three FY 18 potential shortfalls were identified as follows:

Appropriation	Appropriation Title	Amount
NUBC (BFY 2015)	DNR – Unbudgeted Capital RSAs	$459,515
NUBC (BFY 2016)	DNR – Unbudgeted Capital RSAs	15,844
NUBC (BFY 2017)	DNR – Unbudgeted Capital RSAs	1,600

Cause:
According to DNR's DSS management, the continued shortfall in BFY 2014 is due to a delay in resolving RSA billing issues with the Department of Military and Veterans' Affairs (DMVA) which were delayed due to DNR staff turnover. Additionally, DNR's DSS management asserts that DMVA was unresponsive to billing inquiries related to the BFY 2015 shortfall. For the remaining two FY 18 shortfalls (BFY 2016 and BFY 2017), DNR's DSS management stated cash receipts for RSA billings were inaccurately coded in the State's accounting system, IRIS, and shortfalls were not properly monitored due to staff turnover.

Criteria:
The *State Budget Act* provides that if actual collections fall short of the appropriated program receipts, an agency is required to reduce its budget by the estimated reduction in collections.

Effect:
As a result of the shortfalls, unauthorized general funds were expended.

Recommendation:
DNR's finance officer should take measures to resolve the shortfalls, including collecting any remaining revenue if possible and requesting a supplemental appropriation, if necessary. Additionally, DNR's finance officer should improve procedures over billing and monitoring revenue collections to prevent future revenue shortfalls.

DEPARTMENT OF FISH AND GAME (DFG)

One finding was issued to DFG in the *State of Alaska, Single Audit for the Fiscal Year Ended June 30, 2017*. Prior year Finding No. 2017-062 is resolved.

Three new findings have been issued during the FY 18 statewide single audit and are included as Finding Nos. 2018-064 through 2018-066.

The views of responsible officials and management's corrective action plan are included in Section IV – Corrective Action Plan.

Finding No. 2018-064

Federal Awarding Agency:	USDOI
Impact:	Noncompliance
CFDA Number and Title:	15.605, 15.611Fish and Wildlife Cluster (FWC)
Federal Award Number:	F17AF00759, F17AF00546
Applicable Compliance Requirement:	Allowable Costs/Cost Principles

Condition:
DFG's FY 18 indirect cost rate calculation contained multiple errors.

Context:
Indirect costs are costs that have been incurred for common or joint purposes and are not readily assignable to the cost objectives benefitted without effort disproportionate to the results achieved. Indirect costs are normally charged to federal awards by the use of an indirect cost rate. DFG annually submits an indirect cost rate proposal (ICRP) to the USDOI, the federal cognizant agency, for approval. The ICRP provides the documentation to substantiate the request for use of an indirect cost rate.

In FY 18, DFG claimed a total $6,046,160 of indirect costs based on the use of the DOI approved 22.74 percent rate. Auditors identified errors in the ICRP that affected the indirect cost rate used for claiming federal reimbursement for FWC indirect costs including:

- Direct costs for five appropriations were not split between "Personal Services Costs-SWF" and "All Other" on Schedule D-2. This resulted in an $8,566,271 understatement of the direct cost base.
- Direct costs for one appropriation included $705,200 not supported by the accounting records on Schedule D-5. This resulted in a $705,200 overstatement of the direct cost base.
- Personal service costs for one appropriation were incorrectly split between direct and indirect on Schedule D-5. This resulted in an $18,902 understatement of the direct cost base.

Overall, these errors resulted in a net understatement of the direct cost base totaling $7,879,973. Removing these errors from the calculation results in a 1.6 percent reduction to DFG's FY 18 indirect cost rate proposal.

Cause:
The errors were due to inconsistent application of the calculation methodology by DFG staff that was not identified and corrected during supervisory review of the ICRP.

Criteria:
Title 2 CFR subpart D Appendix VII Part 200 Section D.1 (a) requires that agencies desiring to claim indirect costs under federal awards must prepare an indirect cost rate proposal and related documentation to support those costs. Title 2 CFR subpart D Appendix VII Part 200

Section D.2(c) requires the ICRP include the approximate amount of direct base costs incurred under federal awards. These costs should be broken out between salaries and wages and other direct costs.

Effect:
An estimated $425,411 in additional indirect costs were claimed for reimbursement in FY 18 due to the erroneous ICRP calculation.

Questioned Costs:
CFDA 15.605: $160,075
CFDA 15.611: $265,336

Recommendation:
DFG's Division of Administrative Services (DAS) director should ensure the indirect cost rate calculation is calculated accurately and supported by the accounting records.

Finding No. 2018-065

Federal Awarding Agency:	USDOI
Impact:	Significant Deficiency, Noncompliance
CFDA Number and Title:	15.605, 15.611 FWC
Federal Award Number:	F17AF00519, F17AF00518, F17AF00759, F14AF00230, F18AF00324
Applicable Compliance Requirement:	Procurement and Suspension and Debarment

Condition:
Ten of 24 covered transactions tested for suspension and debarment failed to meet federal requirements.

Context:
The ten errors included:

- DFG staff misspelled the vendor name when verifying the System for Award Management (SAM) for one transaction.
- Two transactions were made to vendors on DFG's approved air charter list. Vendors on the approved air charter list did not have suspension and debarment self-certification and DFG accounting staff did not perform SAM verification.
- DFG accounting staff did not verify SAM for seven utility payment transactions.

Using SAM, auditors verified the vendors in the above transactions were not suspended or debarred.

Cause:
The misspelling of the vendor name while performing SAM verification was due to human error. The approved air charter and utility transactions were not processed through the procurement section of DFG's Division of Administrative Services. During FY 18 there were no policies and procedures to ensure procurements processed outside the procurement section met federal suspension and debarment requirements.

Criteria:
Title 2 CFR § 180.300 requires that participants in covered transactions verify that the entity with whom they intend to do business is not suspended or debarred. This may be accomplished by:

(a) Checking SAM exclusions; or
(b) Collecting a certification from that entity; or
(c) Adding a clause or condition to the covered transaction with the entity.

Effect:
The deficiencies increase the risk that federal funds will be disbursed to vendors that have been suspended or debarred.

Questioned Costs:
None

Recommendation:
DFG's DAS director should strengthen suspension and debarment procedures to ensure compliance with federal suspension and debarment requirements.

Finding No. 2018-066

Federal Awarding Agency:	USDOI
Impact:	Significant Deficiency, Noncompliance
CFDA Number and Title:	15.605, 15.611 FWC
Federal Award Number:	F17AF00759, F17AF00546
Applicable Compliance Requirement:	Procurement and Suspension and Debarment

Condition:
One of six DFG procurement specialists responsible for processing FWC procurements was not certified under the State's procurement officer training and certification program.

Context:
The State's procurement officer training and certification is a significant control over DFG's procurement process.

The procurement officer training and certification program provides standardized training for all state procurement officers. It promotes accountability in state procurement operations by ensuring all procurement is conducted by competent and trained individuals.

The training and certification program is administered by the Department of Administration's Division of General Services (DGS). However, it is DFG management's responsibility to ensure that DFG procurement training is completed and staff have obtained their certifications.

One of six DFG procurement specialists was an active DFG procurement specialist throughout FY 18 but did not obtain procurement officer certification until June 2018.

Cause:
The uncertified procurement specialist worked in Fairbanks. According to DFG management, the untimely certification was due to the limited number of procurement training classes in Fairbanks. Travel restrictions in place during FY 18 prevented the procurement specialist from attending trainings at alternate locations.

Criteria:
Per Title 2 CFR §200.318 (a), the state must use its own documented procurement procedures provided that the procurements conform to applicable federal law and the standards identified in this part.

DGS' Delegation of Purchasing Authority policy specifies that departments may delegate procurement authority only to individuals certified under the DGS procurement officer certification program.

Effect:
The lack of proper training increases the risk of procurement code violations and the risk that federal funds may be used for unauthorized purchases.

Questioned Costs:
None

Recommendation:
DFG's DAS director should ensure procurement specialists obtain DGS' procurement officer training and certification.

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DEPARTMENT OF PUBLIC SAFETY (DPS)

One finding was issued to DPS in the *State of Alaska, Single Audit for the Fiscal Year Ended June 30, 2017.* Prior year Finding No. 2017-063 is resolved.

No new findings have been issued during the FY 18 statewide single audit.

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DEPARTMENT OF ENVIRONMENTAL CONSERVATION (DEC)

One finding was issued to DEC in the *State of Alaska, Single Audit for the Fiscal Year Ended June 30, 2017*. Prior year Finding No. 2017-064 is resolved.

No new findings have been issued during the FY 18 statewide single audit.

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DEPARTMENT OF CORRECTIONS (DOC)

No findings were issued to DOC in the *State of Alaska, Single Audit for the Fiscal Year Ended June 30, 2017*.

No new findings have been issued during the FY 18 statewide single audit.

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DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES (DOTPF)

Eleven findings were issued to DOTPF in the *State of Alaska, Single Audit for the Fiscal Year Ended June 30, 2017.* Prior year Finding Nos. 2017-067, 2017-070, 2017-072, and 2017-075 are resolved. Prior year Finding Nos. 2017-069 and 2017-073 were not resolved, but were not significant issues in the current year and are not reiterated in this report. Prior year Finding Nos. 2017-065, 2017-066, 2017-068, 2017-071, and 2017-074 are not resolved and are reiterated in this report as Finding Nos. 2018-067 through 2018-069, 2018-071, and 2018-072 respectively.

Two new findings have been issued during the FY 18 statewide single audit and are included as Finding Nos. 2018-070 and 2018-073.

The views of responsible officials and management's corrective action plan are included in Section IV – Corrective Action Plan.

Finding No. 2018-067

Prior Year Finding: 2015-034, 2016-053, 2017-065
Type: Basic Financial Statements
Impact: Significant Deficiency

Condition:
Twenty-three of 45 (51 percent) FY 18 DOTPF expenditures tested that processed during July 2018 and August 2018 were incorrectly coded to FY 19.

Context:
The 23 expenditure documents represented $21,890,849 of the $56,483,981 sample tested (39 percent). The sample was based on risk and not statistically valid, thus the error rate was not projected to the population. The sample represents 36 percent of total DOTPF general fund expenditures posted to FY 19 during July and August 2018. Inaccurate expenditures that are reimbursable under federal grants also result in inaccurate federal revenues.

Cause:
Errors were caused by DOTPF staff's lack of detailed review and understanding of the fiscal year effect on financial reporting for expenditures processing during the reappropriation period.[16] DOTPF management implemented training during FY 18 to help address prior deficiencies in identifying the proper fiscal year. However, according to DOTPF management, the training did not include how to interpret capital project invoice service dates for proper fiscal year reporting. Additionally, DOTPF staff's monitoring of expenditures posting during the reappropriation period was flawed as it did not review capital projects (projects posting to unit 9999) for correct fiscal year posting.

Criteria:
Codification of Governmental Accounting and Financial Reporting Standards, Section 1600.116, stipulates expenditures should be reported when the liability is incurred.

Effect:
The errors resulted in understating general fund FY 18 expenditures by $21.8 million and associated federal grants in aid revenues by $15.7 million. After identification by auditors, the errors were corrected and properly reported in the FY 18 Comprehensive Annual Financial Report (CAFR).

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[16] State procedures allow agencies to record financial activity to a prior fiscal year during July 1 through August 31 of the succeeding fiscal year in which a valid obligation existed on June 30. This period is called the "reappropriation period."

Recommendation:
DOTPF's Division of Administrative Services (DAS) director should improve training and monitoring procedures to ensure financial transactions are properly coded to the correct fiscal year.

Finding No. 2018-068

Prior Year Finding: 2015-035, 2016-054, 2017-066
Type: Basic Financial Statements
Impact: Significant Deficiency

Condition:
DOTPF accounting staff's policies and procedures for calculating unavailable revenue incorrectly included invalid expenditures which overstated unavailable revenue. Additionally, DOTPF staff incorrectly recorded billed revenues in FY 18 thereby understating unavailable revenue.

Context:
Unavailable revenues are earned revenues recognized for financial statement purposes, but not received within 60 days of the balance sheet date. DOTPF has a manual process to calculate unavailable revenue at year-end. The process includes reviewing expenditures which are federally reimbursable in the fiscal year, or expected to be reimbursed, and the revenue billed associated with those expenditures. The difference between expenditures and billed revenues represents DOTPF's unavailable revenues for the year. Including invalid expenditures resulted in overstating unavailable revenue, while including inaccurate revenue resulted in understating unavailable revenue.

Auditors noted a separate analysis was performed by the Department of Administration's (DOA) Division of Finance (DOF) accountants to recognize revenue received within 60 days. The errors with billed revenues were not included in or impacted by DOF's analysis.

Cause:
Due to implementation of the State's new accounting system (IRIS) in July 2015, DOTPF's unavailable revenue calculation became a manual process for which no policies and procedures existed. DOTPF developed policies and procedures during FY 18. However, DOTPF staff inaccurately interpreted a prior year audit finding and developed a process for including suspended expenditures in the unavailable revenue calculation. Additionally, DOTPF staff did not fully develop a methodology to ensure only valid billed revenues were included in the unavailable revenue calculation.

Criteria:
Codification of Governmental Accounting and Financial Reporting Standards, Section 1600.106 requires governmental fund revenues to be recognized in the accounting

period in which they become both measurable and available to finance expenditures of the fiscal period. DOF defines “available” as being received within 60 days of fiscal year-end.

Effect:
Incorrectly including invalid expenditures when calculating unavailable revenue overstated unavailable revenue by $1,292,990. Incorrectly recording billed revenue in FY 18 understated unavailable revenue by $4,231,054 and overstated accounts receivable by the same amount. After auditors identified the errors, general fund unavailable revenue (net understatement of $2.9 million) and associated receivables (overstatement of $3.2 million) were corrected and properly reported in the FY 18 CAFR.

Recommendation:
DOTPF’s DAS director should revise policies and procedures for the unavailable revenue calculation. In addition, the DAS director should ensure staff obtain training necessary to accurately report and classify revenues at year-end.

Finding No. 2018-069

Prior Year Finding: 2016-056, 2017-068
Type: Basic Financial Statements
Impact: Significant Deficiency

Condition:
Detailed testing of DOTPF’s input of FY 18 capital assets into IRIS identified the following errors:

- thirty-two of 94 projects tested from DOTPF’s Construction in Progress (CIP) inventory listing were recorded incorrectly;
- forty of 67 projects tested from DOTPFs Infrastructure (IF) inventory listing were recorded incorrectly;
- three of 54 expensed projects tested should have been capitalized as CIP;
- land right of way purchases and disposals were not updated to include FY 16 through FY 18 activity; and
- six DOTPF buildings identified during prior year test work as not state owned and one equipment asset disposed of in FY 18 were not removed from DOTPF capital assets.

A comparison of DOTPF’s FY 17 audited CIP and IF capital asset spreadsheets to FY 18 IRIS CIP and IF capital asset inventories identified the following errors:

- the asset value for one building previously reported in CIP was not updated;
- the asset value for seven CIP projects were not accurately updated; and

- the asset value for three prior year projects adjusted from CIP to IF were not updated to IF.

Additionally, auditors identified the following errors:

- five of 11 prior year IF projects reviewed were not recorded in IRIS;
- twenty-one out of 31 prior year IF projects had in-service dates incorrectly input in IRIS; and
- 110 out of 189 IF projects had incorrect useful lives entered into IRIS.

Context:

Historically, legacy spreadsheets were used to calculate depreciation and report capital assets to DOF. In FY 18, IRIS was used for the first time to report and depreciate capital assets. The legacy spreadsheets were used as a basis for entering capital asset information into IRIS.

Cause:

Errors were caused by lack of training, oversight, and effective capital asset procedures. Specifically oversight and procedures were insufficient to ensure all capital asset additions, deletions, or changes were correctly classified and reported in IRIS, including the effects of prior year audit adjustments. Additionally, no reconciliation was completed to ensure the legacy spreadsheet information for all DOTPF capital assets was accurately recorded in IRIS.

Criteria:

Codification of Governmental Accounting and Financial Reporting Standards, Sections, 1400.102-104 require tangible or intangible capital assets used in operations and having initial useful lives extending beyond a single reporting period to be reported at historical cost. Capital assets should be depreciated over their estimated useful lives unless they are inexhaustible, are intangible assets with indefinite useful lives, or are land and land improvements.

Effect:

The errors identified above caused the following misstatements in government-wide governmental activities accounts in the draft FY 18 CAFR:

- CIP inventory listing errors resulted in $131.5 million overstatement to CIP, $124.5 million understatement of IF, $2.3 million understatement to Buildings, Net of Depreciation and $4.7 million overstatement of transportation expense;
- IF inventory listing errors resulted in $27.7 million overstatement to IF, $16.7 million understatement to CIP, and $11.0 million overstatement of transportation expense;
- failure to capitalize three projects resulted in a $13.6 million understatement to CIP and an overstatement to transportation expense in the same amount;
- failure to include FY 16 through FY 18 land right of way purchases and disposals resulted in an understatement of $44.2 million to Land/Right-of-Way and an overstatement to transportation expense in the same amount;

- failure to remove six buildings identified during prior test work as not state owned and one equipment asset disposed of in FY 18 resulted in overstatement of Buildings, Net of Depreciation by $21.1 million, overstatement of Equipment, Net of Depreciation by $1.4 million, and understatement of transportation expense by $22.5 million;
- failure to update the asset value for one building previously reported as CIP resulted in a $1.0 million understatement to Buildings Net of Depreciation;
- not accurately updating the asset value for seven CIP projects resulted in an overstatement of CIP by $22 million and understatement of transportation expense by the same amount;
- not updating the asset value for three prior year projects adjusted from CIP to IF resulted in an understatement of $38.3 million to IF, $21.0 million overstatement to CIP, and $17.3 million understatement to transportation expenses;
- not recording in IRIS five projects added to IF spreadsheets in prior years resulted in an understatement to IF by $57.3 million and overstatement to transportation expense by the same amount;
- incorrectly entering 21 projects in-service dates resulted in one significant error – a $1.1 million overstatement to IF and an understatement to transportation expense in the same amount; and
- the incorrect useful lives for 110 IF projects resulted in one significant error – a $13.4 million understatement to IF and an overstatement to transportation expenses in the same amount.

After being identified by auditors, the errored amounts were corrected and properly reported in the FY 18 CAFR.

Recommendation:
DOTPF's DAS director should provide necessary training and oversight for the recording and tracking of capital assets in IRIS. Additionally, the director should work with the state accountant to improve DOTPF's capital asset procedures.

Finding No. 2018-070

Type:	Basic Financial Statements
Impact:	Significant Deficiency

Condition:
The Alaska International Airport System (AIAS) FY 18 financial statement audit was issued and provided to DOF on December 12, 2018, approximately 10 weeks after the deadline established by DOF.

Context:
AIAS' financial activity is reported in the CAFR as a major proprietary fund. The draft CAFR provided for audit included draft AIAS financial information. The activity was corrected via an audit adjustment once AIAS' final audit was issued.

Cause:
According to AIAS' controller, the audit was late due to a delay in issuing the Governmental Accounting Standards Board (GASB) statement number 75 schedules and information related footnotes by DOF accountants. Auditors also noted AIAS accountants did not adequately prepare for the implementation of GASB statement number 75 in terms of preparing footnotes, which further delayed the audit.

Criteria:
State law (AS 37.05.210(a)(1)) requires DOF to issue the audited CAFR for the preceding fiscal year by December 15th.

Effect:
Untimely audited financial statements delay the issuance of the CAFR, which may negatively impact decision-making by report users.

Recommendation:
AIAS' controller should ensure AIAS' financial statement audit is performed timely.

Finding No. 2018-071

Prior Year Finding:	2017-071
Type:	Basic Financial Statements
Impact:	Significant Deficiency

Condition:
There was no evidence that supervisory review of DOTPF's Schedule of Expenditures of Federal Awards (SEFA) was performed prior to submission.

Context:
Prior to FY 18, DOTPF staff did not have written procedures for preparing the SEFA nor was evidence of review available. DOTPF developed written procedures for the preparation of the SEFA during FY 18. However, the written procedures did not include a process for supervisory review and procedures for documenting review prior to submission.

Cause:
DOTPF's staff did not consider the need for documenting review procedures nor maintaining evidence of review.

Criteria:
Per 2 CFR 200.508(b), the auditee must prepare appropriate financial statements, including the SEFA in accordance with federal regulations (2 CFR 200.510). Furthermore, per 2 CFR 200.303, the auditee is responsible for establishing effective internal controls.

Effect:
Although the FY 18 DOTPF SEFA was found to be accurate, incomplete procedures increase the risk of material errors in the future. The SEFA serves as the primary basis for the determination of major programs as required by federal regulation. Inaccuracies in the amount of expenditures reported on the SEFA increase the risk of noncompliance with federal audit and reporting requirements. Noncompliance with federal regulations may result in the federal awarding agency imposing additional conditions or taking corrective action including additional reporting requirements or withholding/terminating funding.

Recommendation:
DOTPF's DAS director should expand written procedures over the preparation of the SEFA to include a process for supervisory review and documentation of review prior to submission.

Finding No. 2018-072

Prior Year Finding: 2016-059, 2017-074
Type: Other State Issues
Impact: Noncompliance

Condition:
DOTPF accounting staff did not initiate collection efforts during FY 18 to recoup overpayments related to Marine Highway employee payroll advances.

Context:
Audit work for FY 16 found DOTPF staff issued over $2 million in payroll advances to Marine Highway employees over the course of approximately four years. Of this amount, $289,350 was not recouped as of the end of FY 16. Marine Highway management reported that advances were made as an employee convenience and were allowable under union contracts. However, upon review, advances were allowable for only one of the three union contracts applicable to employees who received advances. Furthermore, there was no evidence that controls existed to verify union membership prior to issuing advances. Additionally, the union contract limited advances to $500; however, 44 of 81 advances issued in FY 16 exceeded $500.

At the beginning of FY 18, there were $291,799 of unrecouped advances. During FY 18, two $500 advances were given and one was collected resulting in a total of $292,299 of unrecouped advances at the end of FY 18.

Cause:
Recoupment did not occur pending an internal audit by DOA, Division of Personnel. The internal audit was completed March 2018. However, the recovery process was delayed due to staff turnover.

Criteria:
Article IX, Section 13, of the State constitution says, "No money shall be withdrawn from the Treasury except in accordance with appropriations made by law."

Effect:
The $292,299 outstanding as of June 30, 2018 represents unauthorized use of State funds. If advances are not recouped timely, the amounts may become uncollectible.

Recommendation:
DOTPF's finance officer and marine transportation services manager should improve processes over recouping employee advances. Advances should be recouped to the greatest extent possible.

Finding No. 2018-073

Type:	Other State Issues
Impact:	Noncompliance

Condition:
Three potential shortfalls were identified for FY 18.

Context:
Three FY 18 potential DOTPF shortfalls were identified as follows:

Appropriation	Appropriation Title	Amount
TUBC (BFY 2013)	DOTPF - Unbudgeted Capital RSAs	$ 121,534
TUBC (BFY 2017)	DOTPF - Unbudgeted Capital RSAs	1,510,475
T004 (BFY 2018)	Design, Engineering and Construction	503,225

Cause:
According to DOTPF's Finance Officer, the shortfalls were a result of incorrectly calculating the unexpended and unobligated balance of the appropriations which were carried forward to FY 19. DOTPF management also stated that staff turnover and a lack of monitoring procedures contributed to the shortfall.

Criteria:
The *State Budget Act* provides that if actual collections fall short of the appropriated program receipts, an agency is required to reduce its budget by the estimated reduction in collections.

Effect:
As a result of the shortfalls, unauthorized general funds were expended.

Recommendation:
DOTPF's finance officer should take measures to resolve the shortfalls, including collecting any remaining revenue if possible and requesting a supplemental appropriation, if necessary. Additionally, we recommend DOTPF's finance officer improve procedures over billing and monitoring revenue collections to prevent future revenue shortfalls.

ALASKA COURT SYSTEM (ACS)

No findings were issued to ACS in the *State of Alaska, Single Audit for the Fiscal Year Ended June 30, 2017.*

No new findings have been issued during the FY 18 statewide single audit.

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COMPONENT UNITS

Three findings were issued to Component Units in the *State of Alaska, Single Audit for the Fiscal Year Ended June 30, 2017*. Finding No. 2017-076 issued to the Alaska Mental Health Trust Authority, Finding No. 2017-077 issued to the Alaska Housing Finance Corporation, and Finding No. 2017-078 issued to the Alaska Aerospace Corporation were resolved.

One new finding has been issued during the FY 18 statewide single audit and is included as Finding No. 2018-074 directed to the Alaska Permanent Fund Corporation (APFC).

The views of responsible officials and management's corrective action plan are included in Section IV.

Finding No. 2018-074

Type: Basic Financial Statements, Other State Issues
Impact: Material Weakness, Noncompliance

Condition:
The APFC did not collect all FY 18 revenues statutorily dedicated to the Alaska Permanent Fund (APF).

Context:
The Permanent Fund Amendment to Alaska's Constitution, Article IX, Section 15, provides 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." A review of legislative history found that the words "at least" were added before the words "twenty-five percent" via floor amendment by Representative Specking, who stated the amendment was intended to permit future legislatures to increase the dedication without having to amend the constitution.

The legislature chose to dedicate more than 25 percent as allowed by the Permanent Fund Amendment. Alaska Statutes 37.13.010(a)(1) and (2) reflect the existing dedications of petroleum revenue from leases and bonuses authorized by the Permanent Fund Amendment.

> ***Sec. 37.13.010. Alaska permanent fund.***
>
> *(a) Under art. IX, sec. 15, of the state constitution, there is established as a separate fund the Alaska permanent fund. The Alaska permanent fund consists of*
>
> *(1) 25 percent of all mineral lease rentals, royalties, royalty sale proceeds, net profit shares under AS 38.05.180 (f) and (g), and federal mineral revenue sharing payments received by the state from mineral leases issued on or before December 1, 1979, and 25 percent of all bonuses received by the state from mineral leases issued on or before February 15, 1980;*
>
> *(2)* ***50 percent*** *of all mineral lease rentals, royalties, royalty sale proceeds, net profit shares under AS 38.05.180 (f) and (g), and federal mineral revenue sharing payments received by the state from mineral leases issued after December 1, 1979, and 50 percent of all bonuses received by the state from mineral leases issued after February 15, 1980; and* [emphasis added]

The Department of Natural Resources (DNR) has administrative oversight over all mineral lease revenues collected by the State. When revenues are received, administrative staff calculate the amounts due to the APF and transfer cash to the APF within three banking days after the amount due to the fund reaches $3 million.

Cause:
Historically, AS 37.13.010 (a)(1) and (a)(2) have been explicitly appropriated in the annual operating budget, authorizing the transfer of cash to the APF. During preparation of the FY 18 budget, the executive branch requested the legislature reduce the amount allocated to the principal of the APF. The reduction was intended to apply only to post-1980 mineral lease revenues dedicated to the principal of the APF that exceeded the minimum 25 percent dedication expressly mandated by the Permanent Fund Amendment.

The legislature agreed with the reduction and purported to accomplish the reduction by omitting from the FY 18 annual operating budget bill a reference to AS 37.13.010(a)(2). Although there was no appropriation for the post-1980 lease revenues, the Governor's Office of Management and Budget instructed DNR staff to transfer 25 percent of the post-1980 lease revenues to the APF. The transfer occurred without an appropriation.

When auditors questioned DNR staff's failure to comply with the statutory mandate to transfer 50 percent to the APF, the attorney general asserted that AS 37.13.010(a)(2) did not represent a valid dedication of revenues and was, therefore, subject to the annual appropriation. Per the attorney general, only the minimum amount (25 percent) required by the Constitution was dedicated and allowed to be transferred without an appropriation.

The legislative auditor agreed that valid dedications of revenue can be transferred to the APF without an appropriation. However, the legislative auditor disagreed with the attorney general's interpretation that only a portion of the revenues described in AS 37.13.010(a)(2) was a valid dedication of revenue. Legal review and auditor evaluation supports the position that all revenues contained in AS 37.13.010(a)(2) are validly dedicated as an exception to the anti-dedication clause and expressly permitted by the Permanent Fund Amendment.

The chief executive officer and general counsel for the APFC were made aware of this issue. No action was taken pending direction from the Department of Law and further legal analysis.

Criteria:
Article IX, Section 15 of the Alaska Constitution
AS 37.13.010 (a)(1)-(2), (b), and (c).

Effect:
The APF's FY 18 revenues from rents and royalties and related receivables were understated by $99.8 million.

Recommendation:
The APFC board chair should engage legal counsel to conduct an independent legal analysis and take corrective action justified by the analysis.

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State of Alaska Division of Legislative Audit
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2018

Part I – Summary of Auditor's Results

a) A qualified opinion was issued on the basic financial statements of the State of Alaska.

b) Significant deficiencies and material weaknesses in internal controls over financial reporting were disclosed by the audit of the basic financial statements.

c) There were instances of noncompliance material to the basic financial statements.

d) Material weaknesses in internal controls over U.S. Forest Service (USFS) Fire Suppression, Bureau of Land Management (BLM) Fire Suppression, 1332 State Innovation Waivers, Temporary Assistance for Needy Families Cluster, Children's Health Insurance Program, and Medicaid Cluster were disclosed by the audit. Additionally, significant deficiencies in internal controls over major federal programs were disclosed by the audit.

e) The independent auditor's report on compliance with requirements applicable to each major federal program expressed an unmodified opinion on all programs except for USFS Fire Suppression, BLM Fire Suppression, 1332 State Innovation Waivers, and Temporary Assistance for Needy Families Cluster which received a qualified opinion.

f) There were several audit findings that were required to be reported under 2 CFR 200.516(a). These are summarized in Part III of this Schedule of Findings and Questioned Costs. The detailed findings and recommendations can be found in Section II – Findings and Recommendations of this report.

g) The State of Alaska has 24 major federal programs for the fiscal year ended June 30, 2018, as follows:

CFDA or Other Identifying Number	Federal Program Title
10.410	Very Low to Moderate Income Housing Loans
10.553, 10.555, 10.559	Child Nutrition Cluster
10.557	Special Supplemental Food Program for Women, Infants, and Children
10.601	Market Access Program
10.665	Forest Service Schools and Roads Cluster
10.U08, 10.U09, 10.U10	USFS Fire Suppression
11.307	Economic Development Cluster

CFDA or Other Identifying Number	Federal Program Title
12.401	National Guard Military Operations and Maintenance (O&M) Projects
14.117	Mortgage Insurance_Homes
15.605, 15.611	Fish and Wildlife Cluster
15.U04, 15.U05, 15.U06, 15.U07	BLM Fire Suppression
20.500, 20.507, 20.525, 20.526	Federal Transit Cluster
66.458	Clean Water State Revolving Fund Cluster
66.468	Drinking Water State Revolving Fund Cluster
84.032L	Federal Family Education Loans – Lenders
90.100	Denali Commission Program
93.423	1332 State Innovation Waivers
93.558	Temporary Assistance for Needy Families Cluster
93.575, 93.596	Child Care and Development Fund Cluster
93.659	Adoption Assistance – Title IV-E
93.767	Children's Health Insurance Program
93.775, 93.777, 93.778	Medicaid Cluster
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)
Various	Research and Development Cluster

h) A threshold of $12,925,645 was used to distinguish between Type A and Type B programs.

i) The State of Alaska does not qualify as a low-risk auditee.

Part II – Findings related to the Basic Financial Statements (Findings are described in detail in the preceding pages of Section II.)

Material Weaknesses

State Department	Finding Number
Revenue	2018-015
Natural Resources	2018-053, 2018-054
Alaska Permanent Fund Corporation	2018-074

Significant Deficiencies

State Department	Finding Number
Administration	2018-001, 2018-002, 2018-003, 2018-004, 2018-005, 2018-006, 2018-007, 2018-008, 2018-009, 2018-010, 2018-011
Revenue	2018-016, 2018-017
Health and Social Services	2018-022
Labor and Workforce Development	2018-038
Military and Veterans' Affairs	2018-046
Natural Resources	2018-055, 2018-056
Transportation and Public Facilities	2018-067, 2018-068, 2018-069, 2018-070, 2018-071

Fraud; Non-Compliance with Provisions of Laws, Regulations, Contracts, and Grant Agreements; or Abuse

State Department	Finding Number
Revenue	2018-015
Natural Resources	2018-053, 2018-054
Alaska Permanent Fund Corporation	2018-074

Part III – Federal Findings and Questioned Costs (Findings are described in detail in the preceding pages of Section II.)

Federal Agency/ Finding Number	Questioned Costs	Comments
USDA		
2018-019	None	Noncompliance
2018-020	None	Significant Deficiency
2018-034	None	Noncompliance
2018-035	None	Noncompliance
2018-036	None	Noncompliance
2018-041	None	Significant Deficiency, Noncompliance

Federal Agency/ Finding Number	Questioned Costs	Comments
2018-042	None	Significant Deficiency, Noncompliance
2018-057	$163,024	Material Weakness, Noncompliance
2018-058	Indeterminate	Significant Deficiency
2018-059	$42,593	Noncompliance
2018-060	None	Significant Deficiency
2018-061	None	Noncompliance
USDHHS		
2018-023	$259,255	Significant Deficiency, Noncompliance
2018-024	$9,505,744	Material Weakness, Noncompliance
2018-025	None	Noncompliance
2018-026	None	Noncompliance
2018-027	None	Significant Deficiency
2018-028	$1,072	Significant Deficiency, Noncompliance
2018-028	None	Material Weakness, Noncompliance
2018-029	None	Significant Deficiency, Noncompliance
2018-030	None	Significant Deficiency, Noncompliance
2018-031	$6,650	Significant Deficiency, Noncompliance
2018-032	None	Significant Deficiency, Noncompliance
2018-033	None	Significant Deficiency, Noncompliance
2018-043	None	Significant Deficiency, Noncompliance
2018-044	None	Material Weakness, Noncompliance
2018-045	None	Material Weakness, Noncompliance
USDHS		
2018-051	None	Noncompliance
USDOD		
2018-047	$46,954	Significant Deficiency, Noncompliance
2018-048	$1,675	Significant Deficiency
2018-049	$106,110	Noncompliance
2018-050	None	Significant Deficiency, Noncompliance
USDOI		
2018-060	None	Significant Deficiency
2018-061	None	Noncompliance
2018-062	$111,490	Material Weakness, Noncompliance
2018-064	$425,411	Noncompliance
2018-065	None	Significant Deficiency, Noncompliance
2018-066	None	Significant Deficiency, Noncompliance

SECTION III – INTERNAL CONTROL AND COMPLIANCE REPORTS
AND SUPPLEMENTAL INFORMATION

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit

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Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditor's Report

Members of the Legislative Budget
and Audit Committee:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information of the State of Alaska as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the State of Alaska's basic financial statements, and have issued our report thereon dated February 19, 2019. Our report is qualified for the General Fund due to an overstatement of General Fund royalty revenues of $99.8 million, and an understatement of $99.8 million due to other funds. Additionally, note 2, relating to the State's Constitutional Budget Reserve Fund, a subfund of the General Fund, is materially misstated by $1.46 billion. Further discussion of the General Fund opinion qualification is contained in Section I of this report in the financial opinion sections titled *Basis for Qualified Opinion on General Fund*, and *Qualified Opinions*.

Our report includes a reference to other auditors who audited the financial statements of the: Alaska Permanent Fund; International Airports Fund; 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; the Invested Assets Under the Investment Authority of the Commissioner of Revenue; and the Pension and Other Employee Benefit Trust Funds, except for Alaska National Guard and Alaska Naval Militia Retirement Fund, as described in our report on the State of Alaska's financial statements in

Section I. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Certain entities of the State of Alaska were not audited in accordance with *Government Auditing Standards.* These entities include: the Alaska Municipal Bond Bank Authority (a discretely presented component unit); the Retiree Health Fund (a proprietary fund); the Invested Assets Under the Investment Authority of the Commissioner of Revenue (certain cash and investment accounts); and the Pension and Other Employee Benefit Trust Funds, except for Alaska National Guard and Alaska Naval Militia Retirement Fund (fiduciary funds).

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the State of Alaska's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State of Alaska's internal control. Accordingly, we do not express an opinion on the effectiveness of the State of Alaska's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in Section II – Findings and Questioned Costs, Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the preceding Section II - Findings and Questioned Costs, Finding Nos. 2018-015, 2018-053, 2018-054, and 2018-074 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the preceding Section II – Findings and Questioned Costs, Finding Nos. 2018-001 through 2018-011, 2018-016, 2018-017, 2018-022, 2018-038, 2018-046, 2018-055, 2018-056, and 2018-067 through 2018-071 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State of Alaska's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of the basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the preceding Section II – Findings and Questioned Costs, Finding Nos. 2018-015, 2018-053, 2018-054, and 2018-074.

Additionally, we noted certain other matters which are described in the preceding Section II – Findings and Questioned Costs. Our findings for these instances are identified in the Summary of Findings table under *Other State Issues*.

State of Alaska's Response to Findings

The State agencies' responses to the findings identified in our audit are included in the succeeding Section IV – Corrective Action Plan. The State agencies' responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the State of Alaska's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of Alaska's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kris Curtis, CPA, CISA
Legislative Auditor

Juneau, Alaska
February 19, 2019

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ALASKA STATE LEGISLATURE
LEGISLATIVE BUDGET AND AUDIT COMMITTEE
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Report on Compliance for Each Major Federal Program and
Report on Internal Control over Compliance
Required by the Uniform Guidance

Independent Auditor's Report

Members of the Legislative Budget
and Audit Committee:

Report on Compliance for Each Major Federal Program

We have audited the State of Alaska's compliance with the types of compliance requirements described in the *United States Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2018. The State of Alaska's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the State of Alaska's major federal programs based on our audit of the types of compliance requirements referred to above. We did not audit the federal programs of the University of Alaska, Alaska Housing Finance Corporation, Alaska Railroad Corporation, Alaska Energy Authority, Alaska Clean Water Fund, Alaska Drinking Water Fund, Alaska Student Loan Corporation, and Alaska Seafood Marketing Institute. As shown in the table on the following page, the audits of those entities and funds reflect the following percent of major federal program expenditures.

CFDA	Federal Program Title	Percent of Major Federal Program Expenditures
10.410	Very Low to Moderate Income Housing Loans	100%
10.601	Market Access Program	100%
14.117	Mortgage Insurance_Homes	100%
66.458	Clean Water State Revolving Fund Cluster	100%
66.468	Drinking Water State Revolving Fund Cluster	100%
84.032L	Federal Family Education Loans (Lenders)	100%
90.100	Denali Commission Program	90%
Various	Federal Transit Cluster	100%
Various	Research and Development Cluster	100%

The above federal programs were audited by other auditors whose reports were furnished to us, and our opinion, insofar as it relates to the compliance requirements applicable to those programs, is based solely on the report of the other auditors.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; standards applicable to financial audits contained in *Government Auditing Standards*,[1] issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the State of Alaska's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the State of Alaska's compliance.

Basis for Qualified Opinion on US Forest Service (USFS) Fire Suppression (CFDA 10.U08, 10.U09, and 10.U10)

As described in the preceding Schedule of Findings and Questioned Costs, the State of Alaska did not comply with requirements regarding USFS Fire Suppression (CFDA 10.U08, 10.U09 and 10.U10) as described in Finding Nos. 2018-057 and 2018-059 for Allowable Costs/Cost Principles. Compliance with such requirements is necessary, in our opinion, for the State of Alaska to comply with requirements applicable to that program.

[1] The standards applicable to financial audits are in chapters 1-4 of *Government Auditing Standards*.

Qualified Opinion on US Forest Service (USFS) Fire Suppression (CFDA 10.U08, 10.U09, and 10.U10)

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the State of Alaska complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on USFS Fire Suppression (CFDA 10.U08, 10.U09, and 10.U10) for the fiscal year ended June 30, 2018.

Basis for Qualified Opinion on Bureau of Land Management (BLM) Fire Suppression (CFDA 15.U04, 15.U05, 15.U06, and 15.U07)

As described in the preceding Schedule of Findings and Questioned Costs, the State of Alaska did not comply with requirements regarding BLM Fire Suppression (CFDA 15.U04, 15.U05, 15.U06, and 15.U07) as described in Finding No. 2018-062 for Allowable Costs/Cost Principles. Compliance with such requirements is necessary, in our opinion, for the State of Alaska to comply with requirements applicable to that program.

Qualified Opinion on Bureau of Land Management (BLM) Fire Suppression (CFDA 15.U04, 15.U05, 15.U06, and 15.U07)

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the State of Alaska complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on BLM Fire Suppression (CFDA 15.U04, 15.U05, 15.U06, and 15.U07) for the fiscal year ended June 30, 2018.

Basis for Qualified Opinion on 1332 State Innovation Waivers (CFDA 93.423)

As described in the preceding Schedule of Findings and Questioned Costs, the State of Alaska did not comply with requirements regarding 1332 State Innovation Waivers (CFDA 93.423) as described in Finding No. 2018-044 for Procurement and Suspension and Debarment, and Finding No. 2018-045 for Subrecipient Monitoring. Compliance with such requirements is necessary, in our opinion, for the State of Alaska to comply with requirements applicable to that program.

Qualified Opinion on 1332 State Innovation Waivers (CFDA 93.423)

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the State of Alaska complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on 1332 State Innovation Waivers (CFDA 93.423) for the fiscal year ended June 30, 2018.

Basis for Qualified Opinion on the Temporary Assistance for Needy Families (TANF) Cluster (CFDA 93.558)

As described in the preceding Schedule of Findings and Questioned Costs, the State of Alaska did not comply with requirements regarding the TANF Cluster (CFDA 93.558) as described in Finding No. 2018-028 for Eligibility, and Finding Nos. 2018-028 and 2018-030 for Special Tests and Provisions. Compliance with such requirements is necessary, in our opinion, for the State of Alaska to comply with requirements applicable to that program.

Qualified Opinion on the Temporary Assistance for Needy Families (TANF) Cluster (CFDA 93.558)

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the State of Alaska complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the TANF Cluster (CFDA 93.558) for the fiscal year ended June 30, 2018.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the State of Alaska complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs for the fiscal year ended June 30, 2018.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance. These instances are listed in the accompanying Summary of Findings table and Schedule of Findings and Questioned Costs and described in detail in Section II – Findings and Recommendations as items 2018-019, 2018-023 through 2018-026, 2018-028 through 2018-036, 2018-041 through 2018-043, 2018-047, 2018-049 through 2018-051, 2018-061, and 2018-064 through 2018-066. Our opinion on each major federal program is not modified with respect to these matters except for the impact of item 2018-028 on the TANF Cluster for Eligibility and Special Tests and Provisions and 2018-030 on the TANF Cluster for Special Tests and Provisions.

State agencies' responses to the noncompliance findings identified in our audit are included in Section IV – Corrective Action Plan. State agencies' responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control over Compliance

Management of the State of Alaska is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the State of Alaska's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Alaska's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in Part III of the accompanying Schedule of Findings and Questioned Costs and described in detail in Section II – Findings and Recommendations as items 2018-024, 2018-028, 2018-044, 2018-045, 2018-057, and 2018-062 to be material weaknesses.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in Part III of the accompanying Schedule of Findings and Questioned Costs and described in detail in Section II – Findings and Recommendations as items 2018-020, 2018-023, 2018-027 through 2018-033, 2018-041 through 2018-043, 2018-047, 2018-048, 2018-050, 2018-058, 2018-060, 2018-065, and 2018-066 to be significant deficiencies.

State agencies' responses to the internal control over compliance findings identified in our audit are included in Section IV – Corrective Action Plan. State agencies' responses were not subject to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Kris Curtis, CPA, CISA
Legislative Auditor

Juneau, Alaska
April 5, 2019

STATE OF ALASKA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Fiscal Year Ended June 30, 2018

By Federal Agency

Prepared by DOF

Federal Program Title	CFDA Number	Pass-Through Organization	Grant or Other Identifying Number	Federal Expenditures	Passed through to Subrecipients
U.S. Department of Agriculture					
Child Nutrition Cluster					
School Breakfast Program	10.553			13,099,989	12,701,550
National School Lunch Program	10.555			38,223,316	37,346,309
National School Lunch Program (***Food Commodities***)	10.555			3,031,786	3,031,786
Summer Food Service Program for Children	10.559			1,546,048	1,474,231
Summer Food Service Program for Children (***Food Commodities***)	10.559			4,274	4,274
Total for Child Nutrition Cluster				**55,905,413**	**54,558,150**
Food Distribution Cluster					
Commodity Supplemental Food Program	10.565			201,642	183,459
Commodity Supplemental Food Program (***Food Commodities***)	10.565			685,423	685,423
Emergency Food Assistance Program (***Administrative Costs***)	10.568			169,459	160,361
Emergency Food Assistance Program (***Food Commodities***)	10.569			688,021	688,021
Total for Food Distribution Cluster				**1,744,545**	**1,717,264**
Forest Service Schools and Roads Cluster					
Schools and Roads - Grants to States	10.665			9,399,746	9,383,529
Total for Forest Service Schools and Roads Cluster				**9,399,746**	**9,383,529**
Research and Development Cluster					
Agricultural Research Basic and Applied Research	10.001	U.S. Civilian Research & Development Foundation	DAA3-17-63601-2	22,080	
Plant and Animal Disease, Pest Control, and Animal Care	10.025			88,367	7,884
Federal-State Marketing Improvement Program	10.156			51,885	
Specialty Crop Block Grant Program - Farm Bill	10.170			17,224	
Cooperative Forestry Research	10.202			433,138	
Payments to Agricultural Experiment Stations Under the Hatch Act	10.203			821,466	
Sustainable Agriculture Research and Education	10.215	Utah State University	140867035-247	26,729	
Sustainable Agriculture Research and Education	10.215	Utah State University	150893-00001-181	14,539	
Sustainable Agriculture Research and Education	10.215	Utah State University	200592-00001-302	8,809	
Sustainable Agriculture Research and Education	10.215	Utah State University	201207-517	1,315	
				51,392	-
Alaska Native Serving and Native Hawaiian Serving Institutions Education Grants	10.228			1,304,419	119,799
Agriculture and Food Research Initiative (AFRI)	10.310	Virginia Polytech Institute	SUB 422517-19100	45,511	
Agriculture and Food Research Initiative (AFRI)	10.310			172,823	
				218,334	-
Forestry Research	10.652			951	
Rural Development, Forestry, and Communities	10.672			1,843	
Wood Utilization Assistance	10.674			15,239	
Forest Health Protection	10.680			189,020	
Watershed Restoration and Enhancement Agreement Authority	10.693			27,714	
Partnership Agreements	10.699			231,367	
Soil and Water Conservation	10.902			13,811	
Soil Survey	10.903			15,217	
Alaska Coastal Rainforest Center Director Support	10.RD		G00008142	4,051	
Cofiring wood pellets with coal at electrical generating facilities in Alaska	10.RD		G00009612	5,264	
Critical zone measurements in the perhumid coastal temperate rainforest of Southeast Alaska	10.RD		G00009615	1,580	
Import and Curation of US Forest Service Non-Native Plant Data in AKEPIC Data Portal	10.RD		G00011866	2,400	

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

STATE OF ALASKA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Fiscal Year Ended June 30, 2018

By Federal Agency

Prepared by DOF

Federal Program Title	CFDA Number	Pass-Through Organization	Grant or Other Identifying Number	Federal Expenditures	Passed through to Subrecipients
Modeling stream ecosystem dynamics to support river restoration and management	10.RD		G00010715	82,726	
Monitoring with Forest Inventory and Analysis in Tanana Valley State Forest	10.RD		G00009133	117,250	
UAF support for "Wood energy in Alaska: quantifying environmental and socioeconomic benefits"	10.RD		G00009170	18,599	
USDA AHAP - GINA	10.RD		G00011076	194	
USDA AHAP - GINA (Supplemental Funding)	10.RD		G00011657	24,988	
Where Culture & Ecology Meet: Merging Key Cultural Functions, Plants & Animals, Habitat Ecology in SEAK	10.RD		G00008170	261	
Wicking Fabric	10.RD		G00010854	1,428	
Total for Research and Development Cluster				**3,762,208**	**127,683**
Supplemental Nutrition Assistance Program (SNAP) Cluster					
Supplemental Nutrition Assistance Program	10.551			195,570,454	
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561			10,657,244	721,391
Total for Supplemental Nutrition Assistance Program (SNAP) Cluster				**206,227,698**	**721,391**
Plant and Animal Disease, Pest Control, and Animal Care	10.025			300,110	
Wildlife Services	10.028			17,216	
Inspection Grading and Standardization	10.162			1,070	
Market Protection and Promotion	10.163			133	
Specialty Crop Block Grant Program - Farm Bill	10.170			224,305	20,255
Organic Certification Cost Share Programs	10.171			8,812	
Higher Education - Institution Challenge Grants Program	10.217	Purdue University	8000064676-AG MOD 2	2,524	
Higher Education - Institution Challenge Grants Program	10.217	University of Missouri	C00041710-3	20,786	
				23,310	-
Homeland Security Agricultural	10.304	University of California-Davis	201603794-05	11,870	
National Food Safety Training, Education, Extension, Outreach, and Technical Assistance Competitive Grants Program	10.328	University of Idaho	BLK246-SB-002	11,185	
Crop Protection and Pest Management Competitive Grants Program	10.329			151,983	
Rural Business Development Grant	10.351			52,659	
Very Low to Moderate Income Housing Loans	10.410			124,520,912	
Cooperative Extension Service	10.500	Kansas State University	KSU SUB S17110	29,533	
Cooperative Extension Service	10.500	University of Missouri	SUB C00059381-9	1,220	
Cooperative Extension Service	10.500	University of Tennessee-Knoxville	9500069084	2,584	
Cooperative Extension Service	10.500			1,738,332	
				1,771,669	-
Professional Standards for School Nutrition Employees	10.547			53,815	16,798
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557			18,955,484	5,453,764
Child and Adult Care Food Program	10.558			9,788,084	9,640,030
Child and Adult Care Food Program (***Food Commodities***)	10.558			21,729	21,729
State Administrative Expenses for Child Nutrition	10.560			1,345,512	270,038
Team Nutrition Grants	10.574			82,439	18,882
Farm to School Grant Program	10.575			42,243	5,055
Senior Farmers Market Nutrition Program	10.576			175,076	73,174
SNAP Partnership Grant	10.577	Oklahoma Department of Health	PO# 3409018697 Revision 5	14,858	
ARRA-WIC Grants To States (WGS)	10.578			517,850	
Child Nutrition Discretionary Grants Limited Availability	10.579			76,811	63,045
Fresh Fruit and Vegetable Program	10.582			1,849,420	1,784,496
Market Access Program	10.601			4,248,285	

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

STATE OF ALASKA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Fiscal Year Ended June 30, 2018

By Federal Agency

Prepared by DOF

Federal Program Title	CFDA Number	Pass-Through Organization	Grant or Other Identifying Number	Federal Expenditures	Passed through to Subrecipients
Cooperative Forestry Assistance	10.664			2,760,041	366,489
Wood Utilization Assistance	10.674			143,461	
Forest Legacy Program	10.676			2,971	
Forest Health Protection	10.680			62,225	
Good Neighbor Authority	10.691			47,312	
Cooperative Forest Road Agreements	10.705			225,811	
Water and Waste Disposal Systems for Rural Communities	10.760			3,464,931	265,281
Solid Waste Management Grants	10.762			192,291	
Rural Cooperative Development Grants	10.771			91,143	
Rural Energy for America Program	10.868			5,038	
Plant Materials for Conservation	10.905			71,785	
Regional Conservation Partnership Program	10.932	Sealaska Corporation	MOU-015-003	38,737	
Biomass System Performance Grant	10.U01		JV 11261975	841	
Tongass Young Growth Challenge	10.U02		RSA1080568; 15-CS-1110106-809	52,961	
Miscellaneous US Forest Service-Wildlife Research	10.U03		14-CS-11100400-021	6,334	
Miscellaneous US Forest Service-Fisheries Research	10.U04		AG-0109-C-14-0002	98,748	
Miscellaneous US Forest Service-Fisheries Research	10.U05		AG-0109-C-14-0013	8,381	
Miscellaneous US Forest Service-Wildlife Research	10.U06		AG-0116-P-14-0012	26,049	
Young Growth SE	10.U07		15CS11100106809	1,448,343	
16 USFS Fire Suppression (AKDF070002)	10.U08		15-FI-11100100-016	175,000	
17 USFS Fire Suppression (AKDF070002)	10.U09		15-FI-11100100-016	14,484,576	
18 USFS Fire Suppression	10.U10		15-FI-11100100-016	88,996	
Hotshot Crew	10.U11		15-FI-11100100-016	103,939	
Pioneer Peak	10.U12		17-FI-11100100-005	25,272	
16 FIA Inventory	10.U13		2016JV11261919028	1,218,390	
Total for U.S. Department of Agriculture				**466,150,026**	**84,507,053**
U.S. Department of Commerce					
Economic Development Cluster					
Economic Adjustment Assistance	11.307			7,625,420	
Total for Economic Development Cluster				**7,625,420**	-
Research and Development Cluster					
Ocean Exploration	11.011			265,772	12,713
Integrated Ocean Observing System (IOOS)	11.012	Alaska Ocean Observing System	H2300-51	2,453	
Integrated Ocean Observing System (IOOS)	11.012	Alaska Ocean Observing System	H2400-50	6,001	
Integrated Ocean Observing System (IOOS)	11.012	Alaska Ocean Observing System	H2400-51	61,379	
Integrated Ocean Observing System (IOOS)	11.012	Alaska Ocean Observing System	H2400-52	22,968	
Integrated Ocean Observing System (IOOS)	11.012	Alaska Ocean Observing System	H2400-60	14,347	
Integrated Ocean Observing System (IOOS)	11.012	Alaska Ocean Observing System	H2400-64	14,340	
Integrated Ocean Observing System (IOOS)	11.012	Alaska Ocean Observing System	H2400-66	45,002	
Integrated Ocean Observing System (IOOS)	11.012	Alaska Ocean Observing System	H2400-69	6,471	
Integrated Ocean Observing System (IOOS)	11.012	Alaska Ocean Observing System	H2404-00	115,113	
Integrated Ocean Observing System (IOOS)	11.012			823,254	209,374
				1,111,328	209,374
Sea Grant Support	11.417			2,012,061	139,037
Coastal Zone Management Administration Awards	11.419	University of Michigan	3004686665	5,728	
Coastal Zone Management Administration Awards	11.419	University of Michigan	Subaward No. 3004540566	9,071	
Coastal Zone Management Administration Awards	11.419	University of Michigan	Subaward No. 3004540567	1,052	
Coastal Zone Management Administration Awards	11.419	University of Michigan	Subaward No. 3004636440	33,969	
				49,820	-
Coastal Zone Management Estuarine Research Reserves	11.420			591,874	

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

STATE OF ALASKA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Fiscal Year Ended June 30, 2018

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Federal Program Title	CFDA Number	Pass-Through Organization	Grant or Other Identifying Number	Federal Expenditures	Passed through to Subrecipients
Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program	11.427			131,740	
Climate and Atmospheric Research	11.431			856,127	29,644
National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	11.432			1,984,122	
Pacific Coast Salmon Recovery Pacific Salmon Treaty Program	11.438	Bering Sea Fisherman's Association	AC-1511D Revision 2	56,118	
Pacific Coast Salmon Recovery Pacific Salmon Treaty Program	11.438			44,404	
				100,522	-
Marine Mammal Data Program	11.439			512,873	1,024
Unallied Industry Projects	11.452	Pacific States Marine Fisheries Commission	16-102G	34,509	
Unallied Industry Projects	11.452	Pacific States Marine Fisheries Commission	16-103G	58,241	
				92,750	-
Habitat Conservation	11.463			102,322	
Meteorologic and Hydrologic Modernization Development	11.467			331,944	
Applied Meteorological Research	11.468			108,930	
Unallied Science Program	11.472	North Pacific Research Board	1323	25,884	
Unallied Science Program	11.472	North Pacific Research Board	1410	35,703	
Unallied Science Program	11.472	North Pacific Research Board	1415	46,324	
Unallied Science Program	11.472	North Pacific Research Board	1520	722	
Unallied Science Program	11.472	North Pacific Research Board	1607	40,099	
Unallied Science Program	11.472	North Pacific Research Board	1608	65,286	
Unallied Science Program	11.472	North Pacific Research Board	1612	51,550	
Unallied Science Program	11.472	North Pacific Research Board	1613	43,567	
Unallied Science Program	11.472	North Pacific Research Board	1616	26,737	
Unallied Science Program	11.472	North Pacific Research Board	1703	50,554	
Unallied Science Program	11.472	North Pacific Research Board	1707	4,191	
Unallied Science Program	11.472	North Pacific Research Board	1710	33,050	
Unallied Science Program	11.472	North Pacific Research Board	1715	12,254	
Unallied Science Program	11.472	North Pacific Research Board	1720	25,913	
Unallied Science Program	11.472	North Pacific Research Board	1727	18,872	
Unallied Science Program	11.472	North Pacific Research Board	1426B / F6426-00	112,897	
Unallied Science Program	11.472	North Pacific Research Board	1426C	22,975	
Unallied Science Program	11.472	North Pacific Research Board	1427C	213,623	
Unallied Science Program	11.472	North Pacific Research Board	1503 / F6503-00	99,194	
Unallied Science Program	11.472	North Pacific Research Board	1504 / F6504-00	51,276	
Unallied Science Program	11.472	North Pacific Research Board	1506 / F6506-01	97,167	
Unallied Science Program	11.472	North Pacific Research Board	1508 F6508-00	33,672	
Unallied Science Program	11.472	North Pacific Research Board	1515B	30,541	
Unallied Science Program	11.472	North Pacific Research Board	1521 F6521-00	9,342	
Unallied Science Program	11.472	North Pacific Research Board	1533 / F6533-02	72,110	
Unallied Science Program	11.472	North Pacific Research Board	1702-00	21,043	
Unallied Science Program	11.472	North Pacific Research Board	1702-90	1,699	
Unallied Science Program	11.472	North Pacific Research Board	A91-00A	831,201	
Unallied Science Program	11.472	North Pacific Research Board	A97-00	112	
Unallied Science Program	11.472	North Pacific Research Board	A98-00A	50,756	
Unallied Science Program	11.472	North Pacific Research Board	G81/F5381-01 YR 4&5	3	
Unallied Science Program	11.472	North Pacific Research Board	NPRB Project 1409	12,099	
Unallied Science Program	11.472	Prince William Sound Science Center	12-81-03	58,770	
Unallied Science Program	11.472	Prince William Sound Science Center	17-71-03	43,544	
Unallied Science Program	11.472	Prince William Sound Science Center	17-71-06	120,155	

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Federal Program Title	CFDA Number	Pass-Through Organization	Grant or Other Identifying Number	Federal Expenditures	Passed through to Subrecipients
Unallied Science Program	11.472	Prince William Sound Science Center	Contract 17-71-01 AMD 1	58,614	
Unallied Science Program	11.472	University of California-San Diego	MP# S9001183	5,033	
Unallied Science Program	11.472			79,749	
				2,506,281	-
Center for Sponsored Coastal Ocean Research Coastal Ocean Program	11.478			47,709	
The Pervasive Invasive: Assessing the Risk of Marine Invasive Species in the Bering Sea	11.RD	North Pacific Research Board	Project Number 1523	42,737	
Network Analysis of the Dynamic Evolution of Alaska Fishing Portfolios	11.RD	Resources for the Future	Contract DTD 2/28/17	3,145	
ASG/MAP Manufacturing Extension Partnership (MEP) FFO	11.RD	SW Alaska Municipal Conference	OPDSFOS 15-499	119,190	
Alaska Center for Microgrid Technologies Commercialization	11.RD		G00010263	88,788	
Regional Climate Services Support in the Western Region	11.RD		G00010964	22,374	
Southeast Humpback Whale Database Management Services	11.RD		G00011072	327	
Total for Research and Development Cluster				**11,082,736**	**391,792**
Economic Development Technical Assistance	11.303			154,257	
Interjurisdictional Fisheries Act of 1986	11.407			176,426	
Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program	11.427			324,488	
Pacific Fisheries Data Program	11.437	Pacific States Marine Fisheries Commission	Multiple Awards	2,918,433	
Pacific Fisheries Data Program	11.437			3,389,478	
				6,307,911	-
Pacific Coast Salmon Recovery Pacific Salmon Treaty Program	11.438	Bering Sea Fishermen's Association	NA15NMF4380236	102,884	
Pacific Coast Salmon Recovery Pacific Salmon Treaty Program	11.438			9,298,314	1,666,253
				9,401,198	1,666,253
Marine Mammal Data Program	11.439	Bristol Bay Native Association	COOP-18-046	1,292	
Marine Mammal Data Program	11.439			1,291,603	
				1,292,895	-
Regional Fishery Management Councils	11.441	North Pacific Fishery Mgmt Council	Multiple Awards	39,298	
Meteorologic and Hydrologic Modernization Development	11.467			445,017	56,000
Unallied Science Program	11.472	North Pacific Research Board	Multiple Awards	708,859	
Unallied Science Program	11.472	Yukon River Drainage Fisheries	COOP-15-045	46,540	
Unallied Science Program	11.472			619,470	138,027
				1,374,869	138,027
State and Local Implementation Grant Program	11.549			35,176	
NOAA NMFS	11.U01		45ABNA0B0252	8,401	
Japanese Tsunami Marine Debris	11.U02		MOA-2013-005-8626	38,372	
Miscellaneous NOAA-Fisheries Research	11.U03		1305M318PNFFS0025	10,424	
Miscellaneous NOAA-Marine Mammal Research	11.U04		RA133F17SU0649	13,107	
Miscellaneous NOAA-Marine Mammal Research	11.U05		WE133F14SE4018	9,380	
Miscellaneous NOAA-Fisheries Research	11.U06		WE-133F15-SE-1959	5,004	
Miscellaneous NOAA-Fisheries Research	11.U07		WE133F15SE1978	10,371	
Miscellaneous NOAA-Fisheries Research	11.U08		WE-133R-15-SE-1025	2,958	
National Marine Fisheries Joint Enforcement Agreement	11.U09		11.04 and NMFS-JEA	1,005,871	
Total for U.S. Department of Commerce				**39,363,579**	**2,252,072**

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

STATE OF ALASKA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
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Federal Program Title	CFDA Number	Pass-Through Organization	Grant or Other Identifying Number	Federal Expenditures	Passed through to Subrecipients
U.S. Department of Defense					
Research and Development Cluster					
Basic and Applied Scientific Research	12.300	University of Illinois-Champaign	090955-16969	1,026	
Basic and Applied Scientific Research	12.300	Woods Hole Oceanographic Inst.	A101266	132,699	
Basic and Applied Scientific Research	12.300	Woods Hole Oceanographic Inst.	A101306	6,988	
Basic and Applied Scientific Research	12.300			2,419,955	
				2,560,668	-
Legacy Resource Management Program	12.632			209,237	
Air Force Defense Research Sciences Program	12.800			239,032	
Archaeology Survey & Cultural Resources Survey & Evaluation	12.RD		G00012104	9,321	
Arctic Gravity Data Acquisition and Processing	12.RD		G00010982	94,674	
Bird and Bat Management TO0012	12.RD		G00011150	56,745	
Cultural Resource Support, Wake Island, HI, and AK TO0013	12.RD		G00011147	69,325	16,928
Curation/Storage USAG Ft. Wainwright	12.RD		G00011912	15,100	
Eagle / Bird Risk	12.RD		G00011486	84,866	
Estimation of Uncertainties of Full Moment Tensors	12.RD		G00011447	152,570	
Interpretive Display at Bldg. 3010, Schofield Barracks, Hawaii	12.RD		G00010427	4,594	
Interpretive Display at Tripler Army Medical Center TO 0008	12.RD		G00010425	6,182	
Management Species, Bat Survey	12.RD		G00012105	3,276	
Materials Management Support - TO0003	12.RD		G00009699	125,660	
MGT Habitat Gravel Pit Reclamation Plan JBER	12.RD		G00011767	31,838	
MGT Habitat Vegetative Plot JBER	12.RD		G00011809	13,151	10,437
MGT Habitat Winter Moose Browse, JBER	12.RD		G00011791	5,335	
MGT Species Beluga Whale - All Waters But Six Mile	12.RD		G00011765	41,143	
NACT Proposal for HDTRA1-14-R-0028	12.RD		G00010031	59,547	
NACT Proposal for HDTRA1-17-R-003: Waveform Ops & Maint.	12.RD		G00011364	3,442,390	
Natural Resource Management Support Wildlife	12.RD		G00011770	145,786	
North Slope Coastal Erosion	12.RD		G00011821	220,163	91,661
PRSC Cultural Resources TO #11	12.RD		G00010478	2,584	
Statistical Oversight/Bird MGT	12.RD		G00011810	7,791	
Total for Research and Development Cluster				**7,600,978**	**119,026**
Procurement Technical Assistance For Business Firms	12.002			502,578	
State Memorandum of Agreement Program for the Reimbursement of Technical Services	12.113			2,435,228	
Basic and Applied Scientific Research	12.300			380,935	
National Guard Military Operations and Maintenance (O&M) Projects	12.401			13,669,314	
National Guard ChalleNGe Program	12.404			4,819,091	
Miscellaneous Army-Wildlife Research	12.U01		W91D0-16-D-0005	60,157	
Total for U.S. Department of Defense				**29,468,281**	**119,026**
U.S. Department of Housing & Urban Development					
Housing Voucher Cluster					
Section 8 Housing Choice Vouchers	14.871			2,259,682	
Total for Housing Voucher Cluster				**2,259,682**	**-**
Section 8 Project-Based Cluster					
Section 8 Housing Assistance Payments Program	14.195			2,253,639	
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249			569,180	491,061
Total for Section 8 Project-Based Cluster				**2,822,819**	**491,061**
Mortgage Insurance Homes	14.117			231,830,056	

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Federal Program Title	CFDA Number	Pass-Through Organization	Grant or Other Identifying Number	Federal Expenditures	Passed through to Subrecipients
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228			3,452,370	3,330,792
Emergency Solutions Grant Program	14.231			225,514	200,845
Home Investment Partnerships Program	14.239			2,581,777	1,525,279
Housing Opportunities for Persons with AIDS	14.241			555,293	430,607
Continuum of Care Program	14.267			1,092,414	1,055,039
Project Rental Assistance Demonstration (PRA Demo) Program of Section 811 Supportive Housing for Persons with Disabilities	14.326			94,865	
Public and Indian Housing Indian Loan Guarantee Program	14.865			123,526,688	
Moving to Work Demonstration Program	14.881			50,964,810	
Family Self-Sufficiency Program	14.896			273,808	
Total for U.S. Department of Housing & Urban Development				**419,680,096**	**7,033,623**
U.S. Department of the Interior					
Fish and Wildlife Cluster					
Sport Fish Restoration	15.605			18,482,159	429,447
Wildlife Restoration and Basic Hunter Education	15.611			27,577,173	462,625
Total for Fish and Wildlife Cluster				**46,059,332**	**892,072**
Research and Development Cluster					
Tribal Climate Resilience	15.156	Nome Eskimo Community	Subaward A14AV00209-01	51,243	
Recreation and Visitor Services	15.225			249,628	25,003
Invasive and Noxious Plant Management	15.230			126,621	
Fish, Wildlife and Plant Conservation Resource Management	15.231	National Fish & Wildlife Foundation	2100.15.047583 / 47583	20,871	
Fish, Wildlife and Plant Conservation Resource Management	15.231			593,671	
				614,542	-
Wildland Fire Research and Studies	15.232	Colorado State University	G093481	48,416	
Wildland Fire Research and Studies	15.232	University of Utah	PO U000112610	4,017	
Wildland Fire Research and Studies	15.232			229,328	
				281,761	-
Environmental Quality and Protection	15.236			96,027	
Rangeland Resource Management	15.237			79,844	
Alaska Coastal Marine Institute	15.421	University of Texas-Austin	UTA 12-000603	28,184	
Alaska Coastal Marine Institute	15.421			1,519,798	181,037
				1,547,982	181,037
Bureau of Ocean Energy Management (BOEM) Environmental Studies (ES)	15.423	Rutgers University	SUB 5747 PO 574832	181,789	
Bureau of Ocean Energy Management (BOEM) Environmental Studies (ES)	15.423	University of Texas-Austin	UTA11-000873	33,144	
Bureau of Ocean Energy Management (BOEM) Environmental Studies (ES)	15.423	University of Texas-Austin	UTA11-000973	110,163	
Bureau of Ocean Energy Management (BOEM) Environmental Studies (ES)	15.423			1,147,540	79,440
				1,472,636	79,440
Fish and Wildlife Management Assistance	15.608	Fairbanks Soil & Water Conservation District	Agreement DTD 4/13/18	4,854	
Fish and Wildlife Management Assistance	15.608	National Fish & Wildlife Foundation	2100.12.030840 / #30840	50,310	
Fish and Wildlife Management Assistance	15.608			81,313	
				136,477	-
Coastal	15.630			190,008	
State Wildlife Grants	15.634			442,737	100,309
Research Grants (Generic)	15.650			7,016	

STATE OF ALASKA

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Federal Program Title	CFDA Number	Pass-Through Organization	Grant or Other Identifying Number	Federal Expenditures	Passed through to Subrecipients
Cooperative Landscape Conservation	15.669	Wildlife Management Institute	NWBLLC 2017-1	35,859	
Cooperative Landscape Conservation	15.669			195,844	
				231,703	-
Adaptive Science	15.670			74,400	
Youth Engagement, Education, and Employment	15.676			212,980	
Cooperative Ecosystem Studies Units	15.678			88,779	
Assistance to State Water Resources Research Institutes	15.805			58,633	19,996
Earthquake Hazards Program Assistance	15.807			840,114	
U.S. Geological Survey Research and Data Collection	15.808			918,249	6,667
Cooperative Research Units	15.812			922,899	3,138
National Land Remote Sensing Education Outreach and Research	15.815	America View, Inc.	AV14-AK01	4,691	
Volcano Hazards Program Research and Monitoring	15.818			1,170,309	
National and Regional Climate Adaptation Science Centers	15.820			1,140,694	9,320
Cooperative Research and Training Programs – Resources of the National Park System	15.945			879,243	
Ebey's Landing National Historical Reserve Trust Board	15.956			9,406	
Comparison of Putative Carex Subspathacea between the Arctic Coastal Plan and the Yukon Kuskokwim Delta	15.RD		G00011118	11,918	
Evaluation of nearshore communities and habitats ecological process in Lower Cook Inlet	15.RD		G00010161	40,882	
Infrasound Sensors Order #G17PX01298	15.RD		G00011882	140,807	
Infrasound Sensors Order #G17PX01323	15.RD		G00011883	23,490	
RWO 227: Aquatic Ecosystem Vulnerability to Fire and Climate Change in Alaskan Boreal Forests	15.RD		G00012045	16,465	
Schools on Trails Partnership with the National Park Service RTCA Program	15.RD		G00011183	22,281	
Stream Discharge & Water Balance of Coastal Alaska Watersheds	15.RD		G00010255	48,986	
TAPS Report	15.RD		G00011119	19,164	
Trans-Alaska Pipeline System Archaeological Inventory: Phase II	15.RD		G00011743	38,239	
University of Alaska Museum of the North Curation Agreement - Paleontology	15.RD		G00011080	13,806	
USFWS Stable Isotope Lab Salmon Fin Sample Analyses	15.RD		G00011943	12,400	
USGS Stable Isotope Lab Vegetation Sample Analyses	15.RD		G00011758	14,500	
Total for Research and Development Cluster				**12,251,560**	**424,910**
Cultural and Paleontological Resources Management	15.224			1,202,206	
Payments in Lieu of Taxes	15.226			10,976,600	10,976,600
Distribution of Receipts to State and Local Governments	15.227			6,057,903	6,057,903
Fish, Wildlife and Plant Conservation Resource Management	15.231	National Fish & Wildlife Foundation	0801.16.049830	23,064	
Fish, Wildlife and Plant Conservation Resource Management	15.231			188,949	
				212,013	-
Environmental Quality and Protection	15.236			9,314	
Challenge Cost Share	15.238			116,598	
Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	15.250			283,440	
Abandoned Mine Land Reclamation (AMLR)	15.252			5,337,762	
Federal Oil and Gas Royalty Management State and Tribal Coordination	15.427			102,461	
Alaska Native Science and Engineering	15.442			19,014	
Fish and Wildlife Management Assistance	15.608			700,381	
Cooperative Endangered Species Conservation Fund	15.615			60,696	
Clean Vessel Act	15.616			33,472	
Coastal	15.630			4,888	

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STATE OF ALASKA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
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Federal Program Title	CFDA Number	Pass-Through Organization	Grant or Other Identifying Number	Federal Expenditures	Passed through to Subrecipients
State Wildlife Grants	15.634			3,444,402	
Alaska Subsistence Management	15.636			2,222,948	2,980
Alaska Migratory Bird Co-Management Council	15.643			98,536	
Service Training and Technical Assistance (Generic Training)	15.649			1,490	
National Wildlife Refuge System Enhancements	15.654			3,000	
Endangered Species Conservation - Recovery Implementation Funds	15.657			45,837	
National Fish and Wildlife Foundation	15.663	National Fish & Wildlife Foundation	0801.16.049950	44,869	
Fish and Wildlife Coordination and Assistance	15.664	National Fish & Wildlife Foundation	0801.16.050041	19,096	
Fish and Wildlife Coordination and Assistance	15.664	National Fish & Wildlife Foundation	2100.16.052159	35,410	
Fish and Wildlife Coordination and Assistance	15.664	National Fish & Wildlife Foundation	50059 0801.16.050059	11,461	
				65,967	-
Cooperative Landscape Conservation	15.669			62,244	
Adaptive Science	15.670			5,930	
Yukon River Salmon Research and Management Assistance	15.671			35,442	
National Fire Plan-Wildland Urban Interface Community Fire Assistance	15.674			34,851	
U.S. Geological Survey Research and Data Collection	15.808			916,838	
National Cooperative Geologic Mapping	15.810			147,724	
National Geological and Geophysical Data Preservation	15.814			45,177	
Volcano Hazards Program Research and Monitoring	15.818			729,067	
Energy Cooperatives to Support the National Energy Resources Data System	15.819			2,631	
Historic Preservation Fund Grants-In-Aid	15.904			1,000,365	76,986
Outdoor Recreation Acquisition, Development and Planning	15.916			100,891	71,153
Rivers, Trails and Conservation Assistance	15.921			17,455	
National Maritime Heritage Grants	15.925			40,212	
Cooperative Research and Training Programs – Resources of the National Park System	15.945			120,817	
National Park Service Conservation, Protection, Outreach, and Education	15.954			16,048	
Miscellaneous Fish & Wildlife Service-AK Peninsula Moose Collaring	15.U01		G15AC00012	45,641	
Miscellaneous Fish & Wildlife Service-Kodiak Goat Capture	15.U02		M12PC00005	352,843	
Miscellaneous Fish & Wildlife Service	15.U03		M13PC00015	84,153	
16 BLM Fire Suppression	15.U04		BLM MOU AK-2015-002	13,836	
17 BLM Fire Suppression	15.U05		BLM MOU AK-2015-002	4,083,219	
15 BLM Fire Suppression	15.U06		BLM MOU AK-2015-002	796,022	
18 BLM Fire Suppression	15.U07		BLM MOU AK-2015-002	2,336,506	
Irwin Project	15.U08		M#4500104134	261,524	
Total for U.S. Department of the Interior				**100,604,125**	**18,502,604**
U.S. Department of Justice					
Research and Development Cluster					
State Justice Statistics Program for Statistical Analysis Centers	16.550			52,335	7,203
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560			59,705	
Criminal Justice Research and Development Graduate Research Fellowships	16.562			202,366	
Crime Victim Assistance/Discretionary Grants	16.582	Alaska Immigration Justice Project	Agreement DTD 2/10/13	6,597	
Crime Victim Assistance/Discretionary Grants	16.582	Fox Valley Technical College	D2016006028	6,857	
				13,454	-
Juvenile Mentoring Program	16.726	National 4H Council	4H-NMP8	3,300	
Juvenile Mentoring Program	16.726	National 4H Council	NMP7 - 09219	180,862	

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Federal Program Title	CFDA Number	Pass-Through Organization	Grant or Other Identifying Number	Federal Expenditures	Passed through to Subrecipients
				184,162	-
Federal Equitable Sharing UAFPD	16.RD		G00006407	14,490	
Total for Research and Development Cluster				**526,512**	**7,203**
Sexual Assault Services Formula Program	16.017			184,070	156,217
Justice Systems Response to Families	16.021			169,166	149,673
Juvenile Justice and Delinquency Prevention	16.540			409,205	226,158
Missing Children's Assistance	16.543	Municipality of Anchorage, Police Department	2010-MC-CX-K031 & 2013-MC-FX-K011	30,612	
National Criminal History Improvement Program (NCHIP)	16.554			671,315	
Crime Victim Assistance	16.575			3,855,995	3,639,969
Crime Victim Compensation	16.576			630,280	
Crime Victim Assistance/Discretionary Grants	16.582			53,773	
Drug Court Discretionary Grant Program	16.585			77,424	
Violence Against Women Formula Grants	16.588			986,734	238,313
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590			33,243	33,243
Residential Substance Abuse Treatment for State Prisoners	16.593			64,559	
Edward Byrne Memorial Justice Assistance Grant Program	16.738			825,865	312,192
DNA Backlog Reduction Program	16.741			195,450	
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742			10,814	
Edward Byrne Memorial Competitive Grant Program	16.751			44,684	
Harold Rogers Prescription Drug Monitoring Program	16.754			70,693	
Second Chance Act Reentry Initiative	16.812			5,128	
NICS Act Record Improvement Program	16.813			499,441	
Justice Reinvestment Initiative	16.827	Crime and Justice Institute at Community Resources for Justice	2015-ZB-BX-K002	97,432	
Swift, Certain, and Fair (SCF) Supervision Program: Including Project HOPE	16.828			119,512	
National Sexual Assault Kit Initiative	16.833			167,457	
Equitable Sharing Program	16.922			723,804	
Total for U.S. Department of Justice				**10,453,168**	**4,762,968**
U.S. Department of Labor					
Employment Service Cluster					
Employment Service/Wagner-Peyser Funded Activities	17.207			7,995,123	
Disabled Veterans' Outreach Program (DVOP)	17.801			625,286	
Total for Employment Service Cluster				**8,620,409**	**-**
WIOA Cluster					
WIOA Adult Program	17.258			2,530,407	
WIOA Youth Activities	17.259			2,414,121	1,418,812
WIOA Dislocated Worker Formula Grants	17.278			3,705,464	
Total for WIOA Cluster				**8,649,992**	**1,418,812**
Labor Force Statistics	17.002			578,117	
Compensation and Working Conditions	17.005			60,388	
Unemployment Insurance	17.225			152,424,333	
Senior Community Service Employment Program	17.235			1,632,247	469,385
Trade Adjustment Assistance	17.245			39,335	
H1-B Skills Shortage Training Grant	17.249	Workforce Development Office	AH-10857-00-60	780	
WIOA Pilots, Demonstrations, and Research Projects	17.261			279,869	
H-1B Job Training Grants	17.268			610,532	237,423
Reentry Employment Opportunities	17.270			278,896	
Work Opportunity Tax Credit Program (WOTC)	17.271			34,232	
Temporary Labor Certification for Foreign Workers	17.273			103,288	

STATE OF ALASKA

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By Federal Agency

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Federal Program Title	CFDA Number	Pass-Through Organization	Grant or Other Identifying Number	Federal Expenditures	Passed through to Subrecipients
WIOA National Dislocated Worker Grants / WIA National Emergency Grants	17.277			1,259,461	325,863
WIOA Dislocated Worker National Reserve Technical Assistance and Training	17.281			70,768	19,346
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	17.282			2,115,912	
Apprenticeship USA Grants	17.285			579,797	342,800
Occupational Safety and Health State Program	17.503			1,446,351	
Consultation Agreements	17.504			641,935	
Mine Health and Safety Grants	17.600			131,494	
Total for U.S. Department of Labor				**179,558,136**	**2,813,629**
U.S. Department of Transportation					
Federal Transit Cluster					
Federal Transit Capital Investment Grants	20.500	Federal Transit Administration	AK-55-0003	341,820	
Federal Transit Capital Investment Grants	20.500			(875,282)	169,645
				(533,462)	169,645
Federal Transit Formula Grants	20.507			31,212,716	
State of Good Repair Grants Program	20.525			20,247,357	
Bus and Bus Facilities Formula Program	20.526			31,610	31,212
Total for Federal Transit Cluster				**50,958,221**	**200,857**
Highway Planning and Construction Cluster					
Highway Planning and Construction	20.205			515,903,005	4,856,194
Recreation Trails Program	20.219			965,637	337,952
Federal Lands Access Program	20.224			443,971	
Total for Highway Planning and Construction Cluster				**517,312,613**	**5,194,146**
Highway Safety Cluster					
State and Community Highway Safety	20.600			1,036,358	503,456
State Traffic Safety Information System Improvement Grants	20.610			34,738	
Incentive Grant Program to Increase Motorcyclist Safety	20.612			40,191	
Child Safety and Child Booster Seats Incentive Grants	20.613			1,738	1,714
National Priority Safety Programs	20.616			1,657,919	845,037
Total for Highway Safety Cluster				**2,770,944**	**1,350,207**
Research and Development Cluster					
Highway Research and Development Program	20.200			204,182	
University Transportation Centers Program	20.701	University of Washington	BPO#3882	186,121	
University Transportation Centers Program	20.701	University of Washington	UWSC10217 BPO28344	55,822	
University Transportation Centers Program	20.701			1,333,472	820,579
				1,575,415	820,579
Pipeline Safety Research Competitive Academic Agreement Program (CAAP)	20.724			38,251	
Total for Research and Development Cluster				**1,817,848**	**820,579**
Transit Services Programs Cluster					
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513			354,392	337,400
Total for Transit Services Programs Cluster				**354,392**	**337,400**
Airport Improvement Program	20.106			149,847,050	
Air Transportation Centers of Excellence	20.109			23,667	
Highway Research and Development Program	20.200			384,014	
Highway Training and Education	20.215			508,221	
Motor Carrier Safety Assistance	20.218			1,079,927	4,400

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

STATE OF ALASKA

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Federal Program Title	CFDA Number	Pass-Through Organization	Grant or Other Identifying Number	Federal Expenditures	Passed through to Subrecipients
Performance and Registration Information Systems Management	20.231			43,848	
Commercial Driver's License Program Implementation Grant	20.232			203,148	
Border Enforcement Grants	20.233			34,508	
Safety Data Improvement Program	20.234			19,985	
Motor Carrier Safety Assistance High Priority Activities Grants and Cooperative Agreements	20.237			236,016	
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505			583,342	539,621
Formula Grants for Rural Areas	20.509			8,967,566	6,758,464
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608			3,260,688	
National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants and Cooperative Agreements	20.614			43,113	
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703			157,012	
National Infrastructure Investments	20.933			602,312	
Clean-up Contaminated Sites in Alaska	20.U01		DTFAWN-15-A-80000	149,319	
Total for U.S. Department of Transportation				**739,357,754**	**15,205,674**
Equal Employment Opportunity Commission					
Employment Discrimination - State and Local Fair Employment Practices Agency Contracts	30.002			205,000	
Total for Equal Employment Opportunity Commission				**205,000**	**-**
General Services Administration					
Donation of Federal Surplus Personal Property	39.003			1,357,206	
Total for General Services Administration				**1,357,206**	**-**
National Aeronautics and Space Administration					
Research and Development Cluster					
Science	43.001	Clemson University	1820-204-2010726 NNX15AL71G	57,109	
Science	43.001	Dartmouth College	1460R123	10,001	
Science	43.001	Embry-Riddle Aeronautical University	SUB#61488-01 / NNX17AI50G	25,140	
Science	43.001	President & Fellows of Harvard College	124027-5100419	7,392	
Science	43.001	Southern Methodist University	G0013927500 RO36674 NNX14AQ95G	110,450	
Science	43.001	Universities Space Research Association	2015000929 02250-01 NNX15AL12A	65,312	
Science	43.001	University of Arizona	407782 Pending	118,848	
Science	43.001	University of California-Santa Barbara NCEAS	KK1831	59,822	
Science	43.001	University of Colorado	1555192 PO# 1000835538	33,459	
Science	43.001	University of Colorado	SUB# 1554201 PO# 1000686852	107,611	
Science	43.001	University of Texas-Arlington	2612013261	30,039	
Science	43.001	Woods Hole Oceanographic Inst.	A101135	26,898	
Science	43.001	Woods Hole Oceanographic Inst.	A101348-PASAA NCE	208,442	
Science	43.001			16,130,928	360,819
				16,991,451	360,819
Space Operations	43.007			165,130	
Education	43.008			1,259,687	57,331
UAF Scope of Work for "Imaging Arctic Methane Plumes"	43.RD	Jet Propulsion Laboratory	1572960	105,784	

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Federal Program Title	CFDA Number	Pass-Through Organization	Grant or Other Identifying Number	Federal Expenditures	Passed through to Subrecipients
Volatiles Transport in Lunar Regolith Parameters Study Using the COUPi Discrete Element Method Model	43.RD	Johns Hopkins University	121078 FG3ZN CLIN 1 Pending	55,925	
NASA NESSF Fellowship: Climate-driven Extent Changes in Perennial Snowfields in the Central Brooks Range	43.RD		G00011251	53,218	
Physical and Geologic Investigations of the Surface Materials Along the MER Traverses	43.RD		G00011509	11,254	
Total for Research and Development Cluster				**18,642,449**	**418,150**
Science	43.001			117,440	
Space Technology	43.012			63,962	
Total for National Aeronautics and Space Administration				**18,823,851**	**418,150**
Institute of Museum and Library Services					
Grants to States	45.310			972,858	791,571
Total for Institute of Museum and Library Services				**972,858**	**791,571**
National Endowment for the Arts					
Promotion of the Arts Partnership Agreements	45.025			754,671	306,350
Total for National Endowment for the Arts				**754,671**	**306,350**
National Endowment for the Humanities					
Promotion of the Humanities Federal/State Partnership	45.129	Alaska Humanities Forum	G15-0008	8,102	
Promotion of the Humanities Division of Preservation and Access	45.149			160,317	
Promotion of the Humanities Public Programs	45.164			26,683	
Total for National Endowment for the Humanities				**195,102**	**-**
National Science Foundation					
Research and Development Cluster					
Engineering Grants	47.041			546,286	
Mathematical and Physical Sciences	47.049	American Physical Society	OMG-2017-7	8,896	
Mathematical and Physical Sciences	47.049	Center for the Advancement of Science in Space, Inc.	GA-2018-273	26,995	
Mathematical and Physical Sciences	47.049			239,612	
				275,503	-
Geosciences	47.050	Boston University	Subaward No. 4500002571	3,071	
Geosciences	47.050	Columbia University	43(GG009393) / G11492	6,497	
Geosciences	47.050	Columbia University	43B(GG009393) / G11492	34,332	
Geosciences	47.050	Cornell University	70413-10264 Amend 4	28,018	
Geosciences	47.050	Idaho State University	12-120A-RMNH30	49,762	
Geosciences	47.050	Massachusetts Institute of Technology	Subaward No. 107294	912	
Geosciences	47.050	Pennsylvania State University	5696-UAF-NSF-5369	28,319	
Geosciences	47.050	Space Science Institute	Subaward No. 00657	74,750	
Geosciences	47.050	SRI International	Subcontract 119-000221	581,648	
Geosciences	47.050	UCAR Office of Programs	Subaward No. Z17-25760	9,209	
Geosciences	47.050	University of Kansas Center For Research	FY2017-072	39,097	
Geosciences	47.050	University of Northern Iowa	P.O. 101765/S6180C Amend 2	4,086	
Geosciences	47.050	University of Northern Iowa	S6180D / PO# 101766	10,213	
Geosciences	47.050	University of Texas-Austin	UTA17-000312	37,358	
Geosciences	47.050	Utah State University	150124-0001-43	2,764	
Geosciences	47.050			25,130,990	1,138,378
				26,041,026	1,138,378

Federal Program Title	CFDA Number	Pass-Through Organization	Grant or Other Identifying Number	Federal Expenditures	Passed through to Subrecipients
Computer and Information Science and Engineering	47.070			42,495	
Biological Sciences	47.074	St. Lawrence University	Subaward No. 20202-13010	15,604	
Biological Sciences	47.074	University of Texas-Austin	UTA17-000641	47,813	
Biological Sciences	47.074			3,276,619	182,133
				3,340,036	182,133
Social, Behavioral, and Economic Sciences	47.075			272,360	
Education and Human Resources	47.076	Columbia University	4(GG009026)/G06271/G1136	20,703	2,124
Education and Human Resources	47.076			2,354,037	62,815
				2,374,740	64,939
Polar Programs	47.078			621,656	
Office of International Science and Engineering	47.079	University of Southern California	67449315 / PO#10372986	133,326	
Office of International Science and Engineering	47.079			27,010	
				160,336	-
Office of Integrative Activities	47.083	George Washington University	16-S10 Amend 2	22,047	
Office of Integrative Activities	47.083			1,675,345	8,630
				1,697,392	8,630
NSF IPA Burns	47.RD		G00011633	183,479	
Total for Research and Development Cluster				**35,555,309**	**1,394,080**
Total for National Science Foundation				**35,555,309**	**1,394,080**
Small Business Administration					
Small Business Development Centers	59.037			912,116	
Prime Technical Assistance	59.050			75,201	
State Trade Expansion	59.061			7,484	7,484
Total for Small Business Administration				**994,801**	**7,484**
U.S. Department of Veterans Affairs					
Veterans Transportation Project	64.035			185,830	160,972
Veterans Housing Guaranteed and Insured Loans	64.114			55,560,779	
Contract	64.U01		V101 (223C) P-5801	110,302	
Total for U.S. Department of Veterans Affairs				**55,856,911**	**160,972**
Environmental Protection Agency					
Clean Water State Revolving Fund Cluster					
Capitalization Grants for Clean Water State Revolving Funds	66.458			749,188	713,013
Total for Clean Water State Revolving Fund Cluster				**749,188**	**713,013**
Drinking Water State Revolving Fund Cluster					
Capitalization Grants for Drinking Water State Revolving Funds	66.468			6,837,342	4,375,016
Total for Drinking Water State Revolving Fund Cluster				**6,837,342**	**4,375,016**
Research and Development Cluster					
Water Pollution Control State, Interstate, and Tribal Program Support	66.419			80,625	
Regional Wetland Program Development Grants	66.461			30,115	
Science To Achieve Results (STAR) Research Program	66.509	University of Colorado-Boulder	PO 1000397392/REF 1552028	54,577	
Total for Research and Development Cluster				**165,317**	**-**

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Federal Program Title	CFDA Number	Pass-Through Organization	Grant or Other Identifying Number	Federal Expenditures	Passed through to Subrecipients
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034			60,282	
ARRA-State Clean Diesel Grant Program	66.040			154,732	152,631
Congressionally Mandated Projects	66.202			12,786,304	1,526,232
Multipurpose Grants to States and Tribes	66.204			12,900	
Water Pollution Control State, Interstate, and Tribal Program Support	66.419			381,626	
State Public Water System Supervision	66.432			2,602,061	
State Underground Water Source Protection	66.433			114,000	
Water Quality Management Planning	66.454			111,792	
Regional Wetland Program Development Grants	66.461			2,621	
Beach Monitoring and Notification Program Implementation Grants	66.472			164,209	13,747
Performance Partnership Grants	66.605			4,463,024	105,830
Environmental Information Exchange Network Grant Program and Related Assistance	66.608			170,023	
Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	66.802			117,254	
Underground Storage Tank Prevention, Detection and Compliance Program	66.804			302,441	
Leaking Underground Storage Tank Trust Fund Corrective Action Program	66.805			472,435	
Superfund State and Indian Tribe Core Program Cooperative Agreements	66.809			112,492	
State and Tribal Response Program Grants	66.817			614,646	
LUST Trust Cost Recovery	66.U01		LUST Trust Cost Recovery	263,005	
Total for Environmental Protection Agency				**30,657,694**	**6,886,469**
U.S. Department of Energy					
Research and Development Cluster					
Office of Science Financial Assistance Program	81.049	University of Illinois-Champaign	083570-15976	44,121	
Office of Science Financial Assistance Program	81.049			202,922	
				247,043	-
Renewable Energy Research and Development	81.087	Oregon State University	G0152A-A	73,190	
Fossil Energy Research and Development	81.089			481,828	44,925
Advanced Research Projects Agency - Energy	81.135			40,727	
HiLAT: Investigating the Role of Arctic Sea Ice Decline on High-Latitude Ocean and Sea Ice Ecosystems	81.RD	Los Alamos National Laboratory	430831	87,582	
Nuclear Scintillation (NUSCINT) experiment High Altitude Auroral Research Program (HAARP) facility in Gakona, Alaska	81.RD	Los Alamos National Laboratory	412169	128,754	
An Investigation of Electron Acceleration and Energy Transport by Alfven Waves in the Jovian Magnetophere	81.RD	Princeton University	S015426-F	6,595	
ACEP Scope of Work: Collaboration with LBNL on Remote Off-Grid Microgrid Design Tool	81.RD	University of California-Berkeley	7338644	29,759	
Alaska Energy Data Gateway Development Portal	81.RD	University of California-Berkeley	7318971	71,654	
MC3	81.RD		G00011642	82,239	
Total for Research and Development Cluster				**1,249,371**	**44,925**
State Energy Program	81.041			512,377	
Weatherization Assistance for Low-Income Persons	81.042			1,818,432	1,090,652
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81.117	Washington State University	DE-EE0006283	5,913	
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81.117			39,939	14,392
				45,852	14,392
State Energy Program Special Projects	81.119			269,943	

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Federal Program Title	CFDA Number	Pass-Through Organization	Grant or Other Identifying Number	Federal Expenditures	Passed through to Subrecipients
Electricity Delivery and Energy Reliability, Research, Development and Analysis	81.122			24,000	24,000
Long-Term Surveillance and Maintenance	81.136			40,505	
Total for U.S. Department of Energy				**3,960,480**	**1,173,969**
U.S. Department of Education					
Special Education Cluster (IDEA)					
Special Education Grants to States	84.027			37,178,103	35,456,659
Special Education Preschool Grants	84.173			1,122,572	1,008,416
Total for Special Education Cluster (IDEA)				**38,300,675**	**36,465,075**
Student Financial Assistance Programs Cluster					
Federal Supplemental Educational Opportunity Grants	84.007			582,892	
Federal Work-Study Program	84.033			331,977	
Federal Pell Grant Program	84.063			22,553,264	
Federal Direct Student Loans	84.268			51,420,879	
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379			202,237	
Total for Student Financial Assistance Programs Cluster				**75,091,249**	**-**
TRIO Cluster					
TRIO Student Support Services	84.042			490,860	
TRIO Upward Bound	84.047			311,077	10,000
Total for TRIO Cluster				**801,937**	**10,000**
Adult Education - Basic Grants to States	84.002			1,214,577	689,826
Title I Grants to Local Educational Agencies	84.010			43,615,240	42,700,720
Migrant Education State Grant Program	84.011			9,453,387	8,809,115
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013			374,436	372,944
Higher Education Institutional Aid	84.031			8,413,713	
Impact Aid	84.041			39,810,181	
Career and Technical Education -- Basic Grants to States	84.048			4,377,143	3,291,552
Indian Education Grants to Local Educational Agencies	84.060			180,826	
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126			10,647,963	
Migrant Education Coordination Program	84.144			11,407	7,127
Rehabilitation Services Client Assistance Program	84.161			131,917	
Rehabilitation Services Independent Living Services for Older Individuals Who are Blind	84.177			223,102	218,900
Special Education-Grants for Infants and Families	84.181			2,266,819	1,691,146
Supported Employment Services for Individuals with the Most Significant Disabilities	84.187			104,433	
Education for Homeless Children and Youth	84.196			243,027	207,595
Twenty-First Century Community Learning Centers	84.287			5,910,804	5,752,639
Alaska Native Educational Programs	84.356	INUIT Circumpolar Conference	ICC-AK AMEND 2	13,675	
Alaska Native Educational Programs	84.356	Lower Kuskokwim School District	S356A150067	21,250	
Alaska Native Educational Programs	84.356			3,069,731	171,615
				3,104,656	171,615
Rural Education	84.358			80,632	58,569
English Language Acquisition State Grants	84.365	Kuspuk School District	Agreement DTD 1.18.18	30,899	
English Language Acquisition State Grants	84.365			1,420,853	1,093,479
				1,451,752	1,093,479
Mathematics and Science Partnerships	84.366			462,252	427,239

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Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367			10,710,497	10,396,042
Grants for State Assessments and Related Activities	84.369			3,962,305	
School Improvement Grants	84.377			1,587,882	1,572,137
Strengthening Minority-Serving Institutions	84.382			266,556	
Education Innovation and Research (formerly Investing in Innovation (i3) Fund)	84.411			253,077	180,002
Student Support and Academic Enrichment Program	84.424			907,072	863,480
Federal Family Education Loans (Lenders)	84.032L			70,486,651	
Indian Education -- Special Programs for Indian Children	84.299A	Kodiak Island Borough School District	S299A160045	26,000	
2016-2017 SEED Invitational Leadership Institute Grant	84.U01	National Writing Project Corporation	12-AK07-SEED2016-ILI	8,405	
FY17 Summer Speech and Language Program	84.U02		ADN #0570083	2,240	
FY18 AK Title IV YMHFA Training	84.U03		ADN# 0580070	16,957	
FY 2018 Private Student Loans	84.U04		G00011522	79,794	
TPPSS--Evaluation of the ESEA Title VII, Indian Education LEA Grants Program CAEPR portion	84.U05	SRI International	PO7963	20,280	
Total for U.S. Department of Education				**334,599,844**	**114,979,202**
National Archives and Records Administration					
National Historical Publications and Records Grants	89.003			12,575	
Total for National Archives and Records Administration				**12,575**	**-**
Denali Commission					
Research and Development Cluster					
Denali Commission Program	90.100			260,660	
Total for Research and Development Cluster				**260,660**	**-**
Denali Commission Program	90.100			2,819,741	1,191,167
Total for Denali Commission				**3,080,401**	**1,191,167**
Election Assistance Commission					
Help America Vote Act Requirements Payments	90.401			545,970	
Total for Election Assistance Commission				**545,970**	**-**
U.S. Department of Health and Human Services					
Aging Cluster					
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044			1,840,327	1,545,896
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045			3,076,383	2,685,321
Nutrition Services Incentive Program	93.053			568,281	
Total for Aging Cluster				**5,484,991**	**4,231,217**
Child Care and Development Fund (CCDF) Cluster					
Child Care and Development Block Grant	93.575	Cook Inlet Tribal Council	90YE0195	23,741	
Child Care and Development Block Grant	93.575			17,378,440	607,104
				17,402,181	607,104
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596			1,249,704	76,631
Total for Child Care and Development Fund (CCDF) Cluster				**18,651,885**	**683,735**
Health Center Program Cluster					

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Federal Program Title	CFDA Number	Pass-Through Organization	Grant or Other Identifying Number	Federal Expenditures	Passed through to Subrecipients
Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	93.224			1,958	
Total for Health Center Program Cluster				**1,958**	-
Medicaid Cluster					
State Medicaid Fraud Control Units	93.775			1,281,242	
State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	93.777			538,975	
Medical Assistance Program	93.778			1,499,214,791	
Total for Medicaid Cluster				**1,501,035,008**	-
Maternal, Infant and Early Childhood Home Visiting Cluster					
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505			1,204,403	
Maternal, Infant and Early Childhood Home Visiting Grant Program	93.870			304,349	
Total for Maternal, Infant and Early Childhood Home Visiting Cluster				**1,508,752**	-
Research and Development Cluster					
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048			118,702	
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074			1,947	
Environmental Health	93.113	University of Montana	PG15-64491-01/PENDING	133,481	
Environmental Health	93.113	University of Montana	PG18-61047-01	36,643	
				170,124	-
Injury Prevention and Control Research and State and Community Based Programs	93.136			401,860	90,000
Human Genome Research	93.172			67,378	47,171
Traumatic Brain Injury State Demonstration Grant Program	93.234			89,502	
Mental Health Research Grants	93.242			601,129	127,631
Alcohol Research Programs	93.273			664,200	72,589
Drug Abuse and Addiction Research Programs	93.279	Northwest Indian College	Subaward 24222/PENDING	48,975	
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283			46,853	
Trans-NIH Research Support	93.310	Portland State University	205CRE496 Amend 7-ALF 6/7/18	156,472	
Trans-NIH Research Support	93.310	Portland State University	206CRE544 Amend 3/ALF 6/7/18	137,591	
Trans-NIH Research Support	93.310	Portland State University	SUBAWARD 208CRE616	16,603	
Trans-NIH Research Support	93.310	Portland State University	SUBAWARD 208CRE619	1,341	
Trans-NIH Research Support	93.310			5,042,795	77,141
				5,354,802	77,141
Cancer Cause and Prevention Research	93.393	Arizona State University	SUBAWARD NO 17-009	73,422	
Cancer Research Manpower	93.398	AK Native Tribal Health Consortium	ANTHC 15-U-61682 MOD 6	17,254	
ACL National Institute on Disability, Independent Living, and Rehabilitation Research	93.433	University of Illinois-Chicago	16207-05	159	
ACL National Institute on Disability, Independent Living, and Rehabilitation Research	93.433			109,409	
				109,568	-
University Centers for Excellence in Developmental Disabilities Education, Research, and Service	93.632			516,918	
Child Welfare Research Training or Demonstration	93.648	State University of New York	NO. 18-18	93,179	
Child Welfare Research Training or Demonstration	93.648	State University of New York	RF#1135853-17-76397ALFYR5 $60K	31,295	

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

STATE OF ALASKA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Fiscal Year Ended June 30, 2018

By Federal Agency

Prepared by DOF

Federal Program Title	CFDA Number	Pass-Through Organization	Grant or Other Identifying Number	Federal Expenditures	Passed through to Subrecipients
				124,474	-
Adoption Assistance	93.659	University of Nevada-Las Vegas	18-22QN-UAA-05-BS	47,794	
Cardiovascular Diseases Research	93.837	National Jewish Health	20112501A	13,808	
Cardiovascular Diseases Research	93.837	National Jewish Health	Subaward No. 2010903	25,489	
				39,297	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Oregon Health & Science University	OHSU SUB / Pending	2,883	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847			930,156	302,839
				933,039	302,839
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853			10,135	
Allergy and Infectious Diseases Research	93.855			326,118	
Biomedical Research and Research Training	93.859	Montana State University	G133-17-W6221	24,373	
Biomedical Research and Research Training	93.859	Montana State University	G134-17-W6223	15,561	
Biomedical Research and Research Training	93.859	Montana State University	G139-17-W6218	14,543	
Biomedical Research and Research Training	93.859	Montana State University	G140-17-W6219	40,523	
Biomedical Research and Research Training	93.859	Montana State University	G141-17-W6220	2,064	
Biomedical Research and Research Training	93.859	Montana State University	G169-18-W6798	31,593	
Biomedical Research and Research Training	93.859	Montana State University	G170-18-W6796	107,378	
Biomedical Research and Research Training	93.859	Montana State University	G213-17-W6223	26,146	
Biomedical Research and Research Training	93.859	Montana State University	G228-17-W6223	2,267	
Biomedical Research and Research Training	93.859	Montana State University	G234-17-W6223	21,837	
Biomedical Research and Research Training	93.859	Montana State University	G248-17-W6223	5,710	
Biomedical Research and Research Training	93.859	Montana State University	Subaward G135-18-W6793	57,502	
Biomedical Research and Research Training	93.859	Montana State University	Subaward G136-18-W6794	90,334	
Biomedical Research and Research Training	93.859	Montana State University	Subaward G137-18-W6795	31,896	
Biomedical Research and Research Training	93.859	Montana State University	Subaward G152-18-W6798	30,419	
Biomedical Research and Research Training	93.859	Montana State University	Subaward G155-18-W6798	27,306	
Biomedical Research and Research Training	93.859	Montana State University	Subaward G156-18-W6798	38,500	
Biomedical Research and Research Training	93.859	Montana State University	Subaward G157-18-W6798	52,504	
Biomedical Research and Research Training	93.859	Northwest Indian College	Subawd. NWIC-SA24226-UAF	54,379	
Biomedical Research and Research Training	93.859	Research Foundation SUNY	Subaward 79590/1142917	33,274	
Biomedical Research and Research Training	93.859	University of Montana	PG18-62732-01	58,047	
Biomedical Research and Research Training	93.859	University of Nevada-Las Vegas	18-22QN-UAF-05-BS	28,765	
Biomedical Research and Research Training	93.859	University of Washington	UWSC10374 / BPO30153	14,110	
Biomedical Research and Research Training	93.859	University of Washington	UWSC9310 / BPO#17644	126,181	
Biomedical Research and Research Training	93.859			5,002,665	148,501
				5,937,877	148,501
Aging Research	93.866	University of Colorado-Denver	FY17.001.023	5,956	
Community Action to Raise Awareness about and Mitigate Food Waste in Anchorage Households	93.RD	Center for Public Service Communications	Agreement #2016-22	1,498	
NIAID Centers of Excellence for Influenza Research and Surveillance	93.RD	Mount Sinai School of Medicine	HHSN27220140008C/COA#3/ AMD#5	107,795	
CCCHST NPETE Financial Support PWSC FY16	93.RD	National Partnership for Environmental Technology Education	7211522	7,648	
Building Tribal Capacity for Climate Change Resilience Year 2	93.RD	Village of Wainwright	P2018.17	12,986	
VOW (CDC) - Promoting Adaptive Capacity	93.RD	Village of Wainwright	Subaward DTD 3/1/17	33,514	
FY17 Early Childhood Mental Health - Systems of Care	93.RD		ADN# 06-7-0259	18,591	
FY2018 Early Childhood Mental Health - Systems of Care	93.RD		ADN# 0680509	68,765	
Total for Research and Development Cluster				**15,958,121**	**865,872**

TANF Cluster

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

Federal Program Title	CFDA Number	Pass-Through Organization	Grant or Other Identifying Number	Federal Expenditures	Passed through to Subrecipients
Temporary Assistance for Needy Families	93.558	Association of Village Council Presidents	AVCP TANF & UAF 4-H Sub-award	187,836	
Temporary Assistance for Needy Families	93.558	Association of Village Council Presidents	Contract DTD 3/25/16	813,497	
Temporary Assistance for Needy Families	93.558			46,938,212	
Total for TANF Cluster				**47,939,545**	-
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041			7,188	
Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	93.042			78,631	
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043			94,384	94,383
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048			236,604	57,921
National Family Caregiver Support, Title III, Part E	93.052			748,664	748,664
Public Health Emergency Preparedness	93.069			28,856	
Medicare Enrollment Assistance Program	93.071			29,862	10,000
Birth Defects and Developmental Disabilities - Prevention and Surveillance	93.073			533,126	76,067
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074			4,116,041	701,546
Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	93.079			65,111	
Guardianship Assistance	93.090			770,708	
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092			204,540	
Food and Drug Administration Research	93.103			1,062,890	
Area Health Education Centers	93.107			591,035	439,617
Maternal and Child Health Federal Consolidated Programs	93.110			1,060,489	2,085
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116			708,961	
Emergency Medical Services for Children	93.127			140,865	
Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	93.130			14,388	
Injury Prevention and Control Research and State and Community Based Programs	93.136			1,758,339	65,000
Projects for Assistance in Transition from Homelessness (PATH)	93.150			80,175	4,116
Grants to States for Loan Repayment Program	93.165			517,189	
Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197			105,040	
Tribal Self-Governance Program: IHS Compacts/Funding Agreements	93.210	AK Native Tribal Health Consortium	MOU 05/09/2006-W47002	842,165	
Tribal Self-Governance Program: IHS Compacts/Funding Agreements	93.210	AK Native Tribal Health Consortium	MOU 05/09/2006-W47003	727,444	
Tribal Self-Governance Program: IHS Compacts/Funding Agreements	93.210	AK Native Tribal Health Consortium	MOU 05/09/2006-W47004	38,712	
Tribal Self-Governance Program: IHS Compacts/Funding Agreements	93.210	AK Native Tribal Health Consortium	MOU 05/09/2006-W47005	612,745	
Tribal Self-Governance Program: IHS Compacts/Funding Agreements	93.210	AK Native Tribal Health Consortium	MOU 05/09/2006-W47007	600,210	
Tribal Self-Governance Program: IHS Compacts/Funding Agreements	93.210	AK Native Tribal Health Consortium	MOU 05/09/2006-W47008	656,644	
Tribal Self-Governance Program: IHS Compacts/Funding Agreements	93.210	AK Native Tribal Health Consortium	MOU 05/09/2006-W47011	543	
Tribal Self-Governance Program: IHS Compacts/Funding Agreements	93.210	AK Native Tribal Health Consortium	MOU 05/09/2006-W47012	413	
Tribal Self-Governance Program: IHS Compacts/Funding Agreements	93.210	AK Native Tribal Health Consortium	MOU 05/09/2006-W47013	617,188	
Tribal Self-Governance Program: IHS Compacts/Funding Agreements	93.210	AK Native Tribal Health Consortium	MOU 05/09/2006-W47014	285	
Tribal Self-Governance Program: IHS Compacts/Funding Agreements	93.210	AK Native Tribal Health Consortium	MOU 05/09/2006-W47015	58,342	
Tribal Self-Governance Program: IHS Compacts/Funding Agreements	93.210	AK Native Tribal Health Consortium	MOU 05/09/2006-W47016	378,183	
Tribal Self-Governance Program: IHS Compacts/Funding Agreements	93.210	AK Native Tribal Health Consortium	MOU 05/09/2006-W47019	66	
Tribal Self-Governance Program: IHS Compacts/Funding Agreements	93.210	AK Native Tribal Health Consortium	MOU 05/09/2006-W47033	926,988	

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

Federal Program Title	CFDA Number	Pass-Through Organization	Grant or Other Identifying Number	Federal Expenditures	Passed through to Subrecipients
Tribal Self-Governance Program: IHS Compacts/Funding Agreements	93.210	AK Native Tribal Health Consortium	MOU 05/09/2006-W47034	282,533	
Tribal Self-Governance Program: IHS Compacts/Funding Agreements	93.210	AK Native Tribal Health Consortium	MOU 05/09/2006-W47039	323,355	
Tribal Self-Governance Program: IHS Compacts/Funding Agreements	93.210	AK Native Tribal Health Consortium	MOU 05/09/2006-W47040	1,499,173	
Tribal Self-Governance Program: IHS Compacts/Funding Agreements	93.210	AK Native Tribal Health Consortium	MOU 05/09/2006-W47041	10,393	
Tribal Self-Governance Program: IHS Compacts/Funding Agreements	93.210	AK Native Tribal Health Consortium	MOU 05/09/2006-W47042	67,458	
Tribal Self-Governance Program: IHS Compacts/Funding Agreements	93.210	AK Native Tribal Health Consortium	MOU 05/09/2006-W47043	4,579	
				7,647,419	-
Family Planning Services	93.217			511,219	288,750
Traumatic Brain Injury State Demonstration Grant Program	93.234			234,125	170,106
State Capacity Building	93.240			278,941	
State Rural Hospital Flexibility Program	93.241			801,069	74,488
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	Anchorage Community Mental Health Services	Contract DTD 2/15/17,11/6/17	28,214	
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	Veteran's Path	ALF DTD 4/5/18 $30,000	13,454	
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243			6,240,734	2,893,310
				6,282,402	2,893,310
Universal Newborn Hearing Screening	93.251			258,411	35,000
Immunization Cooperative Agreements (***Admin Costs***)	93.268			1,206,143	
Immunization Cooperative Agreements (***Immunizations***)	93.268			9,242,905	
Viral Hepatitis Prevention and Control	93.270			135,019	
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283			159,839	
Small Rural Hospital Improvement Grant Program	93.301			101,223	
PPHF 2018: Office of Smoking and Health-National State-Based Tobacco Control Programs-Financed in part by 2018 Prevention and Public Health funds (PPHF)	93.305			720,029	
Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	93.314			189,796	
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323			1,504,848	
State Health Insurance Assistance Program	93.324			199,928	66,505
Behavioral Risk Factor Surveillance System	93.336			258,617	
ACL Independent Living State Grants	93.369			264,884	264,884
1332 State Innovation Waivers	93.423			26,138,648	26,138,648
ACL Assistive Technology	93.464			442,253	437,200
Public Health Training Centers Program	93.516	University of Washington	UWSC8209	43,434	
The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreement; PPHF	93.521			937,536	
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	93.539			680,458	
Promoting Safe and Stable Families	93.556			648,323	509,052
Child Support Enforcement	93.563			17,874,754	
Low-Income Home Energy Assistance	93.568			10,436,437	738,276
Community Services Block Grant	93.569			2,620,067	2,511,213
State Court Improvement Program	93.586			247,449	
Community-Based Child Abuse Prevention Grants	93.590			465,360	405,990
Grants to States for Access and Visitation Programs	93.597			104,657	
Chafee Education and Training Vouchers Program (ETV)	93.599			229,075	
Head Start	93.600			189,836	
Adoption and Legal Guardianship Incentive Payments	93.603			296,404	
Developmental Disabilities Basic Support and Advocacy Grants	93.630			677,346	

Federal Program Title	CFDA Number	Pass-Through Organization	Grant or Other Identifying Number	Federal Expenditures	Passed through to Subrecipients
Developmental Disabilities Projects of National Significance	93.631			306,907	
Children's Justice Grants to States	93.643			89,385	
Stephanie Tubbs Jones Child Welfare Services Program	93.645			134,044	126,498
Foster Care Title IV-E	93.658			21,859,838	
Adoption Assistance	93.659			22,428,944	
Social Services Block Grant	93.667			7,200,479	523,302
Child Abuse and Neglect State Grants	93.669			77,223	
Child Abuse and Neglect Discretionary Activities	93.670	Center For Children and Family Futures, Inc.	90CA1854	4,930	
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671			783,993	717,192
Chafee Foster Care Independence Program	93.674			1,285,863	104,000
Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance – financed in part by the Prevention and Public Health Fund (PPHF)	93.733	National AHEC Organization	ALF DTD 12/18/17 $5,000	3,296	
Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance – financed in part by the Prevention and Public Health Fund (PPHF)	93.733	National AHEC Organization	Contract DTD 1/19/17	22,194	
Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance – financed in part by the Prevention and Public Health Fund (PPHF)	93.733			320,999	
				346,489	-
State Public Health Approaches for Ensuring Quitline Capacity Funded in part by Prevention and Public Health Funds (PPHF)	93.735			49,841	
Elder Abuse Prevention Interventions Program	93.747	American Bar Association	90EJIG0007-01-00	13,838	
State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)	93.757			490,709	
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758			401,610	
Children's Health Insurance Program	93.767			29,793,349	
Medicare Hospital Insurance	93.773			776,470	
Opioid STR	93.788			1,313,823	674,261
Domestic Ebola Supplement to the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.815			234,007	
Hospital Preparedness Program (HPP) and Ebola Preparedness and Response Activities	93.817			21,979	
Vision Research	93.867	Colorado State University	Subaward No. G-45693-01	13,520	
Assistance for Oral Disease Prevention and Control	93.875			197,301	
Medical Library Assistance	93.879	University of Washington	Sub UWSC9122 MOD2 BPO30586	59,762	
The Health Insurance Enforcement and Consumer Protections Grant Program	93.881			75,272	
National Bioterrorism Hospital Preparedness Program	93.889			44,017	
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898			2,999,999	
Grants to States for Operation of Offices of Rural Health	93.913			206,032	
HIV Care Formula Grants	93.917			1,177,086	526,616
HIV Prevention Activities Health Department Based	93.940			854,208	247,103
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944			90,599	
Assistance Programs for Chronic Disease Prevention and Control	93.945			406,625	
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	93.946			183,757	
Block Grants for Community Mental Health Services	93.958			771,167	695,046
Block Grants for Prevention and Treatment of Substance Abuse	93.959			5,502,341	4,029,642
PPHF Geriatric Education Centers	93.969	Southcentral Foundation	MOA Eff. 6/1/18 Amend 4	331,415	
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977			302,402	

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

Federal Program Title	CFDA Number	Pass-Through Organization	Grant or Other Identifying Number	Federal Expenditures	Passed through to Subrecipients
Maternal and Child Health Services Block Grant to the States	93.994			669,970	21,000
FDA Food Inspections	93.U01		HHSF223201310149C	803,999	
Total for U.S. Department of Health and Human Services				**1,797,865,393**	**50,178,305**
Corporation for National and Community Service					
State Commissions	94.003			178,352	5,182
AmeriCorps	94.006			762,744	687,741
Training and Technical Assistance	94.009			84,822	
Volunteers in Service to America	94.013			21,681	
Total for Corporation for National and Community Service				**1,047,599**	**692,923**
Social Security Administration					
Disability Insurance/SSI Cluster					
Social Security Disability Insurance	96.001			4,625,132	
Supplemental Security Income	96.006			887,261	
Total for Disability Insurance/SSI Cluster				**5,512,393**	**-**
Social Security - Work Incentives Planning and Assistance Program	96.008			148,851	
Incentive Payment Agreement (IPMOU) between SSA and DOC	96.U01		IPMOU	52,000	
Total for Social Security Administration				**5,713,244**	**-**
U.S. Department of Homeland Security					
Research and Development Cluster					
Centers for Homeland Security	97.061			2,939,435	1,298,368
Total for Research and Development Cluster				**2,939,435**	**1,298,368**
Boating Safety Financial Assistance	97.012			637,252	
Community Assistance Program State Support Services Element (CAP-SSSE)	97.023			124,047	12,340
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036			17,747,907	9,254,742
Hazard Mitigation Grant	97.039			360,893	257,407
National Dam Safety Program	97.041			43,643	
Emergency Management Performance Grants	97.042			3,217,563	882,982
State Fire Training Systems Grants	97.043			20,816	
Assistance to Firefighters Grant	97.044			9,546	
Cooperating Technical Partners	97.045			193,232	
Pre-Disaster Mitigation	97.047			1,539,259	
Homeland Security Grant Program	97.067			4,529,529	3,472,672
U.S. Coast Guard Oversight - Juneau/Kodiak	97.U01		HSCG8716PPXA7V5	70,236	
Misc. Homeland Security - M/V Selendang Oil Spill Response	97.U02		FPNJ05003	2,163	
Coast Guard	97.U03		HSCG89-16-9-0053	278,896	
Total for U.S. Department of Homeland Security				**31,714,417**	**15,178,511**
TOTAL EXPENDITURES OF FEDERAL AWARDS:				**4,308,548,491**	**328,555,802**

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

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STATE OF ALASKA
Notes to the Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2018

Note 1: Purpose of the Schedule

Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) requires a schedule of expenditures of federal awards showing total federal financial assistance for the period covered in the financial statements. Each federal financial assistance program must be identified by its Catalog of Federal Domestic Assistance (CFDA) title and number. When CFDA information is not available, another federal identifying number must be used.

Note 2: Significant Accounting Policies

A. **Reporting Entity** - The accompanying schedule includes the federal financial assistance programs administered by the State of Alaska for the fiscal year ended June 30, 2018.

B. **Fiscal Year Ends** - The State of Alaska and component units of the State are reported using fiscal years, which end on June 30, except the Alaska Railroad Corporation whose fiscal year ends December 31.

C. **Basis of Accounting** – The schedules were prepared using the modified accrual method of accounting. Some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

D. **Basis of Presentation** - The accompanying schedule presents expenditures of federal awards for each federal financial assistance program in accordance with the Uniform Guidance. Federal program titles are reported as presented in the CFDA whenever possible.

   Expenditures of Federal Awards - As defined in the Uniform Guidance, federal financial assistance means assistance provided by a federal agency in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, or direct appropriations. However, it does not include direct federal cash assistance to individuals. Federal financial assistance includes awards received directly from federal agencies, or indirectly through other units of state and local government and private nonprofit agencies.

   Program Clusters – The OMB *Compliance Supplement* identifies programs to be considered clusters of programs for auditing purposes. These clusters consist of related programs that share common compliance requirements.

Note 3: Indirect Cost Rate

The State of Alaska has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4: Federal Surplus Property Program

All assistance provided to the Federal Surplus Property Program is in the form of donations of excess property to the Department of Administration, Division of General Services. In FY2018 the State processed federal property valued at $6,040,080 donors acquisition cost. For Uniform Guidance purposes, the donated property is valued at 22.47% of donors cost. This is the expenditure amount shown on the schedule as $1,357,206. The ending inventory at June 30, 2018, carried at the donors' acquisition cost was $3,340,778. (CFDA 39.003)

Note 5: WIC Rebates

During FY2018, the Department of Health and Social Services (DHSS) earned cash rebates of $2,449,166 from infant formula manufacturers on sales of formula to participants in the WIC Program. Rebate contracts with infant formula manufacturers are authorized by 7 CFR 246.16(a) as a cost containment measure. Rebates represent a reduction of expenditures previously incurred for WIC food benefit costs. Applying the rebates received to such costs enables DHSS to extend program benefits to approximately 3,001 more persons than could have been served this fiscal year in the absence of the rebate contract. The number of additional persons provided benefits was determined by dividing the total amount of program benefits by the total annual case load to determine average individual benefits. Total rebate dollars were then divided by the average benefit, determining the increased food instruments issued. This result is divided by 12 months. (CFDA 10.557)

The U.S. Department of Agriculture requires a cash basis approach for reporting WIC rebates on the 798 reports; however, food benefits continue to be reported on the accrual basis. Based on the FY2018 WIC 798 report, the infant formula rebates were $2,636,420 resulting in additional clients served totaling 3,231. All other reporting requirements for the WIC 798 are the same.

Note 6: Loans

A. **Alaska Housing Finance Corporation (AHFC) Loan Guarantee Programs** - During the fiscal year ended June 30, 2018, AHFC owned mortgage loans with various federal insurance and guarantee agreements covering future losses. Coverage under the Veterans Affairs Mortgage Guarantee is subject to a loss limit. The principal balances of loans covered under these federal programs at June 30, 2018, are:

CFDA 10.410	Farmers Home Administration Mortgage Insurance	$ 124,520,912
CFDA 14.117	HUD FHA Mortgage Insurance	230,287,407
CFDA 14.865	HUD Loan Guarantees for Indian Housing	122,127,121
CFDA 64.114	Department of Veterans' Affairs Mortgage Guarantees	53,284,604
	Total Loan Guarantees and Insurance Programs:	$ 530,220,044

B. **Last Resort Housing Loans** - The Department of Transportation and Public Facilities (DOT/PF) made last resort housing loans in compliance with the Uniform Relocation Assistance and Real Property Acquisition Act. FY2018 loan disbursements are $0. Loans outstanding at June 30, 2018, totaled $23,547. Federal share of principal is $22,221. (CFDA 20.205)

STATE OF ALASKA
Notes to the Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2018

C. **Federal Family Education Loan Program (FFELP)** - FFELP loans are governed by the Higher Education Act (Act). The Act provides for federal: (a) insurance or reinsurance of eligible loans, (b) interest subsidy payment to eligible lenders with respect to certain subsidized loans (Stafford and Consolidation), and (c) special allowance payments (net of excess interest) paid by the Secretary of the U.S. Department of Education to holders of eligible loans. FFELP loan guarantees outstanding at year end were $58,398,159. Claim payments in the amount of $4,769,809 were received during the fiscal year. (CFDA 84.032L)

D. **Economic Adjustment Assistance Revolving Loan Fund** - The U.S. Department of Commerce funds the Economic Adjustment Assistance Revolving Loan Fund (RLF) for the Department of Commerce, Community, and Economic Development. The RLF is used for business lending in Alaska. The federal share of the RLF as of June 30, 2018, totals $7,586,305 and is comprised of the following balances: $3,615,245 in loans outstanding, $3,568,820 in cash and investments, $51,946 in administrative expenses, and $350,294 in loans written off during the FY2018. The new loans disbursed in FY2018 and current year administrative expenses total $51,946. (CFDA 11.307)

E. **Federal Direct Student Loans** –The University of Alaska is responsible for the performance of certain administrative duties with respect to the Federal Direct Student Loan Program. Amounts relating to this program are not included in the University's basic financial statements. Loans distributed to students of the University under this program (CFDA 84.268) during the year ended June 30, 2018 are summarized as follows:

	Amount Disbursed
Direct Subsidized Loan	$ 17,741,652
Direct Unsubsidized Loan	29,491,578
Direct PLUS Loan	3,997,110
Total:	$ 51,230,340

Note 7: Unemployment Insurance

Federal participation in FY2018 Unemployment Insurance benefits was $4,297,628. Federal participation for program administration was $23,037,761. UI benefits paid by the State during FY2018 were $125,088,944. (CFDA 17.225)

Note 8: Petroleum Violation Escrow

The U.S. Department of Energy programs were funded in part by Petroleum Violation Escrow (PVE) funds. These expenditures are not included in the Schedule of Expenditures of Federal Awards. PVE funds represent the State of Alaska's share of settlement proceeds in various lawsuits between the Federal Government and oil producers. During the year ended June 30, 2018, Alaska Housing Finance Corporation expended $5,532 from the trust fund in support of Department of Energy programs. (CFDA 81.041)

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THE STATE of ALASKA
GOVERNOR MIKE DUNLEAVY

Department of Administration

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Summary Schedule of Prior Audit Findings
Fiscal Year Ended June 30, 2018

Report: **02-40012-12** Finding Number: **31** Fiscal Year: **2011** Initial Finding Year: **2011** Federal Agency: **USDHS** State Agency: **DMVA** CFDA: **97.036** Questioned Costs: **None**	**Prior Audit Finding:** The DMVA DAS director should develop and implement procedures to ensure Federal Funding Accountability and Transparency Act (FFATA) reports are submitted. **Status/corrective action planned/reasons for no further action:** This finding is partially corrected. Due to various issues, FFATA reports were submitted untimely and DMVA staff did not retain printouts of the submitted reports to document submission during FY2018. The DMVA Finance Officer and Homeland Security & Emergency Management Administrative Operations Manager is continuing to strengthen procedures over timeliness of FFATA reporting, to include retention of documentation for FY2019.
Report: **02-40013-13** Finding Number: **32** Fiscal Year: **2012** Initial Finding Year: **2011** Federal Agency: **USDHS** State Agency: **DMVA** CFDA: **97.036, 97.067** Questioned Costs: **None**	**Prior Audit Finding:** DAS' director should develop and implement procedures to ensure Federal Funding Accountability and Transparency Act (FFATA) reports are submitted timely and accurately. **Status/corrective action planned/reasons for no further action:** Repeat of finding 02-40012-12 #31. Please refer to the updated response on finding 02-40012-12 #31.
Report: **02-40014-14** Finding Number: **18** Fiscal Year: **2013** Initial Finding Year: **2013** Federal Agency: **USDHHS** State Agency: **DHSS** CFDA: **93.568** Questioned Costs: **None**	**Prior Audit Finding:** LIHEAP's manager should ensure the LIHEAP State Plan complies with federal requirements. **Status/corrective action planned/reasons for no further action:** This audit finding was fully corrected.

STATE OF ALASKA

Summary Schedule of Prior Audit Findings
Fiscal Year Ended June 30, 2018

Report: **02-40014-14** Finding Number: **33** Fiscal Year: **2013** Initial Finding Year: **2011** Federal Agency: **USDHS** State Agency: **DMVA** CFDA: **97.036, 97.067** Questioned Costs: **None**	**Prior Audit Finding:** The Division of Administrative Services (DAS) director should develop and implement procedures to ensure Federal Funding Accountability and Transparency Act (FFATA) reports are accurately submitted. **<u>Status/corrective action planned/reasons for no further action:</u>** Repeat of finding 02-40012-12 #31 and finding 02-40013-13 #32. Please refer to the updated response on finding 02-40012-12 #31.
Report: **02-40014-14** Finding Number: **43** Fiscal Year: **2013** Initial Finding Year: **2013** Federal Agency: **EPA** State Agency: **DEC** CFDA: **66.202** Questioned Costs: **None**	**Prior Audit Finding:** DEC's finance officer should develop and implement procedures to comply with Federal Funding Accountability and Transparency Act (FFATA) subaward reporting requirements. **<u>Status/corrective action planned/reasons for no further action:</u>** This audit finding was fully corrected.
Report: **02-40014-14** Finding Number: **45** Fiscal Year: **2013** Initial Finding Year: **2013** Federal Agency: **USDOT** State Agency: **DOTPF** CFDA: **20.600, 20.613, 20.509** Questioned Costs: **None**	**Prior Audit Finding:** DOTPF's director of program development should develop and implement procedures to ensure compliance with the Federal Funding Accountability and Transparency Act (FFATA) subaward reporting requirements. **<u>Status/corrective action planned/reasons for no further action:</u>** This finding is partially resolved. The delinquent reports for the Highway Safety Programs (CFDA 20.600 & 20.613) have been completed and written procedures have been developed to comply with FFATA reporting requirements. Not all reports required in FY2015, FY2016 and FY2017 for Federal Transit Authority CFDA 20.509 have been submitted timely. DOTPF currently expects to submit the FFATA reports for FY2015, FY2016 and FY2017 by June 30, 2019.
Report: **02-40014-14** Finding Number: **49** Fiscal Year: **2013** Initial Finding Year: **2013** Federal Agency: **USDOT** State Agency: **DOTPF** CFDA: **20.509** Questioned Costs: **None**	**Prior Audit Finding:** DOTPF's transit program manager should strengthen procedures to ensure federal report accuracy. **<u>Status/corrective action planned/reasons for no further action:</u>** This audit finding was fully corrected.

STATE OF ALASKA

Summary Schedule of Prior Audit Findings
Fiscal Year Ended June 30, 2018

Finding Number: **2014-016** Fiscal Year: **2014** Initial Finding Year: **2013** Federal Agency: **USDHHS** State Agency: **DHSS** CFDA: **93.568** Questioned Costs: **None**	**Prior Audit Finding:** LIHEA's program manager should ensure the LIHEA State Plan complies with federal requirements. **<u>Status/corrective action planned/reasons for no further action:</u>** Repeat of finding 02-40014-14 #18. Refer to the updated response with finding 02-40014-14 #18.
Finding Number: **2014-019** Fiscal Year: **2014** Initial Finding Year: **2014** Federal Agency: **USDHHS** State Agency: **DHSS** CFDA: **93.778** Questioned Costs: **$21,429** CFDA: **93.767** Questioned Costs: **$1,768,845**	**Prior Audit Finding:** DHSS' commissioner should take action to implement effective controls to ensure Medicaid claims are processed accurately and timely. **<u>Status/corrective action planned/reasons for no further action:</u>** This audit finding was partially corrected pending resolution of questioned costs. The department anticipates the questioned costs will be resolved in FY2019.
Finding Number: **2014-025** Fiscal Year: **2014** Initial Finding Year: **2011** Federal Agency: **USDHS** State Agency: **DMVA** CFDA: **97.036, 97.039, 97.067** Questioned Costs: **None**	**Prior Audit Finding:** The Division of Administrative Services' (DAS) director should develop and implement procedures to ensure Federal Funding Accountability and Transparency Act of 2006 (FFATA) reports comply with federal reporting requirements. **<u>Status/corrective action planned/reasons for no further action:</u>** Repeat of finding 02-40012-12 #31, finding 02-40013-13 #32 and finding 02-40014-14 #33. Please refer to the updated response with finding 02-40012-12 #31.
Finding Number: **2014-031** Fiscal Year: **2014** Initial Finding Year: **2013** Federal Agency: **USDOT** State Agency: **DOTPF** CFDA: **20.509** Questioned Costs: **None**	**Prior Audit Finding:** DOTPF's program development director should ensure compliance with the Federal Funding Accountability and Transparency Act (FFATA) subaward reporting requirements. **<u>Status/corrective action planned/reasons for no further action:</u>** Repeat of finding 02-40014-14 #45. Please refer to the updated response on finding 02-40014-14 #45.

Finding Number: **2014-032** Fiscal Year: **2014** Initial Finding Year: **2013** Federal Agency: **USDOT** State Agency: **DOTPF** CFDA: **20.509** Questioned Costs: **None**	**Prior Audit Finding:** DOTPF's program development director should develop and implement procedures to ensure accurate federal reporting. **<u>Status/corrective action planned/reasons for no further action:</u>** Repeat of finding 02-40014-14 #49. Please refer to the updated response on finding 02-40014-14 #49.
Finding Number: **2015-002** Fiscal Year: **2015** Initial Finding Year: **2015** State Agency: **DOA** **Financial statement finding**	**Prior Audit Finding:** The state accountant should ensure expenses and deferred outflows related to pensions are accurately reported in the Comprehensive Annual Financial Report (CAFR). **<u>Status/corrective action planned/reasons for no further action:</u>** This finding is fully resolved.
Finding Number: **2015-008** Fiscal Year: **2015** Initial Finding Year: **2015** State Agency: **DOA** **Financial statement finding**	**Prior Audit Finding:** The state accountant should ensure procedures are followed to accurately report financial activity of the Statutory Budget Reserve Fund (SBRF) and the Constitutional Budget Reserve Fund (CBRF). **<u>Status/corrective action planned/reasons for no further action:</u>** This finding is fully resolved.
Finding Number: **2015-019** Fiscal Year: **2015** Initial Finding Year: **2014** State Agency: **DHSS** **Financial statement finding**	**Prior Audit Finding:** DHSS' commissioner should work with Xerox to correct defects in the Alaska Health Enterprise (AHE) system. **<u>Status/corrective action planned/reasons for no further action:</u>** This audit finding was corrected.
Finding Number: **2015-023** Fiscal Year: **2015** Initial Finding Year: **2015** Federal Agency: **USDHHS** State Agency: **DHSS** CFDA: **93.767** Questioned Costs: **None**	**Prior Audit Finding:** Management should reconcile program revenue and expenditures as part of the SEFA preparation process to ensure amounts reported are based on current year eligible expenditures and all reconciling items are clearly identified and documented. **<u>Status/corrective action planned/reasons for no further action:</u>** This audit finding was partially corrected. FMS continues to update its procedures to ensure all accounts, accruals, and reconciliations are reviewed and documented on a periodic basis. The department anticipates this finding will be corrected in FY2019.

Finding Number: **2015-024** Fiscal Year: **2015** Initial Finding Year: **2015** Federal Agency: **USDHHS** State Agency: **DHSS** CFDA: **93.069** Questioned Costs: **$136,760**	**Prior Audit Finding:** Management should ensure that revenue and expenditure reconciliations for prior year grants, with activity in the current year, are completed timely. Additionally, adjustments between fiscal years and the final reconciliation for closed grants should be reviewed and approved by the Revenue Unit Supervisor in a timely manner. **Status/corrective action planned/reasons for no further action:** This audit finding was partially corrected pending resolution of questioned costs. The department anticipates the questioned costs will be resolved in FY2019.
Finding Number: **2015-026** Fiscal Year: **2015** Initial Finding Year: **2015** Federal Agency: **USDHHS** State Agency: **DHSS** CFDA: **93.767, 93.778** Questioned Costs: **None**	**Prior Audit Finding:** DHSS should update its policies and procedures to more clearly define a "timely" redetermination of Medicaid eligibility. DHSS should also strengthen controls around their application processing procedures to ensure all initial applications are processed within the required time frame. **Status/corrective action planned/reasons for no further action:** This audit finding was partially corrected. DHSS Division of Public Assistance (DPA) continues to strengthen its strategies to work through the backlog of MAGI Medicaid applications, including the creation of a backlog team and requesting staff to work overtime. Additionally, the eligibility technician positions have been exempted from state hiring restrictions resulting in reducing the time required to re-hire staff, and the legislature has approved 20 of the 41 positions requested in the FY2019 Governor's amended budget.
Finding Number: **2015-028** Fiscal Year: **2015** Initial Finding Year: **2015** Federal Agency: **USDHHS** State Agency: **DHSS** CFDA: **93.778** Questioned Costs: **$64** CFDA: **93.767** Questioned Costs: **$7**	**Prior Audit Finding:** DHSS should implement/enhance procedures that allow for review of manually priced claims. **Status/corrective action planned/reasons for no further action:** This audit finding was partially corrected. The Division of Health Care Services continues to monitor the corrective action plan (CAP) for its fiscal agent, Conduent. The division has increased the frequency of its meetings on the CAP from monthly to weekly and is re-evaluating the fiscal agent's processes. The department anticipates this finding will be corrected in FY2019.

Finding Number: **2015-029** Fiscal Year: **2015** Initial Finding Year: **2013**	**Prior Audit Finding:** The Division of Administrative Services' (DAS) director should ensure uncollectible accounts receivable in the Unemployment Compensation Fund (UCF) are reported in accordance with generally accepted accounting principles.
State Agency: **DLWD** **Financial statement finding**	**Status/corrective action planned/reasons for no further action:** This finding is partially resolved. The auditors rejected DLWD's original methodology for recording an allowance for uncollectible accounts receivable described in DLWD's policy and procedures. DLWD developed an acceptable aging methodology in November 2018, which was added to the CAFR through audit adjustment.
Finding Number: **2015-030** Fiscal Year: **2015** Initial Finding Year: **2015**	**Prior Audit Finding:** DLWD's DAS' director should work with the department's finance office to improve accounting for UCF activity.
State Agency: **DLWD** **Financial statement finding**	**Status/corrective action planned/reasons for no further action:** This audit finding was partially corrected. In Fall 2017, a short-term Accountant worked with lead internal accounting positions to review current UCF accounting activities, identify improvements, and ensure compliance with generally accepted accounting principles. The department began to implement UCF accounting improvements based on this review during fiscal year ended June 30, 2018. The recording of fraud penalties as reductions to expenditures instead of revenue and negative fraud penalties receivable has been corrected. The corrective action plan was not completed due to ongoing reconciliation efforts. The remaining issues with the suspense liability are expected to be corrected by August 31, 2019.
Finding Number: **2015-031** Fiscal Year: **2015** Initial Finding Year: **2015** Federal Agency: **USDOI** State Agency: **DCCED**	**Prior Audit Finding:** DCCED's Division of Administrative Services (DAS) and Division of Community and Regional Affairs (DCRA) directors should work together to improve procedures to ensure all federal receipts deposited into the National Petroleum Reserve Alaska (NPR) special revenue fund (fund) are made available for NPR impact mitigation program grants.
CFDA: **15.227** Questioned Costs: **None**	**Status/corrective action planned/reasons for no further action:** This finding is fully corrected.

Finding Number: **2015-033** Fiscal Year: **2015** Initial Finding Year: **2015** Federal Agency: **USDOD** State Agency: **DMVA** CFDA: **12.401** Questioned Costs: **$1,273**	**Prior Audit Finding:** DVMA's Army Guard Facilities Maintenance Division (ARNG FMD) operations manager and administrative services director (ASD) should provide for the training and monitoring of staff to ensure personal service expenditures are accurately charged to federal programs. **<u>Status/corrective action planned/reasons for no further action:</u>** This audit finding is partially corrected. Adjustments were processed for the incorrect cost allocation plan; however, no adjustment was processed for the incorrect federal split charged to the program. It is expected that the remaining questioned costs will be resolved by June 30, 2019.
Finding Number: **2015-034** Fiscal Year: **2015** Initial Finding Year: **2015** State Agency: **DOTPF** **Financial statement finding**	**Prior Audit Finding:** DOTPF's administrative services director should ensure financial transactions are properly coded to the correct fiscal year in the accounting system. **<u>Status/corrective action planned/reasons for no further action:</u>** This audit finding is partially corrected. Corrective action was implemented immediately. Additional training will be provided to improve staff understanding and is expected to be completely resolved in FY2019.
Finding Number: **2015-035** Fiscal Year: **2015** Initial Finding Year: **2015** State Agency: **DOTPF** **Financial statement finding**	**Prior Audit Finding:** DOTPF's administrative services director should ensure necessary revenue accruals are recorded at fiscal year-end. **<u>Status/corrective action planned/reasons for no further action:</u>** This finding is partially corrected. This finding continues to be in error as billable funding lines were originally established without a revenue source code during the AKSAS/IRIS conversion. Expenses posted to these funding lines and not identified when preparing the year end closing entries for CAFR. Partial corrective action was taken to add customer identification numbers to the billable funding lines, however expenses already posted in IRIS resulted in the expenditures not being picked up during the reimbursement output cycles. Continued corrective action includes setting up funding priorities with correct billable information and correcting already posted expenditures to bill through the corrected funding priorities. Additionally, the department has developed accrual procedures to ensure the revenue accruals get posted correctly. The department has received an ALDER report that will allow the accruals to be posted at the fund level. The finding is expected to be resolved in FY2019.
Finding Number: **2015-036** Fiscal Year: **2015** Initial Finding Year: **2013** Federal Agency: **USDOT** State Agency: **DOTPF** CFDA: **20.509** Questioned Costs: **None**	**Prior Audit Finding:** DOTPF's program development director should develop and implement procedures to ensure accurate federal reporting. **<u>Status/corrective action planned/reasons for no further action:</u>** Repeat of finding 02-40014-14 #49 and finding 2014-032. Please refer to the updated response on finding 02-40014-14 #49.

Finding Number: **2015-040** Fiscal Year: **2015** Initial Finding Year: **2015** Federal Agency: **USDOT** State Agency: **DOTPF** CFDA: **20.205** Questioned Costs: **$42,557**	**Prior Audit Finding:** DOTPF's administrative services director should ensure personal service expenditures charged to federal programs comply with federal cost principles. **Status/corrective action planned/reasons for no further action:** This audit finding is partially resolved, pending resolution of questioned costs. The department has a negotiated labor rate with FHWA. During the process of negotiation, any over or under collected revenues are used to determine the future rate.
Finding Number: **2016-002** Fiscal Year: **2016** Initial Finding Year: **2015** State Agency: **DOA** **Financial statement finding**	**Prior Audit Finding:** The state accountant should ensure expenses and deferred outflows related to pensions are accurately reported in the Comprehensive Annual Financial Report (CAFR). **Status/corrective action planned/reasons for no further action:** Repeat of finding 2015-002. Please refer to the updated response on finding 2015-002.
Finding Number: **2016-007** Fiscal Year: **2016** Initial Finding Year: **2016** State Agency: **DOA** **Financial statement finding**	**Prior Audit Finding:** The state accountant should ensure procedures are followed to accurately report financial activity of the Statutory Budget Reserve Fund (SBRF) and the Constitutional Budget Reserve Fund (CBRF). **Status/corrective action planned/reasons for no further action:** This finding was partially resolved. Procedures for treatment of lapsing and duplicate appropriations for governmental reserve calculations were updated for the FY2018 CAFR process. Procedures were not timely revised for calculating the draw from the CBRF to the general fund for all components used in the calculation; including the procedures for the presentation of the repayment required by Article IX, section 17(d) of the Alaska Constitution. These procedure revisions will be completed for use in the FY2019 CAFR preparation.
Finding Number: **2016-012** Fiscal Year: **2016** Initial Finding Year: **2016** State Agency: **DOA** **Financial statement finding**	**Prior Audit Finding:** DOF's director should implement strong system configuration management controls. **Status/corrective action planned/reasons for no further action:** This audit finding is unresolved. DOF began the process to address this finding but needed to cease work to focus on CAFR, other year-end items, and the system upgrade to version 3.11. As DOF goes through the upgrade process, controls and procedures will be developed and documented. Currently expected to begin in March 2019 and will take 18 months to complete.

STATE OF ALASKA

Summary Schedule of Prior Audit Findings
Fiscal Year Ended June 30, 2018

Finding Number: **2016-013** Fiscal Year: **2016** Initial Finding Year: **2016** State Agency: **DOA** **Financial statement finding**	**Prior Audit Finding:** The state accountant should ensure revenues are consistently and accurately classified in the CAFR. **<u>Status/corrective action planned/reasons for no further action:</u>** The finding is unresolved. While revenue procedures were written to address areas of difficulty, the procedures were not sufficient enough to avoid current year errors. The FY2019 revenue procedures will be updated to include the proper treatment of the difficult areas identified in the FY2018 CAFR audit. The procedures will be updated and finalized by 03/31/2019.
Finding Number: **2016-014** Fiscal Year: **2016** Initial Finding Year: **2016** State Agency: **DOA** **Financial statement finding**	**Prior Audit Finding:** The state accountant should improve procedures to accurately report capital assets. **<u>Status/corrective action planned/reasons for no further action:</u>** This finding is partially resolved. For the FY2018 CAFR, DOF used the full functionality of the IRIS system to report capital assets, thereby eliminating the need for manual tracking on spreadsheets that contained formula errors. Each department is now responsible for entering their capital asset activity into IRIS-FIN. DOF is still responsible for proper reporting of capital asset disclosure items. The FY2019 capital asset procedures will be developed and will include the areas of difficulty identified in the FY2018 CAFR audit. Procedures will be completed by 03/31/2019.
Finding Number: **2016-015** Fiscal Year: **2016** Initial Finding Year: **2016** State Agency: **DOA** **Financial statement finding**	**Prior Audit Finding:** The state accountant should ensure year-end revenue accruals reported in the CAFR are recorded to the correct fiscal year, are valid, and are properly supported. **<u>Status/corrective action planned/reasons for no further action:</u>** This finding is partially resolved. While the procedures for calculating unavailable revenue were updated in FY2018, the updates were not sufficient enough to avoid the errors made. The FY2019 procedures will be strengthened to include the errors identified in the FY2018 CAFR by 03/31/2019.
Finding Number: **2016-016** Fiscal Year: **2016** Initial Finding Year: **2016** State Agency: **DOA** **Financial statement finding**	**Prior Audit Finding:** The state accountant should ensure personal service expenditures recorded in IRIS are reconciled to the State's payroll system (AKPAY). **<u>Status/corrective action planned/reasons for no further action:</u>** This audit finding is resolved.

Finding Number: **2016-017** Fiscal Year: **2016** Initial Finding Year: **2016** State Agency: **DOA** **Financial statement finding**	**Prior Audit Finding:** The Division of Retirement and Benefits' (DRB) director should ensure the financial audits of the retiree and health funds are performed timely. **Status/corrective action planned/reasons for no further action:** This finding is not resolved. DRB is working with DMVA to develop policies and procedures on proper development of census information for our actuary to properly prepare GASB and actuarial reports. We anticipate this will resolve discrepancies in valuation development and allow for proper financial GASB reports. GASB 68 and GASB 75 schedules are expected to be audited by 04/30/2019, which will help facilitate timely financial plan audits. DRB is working with KPMG, third party administrators and our actuaries to tighten up the work calendar so that a complete DRAFT financial statement can be prepared by 10/05/2019, and that the FINAL financial statements can be delivered on 10/31/2019. DRB will monitor the progress to achieve timely reporting.
Finding Number: **2016-020** Fiscal Year: **2016** Initial Finding Year: **2016** Federal Agency: **USDOE** State Agency: **DEED** CFDA: **84.027, 84.173** Questioned Costs: **None**	**Prior Audit Finding:** DEED's TLS division director should ensure LEAs are notified of federal suspension and debarment requirements. **Status/corrective action planned/reasons for no further action:** This audit finding was fully corrected.
Finding Number: **2016-024** Fiscal Year: **2016** Initial Finding Year: **2014** State Agency: **DHSS** **Financial statement finding**	**Prior Audit Finding:** DHSS's commissioner should work with Conduent State Healthcare, LLC (formerly Xerox) to correct defects in the Alaska Health Enterprise (AHE) system. **Status/corrective action planned/reasons for no further action:** Repeat of finding 2015-019. Please refer to the updated response on finding 2015-019.
Finding Number: **2016-026** Fiscal Year: **2016** Initial Finding Year: **2016** Federal Agency: **USDHHS** State Agency: **DHSS** CFDA: **93.568** Questioned Costs: **$0**	**Prior Audit Finding:** We recommend the Finance and Management Services (FMS) Assistance Commissioner should ensure that proper controls over tracking of reporting deadlines are in place and working effectively. Communication between the Division of Public Assistance (DPA) and the FMS Revenue Unit needs to be clear and concise to ensure proper financial data is being reported. **Status/corrective action planned/reasons for no further action:** This audit finding was partially corrected. Reporting procedures developed through coordinated efforts between FMS and DPA will be implemented and the LIHEAP reports brought current in FY2019. The department anticipates this finding will be corrected in FY2019.

STATE OF ALASKA

Summary Schedule of Prior Audit Findings

Fiscal Year Ended June 30, 2018

Finding Number: **2016-029** Fiscal Year: **2016** Initial Finding Year: **2016** Federal Agency: **USDA** State Agency: **DHSS** CFDA: **10.551. 10.561** Questioned Costs: **$0**	**Prior Audit Finding:** We recommend the Finance and Management Services (FMS) Assistant Commissioner and Division of Public Assistance (DPA) Director should continue to refine the accounting reports used to support the amounts in the SF-425. In addition, the preparation and review of the SF-425 be segregated between the FMS Revenue Unit and DPA. **<u>Status/corrective action planned/reasons for no further action:</u>** This audit finding was corrected.
Finding Number: **2016-031** Fiscal Year: **2016** Initial Finding Year: **2016** Federal Agency: **USDHHS** State Agency: **DHSS** CFDA: **93.778, 93.767** Questioned Costs: **Indeterminate**	**Prior Audit Finding:** We recommend that the Division of Public Assistance (DPA) should continue to leverage technology and update work processes to ensure timely processing of eligibility redeterminations. **<u>Status/corrective action planned/reasons for no further action:</u>** This audit finding was partially corrected. In addition to agency updates to ARIES, DPA is collaborating with the department's information technology section to implement an electronic document management system to automate access to case documentation and improve processing timelines of eligibility determinations and/or redeterminations.
Finding Number: **2016-032** Fiscal Year: **2016** Initial Finding Year: **2016** Federal Agency: **USDHHS** State Agency: **DHSS** CFDA: **93.778, 93.767** Questioned Costs: **$0**	**Prior Audit Finding:** We recommend that the Division of Public Assistance (DPA) provide training on new processes highlighting the importance of utilizing case notes to document income verification. **<u>Status/corrective action planned/reasons for no further action:</u>** This audit finding was partially corrected. DPA continues to provide agency wide training on updated work processes. The agency has also strengthened its business strategies to offset or reduce the adverse impact associated with high annual staff turnover exceeding 30%, however, adequate time is still required to train the new staff.
Finding Number: **2016-033** Fiscal Year: **2016** Initial Finding Year: **2016** Federal Agency: **USDHHS** State Agency: **DHSS** CFDA: **93.778, 93.767** Questioned Costs: **Indeterminate**	**Prior Audit Finding:** We recommend that the Division of Public Assistance (DPA) provide training on system changes and how to create audit trails for income verification. **<u>Status/corrective action planned/reasons for no further action:</u>** This audit finding was partially corrected. DPA continues to provide agency wide training on updated work processes. The agency has also strengthened its business strategies to offset or reduce the adverse impact associated with high annual staff turnover exceeding 30%, however, adequate time is still required to train the new staff.

Finding Number: **2016-034** Fiscal Year: **2016** Initial Finding Year: **2015** Federal Agency: **USDHHS** State Agency: **DHSS** CFDA: **10.551, 10.561, 93.268, 93.568, 93.658, 93.767, 93.778** Questioned Costs: **$0**	**Prior Audit Finding:** We recommend the Finance and Management Services (FMS) Deputy Director continue to develop, test, and implement procedures that would allow for the accurate preparation and reconciliation of the amounts to be reported on the SEFA. **Status/corrective action planned/reasons for no further action:** Repeat of finding 2015-023. Please refer to the updated response on finding 2015-023.
Finding Number: **2016-035** Fiscal Year: **2016** Initial Finding Year: **2016** Federal Agency: **USDHHS** State Agency: **DHSS** CFDA: **10.551, 10.561, 93.268, 93.568, 93.658, 93.767, 93.778** Questioned Costs: **$0**	**Prior Audit Finding:** We recommend that the Department of Administration, Division of Finance (DOF) and the Department of Health and Social Services (DHSS) work together to improve information system change management controls. **Status/corrective action planned/reasons for no further action:** **Agency Response — Department of Health and Social Services** The Department of Administration will respond directly to this recommendation as DHSS has no authorization or oversight responsibilities with AKPAY; ALDER; or IRIS. **Agency Response — Department of Administration** This audit finding is unresolved. DOF began the process to address this finding, but needed to cease work to focus on CAFR, other year-end items, and the system update to version 3.11. As DOF goes through the upgrade process, controls and procedures will be developed and documented. Currently expected to begin in March 2019 and take 18 months to complete.
Finding Number: **2016-037** Fiscal Year: **2016** Initial Finding Year: **2013** State Agency: **DLWD** **Financial statement finding**	**Prior Audit Finding:** The Division of Administrative Services (DAS) director should ensure uncollectible accounts receivable in the Unemployment Compensation fund (UCF) are reported in accordance with generally accepted accounting principles. **Status/corrective action planned/reasons for no further action:** Repeat of finding 2015-029. Please refer to the updated response on finding 2015-029.
Finding Number: **2016-038** Fiscal Year: **2016** Initial Finding Year: **2015** State Agency: **DLWD** **Financial statement finding**	**Prior Audit Finding:** DLWD's DAS director should work with the department's finance office to improve accounting for UCF activity. **Status/corrective action planned/reasons for no further action:** Repeat of finding 2015-030. Please refer to the updated response on finding 2015-030.

Finding Number: **2016-039** Fiscal Year: **2016** Initial Finding Year: **2016** Federal Agency: **USDOL** State Agency: **DLWD** CFDA: **17.225** Questioned Costs: **$27,694**	**Prior Audit Finding:** DLWD's ASD director should ensure expenditures are charged to federal grant awards in accordance with the specified period of performance. **<u>Status/corrective action planned/reasons for no further action:</u>** This finding was fully corrected.
Finding Number: **2016-040** Fiscal Year: **2016** Initial Finding Year: **2016** Federal Agency: **USDOL** State Agency: **DLWD** CFDA: **17.225** Questioned Costs: **None**	**Prior Audit Finding:** DLWD's Employment and Training Services division (DET) director should strengthen procedures to ensure that Employment and Training Administration (ETA) 227 quarterly reports are accurately and fully supported by the accounting records. **<u>Status/corrective action planned/reasons for no further action:</u>** This finding is partially corrected. DLWD revised its ETA 227 report procedure and implemented the change effective May 1, 2017. DLWD is in the process of creating a report that will provide the necessary support for the ETA 227 report. DLWD anticipates the new report will be completed by the Spring of 2019.
Finding Number: **2016-042** Fiscal Year: **2016** Initial Finding Year: **2016** Federal Agency: **USDOL** State Agency: **DLWD** CFDA: **17.225** Questioned Costs: **$576**	**Prior Audit Finding:** DLWD's DET director should ensure that policies and procedures for verifying eligibility are followed. **<u>Status/corrective action planned/reasons for no further action:</u>** This finding was fully corrected.
Finding Number: **2016-043** Fiscal Year: **2016** Initial Finding Year: **2016** Federal Agency: **USDOI** State Agency: **DCCED** CFDA: **15.226** Questioned Costs: **$99,864**	**Prior Audit Finding:** DCCED's Division of Community and Regional Development (DCRA) director should remove eligibility requirements from state regulations that conflict with federal law. **<u>Status/corrective action planned/reasons for no further action:</u>** This finding is fully corrected.

Finding Number: **2016-053** Fiscal Year: **2016** Initial Finding Year: **2015**	**Prior Audit Finding:** DOTPF's Administrative Services Division (ASD) director should ensure financial transactions are properly coded to the correct fiscal year in the accounting system.
State Agency: **DOTPF** **Financial statement finding**	**Status/corrective action planned/reasons for no further action:** Repeat of finding 2015-034. Please refer to the updated response on finding 2015-034.
Finding Number: **2016-054** Fiscal Year: **2016** Initial Finding Year: **2015**	**Prior Audit Finding:** DOTPF's ASD director should ensure necessary revenue accruals are correctly recorded at fiscal year-end.
State Agency: **DOTPF** **Financial statement finding**	**Status/corrective action planned/reasons for no further action:** Repeat of finding 2015-035. Please refer to the updated response on finding 2015-035.
Finding Number: **2016-055** Fiscal Year: **2016** Initial Finding Year: **2016**	**Prior Audit Finding:** DOTPF's ASD director should improve internal controls to ensure expenditures are supported and properly recorded in the financial system.
State Agency: **DOTPF** **Financial statement finding**	**Status/corrective action planned/reasons for no further action:** This audit finding was fully corrected.

Finding Number: **2016-056** Fiscal Year: **2016** Initial Finding Year: **2016**	**Prior Audit Finding:** DOTPF's ASD director should improve procedures to accurately report capital assets.
State Agency: **DOTPF** **Financial statement finding**	**<u>Status/corrective action planned/reasons for no further action:</u>** Full implementation of prior year planned corrective actions to DOTPF's capital asset reporting process was delayed due to continued staff turnover during the reorganization of the Finance Section. The reorganized accounting staff is working as a team and has included DOA in writing draft procedures related to the new fixed asset process in the IRIS accounting system. DOTPF updated the fixed asset process, moving away from Excel spreadsheets and utilizing the functionality of IRIS. Unfortunately, there was inaccurate data entered in IRIS by DOA dating back to the conversion from AKSAS that DOTPF had not anticipated. As well, due to continued staff turnover resulting in continued vacancies, DOTPF was short-staffed for several months after the anticipated date for being fully staffed. As a result, the start of corrective actions was delayed. Due to the limited time remaining before the start of the FY2018 CAFR process, corrective IRIS entries were not completed. DOTPF is currently waiting for approval from the Division of Finance to resume data entry of fixed asset corrections in IRIS. Once DOTPF receives approval from the Division of Finance to process data, corrections to inaccurate information in IRIS will move forward. Partial corrective actions taken include several draft IRIS transactions, which are currently pending approval. Some draft transactions had to be deleted due to interference with the depreciation process in IRIS for the FY2018 CAFR. Source documentation for deleted and future IRIS corrections has been compiled and saved in one central location to help expedite the data entry process. Corrective actions to DOTPF's capital asset process will resume once approval is received from the Division of Finance to move forward with IRIS entries. These will be ongoing until 08/31/2019.

STATE OF ALASKA

Summary Schedule of Prior Audit Findings
Fiscal Year Ended June 30, 2018

Finding Number: **2016-057** Fiscal Year: **2016** Initial Finding Year: **2016** State Agency: **DOTPF** **Financial statement finding**	**Prior Audit Finding:** The Alaska International Airport System (AIAS) controller should ensure AIAS' financial statement audit is performed timely. **Status/corrective action planned/reasons for no further action:** This audit finding was fully corrected. AIAS worked with the Division of Finance to build better ALDER reports to assist in more timely audits and with DOTPF Administrative Services regarding project accounting processes performed by Administrative Services on behalf of AIAS to help ensure meeting future financial closing deadlines. AIAS has also investigated developing a memorandum of understanding (MOU) specifying and documenting certain budget and accounting processes related to AIAS capital project grant accounting, however this effort has been abated in order to evaluate the effectiveness of other changes in project accounting which appear to have improved timeliness and may obviate the need for the specific memorandum initially considered. We believe this additional action, along with continuation of the efforts undertaken to address initial finding will help ensure more timely issuance of FY2018 and subsequent financial statements.
Finding Number: **2016-060** Fiscal Year: **2016** Initial Finding Year: **2015** Federal Agency: **USDOT** State Agency: **DOTPF** CFDA: **20.205** Questioned Costs: **$1,219**	**Prior Audit Finding:** DOTPF's ASD director should ensure personal service expenditures charged to federal programs comply with federal cost principles. **Status/corrective action planned/reasons for no further action:** This audit finding was fully corrected.
Finding Number: **2016-061** Fiscal Year: **2016** Initial Finding Year: **2016** Federal Agency: **USDOT** State Agency: **DOTPF** CFDA: **20.205** Questioned Costs: **None**	**Prior Audit Finding:** DOTPF's Statewide Design and Engineering chief should strengthen procedures to ensure the annual Federal Highway Administration (FHWA) value engineering (VE) report accurately represents the VE studies performed. **Status/corrective action planned/reasons for no further action:** This audit finding was partially corrected. The department has updated the P&P and is currently going through internal review and approval process. The anticipated completion date for the listed corrective action is December 2018.
Finding Number: **2016-062** Fiscal Year: **2016** Initial Finding Year: **2016** Federal Agency: **USDOT** State Agency: **DOTPF** CFDA: **20.205** Questioned Costs: **None**	**Prior Audit Finding:** DOTPF's chief contracts officer should improve procedures to verify all subcontractors meet suspension and debarment requirements. **Status/corrective action planned/reasons for no further action:** This audit finding was fully corrected.

Finding Number: **2016-063** Fiscal Year: **2016** Initial Finding Year: **2016** State Agency: **AMHTA** **Financial statement finding**	**Prior Audit Finding:** AMHTA's chief financial officer (CFO) should ensure AMHTA's financial statement audit is performed timely. **<u>Status/corrective action planned/reasons for no further action:</u>** This audit finding was fully corrected.
Finding Number: **2017-001** Fiscal Year: **2017** Initial Finding Year: **2015** State Agency: **DOA** **Financial statement finding**	**Prior Audit Finding:** The State's proportionate share of pension expense totaling $379.6 million was not accurately classified by function in the draft government-wide Statement of Activities. **<u>Status/corrective action planned/reasons for no further action:</u>** Repeat of finding 2015-002 and finding 2016-002. Please refer to the updated response on finding 2015-002.
Finding Number: **2017-002** Fiscal Year: **2017** Initial Finding Year: **2016** State Agency: **DOA** **Financial statement finding**	**Prior Audit Finding:** Procedures were inadequate to ensure Constitutional Budget Reserve Fund financial activity was accurately reported in the Comprehensive Annual Financial Report (CAFR). **<u>Status/corrective action planned/reasons for no further action:</u>** Repeat of finding 2016-007. Please refer to the updated response on finding 2016-007.
Finding Number: **2017-003** Fiscal Year: **2017** Initial Finding Year: **2016** State Agency: **DOA** **Financial statement finding**	**Prior Audit Finding:** The Department of Administration has not implemented a comprehensive policy for configuration management. **<u>Status/corrective action planned/reasons for no further action:</u>** Repeat of finding 2016-012. Please refer to the updated response on finding 2016-012.
Finding Number: **2017-004** Fiscal Year: **2017** Initial Finding Year: **2016** State Agency: **DOA** **Financial statement finding**	**Prior Audit Finding:** Government-wide governmental activities revenue in the draft Statement of Activities contained numerous classification errors totaling $230.1 million. **<u>Status/corrective action planned/reasons for no further action:</u>** Repeat of finding 2016-013. Please refer to the updated response on finding 2016-013.
Finding Number: **2017-005** Fiscal Year: **2017** Initial Finding Year: **2016** State Agency: **DOA** **Financial statement finding**	**Prior Audit Finding:** Multiple government-wide governmental activities capital asset errors were identified in the draft CAFR financial statements. **<u>Status/corrective action planned/reasons for no further action:</u>** Repeat of finding 2016-014. Please refer to the updated response on finding 2016-014.

STATE OF ALASKA

Summary Schedule of Prior Audit Findings
Fiscal Year Ended June 30, 2018

Finding Number: **2017-006** Fiscal Year: **2017** Initial Finding Year: **2016** State Agency: **DOA** **Financial statement finding**	**Prior Audit Finding:** Multiple errors were identified related to the accrual of revenue and the calculation of deferred inflows of resources. **Status/corrective action planned/reasons for no further action:** Repeat of finding 2016-015. Please refer to the updated response on finding 2016-015.
Finding Number: **2017-007** Fiscal Year: **2017** Initial Finding Year: **2016** State Agency: **DOA** **Financial statement finding**	**Prior Audit Finding:** Personal services expenditures generated from the State's payroll systems were not reconciled to the State's accounting system, IRIS. **Status/corrective action planned/reasons for no further action:** Repeat of finding 2016-016. Please refer to the updated response on finding 2016-016.
Finding Number: **2017-008** Fiscal Year: **2017** Initial Finding Year: **2017** State Agency: **DOA** **Financial statement finding**	**Prior Audit Finding:** Government-wide governmental activities net position related to long-term debt in the amount of $67.3 million was not properly classified in the FY2017 draft CAFR. **Status/corrective action planned/reasons for no further action:** This finding is unresolved. During FY2018, the workbook used for debt reporting was updated with instructions to address the type of errors that occurred during FY2017. The errors that occurred in FY2018 were a result of staff turnover and the lack of sufficient procedures for that type of activity. DOF has hired a new debt accountant and is in the process of revising the FY2019 debt procedures to include the areas identified during the FY2018 CAFR audit. The procedures will be completed by 03/31/2019.
Finding Number: **2017-009** Fiscal Year: **2017** Initial Finding Year: **2017** State Agency: **DOA** **Financial statement finding**	**Prior Audit Finding:** Material internal control weaknesses exist with the State's new payroll system, IRIS-Human Resources Management module. **Status/corrective action planned/reasons for no further action:** This finding is partially resolved. Control and monitoring reports had been created but were not implemented until August 2018. The remaining item will be resolved with the IRIS-HMR upgrade to version 3.11 scheduled to start in March 2019 and set to go live in 2020.
Finding Number: **2017-010** Fiscal Year: **2017** Initial Finding Year: **2017** State Agency: **DOA** **Financial statement finding**	**Prior Audit Finding:** Thirteen outside audits were received after the draft CAFR was complete. **Status/corrective action planned/reasons for no further action:** This finding has been resolved for the items that are in the control of DOF.

Finding Number: **2017-011** Fiscal Year: **2017** Initial Finding Year: **2016** State Agency: **DOA** **Financial statement finding**	**Prior Audit Finding:** The financial audits of the pension and health funds were not completed timely. **<u>Status/corrective action planned/reasons for no further action:</u>** Repeat of finding 2016-017. Please refer to the updated response on finding 2016-017.
Finding Number: **2017-012** Fiscal Year: **2017** Initial Finding Year: **2017** State Agency: **DOA** **Financial statement finding**	**Prior Audit Finding:** Several departments inaccurately reported federal awards expended on the FY2017 schedule of expenditures of federal awards; inaccurately reported pass-through expenditures; and subrecipient amounts were not supported by the accounting records. **<u>Status/corrective action planned/reasons for no further action:</u>** This finding is partially resolved. The instructions for the federal schedule have been revised. The planned video training had to be delayed due to ALDER documentation for training taking priority.
Finding Number: **2017-013** Fiscal Year: **2017** Initial Finding Year: **2017** Federal Agency: **USDA, USDOT, USDOE, USDHHS** State Agency: **DOA** CFDA: **10.557, 10.558, 10.U08 10.U09, 20.106, 84.010, 93.563 93.659, 93.667, 93.767, 93.775, 93.777, 93.778, 93.959** Questioned Costs: **Indeterminate**	**Prior Audit Finding:** The FY2017 annual statewide cost allocation plan (SWCAP) has not been federally approved. **<u>Status/corrective action planned/reasons for no further action:</u>** This finding is partially resolved. While the FY2017 SWCAP has been approved, the FY2018 SWCAP is currently with the federal cost center approver for review and acceptance. The FY2019 SWCAP is ready to be submitted once the FY2018 has been approved. The cost center approver will not accept the FY2019 SWCAP for review until the FY2018 has been fully reviewed and approved. Until the federal cost center approver can catch up with the plan already submitted and the plan ready to be submitted, the State will continue to be behind in obtaining current SWCAP approvals.
Finding Number: **2017-019** Fiscal Year: **2017** Initial Finding Year: **2017** Federal Agency: **USDHHS** State Agency: **Law** CFDA: **93.775, 93.777, 93.778** Questioned Costs: **Not determinable**	**Prior Audit Finding:** The Department of Law did not have adequate documentation in its case tracking system to support the disposition of cases reviewed. Additionally, it also did not have standard operating procedures that included timeframes for conducting investigations, documenting case notes and documenting the case conclusion. **<u>Status/corrective action planned/reasons for no further action:</u>** This audit finding was partially corrected. As noted in the earlier response to the audit, documentation is occurring within the case management system from inception to disposition. The remaining planned corrective action is a full revision of the Unit's Policies and Procedures Manual and staff training on implementation. A draft revision of the Policies and Procedures has been developed and is being reviewed.

STATE OF ALASKA
Summary Schedule of Prior Audit Findings
Fiscal Year Ended June 30, 2018

Finding Number: **2017-020** Fiscal Year: **2017** Initial Finding Year: **2017** State Agency: **DOR** **Financial statement finding**	**Prior Audit Finding:** The Department of Revenue inaccurately reported federal awards expended on the department's FY2017 schedule of expenditures of federal awards. **Status/corrective action planned/reasons for no further action:** This finding is partially resolved. DOR staff developed written procedures for preparing the SEFA. The written procedures will be updated to include corrected reporting parameters and a process for documenting review of the SEFA in FY2019.
Finding Number: **2017-021** Fiscal Year: **2017** Initial Finding Year: **2017** Federal Agency: **USDHHS** State Agency: **DOR** CFDA: **93.563** Questioned Costs: **$70,270**	**Prior Audit Finding:** The Child Support Services Division claimed federal reimbursement for rent expenditures twice. **Status/corrective action planned/reasons for no further action:** This audit finding was fully corrected.
Finding Number: **2017-022** Fiscal Year: **2017** Initial Finding Year: **2017** Federal Agency: **USDHHS** State Agency: **DOR** CFDA: **93.563** Questioned Costs: **None**	**Prior Audit Finding:** The Child Support Enforcement program's quarterly financial report for September 30, 2017 contained errors. **Status/corrective action planned/reasons for no further action:** This finding was partially corrected. Child Support Services Division (CSSD) has started to develop written instructions for gathering quarterly reporting numbers, however they are about 60% completed. CSSD plans to complete instructions with the quarter ending 12/31/2018. The instructions will be provided by 01/31/2019.
Finding Number: **2017-024** Fiscal Year: **2017** Initial Finding Year: **2017** State Agency: **DEED** **Financial statement finding**	**Prior Audit Finding:** The Department of Education and Early Development (DEED) inaccurately reported some federal awards expended on the department's FY2017 schedule of expenditures of federal awards. Additionally, the department's accounting records did not support some pass-through and subrecipient expenditures. **Status/corrective action planned/reasons for no further action:** This audit finding was fully corrected.
Finding Number: **2017-025** Fiscal Year: **2017** Initial Finding Year: **2017** Federal Agency: **USDA** State Agency: **DEED** CFDA: **10.558** Questioned Costs: **None**	**Prior Audit Finding:** DEED did not issue the required annual media release in FY2017 for the Child and Adult Care Food Program. **Status/corrective action planned/reasons for no further action:** This audit finding was fully corrected.

Finding Number: **2017-026**
Fiscal Year: **2017**
Initial Finding Year: **2017**

Federal Agency: **USDOE**
State Agency: **DEED**

CFDA: **84.010**
Questioned Costs: **None**

Prior Audit Finding:
DEED did not fully comply with the Uniform Guidance subrecipient monitoring requirements for conducting annual risk assessments and monitoring for compliance.

Status/corrective action planned/reasons for no further action:
This audit finding was partially corrected. The risk assessment tool has been updated to include risk assessments for all Local Education Agencies (LEAs) and what action is required based on the level of risk.

Monitoring procedures may be further modified to address any feedback received from the United States Department of Education. The department expects this finding to be fully corrected in FY2019.

Finding Number: **2017-027**
Fiscal Year: **2017**
Initial Finding Year: **2017**

Federal Agency: **USDOE**
State Agency: **DEED**

CFDA: **84.010**
Questioned Costs: **None**

Prior Audit Finding:
DEED did not notify numerous Local Education Agencies (LEAs) receiving Title IA funds that they must comply with all federal suspension and debarment requirements.

Status/corrective action planned/reasons for no further action:
This audit finding was partially corrected. DEED will add additional language to grant assurances to include the requirement that subrecipients inform next tier subawards of suspension and debarment requirements. The correction will be fully implemented in grant awards issued for FY2019.

Finding Number: **2017-028**
Fiscal Year: **2017**
Initial Finding Year: **2017**

Federal Agency: **USDOE**
State Agency: **DEED**

CFDA: **84.010**
Questioned Costs: **None**

Prior Audit Finding:
Some LEAs required to provide program comparability reports to DEED in FY2017 did not submit the reports.

Status/corrective action planned/reasons for no further action:
This audit finding was fully corrected.

Finding Number: **2017-029**
Fiscal Year: **2017**
Initial Finding Year: **2017**

Federal Agency: **USDOE**
State Agency: **DEED**

CFDA: **84.010**
Questioned Costs: **None**

Prior Audit Finding:
DEED lacked procedures ensuring LEAs retain federally required documentation supporting removal of students from the regulatory cohort.

Status/corrective action planned/reasons for no further action:
This audit finding was fully corrected.

STATE OF ALASKA

Summary Schedule of Prior Audit Findings
Fiscal Year Ended June 30, 2018

Finding Number: **2017-030** Fiscal Year: **2017** Initial Finding Year: **2017**	**Prior Audit Finding:** DEED did not maintain evidence that staff reviewed the amount of unexpended FY2016 Title IA federal funding, to ensure no more than 15% of each LEA's award was carried over into FY2017. Additionally, DEED did not maintain required copies or other evidence to demonstrate waivers were issued for some LEAs that had carryover funds exceeding the 15% limit.
Federal Agency: **USDOE** State Agency: **DEED** CFDA: **84.010** Questioned Costs: **$63,259**	**<u>Status/corrective action planned/reasons for no further action:</u>** This audit finding was partially corrected. The department is continuing to assess carryover procedures to determine the most appropriate timing and methods of communication with districts regarding carryover funds exceeding the 15% limit. The department has also contacted affected districts to issue waivers or reduce carryover for identified questioned costs. The department expects this finding to be fully corrected in FY2019.
Finding Number: **2017-032** Fiscal Year: **2017** Initial Finding Year: **2014**	**Prior Audit Finding:** The Department of Health and Social Services (DHSS) did not fully address Alaska Health Enterprise (AHE) system deficiencies. Additionally, the AHE system was not federally certified.
State Agency: **DHSS** **Financial statement finding**	**<u>Status/corrective action planned/reasons for no further action:</u>** Repeat of finding 2015-019 and 2016-024. Please refer to the updated response on finding 2015-019.
Finding Number: **2017-033** Fiscal Year: **2017** Initial Finding Year: **2017**	**Prior Audit Finding:** DHSS misstated FY2017 expenditures, assets and liabilities by incorrectly reclassifying unauthorized federal expenditures as prepaid assets and recording expenditures to the incorrect fiscal year
State Agency: **DHSS** **Financial statement finding**	**<u>Status/corrective action planned/reasons for no further action:</u>** This audit finding was corrected.
Finding Number: **2017-034** Fiscal Year: **2017** Initial Finding Year: **2017**	**Prior Audit Finding:** DHSS inaccurately reported federal awards expended on its FY2017 schedule of expenditures of federal awards (SEFA), which resulted in over-reporting federal awards by approximately $48 million. Additionally, pass-through amounts to other state agencies were erroneously omitted from the SEFA, and subrecipient totals for some programs were not supported by the accounting records.
State Agency: **DHSS** **Financial statement finding**	**<u>Status/corrective action planned/reasons for no further action:</u>** This audit finding was partially corrected. Written procedures over the preparation and review of the SEFA specific to the department has not been implemented. FMS will design and implement written procedures in FY2019. The procedures will also include information on verifying completeness of the SEFA.

Finding Number: **2017-035** Fiscal Year: **2017** Initial Finding Year: **2015** Federal Agencies: **USDA and USDHHS** State Agency: **DHSS** CFDA: **10.557, 93.659, 93.667, 93.775, 93.767, 93.777, 93.778, 93.959** Questioned Costs: **Not determinable**	**Prior Audit Finding:** Procedures developed and implemented by DHSS were not adequate to enable an accurate reconciliation of program expenditure details to total expenditures presented on the SEFA. **<u>Status/corrective action planned/reasons for no further action:</u>** Repeat of finding 2015-023 and finding 2016-034. Please refer to the updated response on finding 2015-023.
Finding Number: **2017-036** Fiscal Year: **2017** Initial Finding Year: **2017** Federal Agency: **USDA** State Agency: **DHSS** CFDA: **10.557** Questioned Costs: **Below reporting threshold**	**Prior Audit Finding:** A few transactions were erroneously charged to the Special Supplemental Nutrition Program for Women, Infants and Children. **<u>Status/corrective action planned/reasons for no further action:</u>** This audit finding was corrected.
Finding Number: **2017-037** Fiscal Year: **2017** Initial Finding Year: **2017** Federal Agency: **USDA** State Agency: **DHSS** CFDA: **10.557** Questioned Costs: **Not determinable**	**Prior Audit Finding:** DHSS was not in compliance with the CMIA agreement for a portion of one transaction. **<u>Status/corrective action planned/reasons for no further action:</u>** This audit finding was partially corrected. DHSS Division of Public Assistance (DPA) and Finance and Management Services (FMS) continue to collaborate by improving communication to strengthen compliance with CMIA requirements. Additionally, FMS Finance Officer continues to provide training and instruction for both revenue and division staff. The department is finalizing policy and procedure for implementation during FY2019.
Finding Number: **2017-038** Fiscal Year: **2017** Initial Finding Year: **2017** Federal Agency: **USDA** State Agency: **DHSS** CFDA: **10.557** Questioned Costs: **Not determinable**	**Prior Audit Finding:** DHSS's sub-award template subrecipient terms, conditions and assurances did not reference the Uniform Guidance requirements. **<u>Status/corrective action planned/reasons for no further action:</u>** This audit finding was corrected.

Finding Number: **2017-039**
Fiscal Year: **2017**
Initial Finding Year: **2017**

Federal Agency: **USDHHS**
State Agency: **DHSS**

CFDA: **93.667**
Questioned Costs: **Not determinable**

Prior Audit Finding:
DHSS's sub-award template subrecipient terms, conditions and assurances did not reference the Uniform Guidance requirements.

Status/corrective action planned/reasons for no further action:
This audit finding was corrected.

Finding Number: **2017-040**
Fiscal Year: **2017**
Initial Finding Year: **2017**

Federal Agency: **USDHHS**
State Agency: **DHSS**

CFDA: **93.775, 93.777, 93.778**
Questioned Costs: **$164,726**

Prior Audit Finding:
Numerous individual claims contained lines without eligibility subtypes.

Status/corrective action planned/reasons for no further action:
This audit finding was partially corrected. Following the action associated with fixing the system defects taken by the Division of Health Care Services (HCS) early in FY2018, the division completed its review of impacted claims and determined fewer claims were missing associated eligibility than previously reported resulting in total questioned costs of $27,802 (total federal and state). The original amount reported as questioned costs included claims impacted by the backlog of Medicaid applications and have since been adjusted retroactively. The audit finding will be resolved in FY2019 following the resolution of the outstanding questioned costs.

Finding Number: **2017-041**
Fiscal Year: **2017**
Initial Finding Year: **2017**

Federal Agency: **USDHHS**
State Agency: **DHSS**

CFDA: **93.775, 93.777, 93.778**
Questioned Costs: **Below reporting threshold**

Prior Audit Finding:
A few transactions were erroneously charged to the Medicaid Cluster program.

Status/corrective action planned/reasons for no further action:
This audit finding was corrected.

Finding Number: **2017-042**
Fiscal Year: **2017**
Initial Finding Year: **2017**

Federal Agency: **USDHHS**
State Agency: **DHSS**

CFDA: **93.775, 93.777, 93.778**
Questioned Costs: **None**

Prior Audit Finding:
One transaction was paid at a rate which differed from what was required in the supporting schedules and regulations.

Status/corrective action planned/reasons for no further action:
This audit finding was partially corrected. The Division of Health Care Services continues to monitor the corrective action plan (CAP) for its fiscal agent, Conduent. The division has increased the frequency of its meetings on the CAP from monthly to weekly and is re-evaluating the fiscal agent's processes. The department anticipates this finding will be corrected in FY2019.

Finding Number: **2017-043** Fiscal Year: **2017** Initial Finding Year: **2016** Federal Agency: **USDHHS** State Agency: **DHSS** CFDA: **93.775, 93.777, 93.778** Questioned Costs: **Not determinable**	**Prior Audit Finding:** DHSS does not have consistent monitoring processes in place to review the eligibility determinations. **Status/corrective action planned/reasons for no further action:** Repeat of findings 2016-031, 2016-032 and 2016-033. Please refer to the updated response on findings 2016-031, 2016-032 and 2016-033.
Finding Number: **2017-044** Fiscal Year: **2017** Initial Finding Year: **2017** Federal Agency: **USDHHS** State Agency: **DHSS** CFDA: **93.775, 93.777, 93.778** Questioned Costs: **Not determinable**	**Prior Audit Finding:** DHSS did not properly execute its sampling plan for conducting Surveillance and Utilization reviews. **Status/corrective action planned/reasons for no further action:** This audit finding was corrected.
Finding Number: **2017-045** Fiscal Year: **2017** Initial Finding Year: **2017** Federal Agency: **USDHHS** State Agency: **DHSS** CFDA: **93.959** Questioned Costs: **Not determinable**	**Prior Audit Finding:** DHSS's sub-award template subrecipient terms, conditions and assurances did not reference the Uniform Guidance requirements. **Status/corrective action planned/reasons for no further action:** This audit finding was corrected.
Finding Number: **2017-047** Fiscal Year: **2017** Initial Finding Year: **2013** State Agency: **DLWD** **Financial statement finding**	**Prior Audit Finding:** An allowance for uncollectible accounts was not established during FY2017 and DLWD wrote off accounts determined uncollectible during the year **Status/corrective action planned/reasons for no further action:** Repeat of finding 2015-029 and finding 2016-037. Please refer to the updated response on finding 2015-029.

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Finding Number: **2017-048** Fiscal Year: **2017** Initial Finding Year: **2015**	**Prior Audit Finding:** DLWD's assessed fraud penalties were recorded as reductions to expenses rather than revenues to the fund. The fraud penalties receivable account had a negative balance and year-end transactions to clear the Unemployment Compensation Fund suspense receipts liability account were not processed.
State Agency: **DLWD** **Financial statement finding**	**Status/corrective action planned/reasons for no further action:** Repeat of finding 2015-030 and finding 2016-038. Please refer to the updated response on finding 2015-030.
Finding Number: **2017-049** Fiscal Year: **2017** Initial Finding Year: **2017**	**Prior Audit Finding:** DLWD inaccurately reported federal awards expended on the department's FY2017 schedule of expenditures of federal awards.
State Agency: **DLWD** **Financial statement finding**	**Status/corrective action planned/reasons for no further action:** This finding was fully corrected.
Finding Number: **2017-051** Fiscal Year: **2017** Initial Finding Year: **2017**	**Prior Audit Finding:** The Department of Commerce, Community, and Economic Development inaccurately reported federal awards expended on the department's FY2017 schedule of expenditures of federal awards. Additionally, for a couple of programs, the department's accounting records did not support the subrecipient totals, and the pass-through expenditures to other state agencies.
State Agency: **DCCED** **Financial statement finding**	**Status/corrective action planned/reasons for no further action:** This finding is fully corrected.
Finding Number: **2017-052** Fiscal Year: **2017** Initial Finding Year: **2017**	**Prior Audit Finding:** The Department of Military and Veterans Affairs inaccurately reported pass-through expenditures for a few programs on the department's FY2017 schedule of expenditures of federal awards.
State Agency: **DMVA** **Financial statement finding**	**Status/corrective action planned/reasons for no further action:** This audit finding is not corrected. Due to the changes in the revised SEFA format, DMVA staff did not develop written procedures to address the changes and instead used Division of Finance instructions as guidance. DMVA Finance Officer will develop written procedures over the preparation and review of the FY2019 SEFA to ensure it is accurate and complete.

STATE OF ALASKA

Summary Schedule of Prior Audit Findings
Fiscal Year Ended June 30, 2018

Finding Number: **2017-054** Fiscal Year: **2017** Initial Finding Year: **2017**	**Prior Audit Finding:** The Department of Natural Resources (DNR) inaccurately reported federal awards expended on the department's FY2017 schedule of expenditures of federal awards. Additionally, the department's accounting records did not support the subrecipient expenditures for some programs.
State Agency: **DNR** **Financial statement finding**	**Status/corrective action planned/reasons for no further action:** This audit finding was not corrected. Due to inconsistencies in how activity of our federal awards has been recorded in our accounting information system (IRIS), the corrective action was to change how federal grants are structured in IRIS with a focus on consistency and simplicity, and development of internal control monitoring reports specific to federal awards. DNR's management is working on developing and implementing new written procedures for the preparation and review of the Schedule of Expenditures of Federal Awards by May 15, 2019.
Finding Number: **2017-055** Fiscal Year: **2017** Initial Finding Year: **2017**	**Prior Audit Finding:** Multiple DNR timesheets were not supported by the federally required OF-288 form; lacked the required written justification for hours worked in excess of 16 hours or 2:1 work-rest ratio; did not match the OF-288 timesheets; were not signed by an employee; and/or recorded additional compensation during travel status without adequate support.
Federal Agency: **USDA** State Agency: **DNR** CFDA: **10.U08** Questioned Costs: **$484,065** CFDA: **10.U09** Questioned Costs: **None**	**Status/corrective action planned/reasons for no further action:** This audit finding is partially corrected. A policy letter was issued in April 2018 and a checklist was developed to address missing OF-288 timesheets and timesheet signatures. The department is currently evaluating and working on addressing the remaining noncompliance deficiencies by June 30, 2019. The department anticipates that questioned costs will be resolved during FY2020, by November 2019.
Finding Number: **2017-056** Fiscal Year: **2017** Initial Finding Year: **2017**	**Prior Audit Finding:** DNR billed unallowable aviation offset indirect costs to the U.S. Department of Agriculture, USFS fire suppression program.
Federal Agency: **USDA** State Agency: **DNR** CFDA: **10.U08** Questioned Costs: **$67,936** CFDA: **10.U09** Questioned Costs: **None**	**Status/corrective action planned/reasons for no further action:** This audit finding is partially corrected. No aviation offset expenditures were charged to the program in FY2018. The department is currently evaluating the process. The department anticipates that questioned costs will be resolved in July 2019.

STATE OF ALASKA

Summary Schedule of Prior Audit Findings
Fiscal Year Ended June 30, 2018

Finding Number: **2017-057** Fiscal Year: **2017** Initial Finding Year: **2017** Federal Agency: **USDA** State Agency: **DNR** CFDA: **10.U08** Questioned Costs: **$2,244** CFDA: **10.U09** Questioned Costs: **None**	**Prior Audit Finding:** Some DNR timesheets for the U.S. Forest Service Fire Suppression program were inaccurately calculated. **Status/corrective action planned/reasons for no further action:** **Agency Response – Department of Natural Resources:** This audit finding is not corrected. DNR's management is continuing to work with DOA's Division of Personnel (DOP) and Labor Relations framing written policies to improve timesheet processing procedures. Questioned costs will be resolved by June 30, 2019. **Agency Response – Department of Administration (DOA):** This audit finding is not corrected for FY2018. Due to a lack of an automated data entry and calculation function for the time system, there will always be manual calculation errors; however, on an ongoing basis, DOP management will continue to provide regular trainings. In April 2018, DOP management implemented certification procedures to help minimize timesheet errors.
Finding Number: **2017-058** Fiscal Year: **2017** Initial Finding Year: **2017** Federal Agency: **USDA** State Agency: **DNR** CFDA: **10.U08, 10.U09** Questioned Costs: **None**	**Prior Audit Finding:** System control deficiencies were identified during the review of DNR's emergency firefighter time system. **Status/corrective action planned/reasons for no further action:** **Agency Response – Department of Natural Resources:** This audit finding is partially corrected. DNR reviewed and deleted invalid user accounts. DNR's management is continuing to assist with DOA's Division of Personnel in strengthening procedures. **Agency Response – Department of Administration:** This audit finding is partially corrected. The Division of Personnel and Labor Relations' staff revised its outdated reconciliation and certification procedures in April 2018. Formal written procedures for requesting user access will be finalized in FY2019.
Finding Number: **2017-059** Fiscal Year: **2017** Initial Finding Year: **2017** Federal Agency: USDA State Agency: **DNR** CFDA: **10.U08** Questioned Costs: **$186,556** CFDA: **10.U09** Questioned Costs: **None**	**Prior Audit Finding:** DNR billed administrative overhead costs that were not identified as program expenditures in the State's accounting system. Additionally, some direct expenditures included in DNR's FY2017 bill-for-collection were not supported by the State's accounting records. **Status/corrective action planned/reasons for no further action:** This audit finding is partially corrected. The department anticipates that questioned costs will be resolved before the end of FY2019.

STATE OF ALASKA

Summary Schedule of Prior Audit Findings
Fiscal Year Ended June 30, 2018

Finding Number: **2017-060** Fiscal Year: **2017** Initial Finding Year: **2017** Federal Agency: **USDA** State Agency: **DNR** CFDA: **10.U08, 10.U09** Questioned Costs: **None**	**Prior Audit Finding:** DNR's procurement of aircraft rentals did not comply with State procurement laws. **Status/corrective action planned/reasons for no further action:** This audit finding is not corrected. Due to the timing of fire season, the department has not had the time to implement the corrective action plan. The department is working on standard operating procedures to be in complaint with State procurement laws that will be implemented for any new procurements of aircraft rentals starting the summer of 2019. Currently, an Invitation to Bid (ITB) with strict evaluation criteria, for emergency aircraft services to Wildland Fire Support has been issued and will close on February 20, 2019.
Finding Number: **2017-062** Fiscal Year: **2017** Initial Finding Year: **2017** State Agency: **DFG** **Financial statement finding**	**Prior Audit Finding:** The Department of Fish and Game inaccurately reported some federal awards expenditures and pass-through information on the department's FY2017 SEFA. **Status/corrective action planned/reasons for no further action:** This audit finding has been fully resolved.
Finding Number: **2017-064** Fiscal Year: **2017** Initial Finding Year: **2017** State Agency: **DEC** **Financial statement finding**	**Prior Audit Finding:** The Department of Environmental Conservation lacked effective controls to ensure the FY2017 schedule of expenditures of federal awards was accurate, complete, and supported by the accounting records. **Status/corrective action planned/reasons for no further action:** This audit finding was fully corrected.
Finding Number: **2017-065** Fiscal Year: **2017** Initial Finding Year: **2015** State Agency: **DOTPF** **Financial statement finding**	**Prior Audit Finding:** Department of Transportation and Public Facilities (DOTPF) FY2017 expenditures recorded during the reappropriation period were not consistently recorded to the correct fiscal year. **Status/corrective action planned/reasons for no further action:** Repeat of finding 2015-034 and finding 2016-053. Please refer to the updated response on finding 2015-034.
Finding Number: **2017-066** Fiscal Year: **2017** Initial Finding Year: **2015** State Agency: **DOTPF** **Financial statement finding**	**Prior Audit Finding:** Certain FY2017 fiscal year-end revenue accruals made by DOTPF were inaccurate or missing. **Status/corrective action planned/reasons for no further action:** Repeat of finding 2015-035 and finding 2016-054. Please refer to the updated response on finding 2015-035.

STATE OF ALASKA

Summary Schedule of Prior Audit Findings
Fiscal Year Ended June 30, 2018

Finding Number: **2017-067** Fiscal Year: **2017** Initial Finding Year: **2016** State Agency: **DOTPF** **Financial statement finding**	**Prior Audit Finding:** Temporarily coded expenditure transactions made by DOTPF were not moved to the correct appropriation by the end of FY2017. **Status/corrective action planned/reasons for no further action:** Repeat of finding 2016-055. Please refer to the updated response on finding 2016-055.
Finding Number: **2017-068** Fiscal Year: **2017** Initial Finding Year: **2016** State Agency: **DOTPF** **Financial statement finding**	**Prior Audit Finding:** DOTPF's FY2017 capital assets reported to the Division of Finance contained significant errors. **Status/corrective action planned/reasons for no further action:** Repeat of finding 2016-056. Please refer to the updated response on finding 2016-056.
Finding Number: **2017-069** Fiscal Year: **2017** Initial Finding Year: **2017** State Agency: **DOTPF** **Financial statement finding**	**Prior Audit Finding:** DOTPF's significant deficiencies in financial accounting and reporting, when considered together, represent a material weakness. **Status/corrective action planned/reasons for no further action:** This finding is partially corrected. The department implemented corrective action immediately. This finding will be fully corrected in FY2019.
Finding Number: **2017-070** Fiscal Year: **2017** Initial Finding Year: **2016** State Agency: **DOTPF** **Financial statement finding**	**Prior Audit Finding:** The Alaska International Airport System's FY2017 financial statement audit was not completed timely. **Status/corrective action planned/reasons for no further action:** Repeat of finding 2016-057. Please refer to the updated response on finding 2016-057.
Finding Number: **2017-071** Fiscal Year: **2017** Initial Finding Year: **2017** State Agency: **DOTPF** **Financial statement finding**	**Prior Audit Finding:** DOTPF inaccurately reported federal expenditures for a program on the department's FY2017 schedule of expenditures and federal awards, and their accounting records did not support the subrecipient amounts for several other programs. **Status/corrective action planned/reasons for no further action:** This finding is partially corrected. DOTPF developed written procedures over the Schedule of Expenditures of Federal Awards (SEFA) and accurately reported SEFA data in FY2018. DOTPF will add written procedures for documenting the review of the SEFA for FY2019.

STATE OF ALASKA

Summary Schedule of Prior Audit Findings

Fiscal Year Ended June 30, 2018

Finding Number: **2017-072** Fiscal Year: **2017** Initial Finding Year: **2017** Federal Agency: **USDOT** State Agency: **DOTPF** CFDA: **20.106** Questioned Costs: **None**	**Prior Audit Finding:** DOTPF's record of Airport Improvement Program (AIP) funded equipment was incomplete and inaccurate. **<u>Status/corrective action planned/reasons for no further action:</u>** This audit finding was fully corrected.
Finding Number: **2017-073** Fiscal Year: **2017** Initial Finding Year: **2017** Federal Agency: **USDOT** State Agency: **DOTPF** CFDA: **20.106** Questioned Costs: **None**	**Prior Audit Finding:** Multiple AIP financial reports prepared by DOTPF contained significant reporting errors. **<u>Status/corrective action planned/reasons for no further action:</u>** This finding is partially resolved. The SF-425 reports correctly included all necessary grants for reporting and included documented review. The 5100-126 and 5100-127 did not have procedures for documenting review prior to the submission of the reports during FY2018. Procedures for the documenting of the review were created in spring 2018. For the 5100-126 reports, no prior year reports were included in the current year. For the 5100-126 and 5100-127, DOTPF will update the ALDER parameters for FFY2018 reports and maintain the reports as support. This finding will be fully corrected in FY2019.
Finding Number: **2017-076** Fiscal Year: **2017** Initial Finding Year: **2016** State Agency: **AMHTA** **Financial statement finding**	**Prior Audit Finding:** The Alaska Mental Health Trust Authority's FY2017 financial statement audit was not completed timely. **<u>Status/corrective action planned/reasons for no further action:</u>** Repeat of finding 2016-063. Please refer to the updated response on finding 2016-063.
Finding Number: **2017-077** Fiscal Year: **2017** Initial Finding Year: **2017** State Agency: **AHFC** **Financial statement finding**	**Prior Audit Finding:** The Alaska Housing Finance Corporation's FY2017 financial statement audits for the Northern Tobacco Securitization Corporation and the Alaska Housing Capital Corporation were not completed timely. **<u>Status/corrective action planned/reasons for no further action:</u>** This audit finding was fully corrected.
Finding Number: **2017-078** Fiscal Year: **2017** Initial Finding Year: **2017** State Agency: **AAC** **Financial statement finding**	**Prior Audit Finding:** The Alaska Aerospace Corporation's FY2017 financial statement audit was not completed timely. **<u>Status/corrective action planned/reasons for no further action:</u>** This audit finding was fully corrected. As of September 7, 2018, the FY2018 financial statement audit is on track to be completed by the deadline of October 1, 2018.

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SECTION IV – CORRECTIVE ACTION PLAN

THE STATE of ALASKA
GOVERNOR MICHAEL J. DUNLEAVY

Department of Administration
OFFICE OF THE COMMISSIONER
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May 6, 2019

Kris Curtis, CPA, CISA
Legislative Auditor
Legislative Budget and Audit Committee
Division of Legislative Audit
PO Box 113300
Juneau, AK 99811-3300

RECEIVED
MAY 06 2019
LEGISLATIVE AUDIT

Dear Ms. Curtis:

RE: FY 2018 Confidential Preliminary Audit, Department of Administration (DOA)

This is in response to Recommendations in the FY 2018 State of Alaska Single Audit.

Recommendation No. 1

DOA's state accountant ensure procedures are updated timely to accurately report CBRF and SBRF financial activity including the presentation of the repayment required by Article IX, Section 17(d) of the Alaska Constitution. The revised procedures for the calculation of the draw from the CBRF to the general fund should provide detail on the specific components of the calculation and an annual evaluation of the methodology for changes.

Agency Response: DOA/DOF Agrees with this finding

The procedures for the CBRF sweep are being reviewed and will be updated to include the specific components used in the calculation of the draw and to include instructions for analysis of the methodology for any needed changes.

It is anticipated the completion date is August 31, 2019.

Agency Contact: Katina Holmberg

Recommendation No. 2

DOF's director should implement strong system configuration management controls over the accounting and reporting systems.

Agency Response: DOA/DOF Agrees with this finding

As DOF goes through the upgrade to the accounting system, procedures will be developed for configuration management, ensuring configuration changes are documented as being tested, approved, and placed into production.

It is anticipated the completion will be the last quarter of FY2020 when the accounting system goes live.

Agency Contact: Dan DeBartolo

Recommendation No. 3

DOF's director should improve the State's payroll system controls.

Agency Response: DOA/DOF Agrees with this finding

This finding addressed three different issues. Two of the issues have been resolved with database reports being distributed to the departments and with a data fix. The remaining item will be fully resolved with the upgrade to the accounting system.

It is anticipated the completion will be the last quarter of FY2020 when the accounting system goes live.

Agency Contact: Dan DeBartolo

Recommendation No. 4

DOF's director should strengthen logical access controls over logical access to the accounting system.

Agency Response: DOA/DOF Agrees with this finding

Monitoring and backup procedures have been finalized and have been implemented.

Corrective action was completed July 2018.

Agency Contact: Dan DeBartolo

Recommendation No. 5

DOA's DOF director should amend DOF's agreement with the IRIS contractor to require the contractor provide an annual independent report on internal controls consistent with best practices and the State's RFP directives. Additionally, the director should develop internal control procedures to evaluate the results of those examinations.

Agency Response: DOA/DOF Agrees with this finding

DOF will work with OIT to ensure all necessary security policy elements are included as well as a provision for an annual Statement of Attestation Engagement Report from the vendor. We plan to reopen contract discussions with the vendor to ensure future IRIS upgrade and support roles are clear and we intend to include stronger language in the contract that requires documentation on internal control.

Contracts are expected to be completed by August 2019.

Agency Contact: Dan DeBartolo

Recommendation No. 6

DOA's state accountant should review and improve procedures to ensure revenues are consistently and accurately classified. Additionally, supporting documentation of revenue classifications should be maintained.

Agency Response: DOA/DOF Agrees with this finding

Accounting Services will update procedures to include all areas of difficulty found during the FY18 CAFR audit. Staff permitting, the same accountant will perform these functions for the FY19 CAFR while walking through the procedures to ensure they are adequate. If it is not possible for the same staff to perform the duties the Accounting Services supervisor will assist in the performance and review of the procedures.

Procedures are expected to be updated by August 31, 2019.

Agency Contact: Katina Holmberg

Recommendation No. 7

DOA's state accountant should improve procedures to ensure accurate reporting of capital assets in the annual CAFR. Procedures should include monitoring of agency capital assets during CAFR preparation so questionable items can be timely followed up with agencies and corrected.

Agency Response: DOA/DOF Agrees with this finding

Capital asset procedures are being developed to address the new process of reporting capital assets in IRIS-FIN. Various analytical reviews will be included in the procedures to help mitigate the errors that occurred during FY18.

Procedures are expected to be completed by August 31, 2019.

Agency Contact: Katina Holmberg

Recommendation No. 8

DOA's state accountant should improve procedures ensure that the calculation of deferred in flows of resources is accurately reported and properly supported.

Agency Response: DOA/DOF Agrees with this finding

Accounting Services will update procedures to include all areas of difficulty found during the FY18 CAFR audit. Staff permitting, the same accountant will perform these functions for the FY19 CAFR while walking through the procedures to ensure they are adequate. If it is not possible for the same staff to perform the duties the Accounting Services supervisor will assist in the performance and review of the procedures.

Procedures are expected to be updated by August 31, 2019.

Agency Contact: Katina Holmberg

Recommendation No. 9

DOA's state accountant should improve procedures to ensure governmental activities net position related to long-term debt is accurately reported in the CAFR's government-wide Statement of Net Position.

Agency Response: DOA/DOF Agrees with this finding

Accounting Services will update procedures to include all areas of difficulty found during the FY18 CAFR audit. The Accounting Services supervisor will assist the staff performing these duties for the FY 19 CAFR.

Procedures are expected to be completed by August 31, 2019.

Agency Contact: Katina Holmberg

Recommendation No. 10

DRB’s CFO should improve procedures to ensure financial statement audits of the penson and health funds are performed timely.

Agency Response: DOA/DRB Agrees with this finding

The Division is working with the Department of Military and Veterans’ Affairs (DMVA) to determine the best source of census information, and how best to obtain those in a timely manner for the external audit. Additionally, the information provided is used to prepare the bi-annual actuarial valuation reports and is needed to prepare GASB 67 / 68 reports for the audited financial statements and the State’s CAFR. The Division will continue to work with DMVA to provide accurate and timely data to the necessary parties.

In anticipation of meeting the required modified deadline from the Division of Finance (DOF) of October 15, 2019, DRB has made modifications to our audit schedule for fiscal year 2019 audited reports for all plans. The Division will have meetings with the external auditors to make certain deadlines are met, progress on audits is moving as scheduled, and final reports are issued per DOF’s deadlines.

The modified audit schedule is already been completed. Additionally, the Division has issued a Request for Proposal for external audit work and have included the modified deadline of October 15 for final reports.

Agency Contact: Kevin Worley

Recommendation No. 11

DRB's CFO should ensure the audited schedules of employer and non-employer OPEB allocations for PERS and TRS are provided timely to participating employers.

Agency Response: DOA/DRB Agrees with this finding

In anticipation of meeting reporting deadlines for users of these schedules, DRB has made modifications to our audit schedule for fiscal year 2019. The Division will have meetings with the external auditors to make certain deadlines are met, progress on audits is moving as scheduled, and final reports are issued per DOF's deadlines.

The modified audit schedule has already been developed. Additionally, the Division has issued a Request for Proposal for external audit work and have included the deadline of December 31 for final audited schedules.

Agency Contact: Kevin Worley

Recommendation No. 12

DOA's OIT chief information officer should allocate staff resources to properly account for capital assets owned by the ISF.

Agency Response: DOA/OIT Agrees with this finding

OIT is currently working on the reconciliation of assets between IRIS and FASGOV. OIT has prepared a 10-year reconciliation worksheet between CAFR and our internal asset inventory listing. We are verifying assets in FY18 to help support a reconciling entry in IRIS. OIT is dedicating additional staff and time into Anchorage inventory and control process through this fiscal year close. OIT will enter/remove the assets in FASGOV once identified and complete the correct transaction in IRIS to reduce the asset value.

OIT expects to complete this by October of 2019.

Agency Contact: Blessy Roberts

Recommendation No. 13

DOF's director should develop and implement ALDER 2.0 training classes and a comprehensive reference manual to ensure State agencies' fiscal personnel using ALDER 2.0 are properly trained.

Agency Response: DOA/DOF Agrees with this finding

One of the priorities of the incumbent in the newly created training position is developing ALDER training class, videos, and instructions. Training materials for the ALDER 100 and 101 courses have been developed and posted to the DOF website.

Videos to accompany the ALDER 100 and 101 videos are anticipated to be completed by May 2019. Training classes and instructions for report developers is expected to begin July 2019.

Agency Contact: Katina Holmberg

Recommendation No. 14

SOA's OIT chief information officer should work with DOR's director , with oversight over the referenced system, to strengthen internal controls.

Agency Response: DOA/OIT Agrees with this finding

Corrective actions have been taken to address the security weaknesses identified.

OIT expects to complete this by May 2019.

Agency Contact: Russell Kunibe

Recommendation No. 58

DOA's DOP director and DNR's Division of Forestry deputy director should work together to improve timesheet processing procedures for the USFS Fire Suppression Program.

Agency Response: DOA/DOP Agrees with this finding

DNR has implemented documenting time on their timesheets in accordance with the Collective Bargaining unit agreements. With clearly documented time on timesheets, it will assist in the manual calculation processes, which in turn assists with the certification process. DOA-DOPLR will also implement additional timesheet processing and certification training specific to DNR-Forestry for the upcoming fire season.

This was completed April 30, 2019

Agency Contacts: Rachel Atkinson – Human Resource Consultant V (DOA-DOPLR)
Joel Del Rosario – Administrative Operations Manager I (DNR)

Sincerely,

KTshibaka

Kelly Tshibaka
Commissioner of Administration

Single Audit Corrective Action Plan

Finding 2018-001: Testing of the FY 18 draft Comprehensive Annual Financial Report (CAFR) identified the year-end draw from the Constitutional Budget Reserve Fund to the general fund was not accurately calculated, including the repayment presentation required by Article IX, Section 17(d) of the Alaska Constitution.

Agency Agreement (state whether your agency agrees or disagrees with the finding):

Division of Finance agrees with this finding.

Corrective Action (corrective action planned):

The procedures for the CBRF sweep are being reviewed and will be updated to include the specific components used in the calculation of the draw and to include instructions for analysis of the methodology for any needed changes.

Completion Date (list anticipated completion date):

Anticipated completion date is August 31, 2019.

Agency Contact (name of person responsible for corrective action):

Katina Holmberg

Single Audit Corrective Action Plan

Finding 2018-002: Division of Finance's (DOF) director has not developed and implemented a comprehensive policy for configuration management of its accounting and reporting systems.

Agency Agreement (state whether your agency agrees or disagrees with the finding):

Division of Finance agrees with this finding.

Corrective Action (corrective action planned):

As DOF goes through the upgrade to the accounting system, procedures will be developed for configuration management, ensuring configuration changes are documented as being tested, approved, and placed into production.

Completion Date (list anticipated completion date):

The accounting system is estimated to go live in the last quarter FY 20.

Agency Contact (name of person responsible for corrective action):

Dan DeBartolo

Single Audit Corrective Action Plan

Finding 2018-003: An evaluation of the Department of Administration's (DOA) State payroll system controls identified several internal control weaknesses.

Agency Agreement (state whether your agency agrees or disagrees with the finding):

Division of Finance agrees with this finding.

Corrective Action (corrective action planned):

This finding addressed three different issues. Two of the issues have been resolved with database reports being distributed to the departments and with a data fix. The remaining item will be fully resolved with the upgrade to the accounting system.

Completion Date (list anticipated completion date):

The accounting system is estimated to go live in the last quarter of FY20.

Agency Contact (name of person responsible for corrective action):

Dan DeBartolo

Single Audit Corrective Action Plan

Finding 2018-004: Internal control weaknesses were identified over logical access to DOA's State accounting system.

Agency Agreement (state whether your agency agrees or disagrees with the finding):

Division of Finance agrees with this finding.

Corrective Action (corrective action planned):

Monitoring and backup procedures have been finalized and have been implemented.

Completion Date (list anticipated completion date):

Corrective action was completed in July 2018.

Agency Contact (name of person responsible for corrective action):

Dan DeBartolo

Single Audit Corrective Action Plan

Finding 2018-005: DOF's director lacks needed assurance over the IRIS contractor's internal control procedures and processes.

Agency Agreement (state whether your agency agrees or disagrees with the finding):

Division of Finance agrees with this finding.

Corrective Action (corrective action planned):

DOF will work with OIT to ensure all necessary security policy elements are included as well as a provision for an annual Statement of Attestation Engagement Report from the vendor. We plan to reopen contract discussions with the vendor to ensure future IRIS upgrade and support roles are clear and we intend to include stronger language in the contract that requires documentation on internal control.

Completion Date (list anticipated completion date):

Contracts are expected to be completed by August 2019.

Agency Contact (name of person responsible for corrective action):

Dan DeBartolo

Single Audit Corrective Action Plan

Finding 2018-006: Government-wide governmental activities revenues in the draft FY 18 Statement of Activities contained numerous classification errors.

Agency Agreement (state whether your agency agrees or disagrees with the finding):

Division of Finance agrees with this finding

Corrective Action (corrective action planned):

Accounting Services will update procedures to include all areas of difficulty found during the FY18 CAFR audit. Staff permitting, the same accountant will perform these functions for the FY19 CAFR while walking through the procedures to ensure they are adequate. If it is not possible for the same staff to perform the duties the Accounting Services supervisor will assist in the performance and review of the procedures.

Completion Date (list anticipated completion date):

Procedures are expected to be updated by August 31, 2019.

Agency Contact (name of person responsible for corrective action):

Katina Holmberg

Single Audit Corrective Action Plan

Finding 2018-007: The capital asset accounts on the draft FY 18 government-wide governmental activities Statement of Net Position and related footnote five contained multiple significant errors.

Agency Agreement (state whether your agency agrees or disagrees with the finding):

Division of Finance agrees with this finding.

Corrective Action (corrective action planned):

Capital asset procedures are being developed to address the new process of reporting capital assets in IRIS-FIN. Various analytical reviews will be included in the procedures to help mitigate the errors that occurred during FY18.

Completion Date (list anticipated completion date):

Procedures are expected to be completed by August 31, 2019.

Agency Contact (name of person responsible for corrective action):

Katina Holmberg

Single Audit Corrective Action Plan

Finding 2018-008: General fund revenues and deferred inflows of resources were significantly misstated in the FY 18 draft CAFR.

Agency Agreement (state whether your agency agrees or disagrees with the finding):

Division of Finance agrees with this finding.

Corrective Action (corrective action planned):

Accounting Services will update procedures to include all areas of difficulty found during the FY18 CAFR audit. Staff permitting, the same accountant will perform these functions for the FY19 CAFR while walking through the procedures to ensure they are adequate. If it is not possible for the same staff to perform the duties the Accounting Services supervisor will assist in the performance and review of the procedures.

Completion Date (list anticipated completion date):

Procedures are expected to be updated by August 31, 2019.

Agency Contact (name of person responsible for corrective action):

Katina Holmberg

Single Audit Corrective Action Plan

Finding 2018-009: DOF accountants did not properly classify net position related to long-term debt in the draft FY 18 government-wide governmental activities Statement of Net Position.

Agency Agreement (state whether your agency agrees or disagrees with the finding):

Division of Finance agrees with this finding.

Corrective Action (corrective action planned):

Accounting Services will update procedures to include all areas of difficulty found during the FY18 CAFR audit. The Accounting Services supervisor will assist the staff performing these duties for the FY19 CAFR.

Completion Date (list anticipated completion date):

Procedures are expected to be completed by August 31, 2019.

Agency Contact (name of person responsible for corrective action):

Katina Holmberg

Single Audit Corrective Action Plan

Finding 2018-010: The audit of the Alaska National Guard and Alaska Naval Militia Retirement System FY 18 financial statements could not be completed by an outside auditor. Additionally, FY 18 financial statement audits for the Deferred Compensation Plan, Supplemental Benefits System, Public Employees Retirement System (PERS), Judicial Retirement System, Teachers Retirement System (TRS), and Group Health and Life Fund were received on November 21, 2018, approximately seven weeks after the audits were required to be submitted to DOF. The Retiree Health Fund audit was issued December 5, 2018, approximately nine weeks late.

Agency Agreement (state whether your agency agrees or disagrees with the finding):

The Division of Retirement and Benefits agrees with this finding.

Corrective Action (corrective action planned):

The Division is working with the Department of Military and Veterans' Affairs (DMVA) to determine the best source of census information, and how best to obtain those in a timely manner for the external audit. Additionally, the information provided is used to prepare the bi-annual actuarial valuation reports, and is needed to prepare GASB 67 / 68 reports for the audited financial statements and the State's CAFR. The Division will continue to work with DMVA to provide accurate and timely data to the necessary parties. In anticipation of meeting the required modified deadline from the Division of Finance (DOF) of October 15, 2019, DRB has made modifications to our audit schedule for fiscal year 2019 audited reports for all plans. The Division will have meetings with the external auditors to make certain deadlines are met, progress on audits is moving as scheduled, and final reports are issued per DOF's deadlines.

Completion Date (list anticipated completion date):

The modified audit schedule is already been completed. Additionally, the Division has issued a Request for Proposal for external audit work and have included the modified deadline of October 15 for final reports.

Agency Contact (name of person responsible for corrective action):

Kevin Worley, Chief Financial Officer

Single Audit Corrective Action Plan

Finding 2018-011: DOA's Division of Retirement and Benefits chief financial officer failed to issue the audited schedules of employer and non-employer other postemployment benefits allocations for PERS and TRS in a timely manner.

Agency Agreement (state whether your agency agrees or disagrees with the finding):

The Division of Retirement and Benefits agrees with this finding.

Corrective Action (corrective action planned):

In anticipation of meeting reporting deadlines for users of these schedules, DRB has made modifications to our audit schedule for fiscal year 2019. The Division will have meetings with the external auditors to make certain deadlines are met, progress on audits is moving as scheduled, and final reports are issued per DOF's deadlines.

Completion Date (list anticipated completion date):

The modified audit schedule has already been developed. Additionally, the Division has issued a Request for Proposal for external audit work and have included the deadline of December 31 for final audited schedules.

Agency Contact (name of person responsible for corrective action):

Kevin Worley, Chief Financial Officer

Single Audit Corrective Action Plan

Finding 2018-012: DOA's Office of Information Technology (OIT) accounting staff have not reconciled the Information Services Fund asset tracking system to the State accounting system.

Agency Agreement (state whether your agency agrees or disagrees with the finding):

OIT agrees with the finding.

Corrective Action (corrective action planned):

OIT is currently working on the reconciliation of assets between IRIS and FASGOV. OIT has prepared a 10-year reconciliation worksheet between CAFR and our internal asset inventory listing. We are verifying assets in FY18 to help support a reconciling entry in IRIS. OIT is dedicating additional staff and time into Anchorage inventory and control process through this fiscal year close. OIT will enter/remove the assets in FASGOV once identified and complete the correct transaction in IRIS to reduce the asset value.

Completion Date (list anticipated completion date):

We expect to complete this by October of 2019.

Agency Contact (name of person responsible for corrective action):

Blessy Robert, Accountant V

Single Audit Corrective Action Plan

Finding 2018-013: During FY 18, DOF management did not provide training to support State agencies' use of the ALDER 2.0 system.

Agency Agreement (state whether your agency agrees or disagrees with the finding):

Division of Finance agrees with this finding.

Corrective Action (corrective action planned):

One of the priorities of the incumbent in the newly created training position is developing ALDER training class, videos, and instructions. Training materials for the ALDER 100 and 101 courses have been developed and posted to the DOF website.

Completion Date (list anticipated completion date):

Videos to accompany the ALDER 100 and 101 videos are anticipated to be completed by May 2019. Training classes and instructions for report developers is expected to begin July 2019.

Agency Contact (name of person responsible for corrective action):

Katina Holmberg

Single Audit Corrective Action Plan

Finding 2018-014: An evaluation of OIT's information technology controls identified security weaknesses in relation to a Department of Revenue system.

Agency Agreement (state whether your agency agrees or disagrees with the finding):

OIT agrees with finding

Corrective Action (corrective action planned):

Corrective actions have been taken to address the security weaknesses identified.

Completion Date (list anticipated completion date):

We expect this to be completed May 2019.

Agency Contact (name of person responsible for corrective action):

Russell Kunibe, Chief Technology Officer

Single Audit Corrective Action Plan

Finding 2018-058: The Department of Administration's Division of Personnel management lacks adequate review procedures over the manual calculations necessary for processing DNR's Division of Forestry timesheets.

Questioned Costs: None

CFDA Number: 10.U08, 10.U09, 10.U10

CFDA Name: USFS Fire Suppression

Agency Agreement (state whether your agency agrees or disagrees with the finding):

The Department of Administration – Division of Personnel and Labor Relations (DOA-DOPLR) agrees to the findings.

Corrective Action (corrective action planned):

DNR has implemented documenting time on their timesheets in accordance with the Collective Bargaining unit agreements. With clearly documented time on timesheets, it will assist in the manual calculation processes, which in turn assists with the certification process. DOA-DOPLR will also implement additional timesheet processing and certification training specific to DNR-Forestry for the upcoming fire season.

Completion Date (list anticipated completion date):

April 30th, 2019

Agency Contact (name of person responsible for corrective action):

Rachel Atkinson – Human Resource Consultant V (DOA-DOPLR) Joel Del Rosario – Administrative Operations Manager I (DNR)

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THE STATE of ALASKA
GOVERNOR MICHAEL J. DUNLEAVY

Department of Revenue
OFFICE OF THE COMMISSIONER

PO Box 110400
Juneau, Alaska 99811-0400
Main: 907.465.2300
Fax: 907.465.2389

April 22, 2019

Alaska State Legislature
Legislative Budget and Audit Committee
Division of Legislative Audit
P.O. Box 113300
Juneau, AK 99811

RECEIVED
MAY 06 2019
LEGISLATIVE AUDIT

Dear Division of Legislative Audit:

We are submitting this letter in response to your letter on April 12, 2019 describing the four FY18 audit findings for the Department of Revenue.

Our responses are submitted below on the required template provided by your office. Thank you for your consideration.

Single Audit Corrective Action Plan

Finding 2018-015: Revenues eligible for transfer to the Constitutional Budgetary Reserve Fund (CBRF) were not transferred during FY 18 and revenues that should have remained in the CBRF were moved to the general fund.

Agency Agreement (state whether your agency agrees or disagrees with the finding):

Disagrees – The department continues to rely on the legal analysis conducted by the Attorney General's office in 2018 which concluded that payments related to the FERC settlements were not to be transferred to the CBRF.

Corrective Action (corrective action planned):

N/A

Completion Date (list anticipated completion date):

N/A

Agency Contact (name of person responsible for corrective action):

Colleen Glover, Tax Division Director

Single Audit Corrective Action Plan

Finding 2018-016: DOR's FY 18 year-end adjusting entry to properly report interest and penalties remitted with taxes was not calculated correctly.

Agency Agreement (state whether your agency agrees or disagrees with the finding):

Agrees

Corrective Action (corrective action planned):

The Tax Division realizes that we did not have the proper controls in place to accurately complete this year-end adjustments after losing key personnel. Although we now have personnel in place that can do this work, we will be prepared in case we are faced with this situation again. The corrective action includes writing detailed procedures for both the Accountant who should do this entry and the Supervisor who reviews the work. These procedures will be completed and tested by multiple individuals by June 30, 2019.

Completion Date (list anticipated completion date):

June 30, 2019

Agency Contact (name of person responsible for corrective action):

Colleen Glover, Tax Division Director

Single Audit Corrective Action Plan

Finding 2018-017: There was no evidence that supervisory review of DOR's Schedule of Expenditures of Federal Awards (SEFA) was performed prior to submission. In addition, DOR's instructions for SEFA preparation included report filters that were not accurate for financial reporting.

Agency Agreement (state whether your agency agrees or disagrees with the finding):

Agrees

Corrective Action (corrective action planned):

The Finance Office will revise the instructions to include the correct report parameters for fiscal year and budget fiscal year. A checklist will be added to the instructions to ensure supervisory review.

Completion Date (list anticipated completion date):

Instructions were updated January 25, 2019

Agency Contact (name of person responsible for corrective action):

Brad Ewing, Administrative Services Director

Single Audit Corrective Action Plan

Finding 2018-018: A DOR information technology system has internal control weaknesses.

Agency Agreement (state whether your agency agrees or disagrees with the finding):

Agrees

Corrective Action (corrective action planned):

The task associated with this internal control weakness has been reassigned.

Completion Date (list anticipated completion date):

Completed July 2018

Agency Contact (name of person responsible for corrective action):

Colleen Glover, Tax Division Director

Sincerely,

Bruce Tangeman
Commissioner

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THE STATE of ALASKA

GOVERNOR MICHAEL J. DUNLEAVY

Department of Education & Early Development

OFFICE OF THE COMMISSIONER

801 West Tenth Street, Suite 200
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Juneau, Alaska 99811-0500
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Fax: 907.465.4156

RECEIVED
APR 2 3 2019
LEGISLATIVE AUDIT

April 22, 2019

Kris Curtis, Legislative Auditor
Division of Legislative Audit
P.O. Box 113300
Juneau, AK 99811-3300

Dear Ms. Curtis:

The Department of Education & Early Development (DEED) appreciates the opportunity to respond to the audit recommendations in the confidential preliminary audit report of the State of Alaska, Statewide Single Audit for the Fiscal Year Ended June 30, 2018.

Enclosed are the corrective action plan forms for each of the three findings addressed in the preliminary report.

The department appreciates these being brought to our attention and we welcome the opportunity to correct them and ensure compliance.

Sincerely,

Dr. Michael Johnson
Commissioner

Enclosure

Single Audit Corrective Action Plan

Finding 2018-019: Department of Education and Early Development (DEED) staff did not submit an amended FNS-10 90-day report for December 2017 to report meal count revisions that caused the State's funding level to change by more than .5 percent.

Questioned Costs: None

CFDA Number: 10.553, 10.555

CFDA Name: Child Nutrition Cluster

Agency Agreement (state whether your agency agrees or disagrees with the finding):

The department partially agrees with Finding 2018-019.

Corrective Action (corrective action planned):

The department agrees that immediate submission of an amended FNS-10 90-day report when meal count revisions result in a more than .5 percent change to funding levels did not occur. However, no changes to the department's procedures have been determined necessary as USDA issued policy memo SP20 – 2018 on September 14, 2018 (see attached) modifying the requirement for immediate revised reporting be for adjustments resulting in a "significant increase or decrease to the number of meals served". The December 2017 FNS-10 90-day report was updated as part of the department's annual reconciliation.

Completion Date (list anticipated completion date):

September 14, 2018

Agency Contact (name of person responsible for corrective action):

Heidi Teshner, Division Director

Single Audit Corrective Action Plan

Finding 2018-020: Twelve of 17 USDA FY 18 federal draws tested were not reviewed by DEED staff for accuracy prior to submission.

Questioned Costs: None

CFDA Number: 10.553, 10.555

CFDA Name: Child Nutrition Cluster

Agency Agreement (state whether your agency agrees or disagrees with the finding):

The department agrees with Finding 2018-020.

Corrective Action (corrective action planned):

After a federal monitoring, USDA notified the department on February 20, 2018 identifying draw procedures as insufficient. The department's written procedures were updated to add an additional review prior to submission of the draw file. Review is completed by an Administrative Services staff member not otherwise involved in preparation or submission of the USDA draw and documented by initialing and dating the draw file.

Completion Date (list anticipated completion date):

April 2018

Agency Contact (name of person responsible for corrective action):

Heidi Teshner, Division Director

Single Audit Corrective Action Plan

Finding 2018-021: DEED management did not withhold State funds from a school district that was significantly late in filing an FY 17 audit as required by State law.

Agency Agreement (state whether your agency agrees or disagrees with the finding):

The department agrees with Finding 2018-021.

Corrective Action (corrective action planned):

In the future, the department will ensure that adequate documentation is maintained to show "cash flow shortfall of a district" and commissioner approval for any payments made to districts under AS 14.17.610(c). In addition, the department will ensure that for any payments made after November 15, without a submitted audit, that all required documentation showing that the circumstances resulting in the late audit submission were outside the district's control are on file.

Completion Date (list anticipated completion date):

December 2018

Agency Contact (name of person responsible for corrective action):

Heidi Teshner, Division Director

THE STATE of ALASKA

GOVERNOR MICHAEL J. DUNLEAVY

Department of Health and Social Services

OFFICE OF THE COMMISSIONER

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May 09, 2019

Ms. Kris Curtis, CPA, CISA
Legislative Auditor
Division of Legislative Audit
P.O. Box 113300
Juneau, AK 99811-3300

Dear Ms. Curtis,

RE: Confidential Preliminary Audit Report, State of Alaska, Single Audit for the Fiscal Year Ended June 30, 2018.

The Department of Health and Social Services (DHSS) appreciates the opportunity to review and evaluate the audit report with the associated recommendations as shared in your confidential audit report. Below are the department's responses for each of the recommendations.

Finding 2018-022: There was no evidence that supervisory review of the Department of Health and Social Services' (DHSS) Schedule of Expenditures of Federal Awards (SEFA) was performed prior to submission to the Department of Administration. In addition, there was no evidence the federal expenditure data reported in the SEFA was verified for completeness.

Agency Agreement (state whether your agency agrees or disagrees with the finding):

DHSS concurs with the finding.

Corrective Action (corrective action planned):

DHSS concurs with the finding. The FMS Finance Officer is developing customized written procedures to supplement the ones provided by the Division of Finance and that document the steps employed in the preparation of the DHSS SEFA. The procedures include steps to strengthen the transparency of the review and data verification processes completed prior to submitting the report. The department anticipates this finding will be resolved in SFY 2019.

Completion Date (list anticipated completion date):

SFY 2019

Agency Contact (name of person responsible for corrective action):

Sana P. Efird, Assistant Commissioner

Finding 2018-023: Review of FY 18 personal service expenditures identified multiple instances of noncompliance. The audit tested one judgmentally selected timesheet and 80 randomly selected timesheets. Two of 20 Temporary Assistance for Needy Families (TANF) timesheets and five of 34 Child Care and Development Fund (CCDF) timesheets directly charging costs to federal programs lacked adequate supporting documentation, including two that did not fully comply with DHSS' federally approved Public Assistance Cost Allocation Plan (PACAP). In addition, two of 27 timesheets allocating costs to multiple federal programs did not fully comply with the PACAP.

Questioned Costs:
CFDA 93.575: $93,087
CFDA 93.558: $150,073
CFDA 93.778: $12,462
CFDA 93.767: $3,633

CFDA Numbers: 93.558 and 93.575, 93.596 and 93.775, 93.777, 93.778, and 93.767

CFDA Names: Temporary Assistance for Needy Families Cluster, Child Care and Development Fund Cluster, Medicaid Cluster, Children's Health Insurance Program

Agency Agreement (state whether your agency agrees or disagrees with the finding):

DHSS partially concurs with the finding.

Corrective Action (corrective action planned):

The Division of Public Assistance (DPA) is strengthening its training for administrative staff to verify all payroll coding and processes to expand monitoring. The agency does not concur that a PACAP amendment is necessary for those staff providing clerical support outside their normal assigned duties and using the random moment time study methodology when recording this time worked. The staff used positive time keeping procedures when reporting the time worked as clerical support in accordance with their respective sections of chapter VII and used the appropriate allocation of DPA-11 so their clerical support activities would be correctly charged to the multiple benefitting federal and state programs.

Completion Date (list anticipated completion date):

DHSS anticipates this finding will be resolved in FY2019.

Agency Contact (name of person responsible for corrective action):

Sana P. Efird, Assistant Commissioner

Finding 2018-024: Six of 60 Medicaid claim lines tested and eight of 60 Children's Health Insurance Program claim lines tested were paid at rates higher than regulations allowed for professional services claim types.

Questioned Costs:
CFDA 93.778: $9,070,584
CFDA 93.767: $435,160

CFDA Number: 93.775, 93.777, 93.778 and 93.767

CFDA Name: Medicaid Cluster, Children's Health Insurance Program

Agency Agreement (state whether your agency agrees or disagrees with the finding):

DHSS concurs with the finding.

Corrective Action (corrective action planned):

The Division of Health Care Services (HCS) identified and self-reported the rate reduction associated with the Resource Based Relative Value Scale (RBRVS) in June of 2018. Corrective action was initiated within one week of identifying the error and a root cause analysis completed followed by the implementation of processes and procedures to ensure future regulation changes that affects the Medicaid program are monitored from the beginning of the process to the end followed up with claims testing to ensure the changes are implemented correctly. A share point site has also been set up and the discussions have been incorporated into the Medicaid Director's monthly meetings and the agency has been assisting providers on repayment agreements or assessing whether hardship criteria are applicable. The questioned costs have been refunded.

Completion Date (list anticipated completion date):

SFY 2019

Agency Contact (name of person responsible for corrective action):

Sana P. Efird, Assistant Commissioner

Finding 2018-025: Testing of 60 Medicaid recipients who received Medicaid benefits during FY 18 identified eight renewal applications were not processed within 12 months as required by federal regulation. Furthermore, documentation was not available to support the recertification of one Medicaid recipient.

Questioned Costs: None

CFDA Number: 93.775, 93.777, 93.778

CFDA Name: Medicaid Cluster

Agency Agreement (state whether your agency agrees or disagrees with the finding):

DHSS concurs with the finding.

Corrective Action (corrective action planned):

DPA continues to update ARIES and collaborate with the department's information technology section to implement an electronic document management system to automate access to case documentation and improve processing timelines of eligibility determinations and/or redeterminations.

Completion Date (list anticipated completion date):

DHSS anticipates this finding will be resolved in FY2020.

Agency Contact (name of person responsible for corrective action):

Sana P. Efird, Assistant Commissioner

Finding 2018-026: DHSS information technology (IT) staff did not perform biennial system security reviews of the Eligibility Information System (EIS) during FY 18.

Questioned Costs: None

CFDA Number: 93.775, 93.777, 93.778

CFDA Name: Medicaid Cluster

Agency Agreement (state whether your agency agrees or disagrees with the finding):

DHSS concurs with the finding.

Corrective Action (corrective action planned):

FMS Information Technology Services, in collaboration with the Director of Public Assistance have prioritized the EIS security reviews to ensure the security plan is updated and maintained on an on-going basis. Completion of the security plan is dependent on the cooperation of the State of Alaska Office of Information Technology who manages and operates the State Mainframe infrastructure that host EIS.

Completion Date (list anticipated completion date):

SFY 2019

Agency Contact (name of person responsible for corrective action):

Sana P. Efird, Assistant Commissioner

Finding 2018-027: DHSS' IT staff did not properly limit user access to EIS during FY 18.

Questioned Costs: None

CFDA Number: 93.558 and 93.775, 93.777, 93.778

CFDA Name: TANF Cluster, Medicaid Cluster

Agency Agreement (state whether your agency agrees or disagrees with the finding):

DHSS partially concurs with the finding

Corrective Action (corrective action planned):

FMS Information Technology Services, in collaboration with the Director of Public Assistance, is evaluating the internal controls associated with EIS authorized access. The agency has strengthened and/or implemented internal controls or processes. Prior to the state payroll conversion to the Human Resource Management (HRM) system the department had access to an ALDER report with year-to-date personnel changes and it was a critical resource relied on by the department to successfully identify employee changes in a timely and cost effective manner. A similar report has not yet been made available by payroll services of the Department of Administration (DOA) and since the department has over 3,000 employees this report is key to comply with ISP 171 section 5.4.3. Changing and Disabling/Removing User Accounts.

Other corrective action being implemented includes verification of third party access agreements, including any memorandum of understanding (MOU); strengthening departmental policy by establishing a one year limit with a reauthorization requirement for third party users; formalizing notification procedures and account profile selection; and pursuing the clean-up of existing accounts.

Completion Date (list anticipated completion date):

SFY 2019

Agency Contact (name of person responsible for corrective action):

Sana P. Efird, Assistant Commissioner

Finding 2018-028: Four of the 40 TANF applications tested (10 percent) were not processed within 30 days. Additionally, 21 of 40 (53 percent) TANF recipient case files tested lacked documentation supporting the request and use of the income and benefit information through the Income Eligibility and Verification System for determining eligibility and benefits.

Eight eligibility errors were identified in testing a random sample of 40 FY 18 TANF recipient applications including:

- One recipient exceeded the resource limit, but was classified as eligible and inappropriately received one month of TANF benefits.
- One recipient reported an income change which was not processed timely resulting in the recipient inappropriately receiving four additional months of TANF benefits.
- Two recipients reported on their applications they were not U.S. citizens. The recipients' case files lacked evidence the eligibility technician verified the applicants' immigration status.
- Four recipients had not completed the required child support section of the applications. The recipients' case files lacked the required signed 1603 Child Support Information form.

Questioned Costs: Known questioned costs of $1,072 and likely questioned costs exceeding $25,000.

CFDA Number: 93.558

CFDA Name: Temporary Assistance for Needy Families Cluster

Agency Agreement (state whether your agency agrees or disagrees with the finding):

DHSS concurs with the finding.

Corrective Action (corrective action planned):

DPA continues to strengthen the processes and procedures for administrating eligibility determinations with two different eligibility systems. In addition to agency updates to ARIES, DPA is collaborating with the department's information technology section to implement an electronic document management system to automate access to case documentation and improve processing timelines of eligibility determinations and/or redeterminations.

DPA is also under new leadership. The new director is making compliance and training one of the priorities to be addressed. Efforts are already being made to expand the training program and to align ongoing training of existing staff with compliance requirements as well as policy changes. The agency is also strengthening its business strategies to offset or reduce the adverse impact associated with high annual staff turnover exceeding 30% by addressing morale and retention as a priority through leadership training and a complete overhaul of hiring processes.

Completion Date (list anticipated completion date):

DHSS anticipates this finding will be resolved in FY2020.

Agency Contact (name of person responsible for corrective action):

Sana P. Efird, Assistant Commissioner

Finding 2018-029: The FFY 17 ACF-204 annual report was not submitted timely.

Questioned Costs: None

CFDA Number: 93.558

CFDA Name: Temporary Assistance for Needy Families Cluster

Agency Agreement (state whether your agency agrees or disagrees with the finding):

DHSS concurs with the finding.

Corrective Action (corrective action planned):

The Division of Public Assistance (DPA) is strengthening its tracking processes to ensure federal reporting responsibilities are monitored and the reports are submitted timely.

Completion Date (list anticipated completion date):

SFY 2019

Agency Contact (name of person responsible for corrective action):

Sana P. Efird, Assistant Commissioner

Finding 2018-030: Eight of 27 TANF cases tested (30 percent) had inaccurate information reported in the ACF-199 data file. Additionally, six of 27 TANF cases tested (22 percent) reported work participation activities in the ACF-199 data file that were inaccurate, unsupported, or unverified.

Questioned Costs: None

CFDA Number: 93.558

CFDA Name: Temporary Assistance for Needy Families Cluster

Agency Agreement (state whether your agency agrees or disagrees with the finding):

DHSS concurs with the finding.

Corrective Action (corrective action planned):

The Division of Public Assistance (DPA) is strengthening its processes associated with the development of the ACF-199 data file including quality assurance measures necessary for an accurate and documented audit trail.

Completion Date (list anticipated completion date):

SFY 2019

Agency Contact (name of person responsible for corrective action):

Sana P. Efird, Assistant Commissioner

Finding 2018-031: Nine calculation errors (15 percent) were identified in testing 60 FY 18 CCDF program beneficiary payments. Eligibility staff of DHSS' Child Care Program Office (CCPO) and grant subrecipient staff used incorrect pay factors (seven instances) and incorrect pay information (two instances) when determining monthly earned income.

Questioned Costs: Known questioned costs of $6,650 (CFDA 93.575) and likely questioned costs exceeding $25,000.

CFDA Number: 93.575, 93.596

CFDA Name: Child Care and Development Fund Cluster

Agency Agreement (state whether your agency agrees or disagrees with the finding):

DHSS partially concurs with the finding.

Corrective Action (corrective action planned):

The Division of Public Assistance (DPA) agrees that 7 cases are in error and partially agrees that one is in error but not with the calculations shared by legislative audit.

DPA is strengthening its training on program requirements and review processes including sub-recipient monitoring to decrease the risk of errors. The division is expanding its training program and has increased its numbers of case reviewers. The department anticipates these findings will be resolved in FY2019.

Completion Date (list anticipated completion date):

The department anticipates this finding will be resolved in SFY 2019.

Agency Contact (name of person responsible for corrective action):

Sana P. Efird, Assistant Commissioner

Finding 2018-032: FY 18 testing of 60 CCDF program beneficiaries identified five instances (eight percent) where eligibility redeterminations were performed by CCPO or subrecipient staff prior to the minimum 12 month standard required by the federal grant.

Questioned Costs: None

CFDA Number: 93.575, 93.596

CFDA Name: Child Care and Development Fund Cluster

Agency Agreement (state whether your agency agrees or disagrees with the finding):

DHSS concurs with the finding.

Corrective Action (corrective action planned):

DPA is strengthening its training and review processes to decrease the risk of errors in eligibility determinations. The division is expanding its training program and has increased its numbers of case reviewers.

Completion Date (list anticipated completion date):

The department anticipates these findings will be resolved in FY2019.

Agency Contact (name of person responsible for corrective action):

Sana P. Efird, Assistant Commissioner

Finding 2018-033: Division of Public Assistance (DPA) staff did not sufficiently monitor FY 18 subrecipients. Annual risk assessments of the six CCDF subrecipients were not performed as required by federal regulations. In addition, monitoring activities outlined in division policy and procedure manuals were not performed as required.

Questioned Costs: None

CFDA Number: 93.575, 93.596

CFDA Name: Child Care and Development Fund Cluster

Agency Agreement (state whether your agency agrees or disagrees with the finding):

DHSS partially concurs with the finding.

Corrective Action (corrective action planned):

The FMS Grants and Contracts unit, in collaboration with division program manager staff, performs a thorough review process for each grant applicant prior to award issuance. The solicitations request the following information from the applicants; history of compliance with service and grant requirements, previous experience providing the same or similar services,

demonstration of sustainable fiscal and administrative capacity with qualified executive, administrative, and financial staff, and procedures in place to protect client confidentiality. The review criteria associated with each solicitation further analyzes the requested information mentioned above in conjunction with information known to the grants administrators and program manager staff, such as; past history of performance measures, audit history and confirmation of the successful resolution of any findings, site or desk reviews, past compliance with statutes and regulations, and review of licensing and certifications.

The DHSS internal policy and procedure #250 Operating Grant Procurement Administration details the roles and responsibilities of grant program managers and grant administrators throughout the grant cycle. FMS Grants and Contracts unit agrees with the recommendation that the written procedures could define the process more clearly to specifically explain that the review the program managers are conducting encompasses the pre-award risk assessment requirements per the Uniform Guidance 2.CFR 200. The department anticipates resolving this finding by updating the aforementioned policy and procedures.

Additionally, DPA is strengthening its written procedures to incorporate staffing oversight into the policy.

Completion Date (list anticipated completion date):

The department anticipates this finding will be resolved in SFY 2019.

Agency Contact (name of person responsible for corrective action):

Sana P. Efird, Assistant Commissioner

Finding 2018-034: DPA staff did not document risk assessments for the 12 FY 18 Women, Infants, and Children (WIC) subrecipients as required by the Uniform Guidance.

Questioned Costs: None

CFDA Numbers: 10.557

CFDA Names: Special Supplemental Nutrition Program for Women, Infants, and Children

Agency Agreement (state whether your agency agrees or disagrees with the finding):

DHSS concurs with the finding.

Corrective Action (corrective action planned):

The Division of Public Assistance (DPA) is developing policies and procedures with a formal sub-award risk assessment tool.

Completion Date (list anticipated completion date):

DHSS anticipates this finding will be resolved in FY2019.

Agency Contact (name of person responsible for corrective action):

Sana P. Efird, Assistant Commissioner

Finding 2018-035: One of 20 tested FY 18 WIC cash draws did not fully comply with federal cash management requirements.

Questioned Costs: None

CFDA Numbers: 10.557

CFDA Names: Special Supplemental Nutrition Program for Women, Infants, and Children

Agency Agreement (state whether your agency agrees or disagrees with the finding):

DHSS concurs with the finding.

Corrective Action (corrective action planned):

The FMS Finance Officer will ensure staff follow established procedures when executing drawdowns.

Completion Date (list anticipated completion date):

DHSS anticipates this finding will be resolved in FY2019.

Agency Contact (name of person responsible for corrective action):

Sana P. Efird, Assistant Commissioner

Finding 2018-036: For one of four tested months, DPA staff did not perform follow-up on WIC food instruments identified as questionable items or suspected errors within 120 days of detection as required by federal regulations.

Questioned Costs: None

CFDA Numbers: 10.557

CFDA Names: Special Supplemental Nutrition Program for Women, Infants, and Children

Agency Agreement (state whether your agency agrees or disagrees with the finding):

DHSS concurs with the finding.

Corrective Action (corrective action planned):

The DPA WIC program manager will ensure staff adequately document quality assurance activities performed in accordance with procedures pertaining to WIC food instruments and compliance with the 120 day requirement.

Completion Date (list anticipated completion date):

DHSS anticipates this finding will be resolved in FY2019.

Agency Contact (name of person responsible for corrective action):

Sana P. Efird, Assistant Commissioner

Finding 2018-037: Seven potential DHSS shortfalls were identified for FY 18.

Agency Agreement (state whether your agency agrees or disagrees with the finding):

DHSS concurs with the finding.

Corrective Action (corrective action planned):

The FMS Finance Officer is developing procedures to document the steps to review and analyze Appropriations for potential shortfalls. The procedures will include the steps necessary to assess potential shortfalls in advance to mitigate future deficits and maximize revenue collections.

Completion Date (list anticipated completion date):

The department anticipates this finding will be resolved in SFY 2019.

Agency Contact (name of person responsible for corrective action):

Sana P. Efird, Assistant Commissioner

Please contact Linnea Osborne at (907) 465-6333 if you have any questions or require additional information.

Sincerely,

Sana Efird for

Adam Crum
Commissioner

CC: Sana P. Efird, Assistant Commissioner
Donna Steward, Deputy Commissioner
Albert Wall, Deputy Commissioner
Renee Gayhart, Acting Director Health Care Services
Shawnda O'Brien, Director Public Assistance
Marian Sweet, FMS Deputy Director
Linnea Osborne, Accountant V

THE STATE of ALASKA
GOVERNOR MICHAEL J. DUNLEAVY

Department of
Health and Social Services

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MEMORANDUM

DATE: May 1, 2019

TO: Tuckerman Babcock

FROM: Adam Crum, Commissioner
Department of Health & Social Services

SUBJECT: Delegation of Authority

Beginning May 4th, 2019 I will be on travel status and am delegating full signature authority as indicated below:

> Sana Efrid will assume as acting Commissioner with full decision and signature authority from May 4th – May 9th of 2019.

The effective date of this memorandum will begin May 4th as stated above. Authority delegated in this memorandum is not subject to sub-delegation and will be ineffective past the dates stated above.

cc: Amy Demboski, Deputy Chief of Staff
DHSS Division Directors
DHSS Division AOMs

THE STATE of ALASKA
GOVERNOR MICHAEL J. DUNLEAVY

Department of Labor and Workforce Development

Office of the Commissioner

Post Office Box 111149
Juneau, Alaska 99811
Main: 907.465.2700

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MAY 01 2019
LEGISLATIVE AUDIT

April 30, 2019

Kris Curtis
Legislative Auditor
Alaska State Legislature
P.O. Box 113300
Juneau, AK 99811-3300

Dear Ms. Curtis,

This letter accompanies the Department of Labor and Workforce Development (DLWD) corrective action plan for findings noted in the Division of Legislative Audit Preliminary Confidential FY 18 Statewide Single Audit Report.

As requested, enclosed with this letter is a standardized corrective action plan for each finding on agency letterhead.

Thank you for the opportunity to respond to the Confidential Preliminary Report.

Sincerely,

Dr. Tamika L. Ledbetter
Commissioner

THE STATE of ALASKA

GOVERNOR MICHAEL J. DUNLEAVY

Department of Labor and Workforce Development

Office of the Commissioner

Post Office Box 111149
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Single Audit Corrective Action Plan

Finding 2018-038: Multiple deficiencies in accounting for FY 18 unemployment compensation fund (UCF) activity were identified. Department of Labor and Workforce Development (DLWD) staff did not process an FY 18 year-end transaction to clear the UCF suspense receipts liability account. In addition, DLWD staff incorrectly recorded monthly and year-end entries to the State's accounting system for FY 18 unemployment insurance benefit expenses, fraud penalties, benefit overpayments and allowance for doubtful accounts.

Agency Agreement (state whether your agency agrees or disagrees with the finding):

DLWD agrees with the finding.

Corrective Action (corrective action planned):

DLWD accounting and administrative staff worked to resolve several prior year audit findings some of which inadvertently caused issues with other accounts. DLWD staff worked with the auditors and Division of Finance to develop necessary audit adjustments. DLWD accounting procedures for UCF activity have been strengthened to reflect the process changes, which is partially implemented now with FY 19 monthly entries to the IRIS and will be fully implemented with FY 19 year-end entries.

Completion Date (list anticipated completion date):

September 1, 2019

Agency Contact (name of person responsible for corrective action):

Rachel Paguio, Chief Financial Officer

THE STATE of ALASKA
GOVERNOR MICHAEL J. DUNLEAVY

Department of Labor and Workforce Development

Office of the Commissioner

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Single Audit Corrective Action Plan

Finding 2018-039: Control deficiencies were identified in a DLWD Information Technology (IT) system.

Agency Agreement (state whether your agency agrees or disagrees with the finding):

DLWD agrees with the finding.

Corrective Action (corrective action planned):

The finding was corrected in April 2018. DLWD strengthened IT system control deficiencies with additional supervisory review.

Completion Date (list anticipated completion date):

April 2018

Agency Contact (name of person responsible for corrective action):

Paul Hegg, Department Technology Officer

THE STATE of ALASKA

GOVERNOR MICHAEL J. DUNLEAVY

Department of Labor and Workforce Development

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Post Office Box 111149
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Single Audit Corrective Action Plan

Finding 2018-040: Control deficiencies were identified in DLWD's IT system security.

Agency Agreement (state whether your agency agrees or disagrees with the finding):

DLWD agrees with the finding.

Corrective Action (corrective action planned):

DLWD is working with a contract vendor to address control deficiencies. The contractor is currently implementing IT system security upgrades under project oversight from DLWD IT staff.

Completion Date (list anticipated completion date):

July 2019

Agency Contact (name of person responsible for corrective action):

Paul Hegg, Department Technology Officer

THE STATE of ALASKA

GOVERNOR MICHAEL J. DUNLEAVY

Department of Commerce, Community, and Economic Development

COMMISSIONERS OFFICE

P.O. Box 110803
Juneau, Alaska 99811-0803
Main: 907.465.2506
Toll free fax: 907.465.2503

May 2, 2019

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MAY 02 2019

LEGISLATIVE AUDIT

Kris Curtis, CPA
Legislative Budget and Audit Committee
Division of Legislative Audit
PO Box 113300
Juneau, AK 99811-3300

Re: Preliminary Audit Report, Department of Commerce, Community, and Economic Development (DCCED), FY 18 Statewide Single Audit

Dear Ms. Curtis:

Thank you for the opportunity to respond to the recommendations issued in the management letter dated April 12, 2019.

The Department agrees with these conclusions and is taking corrective action steps as prescribed in the following Single Audit Corrective Action Plans attached.

If you have additional questions, please feel free to contact me at 465-2500.

Sincerely,

Julie Anderson

Julie Anderson
Commissioner
Department of Commerce, Community, and Economic Development

Single Audit Corrective Action Plan

Finding 2018-041: A review of six FY 18 unorganized borough payments identified that five were calculated inaccurately. An expanded review of all payments determined that 22 of 23 FY 18 payments to unorganized boroughs were calculated inaccurately.

Questioned Costs: None

CFDA Number: 10.665

CFDA Name: Forest Service Schools and Roads Cluster

Agency Agreement (state whether your agency agrees or disagrees with the finding):

The department agrees with this finding.

Corrective Action (corrective action planned):

Department of Commerce, Community and Economic Development's Division of Community and Regional Development (DCRA) director will develop and implement procedures to ensure the Forest Service Schools and Roads payments are accurate.

Completion Date (list anticipated completion date):

September 30, 2019

Agency Contact (name of person responsible for corrective action):

Robert Pearson, Local Government Specialist V, Department of Commerce, Community and Economic Development

Single Audit Corrective Action Plan

Finding 2018-042: DCCED's Division of Community and Regional Affairs management did not minimize the time between receipt of federal program funds and disbursement to communities.

Questioned Costs: None

CFDA Number: 10.665

CFDA Name: Forest Service Schools and Roads Cluster

Agency Agreement (state whether your agency agrees or disagrees with the finding):

The department agrees with this finding.

Corrective Action (corrective action planned):

Department of Commerce, Community and Economic Development's Division of Community and Regional Development (DCRA) director will develop and implement procedures to ensure the Forest Service Schools and Roads payments are disbursed to communities within 30 days.

Completion Date (list anticipated completion date):

September 30, 2019

Agency Contact (name of person responsible for corrective action):

Robert Pearson, Local Government Specialist V, Department of Commerce, Community and Economic Development

Single Audit Corrective Action Plan

Finding 2018-043: Quarterly financial reporting for the period ending June 30, 2018 erroneously over-reported $26.1 million in cash disbursements, and no internal controls were in place over the reporting process.

Questioned Costs: None

CFDA Number: 93.423

CFDA Name: 1332 State Innovation Waivers

Agency Agreement (state whether your agency agrees or disagrees with the finding):

The department agrees with this finding.

Corrective Action (corrective action planned):

Administrative Services will develop and implement review and approval procedures over SF-425 report preparation, and provide training to grant financial management staff responsible for preparation of financial reports.

Completion Date (list anticipated completion date):

June 30, 2019

Agency Contact (name of person responsible for corrective action):

Jenny McDowell, Finance Officer, Department of Commerce, Community and Economic Development

Single Audit Corrective Action Plan

Finding 2018-044: No procedures were performed to verify the only subrecipient of the program was not suspended or debarred from receiving federal funds.

Questioned Costs: None

CFDA Number: 93.423

CFDA Name: 1332 State Innovation Waivers

Agency Agreement (state whether your agency agrees or disagrees with the finding):

The department agrees with this finding.

Corrective Action (corrective action planned):

Department of Commerce, Community and Economic Development's Division of Insurance Director will develop and implement procedures, and ensure adequate grant management training is provided to responsible staff, and ensure there are internal controls in place over suspension and debarment requirements. The division has verified on the federal SAM.gov site that the subrecipient, the Alaska Comprehensive Health Insurance Association (ACHIA), is listed in good standing. The SAM certificate has been added to the 1332 reporting file, and language requiring self-disclosure of suspension and debarment will be added to the revised grant agreement between ACHIA and SOA for calendar year 2019 and future years.

Completion Date (list anticipated completion date):

September 30, 2019

Agency Contact (name of person responsible for corrective action):

Anna Latham, Deputy Director, Insurance, Department of Commerce, Community and Economic Development

Single Audit Corrective Action Plan

Finding 2018-045: The sole subrecipient of the federal award was not registered in the System of Award Management prior to receiving a subaward. In addition, Division of Insurance staff failed to complete a risk assessment and perform adequate monitoring procedures to ensure the subrecipient was in compliance with the terms of the award.

Questioned Costs: None

CFDA Number: 93.423

CFDA Name: 1332 State Innovation Waivers

Agency Agreement (state whether your agency agrees or disagrees with the finding):

The department agrees with this finding.

Corrective Action (corrective action planned):

Department of Commerce, Community and Economic Development's Division of Insurance director will develop and implement procedures to ensure there are internal controls in place to verify registration in SAM.gov for subrecipients prior to award and to perform adequate monitoring procedures to ensure the subrecipient is in compliance with the terms of the award. The grantee, the Alaska Comprehensive Health Insurance Association (ACHIA), has registered in SAM.gov, as of July 24, 2018. Division of Insurance is developing risk assessment measures and monitoring procedures, including checklists, to ensure ACHIA is in compliance with the requirements of the award.

Completion Date (list anticipated completion date):

September 30, 2019

Agency Contact (name of person responsible for corrective action):

Anna Latham, Deputy Director, Insurance, Department of Commerce, Community and Economic Development

THE STATE
of ALASKA
GOVERNOR MICHAEL J. DUNLEAVY

Department of Military and Veterans Affairs
Office of the Commissioner

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Fax: 907.428.6019

April 23, 2019

Alaska State Legislature
Legislative Budget and Audit Committee
Division of Legislative Audit
Attn: Kris Curtis, CPA, CISA
P.O. Box 113300
Juneau, AK 99811-3300

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LEGISLATIVE AUDIT

Dear Ms. Curtis,

The Department of Military and Veterans' Affairs concurs with all audit findings included in the State of Alaska Single Audit for the Fiscal Year Ended June 30, 2018 Preliminary Confidential Report. Please see attached corrective actions plans that provide the name of the person(s) responsible for corrective actions, the corrective action planned, and the anticipated completion date for each finding.

Several findings have anticipated completion dates which have now passed, all of which we are pleased to report have been completed. Please see below for additional information on each of these findings:

- Finding 2018-049 (anticipated completion date February 12, 2019): COMPLETED
  All distributed costs for the ITPP have been adjusted based upon a final agreement between the USPFO and DMVA. There is currently no Information Technology Personnel Plan in place, however, the USPFO has agreed to pay for all direct charges recorded on a work order system based upon the "Billed Services" method outlined in 2 CFR 225.

- Finding 2018-050 (anticipated completion date February 11, 2019): COMPLETED
  Procurement has established a checklist which includes all necessary reviews prior to Government solicitations for contracts and purchases. This checklist is included with work papers in each individual solicitation record.

- Finding 2018-051 (anticipated completion date February 15, 2018): COMPLETED
  The obligating document has been amended to include the Federal Award Identification Number (FAIN), Catalogue of Federal Domestic Assistance Number (CFDA), and the federal awarding agency.

If you or the members of your team have questions for would like additional information, please contact our Finance Officer, Mr. Tim Kelly at (907) 428-7250.

Sincerely,

Torrence W. Saxe
Brig Gen (AK), AKNG
Commissioner/The Adjutant General

THE STATE
of ALASKA
GOVERNOR MICHAEL J. DUNLEAVY

Department of Military and Veterans Affairs
Office of the Commissioner

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Single Audit Corrective Action Plan

Finding 2018-046:
DMVA Staff lacks department specific written procedures for preparing the SEFA. Further, there was no evidence that supervisory review of DMVA's FY 18 Schedule of Expenditures of Federal Awards was performed prior to submission to the Department of Administration.

Questioned Costs: None

Agency Agreement (state whether your agency agrees or disagrees with the finding):

DMVA concurs with the finding in part.

Corrective Action (corrective action planned):

After implementation of IRIS in 2015, and each year afterwards, DOA Division of Finance has provided written guidance for preparing the SEFA. Each year, different guidance was given as well as different processes to gather the data. The guidance provided was inconsistent and new reports and new information gathering procedures were required to be developed each year to satisfy the needed data. Since there were no previous reports written for this process, DMVA has been required to develop different reports and procedures for each year in the preparation of the SEFA report. Throughout each of these draft processes and upon completion of each iteration, the SEFA was reviewed by the Finance Officer and the Division Operations Manager. In 2018, there were no errors identified by the SOA Single Audit Coordinator. Based upon the most recent guidance, the Finance Officer will develop and implement written procedures for the preparation, review, and documented approval of the DMVA SEFA.

Completion Date (list anticipated completion date):

August 31, 2019

Agency Contact (name of person responsible for corrective action):

Timothy Kelly

THE STATE of ALASKA
GOVERNOR MICHAEL J. DUNLEAVY

Department of Military and Veterans Affairs
Office of the Commissioner

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Single Audit Corrective Action Plan

Finding 2018-047:
Department of Military and Veteran's Affair's management did not ensure the State's accounting system was updated for changes made to the FFY 17 federally certified Facilities Inventory and Support Plan (FISP).

Questioned Costs: $46,954

CFDA Number: 12.401

CFDA Name: National Guard Operations and Maintenance Projects Program

Agency Agreement (state whether your agency agrees or disagrees with the finding):

DMVA concurs with the finding.

Corrective Action (corrective action planned):

Division of Administrative Services staff will work with Facilities Maintenance Office personnel to develop and implement policies and procedures to ensure a timely annual update to the State accounting system. DMVA has implemented a process to update accounting records effective each State of Alaska fiscal year end effective June 30, 2019. This process includes notification to the DMVA Finance Officer from the FMO Administrative Officer upon completion.

Completion Date (list anticipated completion date):

August 31, 2019

Agency Contact (name of person responsible for corrective action):

Robert Carr (Operations Manager) Diane Hansen (Administrative Officer)

THE STATE of ALASKA
GOVERNOR MICHAEL J. DUNLEAVY

Department of Military and Veterans Affairs
Office of the Commissioner

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Single Audit Corrective Action Plan

Finding 2018-048:
Three of 60 FY 18 NGMOMP timesheets tested (five percent) were entered into the State's accounting system with incorrect coding. Three of 25 personal service adjustments tested found three adjustments (12 percent) were inaccurate. One adjustment was recorded at the funding profile level, which identifies whether an expenditure is federal or state, instead of at the program level, which allows the expenditure to be charged to the correct federal program. Two adjustment errors were related to quarterly centralized personnel plan (CPP) allocations which incorrectly omitted one position in the calculation.

Questioned Costs: $1,675

CFDA Number: 12.401

CFDA Name: National Guard Operations and Maintenance Projects Program

Agency Agreement (state whether your agency agrees or disagrees with the finding):

DMVA concurs with the finding.

Corrective Action (corrective action planned):

Division of Administrative Services (DAS) staff will work with Facilities Maintenance Office personnel to develop and implement policies and procedures to ensure each timesheet is accurately recorded in the State accounting system. DAS staff has developed a process which will allow for the review of timesheet data extracted directly from the IRIS HRM portion of the State accounting system. This process enhances the review and correction of draft timesheet entry data prior to final recording for payroll and will lower the error rate for payroll input. This procedure is currently in place for DAS and will be implemented for the Facilities Maintenance Office by February 28, 2019. A policy will be completed by March 31, 2019.

The action plan above will not correct the errors which occurred for the CPP adjusting entries. The CPP adjusting entries are calculations based upon an agreement with the United States Property and Fiscal Office. This agreement allocates labor costs to the Master Cooperative Agreement Appendices. This is a heavily manual process which is internal to DAS and utilizes formulas instead of automated processes. DAS Finance Officer is currently adapting a more automated approach to maintain the calculation and will implement policies and procedures based upon the process. The processes are expected to be implemented by February 28, 2019, and policies will be in place within two iterations of the process.

THE STATE of ALASKA

GOVERNOR MICHAEL J. DUNLEAVY

Department of Military and Veterans Affairs

Office of the Commissioner

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Completion Date (list anticipated completion date):

May 1, 2019

Agency Contact (name of person responsible for corrective action):

Item 1: Robert Carr, Diane Hansen Item 2: Tim Kelly

THE STATE of ALASKA
GOVERNOR MICHAEL J. DUNLEAVY

Department of Military and Veterans Affairs
Office of the Commissioner

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Single Audit Corrective Action Plan

Finding 2018-049:
DMVA management failed to obtain federal approval to charge the NGMOMP program for indirect information technology personal service expenditure.

Questioned Costs: $106,110

CFDA Number: 12.401

CFDA Name: National Guard Operations and Maintenance Projects Program

Agency Agreement (state whether your agency agrees or disagrees with the finding):

DMVA concurs with the finding.

Corrective Action (corrective action planned):

In 2018, Division of Administrative Services (DAS) management attempted multiple negotiations with the United States Property and Fiscal Office (USPFO) in order to charge direct and allocable information technology labor costs. While the USPFO approved direct and allocable charges in 2017, there were two main obstacles in 2018. The primary obstacle was the fact the Master Cooperative Agreement (MCA) does not allow for the allocation of information technology labor costs; however, the MCA does allow accounting, procurement, and human resources personnel costs to be charged to its appendices. There are other States which allow for IT cost allocation, but it is not widely recognized. Although the USPFO had initially agreed with federal auditors that the methodology was sound and Alaska was a pioneer in this type of distribution, he later would not sign. Additionally, the MCA specifically prohibits the term “indirect” by stating only direct costs are allowed. Terminology used during negotiations was easily misunderstood. The second main issue was the calculation utilized to do the allocation. While it followed the methodology of the centralized personnel plan, the cost pool used as a basis was unfavorable to the spread of the allocation. The corrective action plan for the ITPP is to adjust questioned cost to appropriate coding.

Completion Date (list anticipated completion date):

February 12, 2019

Agency Contact (name of person responsible for corrective action):

Susan England, Tim Kelly

THE STATE of ALASKA

GOVERNOR MICHAEL J. DUNLEAVY

Department of Military and Veterans Affairs

Office of the Commissioner

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Single Audit Corrective Action Plan

Finding 2018-050:
The audit reviewed a random sample of nine procurement files and one (11 percent) did not have documentation to support a notice of intent to award was sent to all bidders. Additionally, one judgmentally selected procurement file did not have documentation that the solicitation was publicly noticed. A review of the State's online public notices system found that no public notice was issued for the solicitation. Further, a review of 19 procurement files found 14 files (74 percent) did not contain evidence that staff verified the contractor was not suspended or debarred in the federal Excluded Parties List System.

Questioned Costs: None

CFDA Number: 12.401

CFDA Name: National Guard Operations and Maintenance Projects Program

Agency Agreement (state whether your agency agrees or disagrees with the finding):

DMVA concurs with the finding.

Corrective Action (corrective action planned):

DMVA Procurement Section has set processes in place to ensure documented information of all of solicitations posted to the OPN are printed and placed into the solicitation folders. Process includes a checklist of requirements for solicitation and sample solicitation folders have been created with tabs indicating the requirements for solicitations.

DMVA DAS Procurement personnel have been briefed and a follow up email sent detailing the requirements of procurements involving federal funding and the Excluded Parties List System (SAM). Email detailed the SAM will be checked to see if the vendor is debarred or suspended. This includes purchase orders, delivery order, prior to entering into a contract, and prior to the renewal of a contract.

Completion Date (list anticipated completion date):

February 11, 2019

Agency Contact (name of person responsible for corrective action):

Bobbi Brauneis, Tim Kelly

THE STATE of ALASKA
GOVERNOR MICHAEL J. DUNLEAVY

Department of Military and Veterans Affairs
Office of the Commissioner

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Single Audit Corrective Action Plan

Finding 2018-051:
A review of all four FY 18 Disaster Grants program sub recipients obligating award documents found the documents did not include all federally required information.

Questioned Costs: None

CFDA Number: 97.036

CFDA Name: Disaster Grants – Public Assistance (Presidentially Declared Disasters)

Agency Agreement (state whether your agency agrees or disagrees with the finding):

DMVA concurs with the finding. The division believed the specific language was inferred.

Corrective Action (corrective action planned):

The Obligating Award Document will be amended to include the FAIN and CFDA name, and ensure the federal awarding agency name is identified on the document.

Completion Date (list anticipated completion date):

February 15, 2018

Agency Contact (name of person responsible for corrective action):

William Dennis

THE STATE of ALASKA
GOVERNOR MICHAEL J. DUNLEAVY

Department of Military and Veterans Affairs
Office of the Commissioner

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Single Audit Corrective Action Plan

Finding 2018-052:
Three potential DMVA shortfalls were identified for FY 18.

Questioned Costs: None

Agency Agreement (state whether your agency agrees or disagrees with the finding):

DMVA concurs with the finding.

Corrective Action (corrective action planned):

DMVA concurs that all revenue posting and collections should be tracked and identified to avoid shortfalls. Many of the unbilled expenses posted in AKSAS prior to conversion. Due to the timing of RSA transactions processing and transition into IRIS, receivables were unable to be posted prior to the cutoff for conversion. DMVA is working with the Army Guard Facilities administrative support staff to ensure all expenses posted to the appropriation are correct and eligible for billing against the federal year originally posted. DMVA is actively tracking any unresolved revenue collections and found the potential shortfall is resolved by taking one of the following actions: 1) working with DOF to resolve conversion related transactions; 2) pursue collection of federal billings from the National Guard through the Cooperative Agreement; or 3) vendor collection for returned items related to the National Guard Cooperative Agreement. We anticipate completing action with DOA, Division of Finance by June 30, 2018 and the National Guard by September 30, 2018 to determine if further action is needed.

Completion Date (list anticipated completion date):

September 30, 2019

Agency Contact (name of person responsible for corrective action):

Pam Wiederspohn, Timothy Kelly

THE STATE of ALASKA
GOVERNOR MICHAEL J. DUNLEAVY

Department of Natural Resources

OFFICE OF THE COMMISSIONER

550 West 7th Avenue, Suite 1400
Anchorage, AK 99501-3561
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April 29, 2019

RECEIVED
APR 2 9 2019
LEGISLATIVE AUDIT

Kris Curtis, CPA, CISA
Legislative Auditor
Legislative Budget and Audit
PO Box 113300
Juneau, AK 99811-3300

Re: FY2018 Statewide Single Audit, Department of Natural Resources (DNR), Preliminary Audit Response

Dear Ms. Curtis,

Thank you for the opportunity to provide a written response to the April 12, 2019, Confidential Preliminary Audit Report on State of Alaska, Single Audit for the Fiscal Year Ended June 30, 2018. The Corrective Action Plans for the findings below are attached.

Finding No. 2018-053	Alaska Permanent Fund Transfers
Finding No. 2018-054	FERC Transfers
Finding No. 2018-055	Inventory Valuation
Finding No. 2018-056	Schedule of Expenditures of Federal Awards
Finding No. 2018-057	USFS Timesheets
Finding No. 2018-058	Timesheet Manual Calculation Procedures
Finding No. 2018-059	Function Codes
Finding No. 2018-060	Forestry Timesheet Delegations
Finding No. 2018-061	Forestry Aircraft Rental Agreements
Finding No. 2018-062	BLM Timesheets
Finding No. 2018-063	Potential Shortfalls

Sincerely,

Corri W. Feige

Corri Feige, Commissioner
Department of Natural Resources

THE STATE of ALASKA
GOVERNOR MICHAEL J. DUNLEAVY

Department of Natural Resources

OFFICE OF THE COMMISSIONER

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Single Audit Corrective Action Plan

Finding 2018-053: The Department of Natural Resources (DNR) did not transfer to the Alaska Permanent Fund all dedicated mineral lease revenues received during FY 18.

Agency Agreement (state whether your agency agrees or disagrees with the finding):

DNR disagrees with Finding No. 2018-053. We continue to rely on the legal analysis by the Attorney General's office, dated November 9, 2018, which concluded that the adjustments made to FY2018 deposits to the Permanent Fund were appropriate.

Corrective Action (corrective action planned):

N/A

Completion Date (list anticipated completion date):

N/A

Agency Contact (name of person responsible for corrective action):

Fabienne Peter-Contesse, Director of Support Services Division

THE STATE of ALASKA
GOVERNOR MICHAEL J. DUNLEAVY

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OFFICE OF THE COMMISSIONER
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Single Audit Corrective Action Plan

Finding 2018-054: Royalty revenues eligible for transfer to the Constitutional Budgetary Reserve Fund (CBRF) were not transferred during FY 18 and revenues that should have remained in the CBRF were moved to the general fund.

Agency Agreement (state whether your agency agrees or disagrees with the finding):

DNR disagrees with Finding No. 2018-054. We continue to rely on the legal analysis by the Attorney General's office in 2018 which concluded that payments related to the FERC settlements were not to be transferred to the CBRF.

Corrective Action (corrective action planned):

N/A

Completion Date (list anticipated completion date):

N/A

Agency Contact (name of person responsible for corrective action):

Fabienne Peter-Contesse, Director of Support Services Division

THE STATE
of ALASKA
GOVERNOR MICHAEL J. DUNLEAVY

Department of Natural Resources

OFFICE OF THE COMMISSIONER

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Single Audit Corrective Action Plan

Finding 2018-055: DNR's inventory valuation methodology did not comply with generally accepted governmental accounting standards.

Agency Agreement (state whether your agency agrees or disagrees with the finding):

DNR agrees with Finding No. 2018-055.

Corrective Action (corrective action planned):

Forestry will use a weighted average method for inventory valuation. Forestry has been working with the Office of Information Technology on a new inventory software which is nearing completion. The appropriate warehouse staffing in Fairbanks, Palmer and Tok will be trained to use the new system upon inception.

Completion Date (list anticipated completion date):

Completion is estimated to be by July 1, 2019.

Agency Contact (name of person responsible for corrective action):

John Hoch, Forestry Cache Manager

THE STATE of ALASKA
GOVERNOR MICHAEL J. DUNLEAVY

Department of Natural Resources

OFFICE OF THE COMMISSIONER

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Single Audit Corrective Action Plan

Finding 2018-056: DNR management lacked sufficient written procedures for the preparation and review of DNR's Schedule of Expenditures of Federal Awards.

Agency Agreement (state whether your agency agrees or disagrees with the finding):

DNR agrees with Finding No. 2018-056.

Corrective Action (corrective action planned):

DNR will develop complete and accurate written procedures for the preparation and review of DNR's Schedule of Expenditures of Federal Awards.

Completion Date (list anticipated completion date):

The anticipated completion date is September 2019; due date of the 2019 SEFA.

Agency Contact (name of person responsible for corrective action):

Daniel Reierson, Accountant IV

THE STATE of ALASKA
GOVERNOR MICHAEL J. DUNLEAVY

Department of Natural Resources
OFFICE OF THE COMMISSIONER
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Single Audit Corrective Action Plan

Finding 2018-057: Testing of FY 18 personal service expenditures (60 State personnel timesheets) charged to the USFS Fire Suppression program identified multiple instances of noncompliance including lack of the federally required OF-288 timesheets, unsigned timesheets, State timesheet hours that did not match federal timesheets, unsigned hazard pay forms, work-rest ratio violations, and unallowable compensation for meal breaks and shift differential pay on travel days. Testing of 60 emergency firefighter (EFF) timesheets identified missing employee signatures.

Questioned Costs:
CFDA 10.U09: $154,056
CFDA 10.U10: $8,968

CFDA Number: 10.U08, 10.U09, 10.U10

CFDA Name: USFS Fire Suppression

Agency Agreement (state whether your agency agrees or disagrees with the finding):

DNR agrees with Finding No. 2018-057.

Corrective Action (corrective action planned):

DNR's Division of Forestry (DOF) will update and modify the standing policies relating to the timesheet processes that require adherence to the United States Forest Services (USFS) Fire Suppression Program guidelines and ensure enforcement by DOF employees. DOF will improve the existing timesheet checklist procedure, verifying that all documents needed have been received, accurately reported, and signed by the employee and supervisor, including OF-288s and all other necessary back up documentations for the time charged. The update shall also include the review and assurance regarding compliance on work-rest ratio, hazard pay, and shift differential pay in travel status. This information will also be updated in the Alaska Incident Business Management Handbook (AIBMH) and the Master Agreement. DOF will work with the USFS to modify the Master Agreement to identify allowable exceptions to the current OF-288 requirement.

Completion Date (list anticipated completion date):

The department anticipates the questioned items to be resolved in December 2019.

Agency Contact (name of person responsible for corrective action):

Joel Del Rosario, Administrative Operations Manager

THE STATE of ALASKA
GOVERNOR MICHAEL J. DUNLEAVY

Department of Natural Resources
OFFICE OF THE COMMISSIONER
550 West 7th Avenue, Suite 1400
Anchorage, AK 99501-3561
Main: 907.269.8431
Fax: 907-269-8918

Single Audit Corrective Action Plan

Finding 2018-058: The Department of Administration's Division of Personnel management lacks adequate review procedures over the manual calculations necessary for processing DNR's Division of Forestry timesheets.

Questioned Costs: Indeterminate

CFDA Number: 10.U08, 10.U09, 10.U10

CFDA Name: USFS Fire Suppression

Agency Agreement (state whether your agency agrees or disagrees with the finding):

DNR agrees with Finding No. 2018-058.

Corrective Action (corrective action planned):

DNR has implemented documenting time on their timesheets in accordance with the Collective Bargaining unit agreements. With clearly documented time on timesheets, it will assist in the manual calculation processes, which in turn assists with the certification process. DOA-DOPLR will also implement additional timesheet processing and certification training specific to DNR-Forestry for the upcoming fire season.

Completion Date (list anticipated completion date):

April 30, 2019.

Agency Contact (name of person responsible for corrective action):

Rachel Atkinson, Statewide Payroll Supervisor (DOA/DOPLR)
Joel Del Rosario, Administrative Operations Manager, Forestry (DNR)

Department of Natural Resources

OFFICE OF THE COMMISSIONER

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Single Audit Corrective Action Plan

Finding 2018-059: The audit identified two function (fire) codes in the State accounting system that were assigned to an incorrect federal program.

Questioned Costs:
10.U09: $31,067
10.U10: $11,526

CFDA Number: 10.U09, 10.U10

CFDA Name: USFS Fire Suppression

Agency Agreement (state whether your agency agrees or disagrees with the finding):

DNR agrees with Finding No. 2018-059.

Corrective Action (corrective action planned):

DNR's previous procedures in forestry fire accounting did not include reconciliations of function codes to federal programs. DNR fiscal has implemented a new internal control regarding fire ownership that is executed monthly to reduce the risk of fire misclassifications like this from happening in the future.

Completion Date (list anticipated completion date):

These changes have already been implemented in 2019.

Agency Contact (name of person responsible for corrective action):

Daniel Reierson, Federal Accounting Supervisor

THE STATE of ALASKA
GOVERNOR MICHAEL J. DUNLEAVY

Department of Natural Resources

OFFICE OF THE COMMISSIONER

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Single Audit Corrective Action Plan

Finding 2018-060: Testing a random sample of FY 18 non-personal services expenditures charged to the USFS Fire Suppression program (60 transactions) and the BLM Fire Suppression program (60 transactions) identified 10 transactions authorized by DNR's Division of Forestry staff lacking an appropriate delegation of authority.

Questioned Costs: None

CFDA Number: 10.U08, 10.U09, 10.U10 and 15.U04, 15.U05, 15.U06, 15.U07

CFDA Name: USFS Fire Suppression, BLM Fire Suppression

Agency Agreement (state whether your agency agrees or disagrees with the finding):

DNR agrees with Finding No. 2018-060.

Corrective Action (corrective action planned):

DNR management shall review and revise all standing delegations of authority, as well as the possibility of adding delegations for additional Forestry staff members. They will also ensure that the authorized signatories obtain the proper knowledge and training necessitating the staff's cognizance of a cost being allowable, appropriately coded, within the period of performance and scope of their authority. All appropriate statute, regulations, policies and procedures related to an authority will be adhered to. There are varying delegation of authority forms within the division that will be updated and standardized.

Completion Date (list anticipated completion date):

The department anticipates the issue to be resolved by June 30, 2019.

Agency Contact (name of person responsible for corrective action):

Joel Del Rosario, Administrative Operations Manager

THE STATE of ALASKA
GOVERNOR MICHAEL J. DUNLEAVY

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Single Audit Corrective Action Plan

Finding 2018-061: The audit identified nine aircraft rental agreements and seven emergency equipment rental agreements not in compliance with the competitive bidding process outlined in the State procurement code. In addition, the audit identified five vendors were selected without a competitive procurement process or were paid at rates higher than allowed by the contracts.

Questioned Costs: None

CFDA Number: 10.U09 and 15.U05, 15.U07

CFDA Name: USFS Fire Suppression, BLM Fire Suppression

Agency Agreement (state whether your agency agrees or disagrees with the finding):

DNR agrees with Finding No. 2018-061.

Corrective Action (corrective action planned):

The Invitation to Bid (ITB) with strict evaluation criteria, for Emergency Aircraft Services to Wildland Fire support closed on February 20, 2019. Notice of Award and Master Agreements were established and issued to the selected vendors as of March 19, 2019. Forestry is proactively ensuring adherence to the appropriate state procurement statutes, relating to aircraft rental.

Completion Date (list anticipated completion date):

The audit finding is resolved as of March 19, 2019.

Agency Contact (name of person responsible for corrective action):

Stephen Elwell, Aviation Supervisor

THE STATE of ALASKA
GOVERNOR MICHAEL J. DUNLEAVY

Department of Natural Resources
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Single Audit Corrective Action Plan

Finding 2018-062: Testing of FY 18 personal service expenditures (60 State personnel timesheets) charged to the BLM Fire Suppression program identified multiple instances of noncompliance including lack of the federally required OF-288 timesheets, unsigned timesheets, State timesheet hours that did not match federal timesheets, unsigned hazard pay forms, work-rest ratio violations, and unallowable compensation for meal breaks and shift differential pay on travel days. Testing of 60 EFF timesheets identified missing employee signatures.

Questioned Costs:
CFDA 15.U05: $57,604
CFDA 15.U07: $53,886

CFDA Number: 15.U04, 15.U05, 15.U06, 15.U07

CFDA Name: BLM Fire Suppression

Agency Agreement (state whether your agency agrees or disagrees with the finding):

DNR agrees with Finding No. 2018-062.

Corrective Action (corrective action planned):

DNR's Division of Forestry (DOF) will update and modify the standing policies relating to the timesheet processes that require adherence to the Bureau of Land Management (BLM) Fire Suppression Program guidelines and ensure enforcement by DOF employees. DOF will improve the existing timesheet checklist procedure, verifying that all documents needed have been received, accurately reported, and signed by the employee and supervisor, including OF-288s and all other necessary back up documentations for the time charged. The update shall also include the review and assurance regarding compliance on work-rest ratio, hazard-pay and shift differential pay in travel status. This information will also be updated in the Alaska Incident Business Management Handbook (AIBMH) and the Master Agreement. DOF will work with BLM to modify the Master Agreement to identify allowable exceptions to the current OF-288 requirement.

Completion Date (list anticipated completion date):

The department anticipates the questioned items to be resolved in December 2019.

Agency Contact (name of person responsible for corrective action):

Joel Del Rosario, Administrative Operations Manager

THE STATE of ALASKA
GOVERNOR MICHAEL J. DUNLEAVY

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OFFICE OF THE COMMISSIONER
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Single Audit Corrective Action Plan

Finding 2018-063: Four potential shortfalls were identified for FY 18.

Agency Agreement (state whether your agency agrees or disagrees with the finding):

DNR agrees with Finding No. 2018-063.

Corrective Action (corrective action planned):

DNR is currently working with DMVA on finalizing the RSA billings that are included in the identified shortfall appropriations. In addition, our internal controls regarding RSAs has been changed to include a weekly review of the outstanding billing transactions by the DNR finance officer.

Completion Date (list anticipated completion date):

June 30, 2019

Agency Contact (name of person responsible for corrective action):

Luke Canady, DNR Finance Officer

Completion Date (list anticipated completion date):

The department anticipates the questioned items to be resolved in December 2019.

THE STATE of ALASKA
GOVERNOR MICHAEL J. DUNLEAVY

Department of Fish and Game
Office of the Commissioner
Headquarters Office
1255 West 8th Street
P.O. Box 115526
Juneau, Alaska 99811-5526
Main: 907.465.6136
Fax: 907.465.2332

May 3, 2019

RECEIVED
MAY 03 2019
LEGISLATIVE AUDIT

Ms. Kris Curtis
Legislative Auditor
Division of Legislative Audit
PO Box 113300
Juneau, AK 99811-3300

Dear Ms. Curtis:

The Alaska Department of Fish and Game (ADFG) is in receipt of the fiscal year 2018 (FY 2018) confidential preliminary audit report *State of Alaska, Single Audit for the Fiscal Year Ended June 30, 2018.* This letter is being sent to address the findings of the audit and the plan for corrective action for each finding.

Single Audit Corrective Action Plan

Finding 2018-064: The Department of Fish and Game's (DFG) FY 18 indirect cost rate calculation contained multiple errors.

Questioned Costs:

CFDA 15.605: $160,075
CFDA 15.611: $265,336

CFDA Number: 15.605, 15.611

CFDA Name: Fish and Wildlife Cluster

Agency Agreement (state whether your agency agrees or disagrees with the finding):

ADFG partially agrees with this finding. ADGF agrees that an inconsistent methodology was applied to some schedules on the FY18 Indirect Cost Rate Proposal (ICRP). ADGF also agrees that calculation errors occurred on two schedules, resulting in an inaccurate rate calculation, which was not identified during the review process. ADFG does not agree that it over collected indirect costs in FY18. The calculated rate for the FY18 ICRP was submitted, reviewed, and approved by the US Department of the Interior (DOI). During the negotiation process, DOI has the discretion to adjust ADFG's proposed rate before an agreement is signed. DOI accepted the proposed rate and entered into a signed agreement with ADFG to allow that rate to be applied for FY18. Once the agreement is in place, ADFG is obligated to adhere to the DOI approved rate. During FY18, ADFG billed indirect to federal programs consistently and appropriately using the DOI approved rate.

Corrective Action (corrective action planned):

ADFG has returned to using actual expenditures as budgeted estimates to calculate the proposed indirect rate. The state's reporting system, ALDER, has stabilized to the point where accurate data is more readily available and modifications to the calculation workbooks has reduced the potential for data entry errors. This change in methodology streamlines the calculation and reconciliation process, aiding in the production of a more accurate rate.

Completion Date (list anticipated completion date):

June 15, 2018

Agency Contact (name of person responsible for corrective action):

Rae Mosier, Finance Officer

Finding 2018-065: Ten of 24 covered transactions tested for federal suspension and debarment failed to meet federal requirements.

Questioned Costs: None

CFDA Number: 15.605, 15.611

CFDA Name: Fish and Wildlife Cluster

Agency Agreement (state whether your agency agrees or disagrees with the finding):

ADFG agrees that the policy and procedure for suspension and debarment compliance should be strengthened. While our procurement unit has a policy and procedure for traditional purchases, some state purchases, including air charters, are exempt from the purchasing policy. These purchases require additional attention. Although searches on SAM.gov are conducted routinely, we agree that there has been a lack of consistency for purchases outside of the state's procurement policy.

Corrective Action (corrective action planned):

ADGF will create a policy and procedure that meets the requirements of Title 2 CFR §180.300 for purchases that are exempt from the state procurement policy. The new procedure will be administered by our recently established Grants and Contracts unit, which was created for the purpose of streamlining administrative procedures relating to federal spending and compliance and thereby minimizing risk.

Completion Date (list anticipated completion date):

June 30, 2019

Agency Contact (name of person responsible for corrective action):

Rae Mosier, Finance Officer

Finding 2018-066: One of six DFG procurement specialists responsible for processing Fish and Wildlife Cluster procurements was not certified under the State's procurement officer training and certification program.

Questioned Costs: None

CFDA Number: 15.605, 15.611

CFDA Name: Fish and Wildlife Cluster

Agency Agreement (state whether your agency agrees or disagrees with the finding):

ADFG disagrees with this finding. Fairbanks staff that was delayed in certification was in the process of re-certifying as a level 3 procurement officer when the training requirements changed statewide. The new requirements for level 3 included additional in-person training that was not offered in Fairbanks in a timely manner. However, the procurement officer did maintain a level 2 certification while waiting for additional training to meet the requirements for level 3. No level 3 purchases were made during the lapse in level 3 certification. ADGF provides additional support for procurement staff with supervision and training when there are delays in training classes. As of June 30, 2018, all procurement officers were certified at the appropriate levels for their purchasing authority.

Corrective Action (corrective action planned):

Not necessary

Completion Date (list anticipated completion date):

June 30, 2018

Agency Contact (name of person responsible for corrective action):

Dave Mitchell, Procurement Officer

Sincerely,

Doug Vincent-Lang
Commissioner, Department of Fish and Game

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THE STATE of ALASKA
GOVERNOR MICHAEL J. DUNLEAVY

Department of Transportation and Public Facilities

OFFICE OF THE COMMISSIONER
John MacKinnon, Commissioner

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dot.alaska.gov

April 25, 2019

RECEIVED
APR 29 2019
LEGISLATIVE AUDIT

Kris Curtis, Legislative Auditor
Division of Legislative Audit
P.O. Box 113300
Juneau, AK 99811-3300

Dear Ms. Curtis,

This is in response to the findings contained in the confidential preliminary audit report on State of Alaska, Single Audit for the Fiscal Year Ended June 30, 2018. The department's responses and corrective action plan for each finding contained in the Division of Legislative Audit's preliminary audit report for Fiscal Year 2018 are outlined below.

Finding 2018-067: Twenty-three of 45 (51 percent) FY18 Department of Transportation & Public Facilities (DOTPF) expenditures tested that processed during July 2018 and August 2018 were incorrectly coded to FY19.

Department response: Agree.

The department agrees that 51% of the documents tested were initially incorrectly coded to FY19 and corrected prior to the end of the reappropriation period. Fiscal year-end process training was conducted prior to the reappropriation period and again after identification of the incorrect expenditure postings. The department has implemented a process and procedure to enter service dates on the expenditure financial transactions and has updated accounting templates with a "TASK" requirement during the reappropriation period to identify the correct fiscal year when goods and/or services were purchased or provided. The department has developed an ALDER report to monitor fiscal year-end activity. The department will provide additional training to staff in May and June 2019.

Completion Date: *August 30, 2019*
Agency Contact: *Roger Baines, Finance Officer*

Finding 2018-068: DOTPF accounting staff's policies and procedures for calculating unavailable revenue incorrectly included invalid expenditures which overstated unavailable revenue. Additionally, DOTPF staff incorrectly recorded billed revenues in FY18 thereby understating unavailable revenue.

Department response: Agree.

The department agrees with this finding. Transactions in draft or held status should not be included as prior year expenditures per the Unavailable Revenues JVA's email from Courtney Johnson on October 5, 2018. DOT&PF has updated the Recording Unavailable Revenue for Fiscal Year-End procedures to eliminate running an ALDER report that would identify transactions in draft or held status. Training will be provided to staff when processing CH8/JVC documents for moving cash expenses to the correct fiscal year (e.g. FY2020-FY2019) during the reappropriation period. Training will include identifying cash expenses that have gone through the Reimbursement Output Cycle and require a receivable/revenue adjustment.

Completion Date: *August 30, 2019*
Agency Contact: *Geri Henricksen*

Finding 2018-069: Detailed testing of DOT&PF's input of FY18 capital assets into IRIS identified multiple errors.

Department response: Agree.

Corrective action includes working through identified fixed asset errors to ensure all identified issues are corrected in IRIS prior to the next reporting period. The department will work in collaboration with the state accountant for guidance in improving DOT&PF's new asset management and reporting process as well as updating DOT&PF's written process and procedures.

Completion Date: *August 20, 2019*
Agency Contact: *Roger Baines, Finance Officer*

Finding 2018-070: The Alaska International Airport System FY18 financial statement audit was issued and provided to Division of Finance (DOF) on December 12, 2018 approximately 10 weeks after the deadline established by DOF.

Department response: Partially Agree.

The department partially agrees with this finding. The condition stated in the finding that AIAS was 10 weeks late in providing audited financial statements to DOF. The statement does not appear to take into consideration that AIAS and its external auditor had established a schedule designed to meet DOF's deadline for timely issuance of AIAS financial statements, but that schedule was significantly disrupted as a result of AIAS not receiving prerequisite accounting information from DOF in a timely manner. This was the root cause for AIAS not meeting its deadline.

The context section of the finding states that an audit adjustment was made to correct activity once the final audit was issued. The statement appears to imply that the draft financial statements were erroneous; however, AIAS's understanding is that the only audit adjustment required by Legislative Audit after receipt of the final audit report was to correct DOF OPEB accounting.

Corrective action is for AIAS to request and receive DOF's approval of a modified financial statement audit schedule, and for DOF to agree to provide prerequisite accounting information to AIAS in accordance with the schedule. Adoption of and commitment to that schedule should afford AIAS reasonable opportunity to plan and schedule their independent external audit, and internal accounting staff resources to help ensure AIAS and its external auditors are able to meet DOF financial statement audit schedule deadlines.

Completion Date:	*AIAS has proposed revised audit schedule to DOF and has requested concurrence that they will adopt to establish new schedule. No further action required by AIAS.*
Agency Contact:	*Keith Day, CPA, AIAS Controller*

Finding 2018-071: There was no evidence that supervisory review of DOTPF's Schedule of Expenditures of Federal Awards was performed prior to submission.

Department response: Agree.

The department agrees with this finding. DOT&PF has included steps to the department's written procedures for preparation of the Federal Schedule; the SEFA team will review and initial the Department of Administration's instructions and checklist prior to beginning work on the Federal Schedule; and a workflow has been added that documents and defines the team compiling the Federal Schedule data, financial review of data by an Accountant IV, and approval by an Accountant V prior to submission.

Completion Date:	*Fiscal Year 2019*
Agency Contact:	*Geri Henricksen*

Finding 2018-072: DOTPF accounting staff did not initiate collection efforts during FY 18 to recoup overpayments related to Marine Highway employee payroll advances.

Department response: Agree.

A reconciliation of overpayments is currently underway to ensure the calculations are correct. Once the reconciliation is complete, collection efforts will begin.

Completion Date:	*June 30, 2019*
Agency Contact:	*Roger Baines, Finance Officer*

Finding 2018-073: Three potential DOTPF shortfalls were identified for FY 18.

Department response: Agree.

The department agrees that three appropriations appear to be in shortfall.

The appropriation group T004 for BFY 2018 identified by Division of Legislative Audit has current encumbered obligations recorded and revenue collection efforts are underway.

DOT&PF has been in communication with DOA to request appropriation extensions to collect the revenue for expenses incurred through disaster/emergency capital projects. DOT&PF's intention is to collect this revenue from Department of Military and Veteran's

Affairs (DMVA). DOT&PF will continue to work with DOA and DMVA to extend the appropriations and collect the revenue.

Completion Date: *June 30, 2019*
Agency Contact: *Roger Baines, Finance Officer*

The Department of Transportation & Public Facilities appreciates the opportunity to respond to the Preliminary State of Alaska Single Audit for the Fiscal Year Ended June 30, 2018 and looks forward to working with you on making improvements in FY19.

Sincerely,

John MacKinnon
Commissioner

cc: Sunny Haight, Division Operations Manager
Geri Henricksen, CIP Accountant

Single Audit Corrective Action Plan

Finding 2018-067: Twenty-three of 45 (51 percent) FY 18 Department of Transportation and Public Facilities (DOTPF) expenditures tested that processed during July 2018 and August 2018 were incorrectly coded to FY 19.

Agency Agreement (state whether your agency agrees or disagrees with the finding):

Agree

Corrective Action (corrective action planned):

The department agrees that 51% of the documents tested were initially incorrectly coded to FY19 and corrected prior to the end of the reappropriation period. Fiscal year-end process training was conducted prior to the reappropriation period and again after identification of the incorrect expenditure postings. The department has implemented a process and procedure to enter service dates on expenditure financial transactions and updated accounting templates with a "TASK" requirement during the reappropriation period to identify the correct fiscal year when goods and/or services were purchased or provided. The department has developed an ALDER report to monitor fiscal year-end activity. The department will provide additional training to staff in May and June 2019.

Completion Date (list anticipated completion date):

August 30, 2019

Agency Contact (name of person responsible for corrective action):

Roger Baines

Single Audit Corrective Action Plan

Finding 2018-068: DOTPF accounting staff's policies and procedures for calculating unavailable revenue incorrectly included invalid expenditures which overstated unavailable revenue. Additionally, DOTPF staff incorrectly recorded billed revenues in FY 18 thereby understating unavailable revenue.

Agency Agreement (state whether your agency agrees or disagrees with the finding):

Agree

Corrective Action (corrective action planned):

The department agrees with this finding. Transactions in draft or held status should not be included as prior year expenditures per the Unavailable Revenues JVA's email from Courtney Johnson on October 5, 2018. DOT&PF has updated the Recording Unavailable Revenue for Fiscal Year-End procedures to eliminate running an ALDER report that would identify transactions in draft or held status. Training will be provided to staff when processing CH8 / JVC documents for moving cash expenses to the correct fiscal year (e.g. FY 2020 ---> FY 2019) during the reappropriation period. Training will include identifying cash expenses that have gone through the Reimbursement Output Cycle and require a receivable/revenue adjustment.

Completion Date (list anticipated completion date):

August 30, 2019

Agency Contact (name of person responsible for corrective action):

Geri Henricksen

Single Audit Corrective Action Plan

Finding 2018-069: Detailed testing of DOTPF's input of FY 18 capital assets into IRIS identified multiple errors.

Agency Agreement (state whether your agency agrees or disagrees with the finding):

The department agrees with this finding.

Corrective Action (corrective action planned):

Corrective action includes consecutively working through identified fixed asset issues to ensure all identified concerns are corrected in IRIS prior to the next reporting period, collaboration with the state accountant for guidance in improving DOT&PF's new asset management and reporting process, and updating DOT&PF's written process and procedures.

Completion Date (list anticipated completion date):

August 20, 2019

Agency Contact (name of person responsible for corrective action):

Roger Baines

Single Audit Corrective Action Plan

Finding 2018-070: The Alaska International Airport System FY 18 financial statement audit was issued and provided to Division of Finance (DOF) on December 12, 2018, approximately 10 weeks after the deadline established by DOF.

Agency Agreement (state whether your agency agrees or disagrees with the finding):

The department partially agrees.

Corrective Action (corrective action planned):

The department partially agrees with this finding. The condition stated in the finding that AIAS was 10 weeks late in providing audited financial statements to DOF. The statement does not appear to take into consideration that AIAS and its external auditor had established a schedule designed to meet DOF's deadline for timely issuance of AIAS financial statements, but that schedule was significantly disrupted as a result of AIAS not receiving prerequisite accounting information from DOF in a timely manner. This was the root cause for AIAS not meeting its deadline.

The context section of the finding states that an audit adjustment was made to correct activity once the final audit was issued. The statement appears to imply that the draft financial statements were erroneous; however, AIAS's understanding is that the only audit adjustment required by Legislative Audit after receipt of the final audit report was to correct DOF OPEB accounting.

Corrective action is for AIAS to request and receive DOF's approval of a modified financial statement audit schedule, and for DOF to agree to provide prerequisite accounting information to AIAS in accordance with the schedule. Adoption of and commitment to that schedule should afford AIAS reasonable opportunity to plan and schedule their independent external audit, and internal accounting staff resources to help ensure AIAS and its external auditors are able to meet DOF financial statement audit schedule deadlines.

Completion Date (list anticipated completion date):

AIAS has proposed revised audit schedule to DOF and has requested concurrence that they will adopt to establish new schedule. No further action required by AIAS.

Agency Contact (name of person responsible for corrective action):

Keith Day, CPA
AIAS Controller

Single Audit Corrective Action Plan

Finding 2018-071: There was no evidence that supervisory review of DOTPF's Schedule of Expenditures of Federal Awards was performed prior to submission.

Agency Agreement (state whether your agency agrees or disagrees with the finding):

Agree

Corrective Action (corrective action planned):

The department agrees with this finding. DOT&PF has included steps to the department's written procedures for preparation of the Federal Schedule; the SEFA team will review and initial the Department of Administration's instructions and checklist prior to beginning work on the Federal Schedule; and a workflow has been added that documents and defines the team compiling the Federal Schedule data, financial review of data by an Accountant IV, and approval by an Accountant V prior to submission.

Completion Date (list anticipated completion date):

FY 2019

Agency Contact (name of person responsible for corrective action):

Geri Henricksen

Single Audit Corrective Action Plan

Finding 2018-072: DOTPF accounting staff did not initiate collection efforts during FY 18 to recoup overpayments related to Marine Highway employee payroll advances.

Agency Agreement (state whether your agency agrees or disagrees with the finding):

Agree

Corrective Action (corrective action planned):

A reconciliation of overpayments is currently underway to ensure the calculations are correct. Once the reconciliation is complete, collection efforts will begin.

Completion Date (list anticipated completion date):

June 30, 2019

Agency Contact (name of person responsible for corrective action):

Roger Baines

Single Audit Corrective Action Plan

Finding 2018-073: Three potential DOTPF shortfalls were identified for FY 18.

Agency Agreement (state whether your agency agrees or disagrees with the finding):

Agree

Corrective Action (corrective action planned):

The department agrees that three appropriations appear to be in shortfall.
The appropriation group T004 for BFY 2018 identified by Division of Legislative Audit has current encumbered obligations recorded and revenue collection efforts are underway.
DOT&PF has been in communication with DOA to request appropriation extensions to collect the revenue for expenses incurred through disaster/emergency capital projects. DOT&PF's intention is to collect this revenue from Department of military and Veteran's Affairs (DMVA).
DOT&PF will continue to work with DOA and DMVA to extend the appropriations and collect the revenue.

Completion Date (list anticipated completion date):

June 30, 2019

Agency Contact (name of person responsible for corrective action):

Roger Baines

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APFC ALASKA PERMANENT FUND CORPORATION

801 W 10TH SUITE 302 | JUNEAU, AK 99801
907.796.1500 | apfc.org

May 6, 2019

Kris Curtis, CPA, CISA
Legislative Auditor
Alaska State Legislature
Legislative Budget and Audit Committee
Division of Legislative Audit
PO Box 113300
Juneau, AK 99811-3300

RECEIVED
MAY 06 2019
LEGISLATIVE AUDIT

Dear Ms. Curtis:

Your letter dated April 12, 2019 requests a corrective action plan related to Finding 2018-074 of the State of Alaska's Fiscal Year 2018 Single Audit which states, "The Alaska Permanent Fund Corporation did not collect all FY18 revenues statutorily dedicated to the Alaska Permanent Fund."

As you know, in the FY 2018 operating budget, the Alaska Legislature chose to only appropriate 25% of the royalty payments to the principal of the permanent fund (sec. 24(a), ch 1, SSLA 2017). Following this event, APFC received legal advice from the Department of Law that the 50% royalty payments set forth in AS 37.13.010(a)(2) required an appropriation to be effective, and therefore the permanent fund was only legally entitled to receive the 25% of royalty payments required by the Alaska Constitution (See Article 9, Section 15 of the Alaska Constitution).

Based on the Department of Law's advice to date, for FY 2018, APFC did not create or account for a liability owing to the permanent fund for the statutory royalty payments set forth in AS 37.13.010(a)(2) (i.e. those above the 25% constitutional floor). While we appreciate that the advice we have received from Department of Law may have been different than the legal advice you have received, we believe the accounting practices that we implemented were appropriate and proper based on the legal advice that we were provided. Consequently, we disagree with your conclusion that there was a failure on the part of APFC in FY 2018 to collect the royalty payments owed to the permanent fund.

Sincerely,

Valerie Mertz, CPA
Chief Financial Officer

Cc: Craig Richards, APFC Chair of Board of Trustees
Angela Rodell, Chief Executive Officer
Chris Poag, General Counsel

Enclosed: Single Audit Correction Plan for Finding No. 2018-074

Single Audit Corrective Action Plan

Finding 2018-074: The Alaska Permanent Fund Corporation did not collect all FY 18 revenues statutorily dedicated to the Alaska Permanent Fund.

Agency Agreement (state whether your agency agrees or disagrees with the finding):

Based upon legal advice received to date from Department of Law, APFC disagrees with this finding.

Corrective Action (corrective action planned):

None needed

Completion Date (list anticipated completion date):

N/A

Agency Contact (name of person responsible for corrective action):

N/A

ALASKA STATE LEGISLATURE
LEGISLATIVE BUDGET AND AUDIT COMMITTEE
Division of Legislative Audit

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legaudit@akleg.gov

May 10, 2019

Members of the Legislative Budget
and Audit Committee:

Agency responses to audit findings are included in the corrective action plan in Section IV of this report.

Generally, the agencies concur with the findings. There are, however, responses to 14 of the findings which we believe warrant further comments as shown below.

Finding No. 2018-015

We have reviewed the Department of Revenue's (DOR) response. Legal analysis provided by the Department of Law was reviewed and considered during the audit, as was legal analysis provided by the Legislative Division of Legal Services. The Legislative Legal Services' analysis was rooted in a plain reading of the constitution and concluded that the monies should be deposited into the Constitutional Budget Reserve Fund (CBRF). The Department of Law's analysis did not persuade us to conclude otherwise. We reiterate that the Department of Revenue's commissioner should ensure all CBRF eligible revenues are transferred to the CBRF.

Finding No. 2018-019

We have reviewed the Department of Education and Early Development's (DEED) response and nothing in the response persuaded us to revise the finding. DEED management does not believe procedural changes are necessary based on updated U.S. Department of Agriculture policy guidance effective October 1, 2018. The effective date of the guidance is outside the scope of this audit.

Finding 2018-021

We have reviewed DEED's response and note that DEED management's corrective action does not adequately address the finding. Alaska Statute 14.14.050(b) requires the commissioner withhold all payments of State funds after November 15 to a school district that fails to file a certified copy of the audit with the department. There is no statutory provision that allows the commissioner to waive this requirement.

Finding No. 2018-023

We have reviewed the Department of Health and Social Services' (DHSS) response and nothing in the response persuaded us to revise the finding. DHSS management does not believe a Public Assistance Cost Allocation Plan (PACAP) amendment is necessary for staff providing clerical support outside their normal duties and using a random moment time study methodology when recording this time was allowed. We note that the staff providing the clerical support were professional class employees whose positions were not included in the time study survey and were not identified as allowed to charge time to the PACAP-approved method. We reiterate that DHSS' Finance and Management Services (FMS) assistant commissioner should strengthen procedures to ensure that personal service expenditures charged to federal programs comply with federal cost principles.

Finding No. 2018-027

We have reviewed DHSS' response and nothing in the response persuaded us to revise the finding. We reiterate that DHSS' FMS assistant commissioner should work with the Division of Public Assistance (DPA) director to improve the eligibility system logical access controls.

Finding No. 2018-031

We have reviewed DHSS' response. DHSS management disagreed with the questioned costs calculation for one of the erred cases and disagreed with one case being in error. We have re-confirmed the audit properly calculated the errors. The additional support provided by DHSS management did not persuade us to revise the finding. We reiterate that DHSS' DPA director should ensure that procedures are adopted to provide for more timely review of eligibility determinations. Procedures should also be updated to provide additional clarification for required calculations. In addition, the DPA director should ensure that all program staff adhere to program guidelines.

Finding No. 2018-033

We have reviewed DHSS' response, and nothing in the response persuaded us to revise the finding. We reiterate that DHSS' DPA director should ensure staff carry out existing subrecipient monitoring procedures and adopt written procedures to ensure timely monitoring of the work performed by subrecipients. Additionally, written procedures should be established to ensure risk assessments are carried out as required by federal regulations.

Finding No. 2018-046

We have reviewed the Department of Military and Veterans' Affairs' (DMVA) response, and nothing in the response persuaded us to revise the finding. We reiterate that DMVA's finance officer should develop and implement written procedures over Schedule of Expenditures of Federal Awards preparation and review to ensure it is accurate, complete, and supported. Additionally, the procedures should include data completion verification, supervisory review, and documentation of verification and review.

Finding No. 2018-053

We have reviewed the Department of Natural Resources' (DNR) response and note that the Department of Law's legal analysis was reviewed and considered during the audit period as was the legal analysis conducted by Legislative Audit legal counsel. The Legislative Audit legal counsel analysis and the review conducted by audit staff concluded that all revenues contained in AS 37.13.010(a)(2) are validly dedicated as an exception to the anti-dedication clause and expressly permitted by the Permanent Fund Amendment to the Alaska Constitution. The AS 37.13.010(a)(2) monies that were not deposited into the permanent fund are not available for general use and should be recognized as a liability in the general fund.

Finding No. 2018-054

We have reviewed DNR's response. Legal analysis provided by the Department of Law was reviewed and considered during the audit, as was legal analysis provided by the Legislative Division of Legal Services. The Legislative Legal Services' analysis was rooted in a plain reading of the constitution and concluded that the monies should be deposited into the CBRF. The Department of Law's analysis did not persuade us to conclude otherwise. We reiterate that the Department of Revenue's commissioner should ensure all CBRF eligible revenues are transferred to the CBRF.

Finding No. 2018-064

We have reviewed the Department of Fish and Game's (DFG) response, and nothing in the response persuaded us to revise the finding. DFG management disagrees the effect of the finding results in questioned costs, as the negotiated rate is binding once approved by the Department of the Interior (DOI). We note that DOI was provided a flawed indirect cost rate proposal. If the proposal was correct, a lower rate would have been approved by DOI. We reiterate that DFG's Division of Administrative Services director should ensure the indirect cost rate calculation is calculated accurately and supported by the accounting records.

Finding No. 2018-066

We have reviewed DFG's response and nothing in the response persuaded us to revise the finding. Auditors could not verify the information provided by DFG as it was provided after the audit report date.

Finding No. 2018-070

We have reviewed the Alaska International Airport System (AIAS) response to the audit and nothing in the response causes us to revise the finding or recommendation. The agency states that the delay in issuing the audited financial statements was due to a delay in receiving financial information from the Department of Administration's Division of Finance (DOF). We did recognize that DOF contributed to the delay; however, we also recognize AIAS staff did not prepare footnote disclosures in a timely manner, which also contributed to the late audit.

The audit adjustments made to correctly report AIAS activity included entries to change the draft amounts for certain cash flow statement accounts to reflect the final audit as well as an adjusting entry to correct OPEB amounts and an adjustment to correct the allowance for uncollectible revenues.

Finding No. 2018-074

We have reviewed the Alaska Permanent Fund Corporation's response and note that the Department of Law's legal analysis was reviewed and considered during the audit period, as was the legal analysis conducted by Legislative Audit legal counsel. The Legislative Audit legal counsel analysis and the review conducted by audit staff supported that all revenues contained in AS 37.13.010(a)(2) are validly dedicated as an exception to the anti-dedication clause and expressly permitted by the Permanent Fund Amendment to the Alaska Constitution. The AS 37.13.010(a)(2) monies that were not deposited into the permanent fund are not available for general use and should be recognized as a liability in the general fund.

In summary, we reaffirm the findings and recommendations presented in this report.

Sincerely,

Kris Curtis, CPA, CISA
Legislative Auditor

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SECTION V - APPENDICES

STATE OF ALASKA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2018
By State Agency

Federal Program Title	Federal Agency	CFDA Number	Grant or Other Identifying Number	Cluster	Federal Expenditures	Provided to Subrecipients
Alaska Commission on Post Secondary Education						
Indian Education -- Special Programs for Indian Children	USDOE	84.299A	S299A160045		26,000	
Alaska Native Educational Programs	USDOE	84.356	S356A150067		21,250	
Total for Alaska Commission on Post Secondary Education					**47,250**	**-**
Alaska Energy Authority						
Rural Business Development Grant	USDA	10.351	RP 529040791		21,159	
Wood Utilization Assistance	USDA	10.674	DG or CA 11100106		143,461	
Rural Energy for America Program	USDA	10.868	X 0001928		5,038	
Biomass System Performance Grant	USDA	10.U01	JV 11261975		841	
ARRA-State Clean Diesel Grant Program	EPA	66.040	DS-01J18401		153,993	152,631
ARRA-State Clean Diesel Grant Program	EPA	66.040	DS-01J36001		739	
State Energy Program	ERGY	81.041	DE-EE0006977		360,047	
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	ERGY	81.117	DE-EE0006283		5,913	
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	ERGY	81.117	DE-EE0007352		39,939	14,392
State Energy Program Special Projects	ERGY	81.119	DE-EE0007227		209,470	
Electricity Delivery and Energy Reliability, Research, Development and Analysis	ERGY	81.122	DE-OE0000795		24,000	24,000
Denali Commission Program	DC	90.100	369		2,540,529	1,191,167
Total for Alaska Energy Authority					**3,505,129**	**1,382,190**
Alaska Housing Finance Corporation						
Very Low to Moderate Income Housing Loans	USDA	10.410			124,520,912	
Mortgage Insurance Homes	HUD	14.117			231,830,056	
Section 8 Housing Assistance Payments Program	HUD	14.195		S8PBC	2,253,639	
Emergency Solutions Grant Program	HUD	14.231			225,514	200,845
Home Investment Partnerships Program	HUD	14.239			2,581,777	1,525,279
Housing Opportunities for Persons with AIDS	HUD	14.241			555,293	430,607
Section 8 Moderate Rehabilitation Single Room Occupancy	HUD	14.249		S8PBC	569,180	491,061
Continuum of Care Program	HUD	14.267			1,092,414	1,055,039
Project Rental Assistance Demonstration (PRA Demo) Program of Section 811 Supportive Housing for Persons with Disabilities	HUD	14.326			94,865	
Public and Indian Housing Indian Loan Guarantee Program	HUD	14.865			123,526,688	
Section 8 Housing Choice Vouchers	HUD	14.871		HVC	2,259,682	
Moving to Work Demonstration Program	HUD	14.881			50,964,810	
Family Self-Sufficiency Program	HUD	14.896			273,808	
Veterans Housing Guaranteed and Insured Loans	USDVA	64.114			55,560,779	
State Energy Program	ERGY	81.041			152,330	
Weatherization Assistance for Low-Income Persons	ERGY	81.042			1,818,432	1,090,652
State Energy Program Special Projects	ERGY	81.119			60,473	
Low-Income Home Energy Assistance	USDHHS	93.568	06HSSINT		750,000	738,276
Total for Alaska Housing Finance Corporation					**599,090,652**	**5,531,759**
Alaska Industrial Development and Export Authority						
Federal Transit Capital Investment Grants	USDOT	20.500	AK-2017-028	FTC	527,317	
Total for Alaska Industrial Development and Export Authority					**527,317**	**-**

STATE OF ALASKA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2018
By State Agency

Federal Program Title	Federal Agency	CFDA Number	Grant or Other Identifying Number	Cluster	Federal Expenditures	Provided to Subrecipients
Alaska Railroad Corporation						
Federal Transit Capital Investment Grants	USDOT	20.500	AK-55-0003	FTC	341,820	
Federal Transit Formula Grants	USDOT	20.507	AK-2017-020-00	FTC	7,466,566	
Federal Transit Formula Grants	USDOT	20.507	AK-2018-002-00	FTC	9,670,684	
Federal Transit Formula Grants	USDOT	20.507	AK-2018-003-00	FTC	213,718	
Federal Transit Formula Grants	USDOT	20.507	AK-2018-004-00	FTC	3,450,010	
Federal Transit Formula Grants	USDOT	20.507	AK-90-X072-00	FTC	19,444	
Federal Transit Formula Grants	USDOT	20.507	AK-90-X075-00	FTC	25,424	
Federal Transit Formula Grants	USDOT	20.507	AK-90-X080-00	FTC	46,673	
Federal Transit Formula Grants	USDOT	20.507	AK-95-X018-00	FTC	10,320,197	
State of Good Repair Grants Program	USDOT	20.525	AK-2016-006-01	FTC	40,592	
State of Good Repair Grants Program	USDOT	20.525	AK-2017-007-01	FTC	17,129,963	
State of Good Repair Grants Program	USDOT	20.525	AK-2017-008-01	FTC	956,107	
State of Good Repair Grants Program	USDOT	20.525	AK-2017-019-00	FTC	2,120,695	
National Infrastructure Investments	USDOT	20.933	DTMA91G150007		602,312	
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	USDHS	97.036	4094-DR-AK		610,636	
Pre-Disaster Mitigation	USDHS	97.047	200PDM-GY14		476,839	
Total for Alaska Railroad Corporation					**53,491,680**	**-**
Alaska State Council on the Arts						
Promotion of the Arts Partnership Agreements	NEA	45.025	17335/NEAART		752,421	306,350
Total for Alaska State Council on the Arts					**752,421**	**306,350**
Alaska Student Loan Corporation						
Federal Family Education Loans (Lenders)	USDOE	84.032L			70,486,651	
Total for Alaska Student Loan Corporation					**70,486,651**	**-**
Alaska Seafood Marketing Institute						
Market Access Program	USDA	10.601			4,248,285	
Total for Alaska Seafood Marketing Institute					**4,248,285**	**-**
Alaska Court System / Alaska Judicial Council						
Drug Court Discretionary Grant Program	USDOJ	16.585	2016-DC-BX-0066		77,424	
State Court Improvement Program	USDHHS	93.586	1601AKSCIP		14,986	
State Court Improvement Program	USDHHS	93.586	1601AKSCIT		34,033	
State Court Improvement Program	USDHHS	93.586	1701AKSCID		59,285	
State Court Improvement Program	USDHHS	93.586	1701AKSCIP		42,066	
State Court Improvement Program	USDHHS	93.586	1701AKSCIT		97,079	
Grants to States for Access and Visitation Programs	USDHHS	93.597	1602AKSAVP		40,807	
Grants to States for Access and Visitation Programs	USDHHS	93.597	1702AKSAVP		63,850	
Child Abuse and Neglect Discretionary Activities	USDHHS	93.670	90CA1854		4,930	
Elder Abuse Prevention Interventions Program	USDHHS	93.747	90EJIG0007-01-00		13,838	
Total for Alaska Court System / Alaska Judicial Council					**448,298**	**-**
Department of Commerce, Community and Economic Development						
Schools and Roads - Grants to States	USDA	10.665	National Forest Receipts	FSRC	9,383,529	9,383,529
Tongass Young Growth Challenge	USDA	10.U02	RSA1080568; 15-CS-1110106-809		52,961	
Economic Development Technical Assistance	USDOC	11.303	EDATA113-2 Economic Development Strategy; ED16SEA303000		1,530	
Economic Adjustment Assistance	USDOC	11.307	SBED	EDC	7,586,305	

Federal Program Title	Federal Agency	CFDA Number	Grant or Other Identifying Number	Cluster	Federal Expenditures	Provided to Subrecipients
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	HUD	14.228	B10DC020001, B11DC020001, B13DC020001, B14DC020001, B15DC020001, B16DC020001,		3,452,370	3,330,792
Payments in Lieu of Taxes	USDOI	15.226	Payments in Lieu of Taxes		10,976,600	10,976,600
Distribution of Receipts to State and Local Governments	USDOI	15.227	National Petroleum Reserve Alaska Impact Mitigation		6,057,903	6,057,903
Harold Rogers Prescription Drug Monitoring Program	USDOJ	16.754	RSA8800018; 2017PM-BX-0006		34,391	
State Trade Expansion	SBA	59.061	SBAHQF2-16-IT-0048		7,484	7,484
Congressionally Mandated Projects	EPA	66.202	RSA18180037; XP01J28801		1,792,861	529,033
Denali Commission Program	DC	90.100	01496-00		46,050	
Injury Prevention and Control Research and State and Community Based Programs	USDHHS	93.136	RSA0680154; NU17CE924872-02-01		59,500	
Substance Abuse and Mental Health Services Projects of Regional and National Significance	USDHHS	93.243	RSA0680378		200,000	
1332 State Innovation Waivers	USDHHS	93.423	SIWIW180004		26,138,648	26,138,648
Child Support Enforcement	USDHHS	93.563	RSA480042		2,139	
Community Services Block Grant	USDHHS	93.569	G17B1AKCOSR, G18B1AKCOSR		2,620,067	2,511,213
Medical Assistance Program	USDHHS	93.778	RSA0680470	MC	120,000	
The Health Insurance Enforcement and Consumer Protections Grant Program	USDHHS	93.881	1PRPPR170099		75,272	
State Commissions	CNCS	94.003	16CAHAK001		178,352	5,182
AmeriCorps	CNCS	94.006	RSA0880099; 16ACHAK001, 15AFHAK001, 15FXHAK001		762,744	687,741
Training and Technical Assistance	CNCS	94.009	16TAHAK		84,822	
Community Assistance Program State Support Services Element (CAP-SSSE)	USDHS	97.023	EMS-2017-RX-0003		124,047	12,340
Cooperating Technical Partners	USDHS	97.045	EMS-2017-CA-00001, EMS-2016-CA-0005		145,461	
Total for Department of Commerce, Community and Economic Development					**69,903,036**	**59,640,465**
Department of Environmental Conservation						
Plant and Animal Disease, Pest Control, and Animal Care	USDA	10.025			161,916	
Water and Waste Disposal Systems for Rural Communities	USDA	10.760			3,464,931	265,281
Solid Waste Management Grants	USDA	10.762			192,291	
NOAA NMFS	USDOC	11.U01	45ABNA0B0252		8,401	
Japanese Tsunami Marine Debris	USDOC	11.U02	MOA-2013-005-8626		38,372	
State Memorandum of Agreement Program for the Reimbursement of Technical Services	USDOD	12.113			2,435,228	
Environmental Quality and Protection	USDOI	15.236			9,314	
Clean-up Contaminated Sites in Alaska	USDOT	20.U01	DTFAWN-15-A-80000		149,319	
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	EPA	66.034			60,282	

STATE OF ALASKA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2018
By State Agency

Federal Program Title	Federal Agency	CFDA Number	Grant or Other Identifying Number	Cluster	Federal Expenditures	Provided to Subrecipients
Congressionally Mandated Projects	EPA	66.202			10,993,443	997,199
Multipurpose Grants to States and Tribes	EPA	66.204			12,900	
Water Pollution Control State, Interstate, and Tribal Program Support	EPA	66.419			381,626	
State Public Water System Supervision	EPA	66.432			2,602,061	
Water Quality Management Planning	EPA	66.454			111,792	
Capitalization Grants for Clean Water State Revolving Funds	EPA	66.458	CS-02000115/W49195	CWFC	36,175	
Capitalization Grants for Clean Water State Revolving Funds	EPA	66.458	CS-02000117/W49197	CWFC	713,013	713,013
Capitalization Grants for Drinking Water State Revolving Funds	EPA	66.468	FS-98005816/W49598	DWFC	2,454,983	2,262,232
Capitalization Grants for Drinking Water State Revolving Funds	EPA	66.468	FS-98005817/W49599	DWFC	4,381,883	2,112,784
Beach Monitoring and Notification Program Implementation Grants	EPA	66.472			164,209	13,747
Performance Partnership Grants	EPA	66.605			4,463,024	105,830
Environmental Information Exchange Network Grant Program and Related Assistance	EPA	66.608			67,328	
Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	EPA	66.802			117,254	
Underground Storage Tank Prevention, Detection and Compliance Program	EPA	66.804			302,441	
Leaking Underground Storage Tank Trust Fund Corrective Action Program	EPA	66.805			472,435	
Superfund State and Indian Tribe Core Program Cooperative Agreements	EPA	66.809			112,492	
State and Tribal Response Program Grants	EPA	66.817			614,646	
LUST Trust Cost Recovery	EPA	66.U01	LUST Trust Cost Recovery		263,005	
Long-Term Surveillance and Maintenance	ERGY	81.136			40,505	
Food and Drug Administration Research	USDHHS	93.103			1,062,890	
Tribal Self-Governance Program: IHS Compacts/Funding Agreements	USDHHS	93.210	MOU dated 05/09/2006-W47002		842,165	
Tribal Self-Governance Program: IHS Compacts/Funding Agreements	USDHHS	93.210	MOU dated 05/09/2006-W47003		727,444	
Tribal Self-Governance Program: IHS Compacts/Funding Agreements	USDHHS	93.210	MOU dated 05/09/2006-W47004		38,712	
Tribal Self-Governance Program: IHS Compacts/Funding Agreements	USDHHS	93.210	MOU dated 05/09/2006-W47005		612,745	
Tribal Self-Governance Program: IHS Compacts/Funding Agreements	USDHHS	93.210	MOU dated 05/09/2006-W47007		600,210	
Tribal Self-Governance Program: IHS Compacts/Funding Agreements	USDHHS	93.210	MOU dated 05/09/2006-W47008		656,644	
Tribal Self-Governance Program: IHS Compacts/Funding Agreements	USDHHS	93.210	MOU dated 05/09/2006-W47011		543	
Tribal Self-Governance Program: IHS Compacts/Funding Agreements	USDHHS	93.210	MOU dated 05/09/2006-W47012		413	
Tribal Self-Governance Program: IHS Compacts/Funding Agreements	USDHHS	93.210	MOU dated 05/09/2006-W47013		617,188	
Tribal Self-Governance Program: IHS Compacts/Funding Agreements	USDHHS	93.210	MOU dated 05/09/2006-W47014		285	
Tribal Self-Governance Program: IHS Compacts/Funding Agreements	USDHHS	93.210	MOU dated 05/09/2006-W47015		58,342	
Tribal Self-Governance Program: IHS Compacts/Funding Agreements	USDHHS	93.210	MOU dated 05/09/2006-W47016		378,183	
Tribal Self-Governance Program: IHS Compacts/Funding Agreements	USDHHS	93.210	MOU dated 05/09/2006-W47019		66	

STATE OF ALASKA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2018
By State Agency

Federal Program Title	Federal Agency	CFDA Number	Grant or Other Identifying Number	Cluster	Federal Expenditures	Provided to Subrecipients
Tribal Self-Governance Program: IHS Compacts/Funding Agreements	USDHHS	93.210	MOU dated 05/09/2006-W47033		926,988	
Tribal Self-Governance Program: IHS Compacts/Funding Agreements	USDHHS	93.210	MOU dated 05/09/2006-W47034		282,533	
Tribal Self-Governance Program: IHS Compacts/Funding Agreements	USDHHS	93.210	MOU dated 05/09/2006-W47039		323,355	
Tribal Self-Governance Program: IHS Compacts/Funding Agreements	USDHHS	93.210	MOU dated 05/09/2006-W47040		1,499,173	
Tribal Self-Governance Program: IHS Compacts/Funding Agreements	USDHHS	93.210	MOU dated 05/09/2006-W47041		10,393	
Tribal Self-Governance Program: IHS Compacts/Funding Agreements	USDHHS	93.210	MOU dated 05/09/2006-W47042		67,458	
Tribal Self-Governance Program: IHS Compacts/Funding Agreements	USDHHS	93.210	MOU dated 05/09/2006-W47043		4,579	
FDA Food Inspections	USDHHS	93.U01	HHSF223201310149 C		803,999	
U.S. Coast Guard Oversight - Juneau/Kodiak	USDHS	97.U01	HSCG8716PPXA7V5		70,236	
Total for Department of Environmental Conservation					**44,409,813**	**6,470,086**
Department of Education and Early Development						
Professional Standards for School Nutrition Employees	USDA	10.547	PROFSG		53,815	16,798
School Breakfast Program	USDA	10.553	CHILDN	CNC	13,099,989	12,701,550
National School Lunch Program (Food Commodities)	USDA	10.555	CHILDN	CNC	3,031,786	3,031,786
National School Lunch Program	USDA	10.555	CHILDN	CNC	38,223,316	37,346,309
Child and Adult Care Food Program (Food Commodities)	USDA	10.558	CAACFP & CHILDN		21,729	21,729
Child and Adult Care Food Program	USDA	10.558	CAACFP & CHILDN		9,788,084	9,640,030
Summer Food Service Program for Children (Food Commodities)	USDA	10.559	CHILDN	CNC	4,274	4,274
Summer Food Service Program for Children	USDA	10.559	CHILDN	CNC	1,546,048	1,474,231
State Administrative Expenses for Child Nutrition	USDA	10.560	CNMEAL & SAESAE		1,345,512	270,038
Emergency Food Assistance Program (Administrative Costs)	USDA	10.568	TEAFAP	FDC	169,459	160,361
Emergency Food Assistance Program (Food Commodities)	USDA	10.569	TEAFAP	FDC	688,021	688,021
Team Nutrition Grants	USDA	10.574	TEAMGR		82,439	18,882
Child Nutrition Discretionary Grants Limited Availability	USDA	10.579	ART2AR & CERTGR & CNPEQU		76,811	63,045
Fresh Fruit and Vegetable Program	USDA	10.582	FRESHF		1,849,420	1,784,496
Promotion of the Humanities Division of Preservation and Access	NEH	45.149	NEHGRT		95,858	
Grants to States	IMLS	45.310	LSTAGR		926,365	791,571
Title I Grants to Local Educational Agencies	USDOE	84.010	TITLE1		43,615,240	42,700,720
Migrant Education State Grant Program	USDOE	84.011	MIGRNT		9,453,387	8,809,115
Title I State Agency Program for Neglected and Delinquent Children and Youth	USDOE	84.013	TITL1D		374,436	372,944
Special Education Grants to States	USDOE	84.027	SPEVIB	SEC	37,104,506	35,456,659
Impact Aid	USDOE	84.041	Fund 3289		39,810,181	
Career and Technical Education -- Basic Grants to States	USDOE	84.048	VOCAED		4,137,019	3,234,178
Indian Education Grants to Local Educational Agencies	USDOE	84.060	INDEDU		180,826	
Migrant Education Coordination Program	USDOE	84.144	MIGSIX		11,407	7,127
Rehabilitation Services Client Assistance Program	USDOE	84.161	CLASSP		131,917	

Federal Program Title	Federal Agency	CFDA Number	Grant or Other Identifying Number	Cluster	Federal Expenditures	Provided to Subrecipients
Special Education Preschool Grants	USDOE	84.173	SPEDPR	SEC	1,122,572	1,008,416
Education for Homeless Children and Youth	USDOE	84.196	HMLESS		243,027	207,595
Twenty-First Century Community Learning Centers	USDOE	84.287	21STCE		5,910,804	5,752,639
Rural Education	USDOE	84.358	RURLOW & RURSMA		80,632	58,569
English Language Acquisition State Grants	USDOE	84.365	TITLE3		1,201,087	1,093,479
Mathematics and Science Partnerships	USDOE	84.366	MATHSC		462,252	427,239
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	USDOE	84.367	TITL2A		10,655,249	10,396,042
Grants for State Assessments and Related Activities	USDOE	84.369	STATEA		3,962,305	
School Improvement Grants	USDOE	84.377	SCHOOL		1,587,882	1,572,137
Student Support and Academic Enrichment Program	USDOE	84.424	TITLE4		907,072	863,480
National Historical Publications and Records Grants	NARA	89.003	NHPRCG		12,575	
Substance Abuse and Mental Health Services Projects of Regional and National Significance	USDHHS	93.243	AKAWAR		1,528,931	1,126,987
Head Start	USDHHS	93.600	HEADCO		189,836	
Total for Department of Education and Early Development					**233,686,069**	**181,100,447**
Department of Fish and Game						
Wildlife Services	USDA	10.028	16-7440-188-CA 16-7440-1188-CA		17,216	
Regional Conservation Partnership Program	USDA	10.932	MOU-015-003		38,737	
Miscellaneous US Forest Service-Wildlife Research	USDA	10.U03	14-CS-11100400-021		6,334	
Miscellaneous US Forest Service-Fisheries Research	USDA	10.U04	AG-0109-C-14-0002		98,748	
Miscellaneous US Forest Service-Fisheries Research	USDA	10.U05	AG-0109-C-14-0013		8,381	
Miscellaneous US Forest Service-Wildlife Research	USDA	10.U06	AG-0116-P-14-0012		26,049	
Interjurisdictional Fisheries Act of 1986	USDOC	11.407	NA13NMF4070190		176,426	
Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program	USDOC	11.427	Multiple Awards		324,488	
Pacific Fisheries Data Program	USDOC	11.437	Multiple Awards		2,918,433	
Pacific Fisheries Data Program	USDOC	11.437	Multiple Awards		3,389,478	
Pacific Coast Salmon Recovery Pacific Salmon Treaty Program	USDOC	11.438	Multiple Awards		9,298,314	1,666,253
Pacific Coast Salmon Recovery Pacific Salmon Treaty Program	USDOC	11.438	NA15NMF4380236		102,884	
Marine Mammal Data Program	USDOC	11.439	COOP-18-046		1,292	
Marine Mammal Data Program	USDOC	11.439	Multiple Awards		1,291,603	
Regional Fishery Management Councils	USDOC	11.441	Multiple Awards		39,298	
Unallied Science Program	USDOC	11.472	COOP-15-045		46,540	
Unallied Science Program	USDOC	11.472	Multiple Awards		708,859	
Unallied Science Program	USDOC	11.472	Multiple Awards		619,470	138,027
Miscellaneous NOAA-Fisheries Research	USDOC	11.U03	1305M318PNFFS002 5		10,424	
Miscellaneous NOAA-Marine Mammal Research	USDOC	11.U04	RA133F17SU0649		13,107	
Miscellaneous NOAA-Marine Mammal Research	USDOC	11.U05	WE133F14SE4018		9,380	
Miscellaneous NOAA-Fisheries Research	USDOC	11.U06	WE-133F15-SE-1959		5,004	
Miscellaneous NOAA-Fisheries Research	USDOC	11.U07	WE133F15SE1978		10,371	

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Miscellaneous NOAA-Fisheries Research	USDOC	11.U08	WE-133R-15-SE-1025		2,958	
Basic and Applied Scientific Research	USDOD	12.300	N00014161319		380,935	
Miscellaneous Army-Wildlife Research	USDOD	12.U01	W91D0-16-D-0005		60,157	
Fish, Wildlife and Plant Conservation Resource Management	USDOI	15.231	0801.16.049830		23,064	
Fish, Wildlife and Plant Conservation Resource Management	USDOI	15.231	Multiple Awards		139,524	
Challenge Cost Share	USDOI	15.238	L15AC00223 L14AC00329		77,303	
Sport Fish Restoration	USDOI	15.605	Multiple Awards	F&WC	18,482,159	429,447
Fish and Wildlife Management Assistance	USDOI	15.608	Multiple Awards		685,385	
Wildlife Restoration and Basic Hunter Education	USDOI	15.611	Multiple Awards	F&WC	27,561,341	462,625
Cooperative Endangered Species Conservation Fund	USDOI	15.615	F16AP00695		60,696	
Clean Vessel Act	USDOI	15.616	F15AP01007		33,472	
State Wildlife Grants	USDOI	15.634	Multiple Awards		3,444,402	
Alaska Subsistence Management	USDOI	15.636	Multiple Awards		2,222,948	2,980
Alaska Migratory Bird Co-Management Council	USDOI	15.643	F17AC00179		98,536	
Service Training and Technical Assistance (Generic Training)	USDOI	15.649	F14AC01314		1,490	
National Fish and Wildlife Foundation	USDOI	15.663	0801.16.049950 0801.16.050041		44,869	
Fish and Wildlife Coordination and Assistance	USDOI	15.664	0801.16.050041		19,096	
Cooperative Landscape Conservation	USDOI	15.669	F16AC00365 F16AC00290		62,244	
Adaptive Science	USDOI	15.670	COOP-15-110		5,930	
Yukon River Salmon Research and Management Assistance	USDOI	15.671	F17AP01039 F16AP00809		35,442	
U.S. Geological Survey Research and Data Collection	USDOI	15.808	G15AC00197		22,500	
Rivers, Trails and Conservation Assistance	USDOI	15.921	P15AC01761		17,455	
Cooperative Research and Training Programs – Resources of the National Park System	USDOI	15.945	Multiple Awards		120,817	
Miscellaneous Fish & Wildlife Service-Alaska Peninsula Moose Collaring	USDOI	15.U01	G15AC00012		45,641	
Miscellaneous Fish & Wildlife Service-Kodiak Goat Capture	USDOI	15.U02	M12PC00005		352,843	
Miscellaneous Fish & Wildlife Service	USDOI	15.U03	M13PC00015		84,153	
Miscellaneous Homeland Security - M/V Selendang Oil Spill Response	USDHS	97.U02	FPNJ05003		2,163	
Total for Department of Fish and Game					**73,248,359**	**2,699,332**
Department of Health and Social Services						
Supplemental Nutrition Assistance Program	USDA	10.551		SNAP	195,570,454	
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	USDA	10.557			18,955,484	5,453,764
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	USDA	10.561		SNAP	10,534,351	721,391
Commodity Supplemental Food Program	USDA	10.565		FDC	201,642	183,459
Commodity Supplemental Food Program (Food Commodities)	USDA	10.565		FDC	685,423	685,423
Senior Farmers Market Nutrition Program	USDA	10.576			175,076	73,174
ARRA-WIC Grants To States (WGS)	USDA	10.578	WISA-09-AK-01		517,850	
Juvenile Justice and Delinquency Prevention	USDOJ	16.540			409,205	226,158
Harold Rogers Prescription Drug Monitoring Program	USDOJ	16.754			36,302	
Special Education-Grants for Infants and Families	USDOE	84.181			2,266,819	1,691,146

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Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	USDHHS	93.041			7,188	
Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	USDHHS	93.042			78,631	
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	USDHHS	93.043			94,384	94,383
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	USDHHS	93.044		AC	1,840,327	1,545,896
Special Programs for the Aging, Title III, Part C, Nutrition Services	USDHHS	93.045		AC	3,076,383	2,685,321
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	USDHHS	93.048			236,604	57,921
National Family Caregiver Support, Title III, Part E	USDHHS	93.052			748,664	748,664
Nutrition Services Incentive Program	USDHHS	93.053		AC	568,281	
Public Health Emergency Preparedness	USDHHS	93.069			28,856	
Medicare Enrollment Assistance Program	USDHHS	93.071			29,862	10,000
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	USDHHS	93.074			4,116,041	701,546
Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	USDHHS	93.079			65,111	
Guardianship Assistance	USDHHS	93.090			770,708	
Affordable Care Act (ACA) Personal Responsibility Education Program	USDHHS	93.092			204,540	
Maternal and Child Health Federal Consolidated Programs	USDHHS	93.110			580,803	
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	USDHHS	93.116			708,961	
Emergency Medical Services for Children	USDHHS	93.127			140,865	
Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	USDHHS	93.130			14,388	
Injury Prevention and Control Research and State and Community Based Programs	USDHHS	93.136			1,698,839	65,000
Projects for Assistance in Transition from Homelessness (PATH)	USDHHS	93.150			80,175	4,116
Grants to States for Loan Repayment Program	USDHHS	93.165			517,189	
Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	USDHHS	93.197			105,040	
Family Planning Services	USDHHS	93.217			511,219	288,750
Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	USDHHS	93.224		HCC	1,958	
Traumatic Brain Injury State Demonstration Grant Program	USDHHS	93.234			234,125	170,106
State Capacity Building	USDHHS	93.240			278,941	
State Rural Hospital Flexibility Program	USDHHS	93.241			801,069	74,488
Substance Abuse and Mental Health Services Projects of Regional and National Significance	USDHHS	93.243			3,319,330	1,766,323
Universal Newborn Hearing Screening	USDHHS	93.251			236,162	35,000

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Immunization Cooperative Agreements (Admin Costs)	USDHHS	93.268			1,206,143	
Immunization Cooperative Agreements (Immunizations)	USDHHS	93.268			9,242,905	
Viral Hepatitis Prevention and Control	USDHHS	93.270			135,019	
Centers for Disease Control and Prevention Investigations and Technical Assistance	USDHHS	93.283			159,839	
Small Rural Hospital Improvement Grant Program	USDHHS	93.301			101,223	
PPHF 2018: Office of Smoking and Health-National State-Based Tobacco Control Programs-Financed in part by 2018 Prevention and Public Health funds (PPHF)	USDHHS	93.305			720,029	
Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	USDHHS	93.314			189,796	
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	USDHHS	93.323			1,504,848	
State Health Insurance Assistance Program	USDHHS	93.324			199,928	66,505
Behavioral Risk Factor Surveillance System	USDHHS	93.336			258,617	
ACL Independent Living State Grants	USDHHS	93.369			264,884	264,884
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	USDHHS	93.505		MIEC	1,125,797	
The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreement; PPHF	USDHHS	93.521			937,536	
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	USDHHS	93.539			680,458	
Promoting Safe and Stable Families	USDHHS	93.556			648,323	509,052
Temporary Assistance for Needy Families	USDHHS	93.558		TANFC	46,938,212	
Low-Income Home Energy Assistance	USDHHS	93.568			9,686,437	
Child Care and Development Block Grant	USDHHS	93.575		CCC	17,378,440	607,104
Community-Based Child Abuse Prevention Grants	USDHHS	93.590			465,360	405,990
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	USDHHS	93.596		CCC	1,249,704	76,631
Chafee Education and Training Vouchers Program (ETV)	USDHHS	93.599			229,075	
Adoption and Legal Guardianship Incentive Payments	USDHHS	93.603			296,404	
Developmental Disabilities Basic Support and Advocacy Grants	USDHHS	93.630			677,346	
Developmental Disabilities Projects of National Significance	USDHHS	93.631			198,257	
Children's Justice Grants to States	USDHHS	93.643			89,385	
Stephanie Tubbs Jones Child Welfare Services Program	USDHHS	93.645			134,044	126,498
Foster Care Title IV-E	USDHHS	93.658			21,859,838	
Adoption Assistance	USDHHS	93.659			22,428,944	
Social Services Block Grant	USDHHS	93.667			7,200,479	523,302
Child Abuse and Neglect State Grants	USDHHS	93.669			21,045	
Chafee Foster Care Independence Program	USDHHS	93.674			900,057	104,000

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Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance – financed in part by the Prevention and Public Health Fund (PPHF)	USDHHS	93.733			320,999	
State Public Health Approaches for Ensuring Quitline Capacity Funded in part by Prevention and Public Health Funds (PPHF)	USDHHS	93.735			49,841	
State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)	USDHHS	93.757			470,856	
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	USDHHS	93.758			401,610	
Children's Health Insurance Program	USDHHS	93.767			29,793,349	
Medicare Hospital Insurance	USDHHS	93.773			776,470	
State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	USDHHS	93.777		MC	538,975	
Medical Assistance Program	USDHHS	93.778		MC	1,499,094,791	
Opioid STR	USDHHS	93.788			1,313,823	674,261
Domestic Ebola Supplement to the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	USDHHS	93.815			234,007	
Hospital Preparedness Program (HPP) and Ebola Preparedness and Response Activities	USDHHS	93.817			21,979	
Maternal, Infant and Early Childhood Home Visiting Grant Program	USDHHS	93.870		MIEC	304,349	
Assistance for Oral Disease Prevention and Control	USDHHS	93.875			197,301	
National Bioterrorism Hospital Preparedness Program	USDHHS	93.889			44,017	
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	USDHHS	93.898			2,999,999	
Grants to States for Operation of Offices of Rural Health	USDHHS	93.913			206,032	
HIV Care Formula Grants	USDHHS	93.917			1,177,086	526,616
HIV Prevention Activities Health Department Based	USDHHS	93.940			854,208	247,103
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	USDHHS	93.944			90,599	
Assistance Programs for Chronic Disease Prevention and Control	USDHHS	93.945			406,625	
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	USDHHS	93.946			183,757	
Block Grants for Community Mental Health Services	USDHHS	93.958			771,167	695,046
Block Grants for Prevention and Treatment of Substance Abuse	USDHHS	93.959			5,502,341	4,029,642
Sexually Transmitted Diseases (STD) Prevention and Control Grants	USDHHS	93.977			302,402	
Maternal and Child Health Services Block Grant to the States	USDHHS	93.994			669,970	21,000
Total for Department of Health and Social Services					**1,944,302,175**	**26,159,663**
Department of Labor and Workforce Development						
Labor Force Statistics	USDOL	17.002	LFSTAT		578,117	
Compensation and Working Conditions	USDOL	17.005	BLSOSH		60,388	

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Employment Service/Wagner-Peyser Funded Activities	USDOL	17.207	DEI0ES	ESC	1,369,816	
Employment Service/Wagner-Peyser Funded Activities	USDOL	17.207	ONESTP	ESC	253,896	
Employment Service/Wagner-Peyser Funded Activities	USDOL	17.207	WAGPEY	ESC	6,371,411	
Unemployment Insurance	USDOL	17.225	EUC000		269	
Unemployment Insurance	USDOL	17.225	REEMPL		325,980	
Unemployment Insurance	USDOL	17.225	UI Trust Fund		129,386,572	
Unemployment Insurance	USDOL	17.225	UI0000, IPO 180000685		22,551,058	
Unemployment Insurance	USDOL	17.225	UISBRD		160,454	
Senior Community Service Employment Program	USDOL	17.235	SCSEP0		1,632,247	469,385
Trade Adjustment Assistance	USDOL	17.245	TAA000		39,335	
WIOA Adult Program	USDOL	17.258	WIOAAD	WIAC	2,530,407	
WIOA Youth Activities	USDOL	17.259	WIOAYO, IPO2 180000027, IPO2 180000037	WIAC	2,414,121	1,418,812
WIOA Pilots, Demonstrations, and Research Projects	USDOL	17.261	WIAPDR		279,869	
H-1B Job Training Grants	USDOL	17.268	WIAAME, IPO 180000975		610,532	237,423
Reentry Employment Opportunities	USDOL	17.270	REO000		278,896	
Work Opportunity Tax Credit Program (WOTC)	USDOL	17.271	WOTC00		34,232	
Temporary Labor Certification for Foreign Workers	USDOL	17.273	LABCER		103,288	
WIOA National Dislocated Worker Grants / WIA National Emergency Grants	USDOL	17.277	WIANEG, RS775509		1,104,329	325,863
WIOA Dislocated Worker Formula Grants	USDOL	17.278	WIOADW	WIAC	3,705,464	
WIOA Dislocated Worker National Reserve Technical Assistance and Training	USDOL	17.281	WIATAT		70,768	19,346
Apprenticeship USA Grants	USDOL	17.285	APPUSA		579,797	342,800
Occupational Safety and Health State Program	USDOL	17.503	23G001, IPO 180001056, IPO 180000512, IPO 180000458		1,446,351	
Consultation Agreements	USDOL	17.504	21D001		641,935	
Disabled Veterans' Outreach Program (DVOP)	USDOL	17.801	DVOP00 & LVER00	ESC	625,286	
Adult Education - Basic Grants to States	USDOE	84.002	ABE000, IPO2 180000030, PO3 180000337, PO3 180000336, PO3 180000459, PO3 180000460, PO3 180000458		1,040,206	689,826
Federal Pell Grant Program	USDOE	84.063	PELLGR	SFAC	366,779	
Rehabilitation Services Vocational Rehabilitation Grants to States	USDOE	84.126	BASSUP, IPO 180000974, IPO 180000514, IPO2 180000026, GAE 180005023		10,641,631	
Rehabilitation Services Independent Living Services for Older Individuals Who are Blind	USDOE	84.177	ILOBLN		223,102	218,900
Supported Employment Services for Individuals with the Most Significant Disabilities	USDOE	84.187	SUPEMP		104,433	
Federal Direct Student Loans	USDOE	84.268	DIRLON	SFAC	190,539	
Denali Commission Program	DC	90.100	DENALI		14,368	
ACL Assistive Technology	USDHHS	93.464	ASTECH		442,253	437,200
Social Security Disability Insurance	SSA	96.001	SSDINS	DISSIC	4,625,132	

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Supplemental Security Income	SSA	96.006	SSIREI	DISSIC	887,261	
Social Security - Work Incentives Planning and Assistance Program	SSA	96.008	TKT2WK		54,037	
Total for Department of Labor and Workforce Development					**195,744,559**	**4,159,555**
Department of Military and Veterans' Affairs						
Meteorologic and Hydrologic Modernization Development	USDOC	11.467	20NOAA		445,017	56,000
National Guard Military Operations and Maintenance (O&M) Projects	USDOD	12.401	SRM		13,669,314	
National Guard ChalleNGe Program	USDOD	12.404	50AMYA		4,819,091	
Interagency Hazardous Materials Public Sector Training and Planning Grants	USDOT	20.703	20HMEP		157,012	
Veterans Transportation Project	USDVA	64.035	6TRANS		185,830	160,972
Contract	USDVA	64.U01	V101 (223C) P-5801		110,302	
Denali Commission Program	DC	90.100	2DCCR2016		218,794	
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	USDHS	97.036	DRF - PA		17,137,271	9,254,742
Hazard Mitigation Grant	USDHS	97.039	DRF - HM		360,893	257,407
Emergency Management Performance Grants	USDHS	97.042	20EMPG		3,217,563	882,982
Cooperating Technical Partners	USDHS	97.045	20NCTP		13,496	
Pre-Disaster Mitigation	USDHS	97.047	200PDM		1,062,420	
Homeland Security Grant Program	USDHS	97.067	20SHSP		4,529,529	3,472,672
Coast Guard	USDHS	97.U03	HSCG89-16-9-0053		278,896	
Total for Department of Military and Veterans' Affairs					**46,205,428**	**14,084,775**
Department of Natural Resources						
Plant and Animal Disease, Pest Control, and Animal Care	USDA	10.025	16-8502-0606-CA		138,194	
Inspection Grading and Standardization	USDA	10.162			1,070	
Market Protection and Promotion	USDA	10.163			133	
Specialty Crop Block Grant Program - Farm Bill	USDA	10.170			224,305	20,255
Organic Certification Cost Share Programs	USDA	10.171	15NOCCSAK0002		8,812	
Farm to School Grant Program	USDA	10.575	USDA-FNS-F2S-2017		42,243	5,055
Cooperative Forestry Assistance	USDA	10.664			2,750,056	366,489
Schools and Roads - Grants to States	USDA	10.665	12-DG-11100420-010	FSRC	16,217	
Forest Legacy Program	USDA	10.676			2,971	
Forest Health Protection	USDA	10.680			62,225	
Good Neighbor Authority	USDA	10.691			47,312	
Plant Materials for Conservation	USDA	10.905			71,785	
Young Growth SE	USDA	10.U07	15CS11100106809		1,448,343	
16 USFS Fire Suppression (AKDF070002)	USDA	10.U08	15-FI-11100100-016		175,000	
17 USFS Fire Suppression (AKDF070002)	USDA	10.U09	15-FI-11100100-016		14,484,576	
18 USFS Fire Suppression	USDA	10.U10	15-FI-11100100-016		88,996	
Hotshot Crew	USDA	10.U11	15-FI-11100100-016		103,939	
Pioneer Peak	USDA	10.U12	17-FI-11100100-005		25,272	
16 FIA Inventory	USDA	10.U13	2016JV11261919028		1,218,390	
Cultural and Paleontological Resources Management	USDOI	15.224			72,059	
Fish, Wildlife and Plant Conservation Resource Management	USDOI	15.231			49,425	
Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	USDOI	15.250			283,440	
Abandoned Mine Land Reclamation (AMLR)	USDOI	15.252			5,337,762	
Federal Oil and Gas Royalty Management State and Tribal Coordination	USDOI	15.427			102,461	
Fish and Wildlife Management Assistance	USDOI	15.608			14,996	

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Coastal	USDOI	15.630			4,888	
National Wildlife Refuge System Enhancements	USDOI	15.654			3,000	
National Fire Plan-Wildland Urban Interface Community Fire Assistance	USDOI	15.674			34,851	
U.S. Geological Survey Research and Data Collection	USDOI	15.808			894,338	
National Cooperative Geologic Mapping	USDOI	15.810			147,724	
National Geological and Geophysical Data Preservation	USDOI	15.814			45,177	
Volcano Hazards Program Research and Monitoring	USDOI	15.818			729,067	
Energy Cooperatives to Support the National Energy Resources Data System	USDOI	15.819			2,631	
Historic Preservation Fund Grants-In-Aid	USDOI	15.904			1,000,365	76,986
Outdoor Recreation Acquisition, Development and Planning	USDOI	15.916			100,891	71,153
National Maritime Heritage Grants	USDOI	15.925			40,212	
National Park Service Conservation, Protection, Outreach, and Education	USDOI	15.954			15,081	
National Park Service Conservation, Protection, Outreach, and Education	USDOI	15.954			967	
16 BLM Fire Suppression	USDOI	15.U04	BLM MOU AK-2015-002		13,836	
17 BLM Fire Suppression	USDOI	15.U05	BLM MOU AK-2015-002		4,083,219	
15 BLM Fire Suppression	USDOI	15.U06	BLM MOU AK-2015-002		796,022	
18 BLM Fire Suppression	USDOI	15.U07	BLM MOU AK-2015-002		2,336,506	
Irwin Project	USDOI	15.U08	M#4500104134		261,524	
Recreation Trails Program	USDOT	20.219	DTHF70-13-E-00026	HPCC	962,975	337,952
Recreation Trails Program	USDOT	20.219	DTHF70-13-E-00026	HPCC	2,662	
Science	NASA	43.001			117,440	
Regional Wetland Program Development Grants	EPA	66.461	01J38201		2,621	
Environmental Information Exchange Network Grant Program and Related Assistance	EPA	66.608			102,695	
Boating Safety Financial Assistance	USDHS	97.012			637,252	
National Dam Safety Program	USDHS	97.041			43,643	
Cooperating Technical Partners	USDHS	97.045			34,275	
Total for Department of Natural Resources					**39,183,844**	**877,890**
Department of Administration						
Crime Victim Compensation	USDOJ	16.576	2017VCGX0004		630,280	
Commercial Driver's License Program Implementation Grant	USDOT	20.232	FM-CDL-0237-16-01-00		203,148	
Donation of Federal Surplus Personal Property	GSA	39.003			1,357,206	
State Underground Water Source Protection	EPA	66.433	G00J69305-1		114,000	
Total for Department of Administration					**2,304,634**	**-**
Department of Corrections						
Residential Substance Abuse Treatment for State Prisoners	USDOJ	16.593	2014-R-BX-0021		64,559	
Second Chance Act Reentry Initiative	USDOJ	16.812	2017-CZ-BX-0111		5,128	
Justice Reinvestment Initiative	USDOJ	16.827	2015-ZB-BX-K002		97,432	
Swift, Certain, and Fair (SCF) Supervision Program: Including Project HOPE	USDOJ	16.828	2014-MU-BX-K007		119,512	
Incentive Payment Agreement (IPMOU) between SSA and DOC	SSA	96.U01	IPMOU		52,000	
Total for Department of Corrections					**338,631**	**-**

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Federal Program Title	Federal Agency	CFDA Number	Grant or Other Identifying Number	Cluster	Federal Expenditures	Provided to Subrecipients
Department of Revenue						
Child Support Enforcement	USDHHS	93.563			17,872,615	
Total for Department of Revenue					**17,872,615**	**-**
Department of Transportation and Public Facilities						
Cooperative Forest Road Agreements	USDA	10.705			225,811	
Airport Improvement Program	USDOT	20.106			149,847,050	
Highway Research and Development Program	USDOT	20.200			384,014	
Highway Planning and Construction	USDOT	20.205		HPCC	515,823,583	4,856,194
Highway Training and Education	USDOT	20.215			508,221	
Motor Carrier Safety Assistance	USDOT	20.218			1,079,927	4,400
Federal Lands Access Program	USDOT	20.224		HPCC	443,971	
Performance and Registration Information Systems Management	USDOT	20.231			43,848	
Border Enforcement Grants	USDOT	20.233			34,508	
Safety Data Improvement Program	USDOT	20.234			19,985	
Motor Carrier Safety Assistance High Priority Activities Grants and Cooperative Agreements	USDOT	20.237			236,016	
Federal Transit Capital Investment Grants	USDOT	20.500		FTC	(1,402,599)	169,645
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	USDOT	20.505			583,342	539,621
Formula Grants for Rural Areas	USDOT	20.509			8,967,566	6,758,464
Enhanced Mobility of Seniors and Individuals with Disabilities	USDOT	20.513		TSPC	354,392	337,400
Bus and Bus Facilities Formula Program	USDOT	20.526		FTC	31,610	31,212
State and Community Highway Safety	USDOT	20.600		HSC	1,036,358	503,456
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	USDOT	20.608			3,260,688	
State Traffic Safety Information System Improvement Grants	USDOT	20.610		HSC	34,738	
Incentive Grant Program to Increase Motorcyclist Safety	USDOT	20.612		HSC	40,191	
Child Safety and Child Booster Seats Incentive Grants	USDOT	20.613		HSC	1,738	1,714
National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants and Cooperative Agreements	USDOT	20.614			43,113	
National Priority Safety Programs	USDOT	20.616		HSC	1,657,919	845,037
Total for Department of Transportation and Public Facilities					**683,255,990**	**14,047,143**
Department of Public Safety						
State and Local Implementation Grant Program	USDOC	11.549			35,176	
National Marine Fisheries Joint Enforcement Agreement	USDOC	11.U09	11.04 and NMFS-JEA		1,005,871	
Sexual Assault Services Formula Program	USDOJ	16.017			184,070	156,217
Justice Systems Response to Families	USDOJ	16.021			169,166	149,673
Missing Children's Assistance	USDOJ	16.543	2010-MC-CX-K031 & 2013-MC-FX-K011		30,612	
National Criminal History Improvement Program (NCHIP)	USDOJ	16.554			671,315	
Crime Victim Assistance	USDOJ	16.575			3,855,995	3,639,969
Crime Victim Assistance/Discretionary Grants	USDOJ	16.582			53,773	
Violence Against Women Formula Grants	USDOJ	16.588			792,926	238,313
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	USDOJ	16.590			33,243	33,243
Edward Byrne Memorial Justice Assistance Grant Program	USDOJ	16.738			825,865	312,192
DNA Backlog Reduction Program	USDOJ	16.741			195,450	

Federal Program Title	Federal Agency	CFDA Number	Grant or Other Identifying Number	Cluster	Federal Expenditures	Provided to Subrecipients
Paul Coverdell Forensic Sciences Improvement Grant Program	USDOJ	16.742			10,814	
Edward Byrne Memorial Competitive Grant Program	USDOJ	16.751			44,684	
NICS Act Record Improvement Program	USDOJ	16.813	2016-NS-BX-K08		499,441	
National Sexual Assault Kit Initiative	USDOJ	16.833			167,457	
Equitable Sharing Program	USDOJ	16.922			723,804	
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	USDHHS	93.671			783,993	717,192
State Fire Training Systems Grants	USDHS	97.043			20,816	
Assistance to Firefighters Grant	USDHS	97.044			9,546	
Total for Department of Public Safety					**10,114,017**	**5,246,799**
Department of Law						
Violence Against Women Formula Grants	USDOJ	16.588			193,808	
State Medicaid Fraud Control Units	USDHHS	93.775		MC	1,281,242	
Total for Department of Law					**1,475,050**	**-**
Office of the Governor						
Employment Discrimination - State and Local Fair Employment Practices Agency Contracts	EEOC	30.002			205,000	
Help America Vote Act Requirements Payments	EAC	90.401			545,970	
Total for Office of the Governor					**750,970**	**-**
University of Alaska						
Agricultural Research Basic and Applied Research	USDA	10.001	DAA3-17-63601-2	R&DC	22,080	
Plant and Animal Disease, Pest Control, and Animal Care	USDA	10.025	G00010821	R&DC	11,172	
Plant and Animal Disease, Pest Control, and Animal Care	USDA	10.025	G00011308	R&DC	22,369	
Plant and Animal Disease, Pest Control, and Animal Care	USDA	10.025	G00011637	R&DC	21,063	7,884
Plant and Animal Disease, Pest Control, and Animal Care	USDA	10.025	G00011678	R&DC	33,763	
Federal-State Marketing Improvement Program	USDA	10.156	G00010524	R&DC	10,464	
Federal-State Marketing Improvement Program	USDA	10.156	G00011111	R&DC	41,421	
Specialty Crop Block Grant Program - Farm Bill	USDA	10.170	G00011548	R&DC	14,980	
Specialty Crop Block Grant Program - Farm Bill	USDA	10.170	G00011550	R&DC	2,244	
Cooperative Forestry Research	USDA	10.202	G00010438	R&DC	47	
Cooperative Forestry Research	USDA	10.202	G00010810	R&DC	237,568	
Cooperative Forestry Research	USDA	10.202	G00011475	R&DC	195,523	
Payments to Agricultural Experiment Stations Under the Hatch Act	USDA	10.203	G00010437	R&DC	647	
Payments to Agricultural Experiment Stations Under the Hatch Act	USDA	10.203	G00010813	R&DC	147,448	
Payments to Agricultural Experiment Stations Under the Hatch Act	USDA	10.203	G00010814	R&DC	538,836	
Payments to Agricultural Experiment Stations Under the Hatch Act	USDA	10.203	G00011472	R&DC	134,535	
Sustainable Agriculture Research and Education	USDA	10.215	140867035-247	R&DC	26,729	
Sustainable Agriculture Research and Education	USDA	10.215	150893-00001-181	R&DC	14,539	
Sustainable Agriculture Research and Education	USDA	10.215	200592-00001-302	R&DC	8,809	
Sustainable Agriculture Research and Education	USDA	10.215	201207-517	R&DC	1,315	
Higher Education - Institution Challenge Grants Program	USDA	10.217	8000064676-AG MOD 2		2,524	
Higher Education - Institution Challenge Grants Program	USDA	10.217	C00041710-3		20,786	

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Alaska Native Serving and Native Hawaiian Serving Institutions Education Grants	USDA	10.228	G00009631	R&DC	342,563	36,983
Alaska Native Serving and Native Hawaiian Serving Institutions Education Grants	USDA	10.228	G00011680	R&DC	961,856	82,816
Homeland Security Agricultural	USDA	10.304	201603794-05		11,870	
Agriculture and Food Research Initiative (AFRI)	USDA	10.310	G00011446	R&DC	40,273	
Agriculture and Food Research Initiative (AFRI)	USDA	10.310	G00011677	R&DC	99,933	
Agriculture and Food Research Initiative (AFRI)	USDA	10.310	G00012036	R&DC	32,617	
Agriculture and Food Research Initiative (AFRI)	USDA	10.310	SUB 422517-19100	R&DC	45,511	
National Food Safety Training, Education, Extension, Outreach, and Technical Assistance Competitive Grants Program	USDA	10.328	BLK246-SB-002		11,185	
Crop Protection and Pest Management Competitive Grants Program	USDA	10.329	G00009765		128,042	
Crop Protection and Pest Management Competitive Grants Program	USDA	10.329	G00011759		23,941	
Rural Business Development Grant	USDA	10.351	G00011379		31,500	
Cooperative Extension Service	USDA	10.500	9500069084		2,584	
Cooperative Extension Service	USDA	10.500	G00008817		97,545	
Cooperative Extension Service	USDA	10.500	G00008818		101,864	
Cooperative Extension Service	USDA	10.500	G00009635		143,320	
Cooperative Extension Service	USDA	10.500	G00009668		198	
Cooperative Extension Service	USDA	10.500	G00009832		14,490	
Cooperative Extension Service	USDA	10.500	G00009993		98,923	
Cooperative Extension Service	USDA	10.500	G00010389		5,690	
Cooperative Extension Service	USDA	10.500	G00010434		6,430	
Cooperative Extension Service	USDA	10.500	G00010435		17,172	
Cooperative Extension Service	USDA	10.500	G00010436		132,033	
Cooperative Extension Service	USDA	10.500	G00010659		110,297	
Cooperative Extension Service	USDA	10.500	G00010671		32,264	
Cooperative Extension Service	USDA	10.500	G00010811		249,079	
Cooperative Extension Service	USDA	10.500	G00010812		13,008	
Cooperative Extension Service	USDA	10.500	G00011477		678,912	
Cooperative Extension Service	USDA	10.500	G00011537		30,001	
Cooperative Extension Service	USDA	10.500	G00011760		7,106	
Cooperative Extension Service	USDA	10.500	KSU SUB S17110		29,533	
Cooperative Extension Service	USDA	10.500	SUB C00059381-9		1,220	
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	USDA	10.561	604-271-1702	SNAP	2,233	
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	USDA	10.561	604-271-18002	SNAP	69,583	
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	USDA	10.561	ADN# 0680226	SNAP	11,881	
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	USDA	10.561	ADN# 0680253	SNAP	39,196	
SNAP Partnership Grant	USDA	10.577	PO # 3409018697 REVISION 5		14,858	
Forestry Research	USDA	10.652	G00010799	R&DC	951	
Cooperative Forestry Assistance	USDA	10.664	G00011611		9,985	
Rural Development, Forestry, and Communities	USDA	10.672	G00009623	R&DC	1,843	
Wood Utilization Assistance	USDA	10.674	G00010240	R&DC	15,100	
Wood Utilization Assistance	USDA	10.674	R1531	R&DC	139	
Forest Health Protection	USDA	10.680	G00009144	R&DC	8,762	
Forest Health Protection	USDA	10.680	G00010956	R&DC	142,270	
Forest Health Protection	USDA	10.680	G00011011	R&DC	11,919	
Forest Health Protection	USDA	10.680	G00011012	R&DC	26,069	
Watershed Restoration and Enhancement Agreement Authority	USDA	10.693	G00010375	R&DC	27,714	
Partnership Agreements	USDA	10.699	G00009966	R&DC	105,514	

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Partnership Agreements	USDA	10.699	G00010250	R&DC	48,393	
Partnership Agreements	USDA	10.699	G00011502	R&DC	35,985	
Partnership Agreements	USDA	10.699	G00011510	R&DC	9,623	
Partnership Agreements	USDA	10.699	G00011514	R&DC	21,228	
Partnership Agreements	USDA	10.699	G00011656	R&DC	10,624	
Rural Cooperative Development Grants	USDA	10.771	G00011107		91,143	
Soil and Water Conservation	USDA	10.902	G00010481	R&DC	8,366	
Soil and Water Conservation	USDA	10.902	G00011781	R&DC	5,445	
Soil Survey	USDA	10.903	G00010442	R&DC	15,217	
Alaska Coastal Rainforest Center Director Support	USDA	10.RD	G00008142	R&DC	4,051	
Where Culture & Ecology Meet: Merging Key Cultural Functions, Plants & Animals, Habitat Ecology in SEAK	USDA	10.RD	G00008170	R&DC	261	
Monitoring with Forest Inventory and Analysis in Tanana Valley State Forest	USDA	10.RD	G00009133	R&DC	117,250	
UAF support for "Wood energy in Alaska: quantifying environmental and socioeconomic benefits"	USDA	10.RD	G00009170	R&DC	18,599	
Cofiring wood pellets with coal at electrical generating facilities in Alaska	USDA	10.RD	G00009612	R&DC	5,264	
Critical zone measurements in the perhumid coastal temperate rainforest of Southeast Alaska	USDA	10.RD	G00009615	R&DC	1,580	
Modeling stream ecosystem dynamics to support river restoration and management	USDA	10.RD	G00010715	R&DC	82,726	
Wicking Fabric	USDA	10.RD	G00010854	R&DC	1,428	
USDA AHAP - GINA	USDA	10.RD	G00011076	R&DC	194	
USDA AHAP - GINA (Supplemental Funding)	USDA	10.RD	G00011657	R&DC	24,988	
Import and Curation of US Forest Service Non-Native Plant Data in AKEPIC Data Portal	USDA	10.RD	G00011866	R&DC	2,400	
Ocean Exploration	USDOC	11.011	G00009725	R&DC	8,759	
Ocean Exploration	USDOC	11.011	G00010360	R&DC	58,552	26
Ocean Exploration	USDOC	11.011	G00010432	R&DC	145,026	12,687
Ocean Exploration	USDOC	11.011	G00010463	R&DC	53,435	
Integrated Ocean Observing System (IOOS)	USDOC	11.012	G00009727	R&DC	52,245	707
Integrated Ocean Observing System (IOOS)	USDOC	11.012	G00009871	R&DC	771,009	208,667
Integrated Ocean Observing System (IOOS)	USDOC	11.012	H2300-51	R&DC	2,453	
Integrated Ocean Observing System (IOOS)	USDOC	11.012	H2400-50	R&DC	6,001	
Integrated Ocean Observing System (IOOS)	USDOC	11.012	H2400-51	R&DC	61,379	
Integrated Ocean Observing System (IOOS)	USDOC	11.012	H2400-52	R&DC	22,968	
Integrated Ocean Observing System (IOOS)	USDOC	11.012	H2400-60	R&DC	14,347	
Integrated Ocean Observing System (IOOS)	USDOC	11.012	H2400-64	R&DC	14,340	
Integrated Ocean Observing System (IOOS)	USDOC	11.012	H2400-66	R&DC	45,002	
Integrated Ocean Observing System (IOOS)	USDOC	11.012	H2400-69	R&DC	6,471	
Integrated Ocean Observing System (IOOS)	USDOC	11.012	H2404-00	R&DC	115,113	
Economic Development Technical Assistance	USDOC	11.303	G00008357		2,773	
Economic Development Technical Assistance	USDOC	11.303	G00011688		149,954	
Economic Adjustment Assistance	USDOC	11.307	G00011949	EDC	39,115	
Sea Grant Support	USDOC	11.417	G00009215	R&DC	1,849,332	124,387
Sea Grant Support	USDOC	11.417	G00011039	R&DC	30,816	
Sea Grant Support	USDOC	11.417	G00011040	R&DC	30,688	
Sea Grant Support	USDOC	11.417	G00011685	R&DC	8,863	6,460
Sea Grant Support	USDOC	11.417	G00011687	R&DC	8,017	5,843
Sea Grant Support	USDOC	11.417	G00011908	R&DC	27,860	
Sea Grant Support	USDOC	11.417	G00011936	R&DC	56,485	2,347
Coastal Zone Management Administration Awards	USDOC	11.419	3004686665	R&DC	5,728	
Coastal Zone Management Administration Awards	USDOC	11.419	Subaward No. 3004540566	R&DC	9,071	

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Coastal Zone Management Administration Awards	USDOC	11.419	Subaward No. 3004540567	R&DC	1,052	
Coastal Zone Management Administration Awards	USDOC	11.419	Subaward No. 3004636440	R&DC	33,969	
Coastal Zone Management Estuarine Research Reserves	USDOC	11.420	G00010849	R&DC	171,285	
Coastal Zone Management Estuarine Research Reserves	USDOC	11.420	G00011565	R&DC	420,589	
Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program	USDOC	11.427	G00009525	R&DC	1,202	
Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program	USDOC	11.427	G00010941	R&DC	109,051	
Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program	USDOC	11.427	G00011658	R&DC	21,487	
Climate and Atmospheric Research	USDOC	11.431	G00007710	R&DC	115,989	29,644
Climate and Atmospheric Research	USDOC	11.431	G00008917	R&DC	17,201	
Climate and Atmospheric Research	USDOC	11.431	G00010264	R&DC	143,741	
Climate and Atmospheric Research	USDOC	11.431	G00010366	R&DC	68,164	
Climate and Atmospheric Research	USDOC	11.431	G00010992	R&DC	153,854	
Climate and Atmospheric Research	USDOC	11.431	G00011055	R&DC	319,798	
Climate and Atmospheric Research	USDOC	11.431	G00011239	R&DC	20,429	
Climate and Atmospheric Research	USDOC	11.431	G00011763	R&DC	16,951	
National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	USDOC	11.432	G00008751	R&DC	1,984,122	
Pacific Coast Salmon Recovery Pacific Salmon Treaty Program	USDOC	11.438	1145953 | SOA Subaward 44902	R&DC	17,123	
Pacific Coast Salmon Recovery Pacific Salmon Treaty Program	USDOC	11.438	AC-1511D Revision 2	R&DC	56,118	
Pacific Coast Salmon Recovery Pacific Salmon Treaty Program	USDOC	11.438	RS 1165952 / GAE 160008798	R&DC	27,281	
Marine Mammal Data Program	USDOC	11.439	1188116	R&DC	31,832	
Marine Mammal Data Program	USDOC	11.439	G00007615	R&DC	60	
Marine Mammal Data Program	USDOC	11.439	G00010383	R&DC	20,091	
Marine Mammal Data Program	USDOC	11.439	G00010628	R&DC	70,833	
Marine Mammal Data Program	USDOC	11.439	G00010776	R&DC	78,347	1,024
Marine Mammal Data Program	USDOC	11.439	G00010872	R&DC	262,826	
Marine Mammal Data Program	USDOC	11.439	G00011692	R&DC	20,523	
Marine Mammal Data Program	USDOC	11.439	G00011752	R&DC	28,361	
Unallied Industry Projects	USDOC	11.452	16-102G	R&DC	34,509	
Unallied Industry Projects	USDOC	11.452	16-103G	R&DC	58,241	
Habitat Conservation	USDOC	11.463	G00010365	R&DC	102,322	
Meteorologic and Hydrologic Modernization Development	USDOC	11.467	G00011120	R&DC	1,581	
Meteorologic and Hydrologic Modernization Development	USDOC	11.467	G00011569	R&DC	231,177	
Meteorologic and Hydrologic Modernization Development	USDOC	11.467	G00011729	R&DC	2,537	
Meteorologic and Hydrologic Modernization Development	USDOC	11.467	G00011881	R&DC	96,649	
Applied Meteorological Research	USDOC	11.468	G00010728	R&DC	108,930	
Unallied Science Program	USDOC	11.472	1323	R&DC	25,884	
Unallied Science Program	USDOC	11.472	1410	R&DC	35,703	
Unallied Science Program	USDOC	11.472	1415	R&DC	46,324	
Unallied Science Program	USDOC	11.472	1520	R&DC	722	
Unallied Science Program	USDOC	11.472	1607	R&DC	40,099	
Unallied Science Program	USDOC	11.472	1608	R&DC	65,286	

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Unallied Science Program	USDOC	11.472	1612	R&DC	51,550	
Unallied Science Program	USDOC	11.472	1613	R&DC	43,567	
Unallied Science Program	USDOC	11.472	1616	R&DC	26,737	
Unallied Science Program	USDOC	11.472	1703	R&DC	50,554	
Unallied Science Program	USDOC	11.472	1707	R&DC	4,191	
Unallied Science Program	USDOC	11.472	1710	R&DC	33,050	
Unallied Science Program	USDOC	11.472	1715	R&DC	12,254	
Unallied Science Program	USDOC	11.472	1720	R&DC	25,913	
Unallied Science Program	USDOC	11.472	1727	R&DC	18,872	
Unallied Science Program	USDOC	11.472	12-81-03	R&DC	58,770	
Unallied Science Program	USDOC	11.472	1426B / F6426-00	R&DC	112,897	
Unallied Science Program	USDOC	11.472	1426C	R&DC	22,975	
Unallied Science Program	USDOC	11.472	1427C	R&DC	213,623	
Unallied Science Program	USDOC	11.472	1503 / F6503-00	R&DC	99,194	
Unallied Science Program	USDOC	11.472	1504 / F6504-00	R&DC	51,276	
Unallied Science Program	USDOC	11.472	1506 / F6506-01	R&DC	97,167	
Unallied Science Program	USDOC	11.472	1508 F6508-00	R&DC	33,672	
Unallied Science Program	USDOC	11.472	1515B	R&DC	30,541	
Unallied Science Program	USDOC	11.472	1521 F6521-00	R&DC	9,342	
Unallied Science Program	USDOC	11.472	1533 / F6533-02	R&DC	72,110	
Unallied Science Program	USDOC	11.472	1702-00	R&DC	21,043	
Unallied Science Program	USDOC	11.472	1702-90	R&DC	1,699	
Unallied Science Program	USDOC	11.472	17-71-03	R&DC	43,544	
Unallied Science Program	USDOC	11.472	17-71-06	R&DC	120,155	
Unallied Science Program	USDOC	11.472	A91-00A	R&DC	831,201	
Unallied Science Program	USDOC	11.472	A97-00	R&DC	112	
Unallied Science Program	USDOC	11.472	A98-00A	R&DC	50,756	
Unallied Science Program	USDOC	11.472	Contract 17-71-01 AMD 1	R&DC	58,614	
Unallied Science Program	USDOC	11.472	G00009607	R&DC	20,453	
Unallied Science Program	USDOC	11.472	G00011586	R&DC	59,296	
Unallied Science Program	USDOC	11.472	G81/F5381-01 YR 4&5	R&DC	3	
Unallied Science Program	USDOC	11.472	MP# S9001183	R&DC	5,033	
Unallied Science Program	USDOC	11.472	NPRB Project 1409	R&DC	12,099	
Center for Sponsored Coastal Ocean Research Coastal Ocean Program	USDOC	11.478	G00011684	R&DC	47,709	
Network Analysis of the Dynamic Evolution of Alaska Fishing Portfolios	USDOC	11.RD	Contract DTD 2/28/17	R&DC	3,145	
Alaska Center for Microgrid Technologies Commercialization	USDOC	11.RD	G00010263	R&DC	88,788	
Regional Climate Services Support in the Western Region	USDOC	11.RD	G00010964	R&DC	22,374	
Southeast Humpback Whale Database Management Services	USDOC	11.RD	G00011072	R&DC	327	
ASG/MAP Manufacturing Extension Partnership (MEP) FFO	USDOC	11.RD	OPDSFOS 15-499	R&DC	119,190	
The Pervasive Invasive: Assessing the Risk of Marine Invasive Species in the Bering Sea	USDOC	11.RD	Project Number 1523	R&DC	42,737	
Procurement Technical Assistance For Business Firms	USDOD	12.002	G00010899		1,127	
Procurement Technical Assistance For Business Firms	USDOD	12.002	G00011710		501,451	
Basic and Applied Scientific Research	USDOD	12.300	1188142	R&DC	16,675	
Basic and Applied Scientific Research	USDOD	12.300	090955-16969	R&DC	1,026	
Basic and Applied Scientific Research	USDOD	12.300	A101266	R&DC	132,699	
Basic and Applied Scientific Research	USDOD	12.300	A101306	R&DC	6,988	
Basic and Applied Scientific Research	USDOD	12.300	G00010732	R&DC	81,663	
Basic and Applied Scientific Research	USDOD	12.300	G00010779	R&DC	32,261	

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Basic and Applied Scientific Research	USDOD	12.300	G00011023	R&DC	53,443	
Basic and Applied Scientific Research	USDOD	12.300	G00011091	R&DC	104,100	
Basic and Applied Scientific Research	USDOD	12.300	G00011426	R&DC	70,795	
Basic and Applied Scientific Research	USDOD	12.300	G00011467	R&DC	1,120,879	
Basic and Applied Scientific Research	USDOD	12.300	G00011545	R&DC	872,424	
Basic and Applied Scientific Research	USDOD	12.300	G00011625	R&DC	39,605	
Basic and Applied Scientific Research	USDOD	12.300	G00011784	R&DC	21,749	
Basic and Applied Scientific Research	USDOD	12.300	G00012114	R&DC	6,361	
Legacy Resource Management Program	USDOD	12.632	G00011139	R&DC	77,852	
Legacy Resource Management Program	USDOD	12.632	G00011397	R&DC	131,385	
Air Force Defense Research Sciences Program	USDOD	12.800	G00011753	R&DC	239,032	
Materials Management Support - TO0003	USDOD	12.RD	G00009699	R&DC	125,660	
NACT Proposal for HDTRA1-14-R-0028	USDOD	12.RD	G00010031	R&DC	59,547	
Interpretive Display at Tripler Army Medical Center TO 0008	USDOD	12.RD	G00010425	R&DC	6,182	
Interpretive Display at Bldg. 3010, Schofield Barracks, Hawaii	USDOD	12.RD	G00010427	R&DC	4,594	
PRSC Cultural Resources TO #11	USDOD	12.RD	G00010478	R&DC	2,584	
Arctic Gravity Data Acquisition and Processing	USDOD	12.RD	G00010982	R&DC	94,674	
Cultural Resource Support, Wake Island, HI, and AK TO0013	USDOD	12.RD	G00011147	R&DC	69,325	16,928
Bird and Bat Management TO0012	USDOD	12.RD	G00011150	R&DC	56,745	
NACT Proposal for HDTRA1-17-R-003: Waveform Operations & Maintenance	USDOD	12.RD	G00011364	R&DC	3,442,390	
Estimation of Uncertainties of Full Moment Tensors	USDOD	12.RD	G00011447	R&DC	152,570	
Eagle / Bird Risk	USDOD	12.RD	G00011486	R&DC	84,866	
MGT Species Beluga Whale - All Waters But Six Mile	USDOD	12.RD	G00011765	R&DC	41,143	
MGT Habitat Gravel Pit Reclamation Plan JBER	USDOD	12.RD	G00011767	R&DC	31,838	
Natural Resource Management Support Wildlife	USDOD	12.RD	G00011770	R&DC	145,786	
MGT Habitat Winter Moose Browse, JBER	USDOD	12.RD	G00011791	R&DC	5,335	
MGT Habitat Vegetative Plot JBER	USDOD	12.RD	G00011809	R&DC	13,151	10,437
Statistical Oversight/Bird MGT	USDOD	12.RD	G00011810	R&DC	7,791	
North Slope Coastal Erosion	USDOD	12.RD	G00011821	R&DC	220,163	91,661
Curation/Storage USAG Ft. Wainwright	USDOD	12.RD	G00011912	R&DC	15,100	
Archaeology Survey and Cultural Resources Survey and Evaluation	USDOD	12.RD	G00012104	R&DC	9,321	
Management Species, Bat Survey	USDOD	12.RD	G00012105	R&DC	3,276	
Tribal Climate Resilience	USDOI	15.156	SUBAWARD A14AV00209-01	R&DC	51,243	
Cultural and Paleontological Resources Management	USDOI	15.224	G00007896		3,104	
Cultural and Paleontological Resources Management	USDOI	15.224	G00008942		1,127,043	
Recreation and Visitor Services	USDOI	15.225	G00008074	R&DC	118,320	25,003
Recreation and Visitor Services	USDOI	15.225	G00010388	R&DC	79,426	
Recreation and Visitor Services	USDOI	15.225	G00010465	R&DC	44,200	
Recreation and Visitor Services	USDOI	15.225	G00011811	R&DC	7,682	
Invasive and Noxious Plant Management	USDOI	15.230	G00009666	R&DC	48,521	
Invasive and Noxious Plant Management	USDOI	15.230	G00011761	R&DC	78,100	
Fish, Wildlife and Plant Conservation Resource Management	USDOI	15.231	2100.15.047583 / 47583	R&DC	20,871	
Fish, Wildlife and Plant Conservation Resource Management	USDOI	15.231	G00007972	R&DC	58,169	
Fish, Wildlife and Plant Conservation Resource Management	USDOI	15.231	G00008634	R&DC	153,682	
Fish, Wildlife and Plant Conservation Resource Management	USDOI	15.231	G00009071	R&DC	21,714	

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Fish, Wildlife and Plant Conservation Resource Management	USDOI	15.231	G00009189	R&DC	32,826	
Fish, Wildlife and Plant Conservation Resource Management	USDOI	15.231	G00010254	R&DC	63,875	
Fish, Wildlife and Plant Conservation Resource Management	USDOI	15.231	G00010869	R&DC	191,894	
Fish, Wildlife and Plant Conservation Resource Management	USDOI	15.231	G00010898	R&DC	18,205	
Fish, Wildlife and Plant Conservation Resource Management	USDOI	15.231	G00011038	R&DC	11,918	
Fish, Wildlife and Plant Conservation Resource Management	USDOI	15.231	G00011064	R&DC	4,768	
Fish, Wildlife and Plant Conservation Resource Management	USDOI	15.231	G00011643	R&DC	12,620	
Fish, Wildlife and Plant Conservation Resource Management	USDOI	15.231	G00012004	R&DC	24,000	
Wildland Fire Research and Studies	USDOI	15.232	G00009722	R&DC	20,233	
Wildland Fire Research and Studies	USDOI	15.232	G00010940	R&DC	140,467	
Wildland Fire Research and Studies	USDOI	15.232	G00011008	R&DC	68,628	
Wildland Fire Research and Studies	USDOI	15.232	G093481	R&DC	48,416	
Wildland Fire Research and Studies	USDOI	15.232	PO U000112610	R&DC	4,017	
Environmental Quality and Protection	USDOI	15.236	G00009721	R&DC	96,027	
Rangeland Resource Management	USDOI	15.237	G00010420	R&DC	6,988	
Rangeland Resource Management	USDOI	15.237	G00011567	R&DC	72,856	
Challenge Cost Share	USDOI	15.238	G00009440		39,295	
Alaska Coastal Marine Institute	USDOI	15.421	G00007920	R&DC	617,896	113,309
Alaska Coastal Marine Institute	USDOI	15.421	G00008631	R&DC	170,656	6,000
Alaska Coastal Marine Institute	USDOI	15.421	G00008896	R&DC	125,242	41,194
Alaska Coastal Marine Institute	USDOI	15.421	G00009335	R&DC	11,195	
Alaska Coastal Marine Institute	USDOI	15.421	G00009406	R&DC	34,654	
Alaska Coastal Marine Institute	USDOI	15.421	G00010044	R&DC	22,113	
Alaska Coastal Marine Institute	USDOI	15.421	G00010108	R&DC	8,270	7,605
Alaska Coastal Marine Institute	USDOI	15.421	G00010153	R&DC	41,128	
Alaska Coastal Marine Institute	USDOI	15.421	G00010688	R&DC	22,250	12,929
Alaska Coastal Marine Institute	USDOI	15.421	G00010748	R&DC	84,240	
Alaska Coastal Marine Institute	USDOI	15.421	G00010804	R&DC	65,184	
Alaska Coastal Marine Institute	USDOI	15.421	G00010850	R&DC	13,524	
Alaska Coastal Marine Institute	USDOI	15.421	G00011009	R&DC	29,285	
Alaska Coastal Marine Institute	USDOI	15.421	G00011399	R&DC	49,181	
Alaska Coastal Marine Institute	USDOI	15.421	G00011424	R&DC	21,007	
Alaska Coastal Marine Institute	USDOI	15.421	G00011425	R&DC	12,275	
Alaska Coastal Marine Institute	USDOI	15.421	G00011468	R&DC	79,573	
Alaska Coastal Marine Institute	USDOI	15.421	G00011494	R&DC	70,047	
Alaska Coastal Marine Institute	USDOI	15.421	G00011532	R&DC	19,374	
Alaska Coastal Marine Institute	USDOI	15.421	G00011641	R&DC	22,704	
Alaska Coastal Marine Institute	USDOI	15.421	UTA 12-000603	R&DC	28,184	
Bureau of Ocean Energy Management (BOEM) Environmental Studies (ES)	USDOI	15.423	G00007944	R&DC	204,021	
Bureau of Ocean Energy Management (BOEM) Environmental Studies (ES)	USDOI	15.423	G00011255	R&DC	219,713	
Bureau of Ocean Energy Management (BOEM) Environmental Studies (ES)	USDOI	15.423	G00011630	R&DC	238,010	
Bureau of Ocean Energy Management (BOEM) Environmental Studies (ES)	USDOI	15.423	G00011755	R&DC	237,430	39,320
Bureau of Ocean Energy Management (BOEM) Environmental Studies (ES)	USDOI	15.423	G00011764	R&DC	236,337	40,120
Bureau of Ocean Energy Management (BOEM) Environmental Studies (ES)	USDOI	15.423	G00011792	R&DC	12,029	

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Bureau of Ocean Energy Management (BOEM) Environmental Studies (ES)	USDOI	15.423	SUB 5747 PO 574832	R&DC	181,789	
Bureau of Ocean Energy Management (BOEM) Environmental Studies (ES)	USDOI	15.423	UTA11-000873	R&DC	33,144	
Bureau of Ocean Energy Management (BOEM) Environmental Studies (ES)	USDOI	15.423	UTA11-000973	R&DC	110,163	
Alaska Native Science and Engineering	USDOI	15.442	G00010939		19,014	
Fish and Wildlife Management Assistance	USDOI	15.608	2100.12.030840 / #30840	R&DC	50,310	
Fish and Wildlife Management Assistance	USDOI	15.608	ADN# 1188145	R&DC	14,917	
Fish and Wildlife Management Assistance	USDOI	15.608	Agreement DTD 4/13/18	R&DC	4,854	
Fish and Wildlife Management Assistance	USDOI	15.608	G00010171	R&DC	13,358	
Fish and Wildlife Management Assistance	USDOI	15.608	G00010403	R&DC	15,410	
Fish and Wildlife Management Assistance	USDOI	15.608	G00010517	R&DC	24,100	
Fish and Wildlife Management Assistance	USDOI	15.608	G00011087	R&DC	8,261	
Fish and Wildlife Management Assistance	USDOI	15.608	G00011112	R&DC	5,267	
Wildlife Restoration and Basic Hunter Education	USDOI	15.611	1188193	F&WC	15,832	
Coastal	USDOI	15.630	G00010673	R&DC	190,008	
State Wildlife Grants	USDOI	15.634	1188054	R&DC	53,382	
State Wildlife Grants	USDOI	15.634	1188106	R&DC	11,529	
State Wildlife Grants	USDOI	15.634	1188107	R&DC	22,700	
State Wildlife Grants	USDOI	15.634	1188108	R&DC	14,490	
State Wildlife Grants	USDOI	15.634	ADN# 1177054/ 1177188	R&DC	27,408	29,173
State Wildlife Grants	USDOI	15.634	ADN# 1188034	R&DC	97,093	
State Wildlife Grants	USDOI	15.634	ADN# 1188035	R&DC	119,718	71,136
State Wildlife Grants	USDOI	15.634	ADN# 1188036	R&DC	80,660	
State Wildlife Grants	USDOI	15.634	ADN# 1188131	R&DC	15,757	
Research Grants (Generic)	USDOI	15.650	G00011740	R&DC	7,016	
Endangered Species Conservation - Recovery Implementation Funds	USDOI	15.657	G00011794		45,837	
Fish and Wildlife Coordination and Assistance	USDOI	15.664	2100.16.052159		35,410	
Fish and Wildlife Coordination and Assistance	USDOI	15.664	50059 0801.16.050059		11,461	
Cooperative Landscape Conservation	USDOI	15.669	G00008889	R&DC	12,908	
Cooperative Landscape Conservation	USDOI	15.669	G00009376	R&DC	3,774	
Cooperative Landscape Conservation	USDOI	15.669	G00009403	R&DC	1,608	
Cooperative Landscape Conservation	USDOI	15.669	G00009453	R&DC	39,778	
Cooperative Landscape Conservation	USDOI	15.669	G00010051	R&DC	81,808	
Cooperative Landscape Conservation	USDOI	15.669	G00010938	R&DC	15,857	
Cooperative Landscape Conservation	USDOI	15.669	G00011570	R&DC	18,196	
Cooperative Landscape Conservation	USDOI	15.669	G00011622	R&DC	370	
Cooperative Landscape Conservation	USDOI	15.669	G00011801	R&DC	21,545	
Cooperative Landscape Conservation	USDOI	15.669	NWBLLC 2017-1	R&DC	35,859	
Adaptive Science	USDOI	15.670	G00009073	R&DC	74,400	
Youth Engagement, Education, and Employment	USDOI	15.676	G00011066	R&DC	212,980	
Cooperative Ecosystem Studies Units	USDOI	15.678	G00011035	R&DC	72,002	
Cooperative Ecosystem Studies Units	USDOI	15.678	G00011724	R&DC	16,777	
Assistance to State Water Resources Research Institutes	USDOI	15.805	G00010680	R&DC	58,633	19,996
Earthquake Hazards Program Assistance	USDOI	15.807	G00011296	R&DC	57,421	
Earthquake Hazards Program Assistance	USDOI	15.807	G00011714	R&DC	782,693	
U.S. Geological Survey Research and Data Collection	USDOI	15.808	G00001068	R&DC	29,173	
U.S. Geological Survey Research and Data Collection	USDOI	15.808	G00006801	R&DC	143,964	6,667
U.S. Geological Survey Research and Data Collection	USDOI	15.808	G00009924	R&DC	609,239	

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U.S. Geological Survey Research and Data Collection	USDOI	15.808	G00010136	R&DC	18,000	
U.S. Geological Survey Research and Data Collection	USDOI	15.808	G00011070	R&DC	47,454	
U.S. Geological Survey Research and Data Collection	USDOI	15.808	G00011181	R&DC	59,203	
U.S. Geological Survey Research and Data Collection	USDOI	15.808	G00011629	R&DC	11,216	
Cooperative Research Units	USDOI	15.812	G00008294	R&DC	28,732	
Cooperative Research Units	USDOI	15.812	G00009377	R&DC	7,354	
Cooperative Research Units	USDOI	15.812	G00009520	R&DC	19,413	
Cooperative Research Units	USDOI	15.812	G00009974	R&DC	67,132	
Cooperative Research Units	USDOI	15.812	G00010146	R&DC	31,720	
Cooperative Research Units	USDOI	15.812	G00010220	R&DC	4,480	
Cooperative Research Units	USDOI	15.812	G00010836	R&DC	19,247	
Cooperative Research Units	USDOI	15.812	G00010998	R&DC	236,041	3,138
Cooperative Research Units	USDOI	15.812	G00011043	R&DC	397,169	
Cooperative Research Units	USDOI	15.812	G00011201	R&DC	60,230	
Cooperative Research Units	USDOI	15.812	G00011234	R&DC	23,842	
Cooperative Research Units	USDOI	15.812	G00011390	R&DC	27,539	
National Land Remote Sensing Education Outreach and Research	USDOI	15.815	AV14-AK01	R&DC	4,691	
Volcano Hazards Program Research and Monitoring	USDOI	15.818	G00010807	R&DC	1,097,312	
Volcano Hazards Program Research and Monitoring	USDOI	15.818	G00012109	R&DC	72,997	
National and Regional Climate Adaptation Science Centers	USDOI	15.820	G00009772	R&DC	33,865	
National and Regional Climate Adaptation Science Centers	USDOI	15.820	G00011635	R&DC	1,094,518	9,320
National and Regional Climate Adaptation Science Centers	USDOI	15.820	G00011711	R&DC	12,311	
Cooperative Research and Training Programs – Resources of the National Park System	USDOI	15.945	G00007681	R&DC	70,330	
Cooperative Research and Training Programs – Resources of the National Park System	USDOI	15.945	G00008929	R&DC	27,464	
Cooperative Research and Training Programs – Resources of the National Park System	USDOI	15.945	G00009032	R&DC	985	
Cooperative Research and Training Programs – Resources of the National Park System	USDOI	15.945	G00009500	R&DC	76,502	
Cooperative Research and Training Programs – Resources of the National Park System	USDOI	15.945	G00009573	R&DC	6,230	
Cooperative Research and Training Programs – Resources of the National Park System	USDOI	15.945	G00009619	R&DC	6,147	
Cooperative Research and Training Programs – Resources of the National Park System	USDOI	15.945	G00010162	R&DC	11,283	
Cooperative Research and Training Programs – Resources of the National Park System	USDOI	15.945	G00010377	R&DC	16,908	
Cooperative Research and Training Programs – Resources of the National Park System	USDOI	15.945	G00010410	R&DC	53,605	
Cooperative Research and Training Programs – Resources of the National Park System	USDOI	15.945	G00010430	R&DC	25,864	
Cooperative Research and Training Programs – Resources of the National Park System	USDOI	15.945	G00010444	R&DC	117,798	
Cooperative Research and Training Programs – Resources of the National Park System	USDOI	15.945	G00010766	R&DC	10,561	
Cooperative Research and Training Programs – Resources of the National Park System	USDOI	15.945	G00010822	R&DC	6,089	

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Cooperative Research and Training Programs – Resources of the National Park System	USDOI	15.945	G00010892	R&DC	102,139	
Cooperative Research and Training Programs – Resources of the National Park System	USDOI	15.945	G00010965	R&DC	19,113	
Cooperative Research and Training Programs – Resources of the National Park System	USDOI	15.945	G00011013	R&DC	29,046	
Cooperative Research and Training Programs – Resources of the National Park System	USDOI	15.945	G00011036	R&DC	28,983	
Cooperative Research and Training Programs – Resources of the National Park System	USDOI	15.945	G00011075	R&DC	36,456	
Cooperative Research and Training Programs – Resources of the National Park System	USDOI	15.945	G00011078	R&DC	12,008	
Cooperative Research and Training Programs – Resources of the National Park System	USDOI	15.945	G00011079	R&DC	13,581	
Cooperative Research and Training Programs – Resources of the National Park System	USDOI	15.945	G00011081	R&DC	7,230	
Cooperative Research and Training Programs – Resources of the National Park System	USDOI	15.945	G00011097	R&DC	2,039	
Cooperative Research and Training Programs – Resources of the National Park System	USDOI	15.945	G00011114	R&DC	207	
Cooperative Research and Training Programs – Resources of the National Park System	USDOI	15.945	G00011115	R&DC	54,517	
Cooperative Research and Training Programs – Resources of the National Park System	USDOI	15.945	G00011117	R&DC	17,603	
Cooperative Research and Training Programs – Resources of the National Park System	USDOI	15.945	G00011256	R&DC	8,247	
Cooperative Research and Training Programs – Resources of the National Park System	USDOI	15.945	G00011444	R&DC	13,767	
Cooperative Research and Training Programs – Resources of the National Park System	USDOI	15.945	G00011516	R&DC	57,806	
Cooperative Research and Training Programs – Resources of the National Park System	USDOI	15.945	G00011596	R&DC	9,878	
Cooperative Research and Training Programs – Resources of the National Park System	USDOI	15.945	G00011599	R&DC	984	
Cooperative Research and Training Programs – Resources of the National Park System	USDOI	15.945	G00011806	R&DC	6,357	
Cooperative Research and Training Programs – Resources of the National Park System	USDOI	15.945	G00011837	R&DC	29,516	
Ebey's Landing National Historical Reserve Trust Board	USDOI	15.956	G00011253	R&DC	9,406	
Evaluation of nearshore communities and habitats Ecological Process in Lower Cook Inlet	USDOI	15.RD	G00010161	R&DC	40,882	
Stream Discharge and Water Balance of Coastal Alaska Watersheds	USDOI	15.RD	G00010255	R&DC	48,986	
University of Alaska Museum of the North Curation Agreement - Paleontology	USDOI	15.RD	G00011080	R&DC	13,806	
Comparison of Putative Carex Subspathacea between the Arctic Coastal Plan and the Yukon Kuskokwim Delta	USDOI	15.RD	G00011118	R&DC	11,918	
TAPS Report	USDOI	15.RD	G00011119	R&DC	19,164	
Schools on Trails Partnership with the National Park Service RTCA Program	USDOI	15.RD	G00011183	R&DC	22,281	
Trans-Alaska Pipeline System Archaeological Inventory: Phase II	USDOI	15.RD	G00011743	R&DC	38,239	
USGS Stable Isotope Lab Vegetation Sample Analyses	USDOI	15.RD	G00011758	R&DC	14,500	
Infrasound Sensors Order #G17PX01298	USDOI	15.RD	G00011882	R&DC	140,807	
Infrasound Sensors Order #G17PX01323	USDOI	15.RD	G00011883	R&DC	23,490	

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USFWS Stable Isotope Lab Salmon Fin Sample Analyses	USDOI	15.RD	G00011943	R&DC	12,400	
RWO 227: Aquatic Ecosystem Vulnerability to Fire and Climate Change in Alaskan Boreal Forests	USDOI	15.RD	G00012045	R&DC	16,465	
State Justice Statistics Program for Statistical Analysis Centers	USDOJ	16.550	G00010486	R&DC	6,698	
State Justice Statistics Program for Statistical Analysis Centers	USDOJ	16.550	G00011144	R&DC	45,637	7,203
National Institute of Justice Research, Evaluation, and Development Project Grants	USDOJ	16.560	G00008988	R&DC	59,705	
Criminal Justice Research and Development Graduate Research Fellowships	USDOJ	16.562	G00011327	R&DC	202,366	
Crime Victim Assistance/Discretionary Grants	USDOJ	16.582	Agreement DTD 2/10/13	R&DC	6,597	
Crime Victim Assistance/Discretionary Grants	USDOJ	16.582	D2016006028	R&DC	6,857	
Juvenile Mentoring Program	USDOJ	16.726	4H-NMP8	R&DC	3,300	
Juvenile Mentoring Program	USDOJ	16.726	NMP7 - 09219	R&DC	180,862	
Federal Equitable Sharing UAFPD	USDOJ	16.RD	G00006407	R&DC	14,490	
H1-B Skills Shortage Training Grant	USDOL	17.249	AH-10857-00-60		780	
WIOA National Dislocated Worker Grants / WIA National Emergency Grants	USDOL	17.277	ADN# 785504/785525 MOD 1		155,132	
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	USDOL	17.282	G00009085		93,416	
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	USDOL	17.282	G00009833		2,022,496	
Mine Health and Safety Grants	USDOL	17.600	G00010503		5,864	
Mine Health and Safety Grants	USDOL	17.600	G00011403		125,630	
Air Transportation Centers of Excellence	USDOT	20.109	G00011434		2,226	
Air Transportation Centers of Excellence	USDOT	20.109	G00011652		21,441	
Highway Research and Development Program	USDOT	20.200	ADN# 2568037	R&DC	23,204	
Highway Research and Development Program	USDOT	20.200	EN 2558042	R&DC	29,381	
Highway Research and Development Program	USDOT	20.200	EN 2558048	R&DC	34,095	
Highway Research and Development Program	USDOT	20.200	G00008347	R&DC	96,170	
Highway Research and Development Program	USDOT	20.200	RS 2568033	R&DC	21,332	
Highway Planning and Construction	USDOT	20.205	ADN# 2578042	HPCC	19,430	
Highway Planning and Construction	USDOT	20.205	ADN# 2578043	HPCC	59,992	
University Transportation Centers Program	USDOT	20.701	BPO#3882	R&DC	186,121	
University Transportation Centers Program	USDOT	20.701	G00009212	R&DC	879,423	593,108
University Transportation Centers Program	USDOT	20.701	G00011341	R&DC	454,049	227,471
University Transportation Centers Program	USDOT	20.701	UWSC10217 BPO28344	R&DC	55,822	
Pipeline Safety Research Competitive Academic Agreement Program (CAAP)	USDOT	20.724	G00010526	R&DC	38,251	
Science	NASA	43.001	2612013261	R&DC	30,039	
Science	NASA	43.001	124027-5100419	R&DC	7,392	
Science	NASA	43.001	1460R123	R&DC	10,001	
Science	NASA	43.001	1555192 PO# 1000835538	R&DC	33,459	
Science	NASA	43.001	1820-204-2010726 NNX15AL71G	R&DC	57,109	
Science	NASA	43.001	2015000929 02250-01 NNX15AL12A	R&DC	65,312	
Science	NASA	43.001	407782 Pending	R&DC	118,848	
Science	NASA	43.001	A101135	R&DC	26,898	
Science	NASA	43.001	A101348-PASAA NCE	R&DC	208,442	
Science	NASA	43.001	G00007728	R&DC	2,188,712	

STATE OF ALASKA
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Federal Program Title	Federal Agency	CFDA Number	Grant or Other Identifying Number	Cluster	Federal Expenditures	Provided to Subrecipients
Science	NASA	43.001	G00008639	R&DC	117,991	
Science	NASA	43.001	G00008906	R&DC	9,253,381	
Science	NASA	43.001	G00008949	R&DC	45,762	
Science	NASA	43.001	G00008981	R&DC	92,225	40,705
Science	NASA	43.001	G00009315	R&DC	136,508	
Science	NASA	43.001	G00009317	R&DC	146,522	
Science	NASA	43.001	G00009402	R&DC	3,248	
Science	NASA	43.001	G00009414	R&DC	43,241	10,083
Science	NASA	43.001	G00009610	R&DC	62,661	
Science	NASA	43.001	G00009788	R&DC	120,293	
Science	NASA	43.001	G00009849	R&DC	154,313	
Science	NASA	43.001	G00009879	R&DC	69,205	3,595
Science	NASA	43.001	G00010049	R&DC	109,156	
Science	NASA	43.001	G00010057	R&DC	143,804	
Science	NASA	43.001	G00010082	R&DC	54,237	
Science	NASA	43.001	G00010378	R&DC	275,458	52,479
Science	NASA	43.001	G00010400	R&DC	42,639	
Science	NASA	43.001	G00010424	R&DC	336,033	
Science	NASA	43.001	G00010462	R&DC	51,584	
Science	NASA	43.001	G00010570	R&DC	591,246	88,220
Science	NASA	43.001	G00010587	R&DC	472,328	39,548
Science	NASA	43.001	G00010794	R&DC	683	
Science	NASA	43.001	G00010867	R&DC	99,114	
Science	NASA	43.001	G00010876	R&DC	100,390	
Science	NASA	43.001	G00010946	R&DC	18,632	
Science	NASA	43.001	G00010957	R&DC	9,909	
Science	NASA	43.001	G00010976	R&DC	200,934	
Science	NASA	43.001	G00011054	R&DC	20,504	
Science	NASA	43.001	G00011095	R&DC	64,598	
Science	NASA	43.001	G00011177	R&DC	160,347	
Science	NASA	43.001	G00011218	R&DC	163,624	
Science	NASA	43.001	G00011367	R&DC	3,747	
Science	NASA	43.001	G00011437	R&DC	16,139	
Science	NASA	43.001	G00011459	R&DC	65,831	
Science	NASA	43.001	G00011589	R&DC	299,927	99,479
Science	NASA	43.001	G00011738	R&DC	6,821	
Science	NASA	43.001	G00011775	R&DC	60,623	
Science	NASA	43.001	G00011777	R&DC	169,274	26,710
Science	NASA	43.001	G00011802	R&DC	61,240	
Science	NASA	43.001	G00011901	R&DC	21,116	
Science	NASA	43.001	G00012010	R&DC	5,703	
Science	NASA	43.001	G00012039	R&DC	17,640	
Science	NASA	43.001	G00012074	R&DC	23,033	
Science	NASA	43.001	G00012081	R&DC	8,318	
Science	NASA	43.001	G00012137	R&DC	22,234	
Science	NASA	43.001	G0013927500 RO36674 NNX14AQ95G	R&DC	110,450	
Science	NASA	43.001	KK1831	R&DC	59,822	
Science	NASA	43.001	SUB# 1554201 PO# 1000686852	R&DC	107,611	
Science	NASA	43.001	SUB#61488-01 / NNX17AI50G	R&DC	25,140	
Space Operations	NASA	43.007	G00011430	R&DC	165,130	
Education	NASA	43.008	G00010074	R&DC	642,572	57,331
Education	NASA	43.008	G00010306	R&DC	260,028	
Education	NASA	43.008	G00010332	R&DC	88,455	
Education	NASA	43.008	G00010919	R&DC	72,731	
Education	NASA	43.008	G00011044	R&DC	195,901	

Federal Program Title	Federal Agency	CFDA Number	Grant or Other Identifying Number	Cluster	Federal Expenditures	Provided to Subrecipients
Space Technology	NASA	43.012	G00011594		63,962	
UAF Scope of Work for "Imaging Arctic Methane Plumes"	NASA	43.RD	1572960	R&DC	105,784	
Volatiles Transport in Lunar Regolith Parameters Study Using the COUPi Discrete Element Method Model	NASA	43.RD	121078 FG3ZN CLIN 1 Pending	R&DC	55,925	
NASA NESSF Fellowship: Climate-driven Extent Changes in Perennial Snowfields in the Central Brooks Range	NASA	43.RD	G00011251	R&DC	53,218	
Physical and Geologic Investigations of the Surface Materials Along the MER Traverses	NASA	43.RD	G00011509	R&DC	11,254	
Promotion of the Arts Partnership Agreements	NEA	45.025	FY18CAD0015		2,250	
Promotion of the Humanities Federal/State Partnership	NEH	45.129	G15-0008		8,102	
Promotion of the Humanities Division of Preservation and Access	NEH	45.149	G00010744		49,228	
Promotion of the Humanities Division of Preservation and Access	NEH	45.149	G00011302		2,746	
Promotion of the Humanities Division of Preservation and Access	NEH	45.149	G00011786		12,485	
Promotion of the Humanities Public Programs	NEH	45.164	G00011495		26,683	
Grants to States	IMLS	45.310	ADN #0580038 Amend 1		46,493	
Engineering Grants	NSF	47.041	G00007866	R&DC	76,053	
Engineering Grants	NSF	47.041	G00010878	R&DC	19,806	
Engineering Grants	NSF	47.041	G00011703	R&DC	21,849	
Engineering Grants	NSF	47.041	G00011737	R&DC	198,858	
Engineering Grants	NSF	47.041	G00011741	R&DC	204,103	
Engineering Grants	NSF	47.041	G00011988	R&DC	25,617	
Mathematical and Physical Sciences	NSF	47.049	G00008669	R&DC	14,378	
Mathematical and Physical Sciences	NSF	47.049	G00009621	R&DC	89,179	
Mathematical and Physical Sciences	NSF	47.049	G00009622	R&DC	13,482	
Mathematical and Physical Sciences	NSF	47.049	G00010311	R&DC	63,340	
Mathematical and Physical Sciences	NSF	47.049	G00010904	R&DC	42,142	
Mathematical and Physical Sciences	NSF	47.049	G00010960	R&DC	17,091	
Mathematical and Physical Sciences	NSF	47.049	GA-2018-273	R&DC	26,995	
Mathematical and Physical Sciences	NSF	47.049	OMG-2017-7	R&DC	8,896	
Geosciences	NSF	47.050	12-120A-RMNH30	R&DC	49,762	
Geosciences	NSF	47.050	150124-0001-43	R&DC	2,764	
Geosciences	NSF	47.050	43(GG009393) / G11492	R&DC	6,497	
Geosciences	NSF	47.050	43B(GG009393) / G11492	R&DC	34,332	
Geosciences	NSF	47.050	5696-UAF-NSF-5369	R&DC	28,319	
Geosciences	NSF	47.050	70413-10264 Amend 4	R&DC	28,018	
Geosciences	NSF	47.050	FY2017-072	R&DC	39,097	
Geosciences	NSF	47.050	G00004196	R&DC	172,021	
Geosciences	NSF	47.050	G00006709	R&DC	1,424	
Geosciences	NSF	47.050	G00007284	R&DC	38,107	
Geosciences	NSF	47.050	G00007757	R&DC	54,137	
Geosciences	NSF	47.050	G00007882	R&DC	1,121	
Geosciences	NSF	47.050	G00008107	R&DC	40,984	
Geosciences	NSF	47.050	G00008113	R&DC	4,037	
Geosciences	NSF	47.050	G00008287	R&DC	370,131	
Geosciences	NSF	47.050	G00008541	R&DC	2,045	
Geosciences	NSF	47.050	G00008649	R&DC	35,174	
Geosciences	NSF	47.050	G00008701	R&DC	26,270	
Geosciences	NSF	47.050	G00008752	R&DC	49,655	

Federal Program Title	Federal Agency	CFDA Number	Grant or Other Identifying Number	Cluster	Federal Expenditures	Provided to Subrecipients
Geosciences	NSF	47.050	G00008797	R&DC	160	
Geosciences	NSF	47.050	G00008831	R&DC	17,962	
Geosciences	NSF	47.050	G00008872	R&DC	128,073	15,593
Geosciences	NSF	47.050	G00008877	R&DC	15,330	
Geosciences	NSF	47.050	G00008888	R&DC	158,548	
Geosciences	NSF	47.050	G00008915	R&DC	33,589	
Geosciences	NSF	47.050	G00008918	R&DC	59,927	
Geosciences	NSF	47.050	G00008959	R&DC	181,351	
Geosciences	NSF	47.050	G00008977	R&DC	198,495	
Geosciences	NSF	47.050	G00009015	R&DC	201,273	
Geosciences	NSF	47.050	G00009051	R&DC	133,758	
Geosciences	NSF	47.050	G00009052	R&DC	193,492	15,627
Geosciences	NSF	47.050	G00009054	R&DC	135,698	2,884
Geosciences	NSF	47.050	G00009070	R&DC	32,665	
Geosciences	NSF	47.050	G00009161	R&DC	155,488	
Geosciences	NSF	47.050	G00009173	R&DC	67,813	
Geosciences	NSF	47.050	G00009230	R&DC	80,381	
Geosciences	NSF	47.050	G00009344	R&DC	168	
Geosciences	NSF	47.050	G00009374	R&DC	369,745	
Geosciences	NSF	47.050	G00009387	R&DC	87,033	
Geosciences	NSF	47.050	G00009452	R&DC	242,176	17,245
Geosciences	NSF	47.050	G00009513	R&DC	111,933	
Geosciences	NSF	47.050	G00009578	R&DC	10,132	
Geosciences	NSF	47.050	G00009582	R&DC	100,976	
Geosciences	NSF	47.050	G00009585	R&DC	828,474	552,084
Geosciences	NSF	47.050	G00009620	R&DC	104,454	
Geosciences	NSF	47.050	G00009624	R&DC	78,163	
Geosciences	NSF	47.050	G00009625	R&DC	62,360	
Geosciences	NSF	47.050	G00009640	R&DC	86,133	
Geosciences	NSF	47.050	G00009641	R&DC	21,139	
Geosciences	NSF	47.050	G00009750	R&DC	6,647,501	
Geosciences	NSF	47.050	G00009823	R&DC	59,150	
Geosciences	NSF	47.050	G00009902	R&DC	107,388	
Geosciences	NSF	47.050	G00009926	R&DC	328,377	
Geosciences	NSF	47.050	G00009953	R&DC	79,643	
Geosciences	NSF	47.050	G00009969	R&DC	27,687	
Geosciences	NSF	47.050	G00009977	R&DC	123,790	
Geosciences	NSF	47.050	G00009989	R&DC	105,516	
Geosciences	NSF	47.050	G00009990	R&DC	133,001	
Geosciences	NSF	47.050	G00010018	R&DC	143,628	
Geosciences	NSF	47.050	G00010034	R&DC	43,522	
Geosciences	NSF	47.050	G00010054	R&DC	56,272	
Geosciences	NSF	47.050	G00010060	R&DC	72,287	
Geosciences	NSF	47.050	G00010065	R&DC	191,762	
Geosciences	NSF	47.050	G00010085	R&DC	186,204	
Geosciences	NSF	47.050	G00010124	R&DC	1,660	
Geosciences	NSF	47.050	G00010127	R&DC	53,699	
Geosciences	NSF	47.050	G00010199	R&DC	80,976	
Geosciences	NSF	47.050	G00010232	R&DC	13,062	
Geosciences	NSF	47.050	G00010236	R&DC	62,226	
Geosciences	NSF	47.050	G00010246	R&DC	47,637	
Geosciences	NSF	47.050	G00010283	R&DC	540,642	234,357
Geosciences	NSF	47.050	G00010310	R&DC	70,820	
Geosciences	NSF	47.050	G00010316	R&DC	96,537	
Geosciences	NSF	47.050	G00010317	R&DC	28,746	
Geosciences	NSF	47.050	G00010318	R&DC	654,632	
Geosciences	NSF	47.050	G00010340	R&DC	161,202	
Geosciences	NSF	47.050	G00010363	R&DC	312,986	25,792
Geosciences	NSF	47.050	G00010364	R&DC	97,359	

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Geosciences	NSF	47.050	G00010368	R&DC	34,469	
Geosciences	NSF	47.050	G00010371	R&DC	214,723	
Geosciences	NSF	47.050	G00010386	R&DC	147,525	
Geosciences	NSF	47.050	G00010391	R&DC	384,675	
Geosciences	NSF	47.050	G00010449	R&DC	172,653	51,619
Geosciences	NSF	47.050	G00010472	R&DC	405,986	
Geosciences	NSF	47.050	G00010510	R&DC	36,187	10,216
Geosciences	NSF	47.050	G00010551	R&DC	222,402	
Geosciences	NSF	47.050	G00010613	R&DC	44,568	
Geosciences	NSF	47.050	G00010654	R&DC	134,590	27,168
Geosciences	NSF	47.050	G00010666	R&DC	316,032	42,707
Geosciences	NSF	47.050	G00010687	R&DC	41,061	
Geosciences	NSF	47.050	G00010726	R&DC	7,525	
Geosciences	NSF	47.050	G00010730	R&DC	56,213	
Geosciences	NSF	47.050	G00010750	R&DC	69,140	19,890
Geosciences	NSF	47.050	G00010809	R&DC	8,193	
Geosciences	NSF	47.050	G00010824	R&DC	9,201	
Geosciences	NSF	47.050	G00010841	R&DC	25,377	
Geosciences	NSF	47.050	G00010856	R&DC	63,005	
Geosciences	NSF	47.050	G00010893	R&DC	68,309	
Geosciences	NSF	47.050	G00010915	R&DC	3,125,162	
Geosciences	NSF	47.050	G00010949	R&DC	8,627	
Geosciences	NSF	47.050	G00010953	R&DC	276,608	
Geosciences	NSF	47.050	G00010954	R&DC	38,575	
Geosciences	NSF	47.050	G00010955	R&DC	76,752	
Geosciences	NSF	47.050	G00010966	R&DC	58,734	
Geosciences	NSF	47.050	G00010978	R&DC	68,462	
Geosciences	NSF	47.050	G00011024	R&DC	152,989	
Geosciences	NSF	47.050	G00011025	R&DC	155,738	
Geosciences	NSF	47.050	G00011030	R&DC	23,512	
Geosciences	NSF	47.050	G00011033	R&DC	12,203	
Geosciences	NSF	47.050	G00011045	R&DC	48,675	
Geosciences	NSF	47.050	G00011071	R&DC	119,053	
Geosciences	NSF	47.050	G00011184	R&DC	13,108	
Geosciences	NSF	47.050	G00011190	R&DC	141,495	
Geosciences	NSF	47.050	G00011203	R&DC	186,663	16,545
Geosciences	NSF	47.050	G00011217	R&DC	65,063	
Geosciences	NSF	47.050	G00011228	R&DC	40,834	
Geosciences	NSF	47.050	G00011245	R&DC	343,662	22,257
Geosciences	NSF	47.050	G00011254	R&DC	82,439	
Geosciences	NSF	47.050	G00011277	R&DC	17,684	
Geosciences	NSF	47.050	G00011281	R&DC	35,586	
Geosciences	NSF	47.050	G00011351	R&DC	93,383	
Geosciences	NSF	47.050	G00011387	R&DC	77,348	
Geosciences	NSF	47.050	G00011410	R&DC	5,800	
Geosciences	NSF	47.050	G00011471	R&DC	56,918	
Geosciences	NSF	47.050	G00011538	R&DC	35,270	
Geosciences	NSF	47.050	G00011557	R&DC	158,575	
Geosciences	NSF	47.050	G00011590	R&DC	196,069	
Geosciences	NSF	47.050	G00011592	R&DC	62,513	17,134
Geosciences	NSF	47.050	G00011603	R&DC	18,077	
Geosciences	NSF	47.050	G00011608	R&DC	92,651	
Geosciences	NSF	47.050	G00011626	R&DC	91,216	
Geosciences	NSF	47.050	G00011627	R&DC	42,429	
Geosciences	NSF	47.050	G00011674	R&DC	40,363	
Geosciences	NSF	47.050	G00011691	R&DC	14,588	
Geosciences	NSF	47.050	G00011702	R&DC	2,476	
Geosciences	NSF	47.050	G00011704	R&DC	107,442	
Geosciences	NSF	47.050	G00011707	R&DC	38,603	

STATE OF ALASKA
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Federal Program Title	Federal Agency	CFDA Number	Grant or Other Identifying Number	Cluster	Federal Expenditures	Provided to Subrecipients
Geosciences	NSF	47.050	G00011708	R&DC	8,899	
Geosciences	NSF	47.050	G00011709	R&DC	327,126	67,260
Geosciences	NSF	47.050	G00011719	R&DC	10,048	
Geosciences	NSF	47.050	G00011722	R&DC	29,561	
Geosciences	NSF	47.050	G00011732	R&DC	50,116	
Geosciences	NSF	47.050	G00011773	R&DC	34,871	
Geosciences	NSF	47.050	G00011789	R&DC	10,092	
Geosciences	NSF	47.050	G00011841	R&DC	22,655	
Geosciences	NSF	47.050	G00011846	R&DC	55,229	
Geosciences	NSF	47.050	G00011858	R&DC	25,246	
Geosciences	NSF	47.050	G00011862	R&DC	45,111	
Geosciences	NSF	47.050	G00011900	R&DC	20,232	
Geosciences	NSF	47.050	G00011905	R&DC	39,400	
Geosciences	NSF	47.050	G00011993	R&DC	7,624	
Geosciences	NSF	47.050	G00011994	R&DC	80,084	
Geosciences	NSF	47.050	G00012020	R&DC	17,029	
Geosciences	NSF	47.050	G00012037	R&DC	6,028	
Geosciences	NSF	47.050	G00012061	R&DC	14,564	
Geosciences	NSF	47.050	G00012080	R&DC	21,280	
Geosciences	NSF	47.050	G00012110	R&DC	6,371	
Geosciences	NSF	47.050	G00012124	R&DC	5,688	
Geosciences	NSF	47.050	G00012127	R&DC	386,650	
Geosciences	NSF	47.050	P.O. 101765/S6180C AMEND 2	R&DC	4,086	
Geosciences	NSF	47.050	S6180D / PO# 101766	R&DC	10,213	
Geosciences	NSF	47.050	Subaward No. 00657	R&DC	74,750	
Geosciences	NSF	47.050	Subaward No. 107294	R&DC	912	
Geosciences	NSF	47.050	Subaward No. 4500002571	R&DC	3,071	
Geosciences	NSF	47.050	Subaward No. Z17-25760	R&DC	9,209	
Geosciences	NSF	47.050	Subcontract 119-000221	R&DC	581,648	
Geosciences	NSF	47.050	UTA17-000312	R&DC	37,358	
Computer and Information Science and Engineering	NSF	47.070	G00007744	R&DC	27,356	
Computer and Information Science and Engineering	NSF	47.070	G00011028	R&DC	15,139	
Biological Sciences	NSF	47.074	G00006941	R&DC	763,973	131,862
Biological Sciences	NSF	47.074	G00007464	R&DC	13,583	
Biological Sciences	NSF	47.074	G00007608	R&DC	11,202	
Biological Sciences	NSF	47.074	G00009162	R&DC	136,118	
Biological Sciences	NSF	47.074	G00009175	R&DC	9,084	
Biological Sciences	NSF	47.074	G00009439	R&DC	33,521	2,078
Biological Sciences	NSF	47.074	G00009537	R&DC	126,660	
Biological Sciences	NSF	47.074	G00009569	R&DC	79,854	
Biological Sciences	NSF	47.074	G00009579	R&DC	37,392	
Biological Sciences	NSF	47.074	G00010215	R&DC	120,555	
Biological Sciences	NSF	47.074	G00010309	R&DC	59,386	
Biological Sciences	NSF	47.074	G00010627	R&DC	103,479	
Biological Sciences	NSF	47.074	G00010660	R&DC	80,443	1,683
Biological Sciences	NSF	47.074	G00010724	R&DC	35,483	
Biological Sciences	NSF	47.074	G00010881	R&DC	20,872	
Biological Sciences	NSF	47.074	G00010882	R&DC	53,599	
Biological Sciences	NSF	47.074	G00010947	R&DC	108,690	
Biological Sciences	NSF	47.074	G00011029	R&DC	159,964	

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Biological Sciences	NSF	47.074	G00011031	R&DC	10,701	
Biological Sciences	NSF	47.074	G00011058	R&DC	267,043	
Biological Sciences	NSF	47.074	G00011192	R&DC	205,516	11,054
Biological Sciences	NSF	47.074	G00011285	R&DC	679,865	
Biological Sciences	NSF	47.074	G00011334	R&DC	31,059	
Biological Sciences	NSF	47.074	G00011640	R&DC	128,577	35,456
Biological Sciences	NSF	47.074	Subaward No. 20202-13010	R&DC	15,604	
Biological Sciences	NSF	47.074	UTA17-000641	R&DC	47,813	
Social, Behavioral, and Economic Sciences	NSF	47.075	G00008951	R&DC	10,058	
Social, Behavioral, and Economic Sciences	NSF	47.075	G00010334	R&DC	94,965	
Social, Behavioral, and Economic Sciences	NSF	47.075	G00011660	R&DC	48,891	
Social, Behavioral, and Economic Sciences	NSF	47.075	G00011686	R&DC	63,986	
Social, Behavioral, and Economic Sciences	NSF	47.075	G00011690	R&DC	54,460	
Education and Human Resources	NSF	47.076	4(GG009026) / G06271 / G11364	R&DC	20,703	2,124
Education and Human Resources	NSF	47.076	G00007820	R&DC	354,324	
Education and Human Resources	NSF	47.076	G00007981	R&DC	43,563	
Education and Human Resources	NSF	47.076	G00008222	R&DC	196,698	
Education and Human Resources	NSF	47.076	G00008331	R&DC	35,719	
Education and Human Resources	NSF	47.076	G00008356	R&DC	83,209	24,408
Education and Human Resources	NSF	47.076	G00009373	R&DC	20,306	
Education and Human Resources	NSF	47.076	G00009639	R&DC	37,517	
Education and Human Resources	NSF	47.076	G00009659	R&DC	396,339	
Education and Human Resources	NSF	47.076	G00010485	R&DC	433,555	
Education and Human Resources	NSF	47.076	G00010833	R&DC	22,632	
Education and Human Resources	NSF	47.076	G00011411	R&DC	18,927	
Education and Human Resources	NSF	47.076	G00011478	R&DC	408,207	
Education and Human Resources	NSF	47.076	G00011558	R&DC	153,948	
Education and Human Resources	NSF	47.076	G00011679	R&DC	135,349	38,407
Education and Human Resources	NSF	47.076	G00011747	R&DC	13,744	
Polar Programs	NSF	47.078	G00006863	R&DC	86,615	
Polar Programs	NSF	47.078	G00007957	R&DC	76,981	
Polar Programs	NSF	47.078	G00008095	R&DC	2,806	
Polar Programs	NSF	47.078	G00008143	R&DC	4,690	
Polar Programs	NSF	47.078	G00008162	R&DC	5,711	
Polar Programs	NSF	47.078	G00008606	R&DC	138,477	
Polar Programs	NSF	47.078	G00008643	R&DC	126,517	
Polar Programs	NSF	47.078	G00008676	R&DC	7,139	
Polar Programs	NSF	47.078	G00008715	R&DC	55,188	
Polar Programs	NSF	47.078	G00008757	R&DC	18,662	
Polar Programs	NSF	47.078	G00011021	R&DC	98,870	
Office of International Science and Engineering	NSF	47.079	67449315 / PO#10372986	R&DC	133,326	
Office of International Science and Engineering	NSF	47.079	G00009202	R&DC	27,010	
Office of Integrative Activities	NSF	47.083	16-S10 Amend 2	R&DC	22,047	
Office of Integrative Activities	NSF	47.083	G00008075	R&DC	1,326,419	8,630
Office of Integrative Activities	NSF	47.083	G00011742	R&DC	4,898	
Office of Integrative Activities	NSF	47.083	G00011772	R&DC	344,028	
NSF IPA Burns	NSF	47.RD	G00011633	R&DC	183,479	
Small Business Development Centers	SBA	59.037	G00010477		831	
Small Business Development Centers	SBA	59.037	G00011143		324,799	
Small Business Development Centers	SBA	59.037	G00011771		45,083	
Small Business Development Centers	SBA	59.037	G00011796		541,403	
Prime Technical Assistance	SBA	59.050	G00011805		75,201	
Water Pollution Control State, Interstate, and Tribal Program Support	EPA	66.419	ADN# 18180002 AMD 1	R&DC	80,625	
Regional Wetland Program Development Grants	EPA	66.461	G00010516	R&DC	13,712	
Regional Wetland Program Development Grants	EPA	66.461	G00011793	R&DC	16,403	

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Capitalization Grants for Drinking Water State Revolving Funds	EPA	66.468	ADN# 18170089	DWFC	476	
Science To Achieve Results (STAR) Research Program	EPA	66.509	PO# 1000397392 / REF# 1552028	R&DC	54,577	
Office of Science Financial Assistance Program	ERGY	81.049	083570-15976	R&DC	44,121	
Office of Science Financial Assistance Program	ERGY	81.049	G00007587	R&DC	45,654	
Office of Science Financial Assistance Program	ERGY	81.049	G00009565	R&DC	14,527	
Office of Science Financial Assistance Program	ERGY	81.049	G00011748	R&DC	142,741	
Renewable Energy Research and Development	ERGY	81.087	G0152A-A	R&DC	73,190	
Fossil Energy Research and Development	ERGY	81.089	G00001492	R&DC	9,951	
Fossil Energy Research and Development	ERGY	81.089	G00011849	R&DC	457,152	44,925
Fossil Energy Research and Development	ERGY	81.089	G00012107	R&DC	14,725	
Advanced Research Projects Agency - Energy	ERGY	81.135	G00012044	R&DC	40,727	
Nuclear Scintillation (NUSCINT) experiment High Altitude Auroral Research Program (HAARP) facility in Gakona, Alaska	ERGY	81.RD	412169	R&DC	128,754	
HiLAT: Investigating the Role of Arctic Sea Ice Decline on High-Latitude Ocean and Sea Ice Ecosystems	ERGY	81.RD	430831	R&DC	87,582	
Alaska Energy Data Gateway Development Portal	ERGY	81.RD	7318971	R&DC	71,654	
ACEP Scope of Work: Collaboration with LBNL on Remote Off-Grid Microgrid Design Tool	ERGY	81.RD	7338644	R&DC	29,759	
MC3	ERGY	81.RD	G00011642	R&DC	82,239	
An Investigation of Electron Acceleration and Energy Transport by Alfven Waves in the Jovian Magnetophere	ERGY	81.RD	S015426-F	R&DC	6,595	
Adult Education - Basic Grants to States	USDOE	84.002	ADN # 765602		41	
Adult Education - Basic Grants to States	USDOE	84.002	ADN# 785518		33,205	
Adult Education - Basic Grants to States	USDOE	84.002	ADN# 785519		33,555	
Adult Education - Basic Grants to States	USDOE	84.002	ADN# 785520		53,221	
Adult Education - Basic Grants to States	USDOE	84.002	ADN# 785521		29,817	
Adult Education - Basic Grants to States	USDOE	84.002	G00011843		24,532	
Federal Supplemental Educational Opportunity Grants	USDOE	84.007	E00001020	SFAC	279,275	
Federal Supplemental Educational Opportunity Grants	USDOE	84.007	G00011519	SFAC	276,617	
Federal Supplemental Educational Opportunity Grants	USDOE	84.007	G00011647	SFAC	27,000	
Special Education Grants to States	USDOE	84.027	ADN# 0580069	SEC	73,597	
Higher Education Institutional Aid	USDOE	84.031	G00006837		14,938	
Higher Education Institutional Aid	USDOE	84.031	G00009754		3,033,396	
Higher Education Institutional Aid	USDOE	84.031	G00009882		508,524	
Higher Education Institutional Aid	USDOE	84.031	G00009921		2,351,900	
Higher Education Institutional Aid	USDOE	84.031	G00010459		684,487	
Higher Education Institutional Aid	USDOE	84.031	G00010483		421,075	
Higher Education Institutional Aid	USDOE	84.031	G00010511		472,898	
Higher Education Institutional Aid	USDOE	84.031	G00010531		569,956	
Higher Education Institutional Aid	USDOE	84.031	G00011059		356,539	
Federal Work-Study Program	USDOE	84.033	E00001021	SFAC	34,556	
Federal Work-Study Program	USDOE	84.033	E00001024	SFAC	267,743	
Federal Work-Study Program	USDOE	84.033	G00011648	SFAC	29,678	
TRIO Student Support Services	USDOE	84.042	G00010281	TRIOC	229,701	
TRIO Student Support Services	USDOE	84.042	G00010384	TRIOC	261,159	
TRIO Upward Bound	USDOE	84.047	373440	TRIOC	297	
TRIO Upward Bound	USDOE	84.047	G00007982	TRIOC	26,628	10,000
TRIO Upward Bound	USDOE	84.047	G00011700	TRIOC	137,225	
TRIO Upward Bound	USDOE	84.047	G00011701	TRIOC	146,927	

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Career and Technical Education -- Basic Grants to States	USDOE	84.048	0580043 EL18.157.05		118,246	
Career and Technical Education -- Basic Grants to States	USDOE	84.048	ADN# 0570042		99,642	57,374
Career and Technical Education -- Basic Grants to States	USDOE	84.048	ADN# 0580041 NT 18.156.01		22,236	
Federal Pell Grant Program	USDOE	84.063	E00001019	SFAC	6,212,172	
Federal Pell Grant Program	USDOE	84.063	G00011518	SFAC	14,427,263	
Federal Pell Grant Program	USDOE	84.063	G00011649	SFAC	1,520,420	
Federal Pell Grant Program	USDOE	84.063	G00012155	SFAC	26,630	
Rehabilitation Services Vocational Rehabilitation Grants to States	USDOE	84.126	ADN# 772104 / EN GAE 170012261		155	
Rehabilitation Services Vocational Rehabilitation Grants to States	USDOE	84.126	ADN#782104		6,177	
Federal Direct Student Loans	USDOE	84.268		SFAC	15,687,818	
Federal Direct Student Loans	USDOE	84.268		SFAC	4,696,812	
Federal Direct Student Loans	USDOE	84.268		SFAC	30,845,710	
Alaska Native Educational Programs	USDOE	84.356	G00007424		154,871	
Alaska Native Educational Programs	USDOE	84.356	G00009617		152,835	
Alaska Native Educational Programs	USDOE	84.356	G00009677		105,096	
Alaska Native Educational Programs	USDOE	84.356	G00010470		607,812	
Alaska Native Educational Programs	USDOE	84.356	G00010476		1,063,317	171,615
Alaska Native Educational Programs	USDOE	84.356	G00010501		985,800	
Alaska Native Educational Programs	USDOE	84.356	ICC-AK AMEND 2		13,675	
English Language Acquisition State Grants	USDOE	84.365	Agreement DTD 1.18.18		30,899	
English Language Acquisition State Grants	USDOE	84.365	G00008005		219,766	
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	USDOE	84.367	ADN# 0570044/0580074		49,648	
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	USDOE	84.367	ADN# 0580039/0580073		5,600	
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	USDOE	84.379	G00010910	SFAC	6,983	
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	USDOE	84.379	G00011523	SFAC	151,894	
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	USDOE	84.379	G00011650	SFAC	43,360	
Strengthening Minority-Serving Institutions	USDOE	84.382	G00007571		44,194	
Strengthening Minority-Serving Institutions	USDOE	84.382	G00011088		222,362	
Education Innovation and Research (formerly Investing in Innovation (i3) Fund)	USDOE	84.411	G00007733		253,077	180,002
2016-2017 SEED Invitational Leadership Institute Grant	USDOE	84.U01	12-AK07-SEED2016-ILI		8,405	
FY17 Summer Speech and Language Program	USDOE	84.U02	ADN #0570083		2,240	
FY18 AK Title IV YMHFA Training	USDOE	84.U03	ADN# 0580070		16,957	
FY 2018 Private Student Loans	USDOE	84.U04	G00011522		79,794	
TPPSS--Evaluation of the ESEA Title VII, Indian Education LEA Grants Program CAEPR portion	USDOE	84.U05	PO7963		20,280	
Denali Commission Program	DC	90.100	G00005036	R&DC	2,606	
Denali Commission Program	DC	90.100	G00010604	R&DC	258,054	
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	USDHHS	93.048	G00010269	R&DC	118,702	
Birth Defects and Developmental Disabilities - Prevention and Surveillance	USDHHS	93.073	G00009671		533,126	76,067
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	USDHHS	93.074	ADN# 06-8-0388 / GAE 18*4430	R&DC	1,947	

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Area Health Education Centers	USDHHS	93.107	G00007653		591,035	439,617
Maternal and Child Health Federal Consolidated Programs	USDHHS	93.110	ADN# 06-8-0143		4,144	
Maternal and Child Health Federal Consolidated Programs	USDHHS	93.110	G00006655		475,542	2,085
Environmental Health	USDHHS	93.113	PG15-64491-01 / **PENDING**	R&DC	133,481	
Environmental Health	USDHHS	93.113	PG18-61047-01	R&DC	36,643	
Injury Prevention and Control Research and State and Community Based Programs	USDHHS	93.136	ADN# 06-8-0389	R&DC	23,780	
Injury Prevention and Control Research and State and Community Based Programs	USDHHS	93.136	ADN#06-8-0149	R&DC	64,718	
Injury Prevention and Control Research and State and Community Based Programs	USDHHS	93.136	ADN#06-8-0150-1	R&DC	313,362	90,000
Human Genome Research	USDHHS	93.172	G00011725	R&DC	67,378	47,171
Traumatic Brain Injury State Demonstration Grant Program	USDHHS	93.234	ADN# 06-7-0559	R&DC	465	
Traumatic Brain Injury State Demonstration Grant Program	USDHHS	93.234	ADN# 06-7-0563	R&DC	560	
Traumatic Brain Injury State Demonstration Grant Program	USDHHS	93.234	ADN# 06-8-0052-1	R&DC	61,907	
Traumatic Brain Injury State Demonstration Grant Program	USDHHS	93.234	ADN# 06-8-0053	R&DC	26,570	
Mental Health Research Grants	USDHHS	93.242	G00011624	R&DC	601,129	127,631
Substance Abuse and Mental Health Services Projects of Regional and National Significance	USDHHS	93.243	ADN# 06-7-0243/06-7-0447		398	
Substance Abuse and Mental Health Services Projects of Regional and National Significance	USDHHS	93.243	ADN# 0680306		79,286	
Substance Abuse and Mental Health Services Projects of Regional and National Significance	USDHHS	93.243	ADN# 0680308		183,651	
Substance Abuse and Mental Health Services Projects of Regional and National Significance	USDHHS	93.243	ADN#06-8-0218-1		216,941	
Substance Abuse and Mental Health Services Projects of Regional and National Significance	USDHHS	93.243	ALF DTD 4/5/18 $30,000		13,454	
Substance Abuse and Mental Health Services Projects of Regional and National Significance	USDHHS	93.243	Contract DTD 2/15/17,11/6/17		28,214	
Substance Abuse and Mental Health Services Projects of Regional and National Significance	USDHHS	93.243	G00008925		63,116	
Substance Abuse and Mental Health Services Projects of Regional and National Significance	USDHHS	93.243	G00009783		51,574	
Substance Abuse and Mental Health Services Projects of Regional and National Significance	USDHHS	93.243	G00011053		172,420	
Substance Abuse and Mental Health Services Projects of Regional and National Significance	USDHHS	93.243	G00011057		228,779	
Substance Abuse and Mental Health Services Projects of Regional and National Significance	USDHHS	93.243	G00011084		196,308	
Universal Newborn Hearing Screening	USDHHS	93.251	ADN# 06-8-0148		22,249	
Alcohol Research Programs	USDHHS	93.273	G00010333	R&DC	664,200	72,589
Drug Abuse and Addiction Research Programs	USDHHS	93.279	Subaward No. 24222 **PENDING**	R&DC	48,975	
Centers for Disease Control and Prevention Investigations and Technical Assistance	USDHHS	93.283	G00011902	R&DC	46,853	
Trans-NIH Research Support	USDHHS	93.310	205CRE496 AMEND 7-ALF 6/7/18	R&DC	156,472	
Trans-NIH Research Support	USDHHS	93.310	206CRE544 AMEND 3/ALF 6/7/18	R&DC	137,591	
Trans-NIH Research Support	USDHHS	93.310	G00009789	R&DC	1,804,306	55,180
Trans-NIH Research Support	USDHHS	93.310	G00009790	R&DC	2,296,287	21,961
Trans-NIH Research Support	USDHHS	93.310	G00009791	R&DC	942,202	

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Trans-NIH Research Support	USDHHS	93.310	SUBAWARD 208CRE616	R&DC	16,603	
Trans-NIH Research Support	USDHHS	93.310	SUBAWARD 208CRE619	R&DC	1,341	
Cancer Cause and Prevention Research	USDHHS	93.393	SUBAWARD NO 17-009	R&DC	73,422	
Cancer Research Manpower	USDHHS	93.398	ANTHC 15-U-61682 MOD 6	R&DC	17,254	
ACL National Institute on Disability, Independent Living, and Rehabilitation Research	USDHHS	93.433	16207-05	R&DC	159	
ACL National Institute on Disability, Independent Living, and Rehabilitation Research	USDHHS	93.433	G00011453	R&DC	109,409	
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	USDHHS	93.505	ADN# 06-7-0233	MIEC	2,534	
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	USDHHS	93.505	ADN# 06-8-0024-1	MIEC	17,215	
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	USDHHS	93.505	ADN# 06-8-0145	MIEC	58,857	
Public Health Training Centers Program	USDHHS	93.516	UWSC8209		43,434	
Temporary Assistance for Needy Families	USDHHS	93.558	AVCP TANF & UAF 4-H SUBAWARD	TANFC	187,836	
Temporary Assistance for Needy Families	USDHHS	93.558	Contract DTD 3/25/16	TANFC	813,497	
Child Care and Development Block Grant	USDHHS	93.575	90YE0195	CCC	23,741	
Developmental Disabilities Projects of National Significance	USDHHS	93.631	06-8-0042-1		108,650	
University Centers for Excellence in Developmental Disabilities Education, Research, and Service	USDHHS	93.632	G00008782	R&DC	516,918	
Child Welfare Research Training or Demonstration	USDHHS	93.648	NO. 18-18	R&DC	93,179	
Child Welfare Research Training or Demonstration	USDHHS	93.648	RF#1135853-17-76397ALFYR5 $60K	R&DC	31,295	
Adoption Assistance	USDHHS	93.659	18-22QN-UAA-05-BS	R&DC	47,794	
Child Abuse and Neglect State Grants	USDHHS	93.669	ADN# 06-7-0251		3,102	
Child Abuse and Neglect State Grants	USDHHS	93.669	ADN# 0680282		20,952	
Child Abuse and Neglect State Grants	USDHHS	93.669	ADN# 0680295		32,124	
Chafee Foster Care Independence Program	USDHHS	93.674	ADN 0680243		363,842	
Chafee Foster Care Independence Program	USDHHS	93.674	ADN# 06-7-0278		21,964	
Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance – financed in part by the Prevention and Public Health Fund (PPHF)	USDHHS	93.733	ALF DTD 12/18/17 $5,000		3,296	
Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance – financed in part by the Prevention and Public Health Fund (PPHF)	USDHHS	93.733	Contract DTD 1/19/17		22,194	
State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)	USDHHS	93.757	ADN# 06-7-0462		803	
State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)	USDHHS	93.757	ADN# 06-8-0337 / GAE 18*4144		19,050	
Cardiovascular Diseases Research	USDHHS	93.837	20112501A	R&DC	13,808	
Cardiovascular Diseases Research	USDHHS	93.837	Subaward No. 2010903	R&DC	25,489	
Diabetes, Digestive, and Kidney Diseases Extramural Research	USDHHS	93.847	G00011116	R&DC	130,610	29,799

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Diabetes, Digestive, and Kidney Diseases Extramural Research	USDHHS	93.847	G00011134	R&DC	426,242	151,187
Diabetes, Digestive, and Kidney Diseases Extramural Research	USDHHS	93.847	G00011138	R&DC	297,177	114,667
Diabetes, Digestive, and Kidney Diseases Extramural Research	USDHHS	93.847	G00011582	R&DC	16,254	7,186
Diabetes, Digestive, and Kidney Diseases Extramural Research	USDHHS	93.847	G00011666	R&DC	59,873	
Diabetes, Digestive, and Kidney Diseases Extramural Research	USDHHS	93.847	OHSU SUB / **Pending**	R&DC	2,883	
Extramural Research Programs in the Neurosciences and Neurological Disorders	USDHHS	93.853	G00008806	R&DC	10,135	
Allergy and Infectious Diseases Research	USDHHS	93.855	G00010652	R&DC	326,118	
Biomedical Research and Research Training	USDHHS	93.859	18-22QN-UAF-05-BS	R&DC	28,765	
Biomedical Research and Research Training	USDHHS	93.859	G00008221	R&DC	336,299	
Biomedical Research and Research Training	USDHHS	93.859	G00009658	R&DC	4,160,266	35,273
Biomedical Research and Research Training	USDHHS	93.859	G00010301	R&DC	346,691	113,228
Biomedical Research and Research Training	USDHHS	93.859	G00011264	R&DC	159,409	
Biomedical Research and Research Training	USDHHS	93.859	G133-17-W6221	R&DC	24,373	
Biomedical Research and Research Training	USDHHS	93.859	G134-17-W6223	R&DC	15,561	
Biomedical Research and Research Training	USDHHS	93.859	G139-17-W6218	R&DC	14,543	
Biomedical Research and Research Training	USDHHS	93.859	G140-17-W6219	R&DC	40,523	
Biomedical Research and Research Training	USDHHS	93.859	G141-17-W6220	R&DC	2,064	
Biomedical Research and Research Training	USDHHS	93.859	G169-18-W6798	R&DC	31,593	
Biomedical Research and Research Training	USDHHS	93.859	G170-18-W6796	R&DC	107,378	
Biomedical Research and Research Training	USDHHS	93.859	G213-17-W6223	R&DC	26,146	
Biomedical Research and Research Training	USDHHS	93.859	G228-17-W6223	R&DC	2,267	
Biomedical Research and Research Training	USDHHS	93.859	G234-17-W6223	R&DC	21,837	
Biomedical Research and Research Training	USDHHS	93.859	G248-17-W6223	R&DC	5,710	
Biomedical Research and Research Training	USDHHS	93.859	PG18-62732-01	R&DC	58,047	
Biomedical Research and Research Training	USDHHS	93.859	SUBAWARD 79590/1142917	R&DC	33,274	
Biomedical Research and Research Training	USDHHS	93.859	Subaward No. G135-18-W6793	R&DC	57,502	
Biomedical Research and Research Training	USDHHS	93.859	Subaward No. G136-18-W6794	R&DC	90,334	
Biomedical Research and Research Training	USDHHS	93.859	Subaward No. G137-18-W6795	R&DC	31,896	
Biomedical Research and Research Training	USDHHS	93.859	Subaward No. G152-18-W6798	R&DC	30,419	
Biomedical Research and Research Training	USDHHS	93.859	Subaward No. G155-18-W6798	R&DC	27,306	
Biomedical Research and Research Training	USDHHS	93.859	Subaward No. G156-18-W6798	R&DC	38,500	
Biomedical Research and Research Training	USDHHS	93.859	Subaward No. G157-18-W6798	R&DC	52,504	
Biomedical Research and Research Training	USDHHS	93.859	Subaward No. NWIC-SA24226-UAF	R&DC	54,379	
Biomedical Research and Research Training	USDHHS	93.859	UWSC10374 / BPO30153	R&DC	14,110	
Biomedical Research and Research Training	USDHHS	93.859	UWSC9310 / BPO#17644	R&DC	126,181	
Aging Research	USDHHS	93.866	FY17.001.023	R&DC	5,956	
Vision Research	USDHHS	93.867	Subaward No. G-45693-01		13,520	
Medical Library Assistance	USDHHS	93.879	SUB NO. UWSC9122 MOD2 BPO30586		59,762	

STATE OF ALASKA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2018
By State Agency

Federal Program Title	Federal Agency	CFDA Number	Grant or Other Identifying Number	Cluster	Federal Expenditures	Provided to Subrecipients
PPHF Geriatric Education Centers	USDHHS	93.969	MOA Effective 6/1/18 Amend 4		331,415	
CCCHST NPETE Financial Support PWSC FY16	USDHHS	93.RD	7211522	R&DC	7,648	
FY17 Early Childhood Mental Health - Systems of Care	USDHHS	93.RD	ADN# 06-7-0259	R&DC	18,591	
FY2018 Early Childhood Mental Health - Systems of Care	USDHHS	93.RD	ADN# 0680509	R&DC	68,765	
Community Action to Raise Awareness about and mitigate Food Waste in Anchorage Households	USDHHS	93.RD	Agreement #2016-22	R&DC	1,498	
NIAID Centers of Excellence for Influenza Research and Surveillance	USDHHS	93.RD	HHSN27220140008C /COA#3/AMD#5	R&DC	107,795	
Building Tribal Capacity for Climate Change Resilience Year 2	USDHHS	93.RD	P2018.17	R&DC	12,986	
VOW (CDC) - Promoting Adaptive Capacity	USDHHS	93.RD	SUBAWARD DTD 3/1/17	R&DC	33,514	
Volunteers in Service to America	CNCS	94.013	G00011312		13,253	
Volunteers in Service to America	CNCS	94.013	G00011942		8,428	
Social Security - Work Incentives Planning and Assistance Program	SSA	96.008	240011		1,574	
Social Security - Work Incentives Planning and Assistance Program	SSA	96.008	G00010324		93,240	
Centers for Homeland Security	USDHS	97.061	G00009634	R&DC	2,939,435	1,298,368
Total for University of Alaska					**213,155,618**	**6,849,348**
Total Federal Financial Assistance					**4,308,548,491**	**328,555,802**

(Intentionally left blank)

Abbreviations

A

AAC	Alaska Administrative Code *or* Alaska Aerospace Corporation
ACF	Administration for Children and Families
ACHIA	Alaska Comprehensive Health Insurance Association
ACS	Alaska Court System
ADP	Automated Data Processing
AEA	Alaska Energy Authority
AGDC	Alaska Gasline Development Corporation
AHCC	Alaska Housing Capital Corporation
AHE	Alaska Health Enterprise
AHFC	Alaska Housing Finance Corporation
AIAS	Alaska International Airport System
AIBMH	Alaska Incident Business Management Handbook
AIDEA	Alaska Industrial Development and Export Authority
AIDS	Acquired Immunodeficiency Virus Syndrome
AIGA	Alaska Insurance Guaranty Association
AIP	Airport Improvement Program
AK	Alaska
AKSAS	Alaska State Accounting System
ALAE	Allocated Loss Adjustment Expenses
ALDER	Alaska Data Enterprise Reporting
AMBBA	Alaska Municipal Bond Bank Authority
AMHTA	Alaska Mental Health Trust Authority
APF	Alaska Permanent Fund
APFC	Alaska Permanent Fund Corporation
ARHCT	Alaska Retiree Healthcare Trust
ARIES	Alaska's Resource for Integrated Eligibility Services
ARMB	Alaska Retirement Management Board
ARNG	Army National Guard
ARRC	Alaska Railroad Corporation
ARW	Alaska Railroad Workers
AS	Alaska Statute
ASCA	Alaska State Council on the Arts
ASD	Administrative Services Director

ASLC	Alaska Student Loan Corporation
ASMI	Alaska Seafood Marketing Institute
ATDA	American Train Dispatchers Association

B

BFY	Budget Fiscal Year
BLM	Bureau of Land Management

C

CAFR	Comprehensive Annual Financial Report
CAP	Corrective Action Plan
CBR	Constitutional Budget Reserve
CBRF	Constitutional Budget Reserve Fund (Alaska)
CCDF	Child Care and Development Fund
CCPO	Child Care Program Office
CF	Conversion Factor
CFDA	Catalog of Federal Domestic Assistance
CFO	Chief Financial Officer
CFR	Code of Federal Regulations
CHIP	Children's Health Insurance Program
CIP	Construction in Progress
CISA	Certified Information Systems Auditor
COP	Certificate of Participation
CPA	Certified Public Accountant
CPP	Centralized Personnel Plan
CSRS	Civil Service Retirement System
CSSD	Child Support Services Division

D

DAS	Division of Administrative Services
DBUL	Defined Benefit Unfunded Liability
DCCED	Department of Commerce, Community, and Economic Development
DCP	Deferred Compensation Plan
DCRA	Division of Community and Regional Affairs
DEC	Department of Environmental Conservation (Alaska)
DEED	Department of Education and Early Development

DFG	Department of Fish and Game (Alaska)
DGS	Division of General Services
DHS	Department of Homeland Security
DHSS	Department of Health and Social Services (Alaska)
DLA	Division of Legislative Audit
DLWD	Department of Labor and Workforce Development (Alaska)
DMVA	Department of Military and Veterans' Affairs (Alaska)
DNR	Department of Natural Resources (Alaska)
DOA	Department of Administration (Alaska)
DOC	Department of Corrections (Alaska)
DOD	Department of Defense
DOF	Division of Finance
DOI	Division of Insurance
DOP	Division of Personnel
DOPLR	Division of Personnel and Labor Relations
DOR	Department of Revenue (Alaska)
DOTPF	Department of Transportation and Public Facilities
DPA	Division of Public Assistance
DPS	Department of Public Safety (Alaska)
DRB	Division of Retirement and Benefits
DSS	Division of Support Services

E

ECIO	External Chief Investment Officer
EFF	Emergency Firefighter
EIS	Eligibility Information Services
EPA	U.S. Environmental Protection Agency
EPLS	Excluded Parties List System
ETA	Employment and Training Administration

F

FAIN	Federal Award Identification Number
FDIC	Federal Deposit Insurance Corporation
FERC	Federal Energy and Regulatory Commission
FFATA	Federal Funding Accountability and Transparency Act
FFELP	Federal Family Education Loan Program

FFY	Federal Fiscal Year
FHWA	Federal Highway Administration
FI	Food Instrument
FIFO	First In First Out
FISP	Facilities Inventory and Support Plan
FMO	Facility Maintenance Office
FMS	Finance and Management Services
FNS-10	Food and Nutrition Service Report of School Program Operations
FX	Foreign Currency
FY	Fiscal Year

G

GAAP	Generally Accepted Accounting Principles
GAM	Group Annuity Mortality
GAO	Government Accountability Office
GASB	Governmental Accounting Standards Board
GASBS	Governmental Accounting Standards Board Statement
GeFONSI	General Fund and Other Non-Segregated Investment
GOV	Office of the Governor (Alaska)

H

HCS	Health Care Services
HHS	Health and Human Services
HRA	Healthcare Reimbursement Arrangement Plan
HRM	

I

IAF	International Airport Fund
ICRP	Indirect Cost Rate Proposal
IEVS	Income Eligibility and Verification System
IF	Infrastructure
IMC	Intertie Management Committee
IRIS	Integrated Resource Information System
ISF	Information Services Fund
ISP	Information Security Policies
IT	Information Technology

ITB	Invitation to Bid

J

JRS	Judicial Retirement System

L

LAW	Department of Law (Alaska)
LEA	Local Education Agency
LIBOR	London Interbank Offered Rate
LLC	Limited Liability Company

M

MAGI	Modified Adjusted Gross Income
MCA	Master Cooperative Agreement
MD&A	Management's Discussion and Analysis
MOC1	Mustang Operations Center 1, LLC
MOU	Memorandum of Understanding
MSA	Master Settlement Agreement and Final Judgment

N

NAV	Net Asset Value
NGB	National Guard Bureau
NGMOMP	National Guard Military Operations and Maintenance Project
NGNMRS	National Guard and Alaska Naval Militia Retirement System
NGR	National Guard Regulations
NIST	National Institute of Standards and Technology
NOAA	National Oceanic and Atmospheric Administration
NPR	National Petroleum Reserve
NRSRO	Nationally Recognized Statistical Rating Organization
NTSC	Northern Tobacco Securitization Corporation

O

OA	Outside Auditor
OAD	Obligating Award Document
OAH	Office of Administrative Hearings
OD&D	Occupational Death and Disability

OIT	Office of Information Technology
O&M	Operations and Maintenance
OPEB	Other Post-Employment Benefits
ORP	UA Optional Retirement Plan – Defined Contribution

P

PACAP	Public Assistance Cost Allocation Plan
PERS	Public Employees' Retirement System
PERS-DB	PERS – Defined Benefit
PERS-DCR	PERS – Defined Contribution Retirement Plan
PMC	Project Management Committee
P.O.	Post Office
PPHF	Prevention and Public Health Fund
PRPA	Postretirement Pension Adjustment
PSA	Power Sales Agreement
PVE	Petroleum Violation Escrow

R

RBRVS	Resource-Based Relative Value Scale
RCA	Regulatory Commission of Alaska
RHF	Retiree Health Fund
RLF	Revolving Loan Fund
RMP	Retiree Medical Plan
RSA	Reimbursable Service Agreement
RSI	Required Supplementary Information

S

SAM	System of Award Management
SBJPA	Small Business Job Protection Act
SBRF	Statutory Budget Reserve Fund
SBS	Supplemental Benefits System
SEFA	Schedule of Expenditures of Federal Awards
SIC	Synthetic Investment Contract
SIFMA	Securities Industry and Financial Markets Association
SIR	Self-Insured Retention
SLA	Session Laws of Alaska

SNAP	Supplemental Nutrition Assistance Program
STD	Sexually Transmitted Disease
SWCAP	Statewide Cost Allocation Plan

T

TANF	Temporary Assistance for Needy Families
TAPS	Trans-Alaska Pipeline System
TIPS	Treasury Inflation-Protected Securities
TRS	Teachers' Retirement System
TRS-DB	TRS – Defined Benefit
TRS-DCR	TRS – Defined Contribution Retirement Plan
TSA	Treasury State Agreement
TSR	Tobacco Settlement Revenue

U

UA	University of Alaska
UCF	Unemployment Compensation Fund
UI	Unemployment Insurance
U.S.	United States
USC	United States Code
USDA	U.S. Department of Agriculture
USDHHS	U.S. Department of Health and Human Services
USDHS	U.S. Department of Homeland Security
USDOD	U.S. Department of Defense
USDOE	U.S. Department of Education
USDOI	U.S. Department of the Interior
USDOL	U.S. Department of Labor
USDOT	U.S. Department of Transportation
USFS	U.S. Forest Service
USPFO	United States Property and Fiscal Office
UTU	United Transportation Union

V

VE	Value Engineering

W

WIC	Women, Infants, and Children