Alaska Gasline Development Corporation

Financial Statements, Required Supplementary Information and Supplemental Information
Year Ended June 30, 2015

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Independent Auditor's Report

To the Board of Directors
Alaska Gasline Development Corporation
Anchorage, Alaska

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund of Alaska Gasline Development Corporation (the Corporation), a component unit of the State of Alaska, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Corporation'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 conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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 the 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Corporation, as of June 30, 2015, 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.

Emphasis of a Matter

As discussed in Note B to the financial statements for fiscal year 2015, the Corporation adopted the provisions of Governmental Accounting Standards Board (GASB) Statement number 68, *Accounting and Financial Reporting for Pensions.* Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison on pages 3 through 6 and 14 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 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 Corporation's basic financial statements. The combining statements of net position and activities are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements of net position and activities is the responsibility of management and was derived from and relates 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 reconiling 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 additioanl procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements of net position and activities is fairly stated, in all material respects, in relation to the basic financial statements

BDO USA, LLP

Anchorage, Alaska
January 5, 2016

OVERVIEW OF THE FINANCIAL STATEMENTS

This financial report of the Alaska Gasline Development Corporation ("the Corporation") consists of four sections: *Management's Discussion and Analysis*, the *Basic Financial Statements,* Required Supplemental Information *Schedule of Governmental Fund Revenues, Expenditures & Changes in Fund Balance – Budget to Actual and Combining Statement of Net Position and Combining Statement of Activities Supplemental Information*. The Basic Financial Statements include the government-wide presentation, along with the governmental fund presentation and the Notes to Financial Statements. Summarized financial information for the year ended June 30, 2015 is also presented here in the Management's Discussion and Analysis to facilitate and enhance the understanding of the Corporation's financial position, and the results of operations for the current fiscal year as compared to the prior year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Corporation's annual financial report presents management's discussion and analysis of the financial position and results of operations at and for the fiscal year ended June 30, 2015. This information is being presented to assist the reader in identifying significant financial issues and to provide additional information regarding the activities of the Corporation. This information should be read in conjunction with the Independent Auditors' Report, the audited financial statements and accompanying notes.

BASIC FINANCIAL STATEMENTS

The government-wide financial statements of the Corporation, which include the *Statement of Net Position (Exhibit A)* and the *Statement of Activities (Exhibit B)*, are presented to display information about the Corporation as a whole and are prepared using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

The governmental fund financial statements of the Corporation, which include the *Governmental Fund Balance Sheet* (Exhibit A) and the *Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balances* (Exhibit B), are presented using the current financial resources measurement focus and the modified accrual basis of accounting which measures cash and other financial assets that can be readily converted to cash. Revenues are recognized when they become both measurable and available to finance expenditures and expenditures are recognized when they occur.

Differences between the government-wide and governmental fund financial statements are reconciled within Exhibits A and B. The adjustments are related to the timing of when expenses are recognized.

The *Statement of Net Position* (Exhibit A) provides information on the financial health of the Corporation and includes all assets and liabilities. Over time, changes in Net Position may serve as a useful indicator of whether the financial position of the Corporation is improving or deteriorating.

The *Statement of Activities* (Exhibit B) accounts for all fiscal year revenues, expenses and change in fund balance or Net Position. This statement provides information on whether the Corporation has had all of its costs covered through state contributions for the fiscal year.

The *Notes to Financial Statements* provide additional information that may enhance or provide for a better understanding of the information in the financial statements. The notes to the financial statements follow Exhibit (B).

The Required Supplemental Information, *Schedule of Governmental Fund Revenues, Expenditures & Changes in Fund Balance – Budget to Actual* (Exhibit C) presents the original and final legally authorized budgets compared to the actual amounts utilized by the Corporation and identifies any variances. Adoption of the Governmental Accounting Standards Board Statement 68 present *Defined Benefit Pension Plan* information in Exhibits D and E.

The Supplemental Information, Combining Statement of Net Position (Exhibit F) and Combining Statement of Activities (Exhibit G) present AGDC's financial activity by the In State Natural Gas Pipeline Fund and the Alaska Liquefied Natural Gas Project Fund.

ACCOMPLISHMENTS AND PLANS

In FY 15, AGDC progressed its mission by conducting the following activities:

- Progressed engineering and commercial negotiations for the Alaska Liquefied Natural Gas (Alaska LNG) project with three Alaska North Slope producers and a pipeline company for the proposed project, which would provide gas to Alaskans for in-state use and export liquefied natural gas (LNG) to markets around the world.

- Informed project stakeholders of progress on the Alaska Stand Alone Pipeline (ASAP) and Alaska LNG projects by presenting project updates to the State of Alaska and other stakeholder groups.

- Completed extensive geotechnical borehole testing and analysis to benefit both the Alaska LNG and ASAP projects.

In FY 16, AGDC plans to advance the development, financing, construction and operation of natural gas pipelines, related facilities and other transportation systems by conducting the following activities:

- Participate in the Alaska LNG project as a joint-venture by: funding its share of project expenditures; providing owner's representation and oversight on technical, commercial, and management committees; negotiating Alaska LNG project agreements for future phases of project development; and providing appropriate information to oversight agencies as to the activities of the venture.

- Progress the ASAP project in concert with the Alaska LNG project by: ensuring the ASAP project schedule is aligned with the Alaska LNG project schedule; and maintaining the ASAP project as a viable alternative for delivering North Slope natural gas to Alaskans.

FINANCIAL HIGHLIGHTS

$ in thousands	Governmental Fund				Government - Wide			
	FY 14	**FY 15**	**Variance**	**% Variance**	**FY 14**	**FY 15**	**Variance**	**% Variance**
Assets	391,265	282,797	(108,468)	-28%	392,762	285,099	(107,663)	-27%
Liablities	21,664	9,694	(11,970)	-55%	22,251	11,367	(10,884)	-49%
Fund Balance / Net Position	369,601	273,103	(96,498)		370,511	273,732	(96,779)	
Revenue	426,662	2,603	(424,059)	-99%	427,178	1,449	(425,729)	-100%
Expenditures / Expenses	73,728	99,101	25,373	34%	73,851	98,288	24,437	33%
Position	352,934	(96,498)	(449,432)		353,327	(96,839)	(450,166)	

Government-Fund

Assets are $282.8 million, Liabilities are $9.7 million and the fund balance is $273.1 million.

Revenue is $2.6 million in FY 15, no additional funds were received from the State. Expenses are $99.1 million, $ 25.4 million more than in FY 14.

Government-Wide

Assets are $285.1 million, Liabilities are $11.4 million and Net Position is $273.7 million. Net Position decreased $96.8 million because no new appropriations were received from the State.

Revenue is $1.4 million and expenses were $98.3 million, resulting in a negative change of position of $96.8 million.

Budgetary Basis

The Alaska Legislature appropriated the following amounts to AGDC for the Instate Natural Gas Pipeline Fund and the Alaska Liquefied Natural Gas Project Fund. AGDC incurred the following budgetary expenditures including encumbrances:

$ in thousands	Appropriation/ (Restricted)	Budgetary Basis Expenditures	Variance
FY 15	(166,000)	100,493	(266,493)
FY 14	399,800	73,851	325,949
FY 13	21,000	21,000	
FY 12	28,200	28,200	
FY 11	15,640	15,640	
Total	298,640	239,184	59,456

Notes:

FY 15 - CCS HB 72 restricted $9 million from the In State Gasline Fund and CCS HB 2001 restricted $157 million from the In State Gasline Fund.

FY 14 - HB 4 appropriated $330 million In State Gasline Fund for Alaska Gasline Development Corporation.

FY 14 - $69.8 million was appropriated to the Alaska Liquefied Natural Gas Project Fund with the passage of SB 138.

Effective June 30, 2013 AGDC's FY 12 and FY 13 unexpended and unobligated appropriation balance of $16.5 million (FY 12 $6.6 million and FY 13 $9.9 million) was appropriated to the In State Natural Gasline Fund (AS31.25.100) following SB 18.

FY 12 includes $21 million appropriation and $7.2 million supplemental appropriation.

On April 13, 2013, the 28th Alaska Legislature passed SCS CSSSHB 4 (FIN), and the Governor signed the legislation into law on May 21, 2013. The Legislature appropriated $355 million to fund the In State Natural Gas Pipeline Fund (AS 31.25.100) for the purposes of the advancement, development, financing, construction and operation of an in-state natural gas pipeline and other transportation systems to deliver natural gas and other non-oil hydrocarbon products for in-state use at the lowest possible cost.

On April 20, 2014, the 28th Alaska Legislature passed HCS CSSB 138(FIN) am H, and the Governor signed the legislation into law on May 8, 2014. The Legislature appropriated $69.8 million to fund the Alaska Liquefied Natural Gas Project Fund (AS 31.25.110) for the purposes of enabling the State to participate as an equity owner in the Alaska LNG project which is focused on liquefying North Slope natural gas for the Asian export market and making gas available for domestic use in Alaska.

On May 18, 2015, the governor signed into law CCS HB 72 (brf sup maj fld H), Chapter 23 SLA 15, passed by the 29th Alaska Legislature. Section 3 of the legislation appropriated $9 million from the In-State Natural Gas Pipeline Fund (AS 31.25.100). This amount is included in the restricted funds shown on Exhibit A and Exhibit G.

On June 29, 2015, the governor signed into law CCS HB 2001, (Chapter 1, SSSLA 15), Section 9 of the legislation appropriated $157 million from the In-State Natural Gas Pipeline Fund (AS 31.25.100). This amount is included in the restricted funds shown on Exhibit A and Exhibit G.

CONTACTING AGDC'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Corporation's finances and to show the Corporation's accountability for the money it receives during the periods reported. If you have questions about this report or need additional financial information, please visit the Corporation's web site at www.agdc.us.

ALASKA GASLINE DEVELOPMENT CORPORATION **Exhibit A**

(A Component Unit of the State of Alaska)

Governmental Fund Balance Sheet / Statement of Net Position

As of June 30, 2015

(in thousands of dollars)

	Governmental Fund Balance Sheet	Adjustments*	Statement of Net Position
ASSETS			
Cash and Investments	$ 283,461	$ -	$ 283,461
Prepaid Expenses	197	-	197
Due from State of Alaska	(861)	861	-
Equipment, Net of Depreciation	-	632	632
Total Assets	$ 282,797	$ 1,493	$ 284,290
Deferred Outflows	$ -	$ 809	$ 809
LIABILITIES			
Accrued payables	$ 9,694	$ -	$ 9,694
Accrued Compensated Absences	-	861	861
Due to Alaska Housing Finance Corporation	-	-	-
Net Pension Liabilities	-	728	728
Total Liabilities	9,694	1,589	11,283
Deferred Inflows	-	84	84
FUND BALANCES			
Nonspendable	$ 197		
Restricted	166,000		
Assigned	106,906		
Unassigned	-		
Total Fund balance	$ 273,103		
Total Liabilities and Fund Balance	$ 282,797		
Net Position			
Total Net Position		$ 629	$ 273,732

***Adjustments:**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Governmental funds don't accrue revenue that isn't collectable within 60 days of year end - reimbursement for compensated absences.	$ 861
Governmental funds don't recognize General Fixed Assets as current financial resources.	632
Governmental funds don't accrue revenue that isn't collectable within 60 days of year end - deferred outflows for pension.	809
Governmental funds don't recognize accrued compensated absences as payable using current financial resources.	(861)
Governmental funds don't accrue liabilities that will be paid greater than 60 days of year end - net pension liabilities.	(728)
Governmental funds don't accrue liabilities that will be paid greater than 60 days of year end - deferred inflows.	(84)
Total Adjustments to the Governmental Fund Balance Sheet	$ 629

See accompanying notes to the financial statements.

ALASKA GASLINE DEVELOPMENT CORPORATION

Exhibit B

(A Component Unit of the State of Alaska)

Statement of Governmental Fund Revenues, Expenditures & Changes in Fund Balance / Statement of Activitie

For the Year Ended June 30, 2015

(in thousands of dollars)

	Governmental Fund Income Statement	Adjustments*	Statement of Activities
REVENUES			
Revenues from the State of Alaska	$ (273)	$ 273	$ -
Investment and Interest Income	1,408		$ 1,408
Retirement Funding State of Alaska	1,468	(1,186)	282
Total Revenues	2,603	(913)	1,690
EXPENDITURES / EXPENSES			
Contractual Services	90,297		90,297
Personnel	4,800	336	5,136
Office and Supplies	2,196	(116)	2,080
Travel	204	-	204
Retirement Funding State of Alaska	1,468	(1,186)	282
Depreciation	-	394	394
Insurance	43	-	43
Other Services	80	-	80
Advertising	13	-	13
Total Expenditures / Expenses	99,101	(572)	98,529
Excess (Deficiency) of Revenues Over Expenditures / Expenses	(96,498)	(341)	(96,839)
Net change in fund balance / Change in Net Position	(96,498)	(341)	(96,839)
FUND BALANCE / Net Position			
Beginning of year balance as restated	369,601	970	370,571
End of year balance	$ 273,103	$ 629	$ 273,732

***Adjustments:**

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds don't accrue Program revenue that isn't collectable within 60 day of year end - reimbursement of for compensated absences.	$ 273
Governmental funds don't recognize accrued compensated absences as an expenditure.	(273)
Governmental funds don't recognize the Net Pension Liability and related Deferred Outflows and Inflows of resources.	(63)
Governmental funds don't recognize on behalf revenue equal to the nonemployer entities total proportionate share of the collective pension expense that is associated with the employer.	(1,186)
Governmental funds don't recognize on behalf expense equal to the nonemployer entities total proportionate share of the collective pension expense that is associated with the employer.	1,186
Governmental funds don't recognize General Fixed Assets as current financial resources.	116
Governmental funds don't recognize General Fixed Assets as current financial resources.	(394)
Change in Net Position of governmental activities	$ (341)

See accompanying notes to the financial statements.

FOOTNOTE INDEX

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FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Note A: The Alaska Gasline Development Corporation

The Alaska Gasline Development Corporation ("AGDC") is a public corporation and government instrumentality of the State of Alaska (the "State") located for administrative purposes within the Department of Commerce, Community, and Economic Development ("DCCED") but with a separate and independent legal existence. The 2013 legislation identified as SCS CSSSHB 4 (FIN) became law on May 21, 2013, as Chapter 11, Session Laws of Alaska 2013 ("Ch. 11 SLA 13"). Ch. 11 SLA 13 continued the existence of AGDC but changed it from a wholly-owned subsidiary of the Alaska Housing Finance Corporation ("AHFC") under AS 18.56.086 into an independent public corporation of the State of Alaska organized under AS 31.25 and having a legal existence independent of and separate from the State of Alaska. AGDC's purpose is to advance the planning, constructing, financing and operations of an in-state natural gas pipeline project or an Alaska liquefied natural gas project or other transportation systems to deliver natural gas and other non-oil hydrocarbon products available to Fairbanks, the South-central region of the state, and other communities in the state at the lowest rates possible.

AGDC is located within DCCED solely for state administrative purposes, and there is no financial accountability between AGDC and DCCED. AGDC is authorized to borrow money and issue bonds on its own behalf to provide sufficient funds for carrying out its purpose but, at this time, mainly relies upon appropriations of state money for that purpose.

AGDC is a component unit of the State of Alaska (the "State") and is a government instrumentality of the State. On September 13, 2013, the Governor appointed a new board of directors for AGDC to replace the AHFC Board of Directors which had served as AGDC's board while AGDC was a subsidiary corporation of AGDC. The AGDC Board of Directors is comprised of five public members and two individuals designated by the Governor from among the heads of the principal departments of the State.

The in-state natural gas pipeline fund is established in AS 31.25.100 and consists of money appropriated to it. Effective June 30, 2013, AGDC's FY12 and FY13 unexpended and unobligated appropriation balance of $16.5 million (FY12 $6.6 million and FY13 $9.9 million) was re-appropriated to the in-state natural gas pipeline fund. In FY 14, AGDC received an appropriation of an additional $355 million in state funds ($427 million less the prior year's appropriations of $72 million) to the in-state natural gas pipeline fund to provide for AGDC's ASAP project through sanction and the beginning of construction. The Alaska liquefied natural gas project fund is established in AS 31.25.110. In FY 14, AGDC received an appropriation of $69.8 million to provide funding for the states 25% ownership interest in the Alaska liquefied natural gas project.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

AGDC is a single purpose governmental fund and has elected to show a single combining presentation of its annual financial statements showing the Government-wide and Fund financial statements as Exhibit A – Governmental Fund Balance Sheet / Statement of Net position and Exhibit B Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance / Statement of Activities. The financial statements have been prepared in conformity with generally accepted accounting principles, including all applicable Governmental Accounting Standards Board (GASB) pronouncements.

Government-wide and Governmental Fund Financial Statements
The Statement of Net position and the Statement of Activities report information on all of the activities of AGDC. The Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances are provided for governmental funds.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
The Government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental Fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, AGDC considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

New Accounting Pronouncements
Accounting Governmental Standards Board ("GASB") Statement 68, Accounting and Financial Reporting for Pensions, is effective for AGDC's fiscal year 2015. The statement changes how employers measure and report the costs and obligations associated with pensions in their financial statements. The effect from the adoption of the provisions of this statement will be a liability recognized as employees earn their pension benefits.

This is the first time that the Corporation has recognized its proportionate share of the collective pension amounts for all benefits provided through the plan at the current measurement date. The pension amounts to be recognized in the financial statements include the net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense.

The implementation of this pronouncement has required that a prior period adjustment be included in the beginning of the year fund balance in Exhibit B. The prior period adjustment of $60 thousand changed the prior year end from $370,511 thousand to a beginning of year balance as restated of $370,571 thousand.

NOTE C: INVESTMENTS

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. The Corporation invests in the State's internally managed General Fund and Other Non-Segregated Investments Pool (GeFONSI). The GeFONSI consists of investments in the State's internally managed Short-term Fixed Income Pool, Short-term Liquidity Fixed Income Pool and the Intermediate-term Fixed Income Pool. The Complete financial activity of the Corporation is shown in the Comprehensive Annual Financial Report (CAFR) available from the Department of Administration, Division of Finance.

Assets in the pools are reported at fair value. Investment purchases and sales are recorded on a trade-date basis. Securities are valued each business day using prices obtained from a pricing service.

The accrual basis of accounting is used for the investment income and GeFONSI investment income is distributed to pool participants monthly if prescribed by statute or if appropriated by state legislature. Income in the Short-term Liquidity and Intermediate-term Fixed Income Pools is allocated to the pool participants daily on a pro-rata basis.

At June 30, 2015, the Corporation's share of pool investments was as follows:

Investment Type	Fund 34077 Short-Term Fixed Income Pool	Short-term Liquidity Fixed Income Pool	Intermediate-term Fixed Income Pool	Total
Deposits	73,471.12	-	414.79	73,885.91
Certificate of Deposit	182,542.00	-	164,429.15	346,971.14
Corporate Bonds	2,952,881.78	-	5,564,341.11	8,517,222.89
Mortgage Backed	2,490,776.03	-	2,245,865.19	4,736,641.22
Municipal Bonds	90,674.68	-	-	90,674.68
Other Asset Backed	72,371,363.09	-	3,399,542.95	75,770,906.05
Repurchase Agreement	11,552,090.14	-	-	11,552,090.14
U.S. Government Agency	-	-	45,569.07	45,569.07
U.S. Treasury Bills, Notes, Bonds, and TIPS	22,320,055.11	30,821,239.97	56,543,962.02	109,685,257.10
Yankees:				
Yankee Corporate	1,313,726.53	-	1,441,481.77	2,755,208.30
Yankee Government	-	-	270,180.68	270,180.68
Total Invested Assets	113,347,580.49	30,821,239.97	69,675,786.72	213,844,607.18
Pool related net assets (liabilities)	(213,403.65)	0.04	25,218.00	(188,185.61)
Net Invested Assets	113,134,176.84	30,821,240.01	69,701,004.72	213,656,421.57
Participant Unalloted Cash	-	-	-	-
Net Cash and Investments	113,134,176.84	30,821,240.01	69,701,004.72	213,656,421.57

Investment Type	Fund 34078 Short-Term Fixed Income Pool	Short-term Liquidity Fixed Income Pool	Intermediate-term Fixed Income Pool	Total
Deposits	16,441.57	-	92.82	16,534.39
Certificate of Deposit	40,849.75	-	36,796.41	77,646.16
Corporate Bonds	660,804.03	-	1,245,203.59	1,906,007.62
Mortgage Backed	557,392.73	-	502,585.90	1,059,978.63
Municipal Bonds	20,291.43	-	-	20,291.43
Other Asset Backed	16,195,463.14	-	760,759.09	16,956,222.23
Repurchase Agreement	2,585,158.58	-	-	2,585,158.58
U.S. Government Agency	-	-	10,197.57	10,197.57
U.S. Treasury Bills, Notes, Bonds, and TIPS	4,994,843.46	6,897,262.05	12,653,563.69	24,545,669.20
Yankees:				
Yankee Corporate	293,989.34	-	322,578.76	616,568.11
Yankee Government	-	-	60,461.78	60,461.78
Total Invested Assets	25,365,234.03	6,897,262.05	15,592,239.63	47,854,735.70
Pool related net assets (liabilities)	(841,592.26)	0.14	99,379.63	(742,212.49)
Net Invested Assets	24,523,641.76	6,897,262.19	15,691,619.26	47,112,523.21
Participant Unalloted Cash	-	-	-	-
Net Cash and Investments	24,523,641.76	6,897,262.19	15,691,619.26	47,112,523.21

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

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 3 years to maturity or 3 years expected average life *upon purchase.* These constraints apply to trade date, expect for securities bought at new issue, for which settlement date applies. At June 30, 2015, the expected average life of individual fixed rate securities ranged from 10 days to 3.3 years and the expected average life of floating rate securities ranged from 10 days to 14.5 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, 2015, the days to maturity of fixed rate securities ranged from 65 to 170 days.

Intermediate-term Fixed Income Pool
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 takes into account 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 limited the effective duration of its other fixed income pools portfolios to the following:

> Intermediate-term Fixed Income Pool - ± 20% of the Barclays 1-3 Year Government Bond Index. The effective duration for the Barclays 1-3 Year Government Bond Index at June 30, 2015 was 1.80 years.

At June 30, 2015, the effective duration by investment type was as follows:

	Effective Duration (in years) **Intermediate-term Fixed Income Pool**
Certificate of Deposit	0.14
Corporate Bonds	1.63
Mortgage Backed	1.03
Municipal Bonds	-
Other Asset Backed	0.61
U.S. Government Agency	3.96
U.S. Treasury Bills, Notes, Bonds, and TIPS	1.96
Yankee Corporate	0.94
Yankee Government	1.08
Portfolio Effective Duration	**1.81**

Credit Risk
Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.
Treasury's investment policy has the following limitations with regard to 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 and 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 Pool investments are limited to U.S. Treasury obligations or other U.S. government securities 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 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 and 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.
At June 30, 2015, 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):

Investment Type	Rating	Short-term Fixed Income Pool		Short-term Liquidity Fixed Income Pool		Intermediate-term Fixed Income Pool	
Certificate of Deposit	Not Rated	0.17	%	-	%	0.23	%
Corporate Bonds	A	1.30		-		4.67	
Corporate Bonds	AAA	-		-		0.15	
Corporate Bonds	AA	1.42		-		1.26	
Corporate Bonds	BBB	-		-		1.54	
Corporate Bonds	BB	-		-		-	
Corporate Bonds	Not Rated	-		-		0.01	
Deposits	Not Rated	0.07		-		-	
Mortgage Backed	AAA	1.18		-		0.81	
Mortgage Backed	AA	0.88		-		0.70	
Mortgage Backed	A	0.19		-		0.54	
Mortgage Backed	BBB	-		-		-	
Mortgage Backed	BB	-		-		0.01	
Mortgage Backed	Not Rated	0.05		-		1.02	
Municipal Bonds	AA	0.08		-		-	
Municipal Bonds	A	-		-		-	
Other Asset Backed	AAA	47.26		-		3.06	
Other Asset Backed	AA	1.27		-		-	
Other Asset Backed	A-1	1.54		-		-	
Other Asset Backed	Not Rated	16.63		-		1.60	
Repurchase Agreement	AAA	7.85		-		-	
Repurchase Agreement	Not Rated	2.80		-		-	
U.S. Government Agency	AA	-		-		0.06	
U.S. Treasury Bills, Notes, Bonds, a	AA	20.57		99.99		77.57	
Yankee Corporate	AAA	-		-		0.03	
Yankee Corporate	AA	0.62		-		0.86	
Yankee Corporate	A	0.59		-		0.87	
Yankee Corporate	BBB	-		-		0.22	
Yankee Government	AAA	-		-		-	
Yankee Government	AA	-		-		0.10	
Yankee Government	A	-		-		0.13	
Yankee Government	BBB	-		-		0.08	
Yankee Government	Not Rated	-		-		0.07	
Other Pool Ownership	Not Rated	-		0.01		3.63	
No Credit Risk		(4.47)		-		0.78	
		100.00	%	100.00	%	100.00	%

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, 2015, no pool had exposure to any one issuer greater than 5% of total invested assets.

NOTE D: RELATED PARTY TRANSACTIONS

AGDC utilizes certain AHFC administrative and support services and products such as payroll administration for half the fiscal year, employee medical plans and their associated administrative services.

The following amounts were owed, paid or received by AHFC on behalf of AGDC in FY15.

Due to AHFC as of 6/30/14	4,696
Payments to vendors and payroll	955
Received from State of Alaska	(5,651)
Due to AHFC as of 6/30/15	0

Due from State of Alaska
The outstanding balance is for reimbursement of payments made by AHFC to venders on behalf of AGDC that have not yet been reimbursed by the State of Alaska.

Due to Alaska Housing Finance Corporation
AGDC utilizes AHFC's cash disbursement system to pay for costs incurred. As a result the outstanding balance is the net result of payments made by AHFC to vendors on behalf of AGDC and the periodic reimbursements from the State of Alaska for AGDC's vendor costs.

NOTE E: ASSETS AND LIABILITIES

Equipment Net of Depreciation

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets being depreciated/depleted:				
Intangible - Software	440	57		497
Equipment	944	59		1,003
Total capital assets being depreciated/depleted	1,384	116	-	1,500
Less accumulated depreciation/depletion for:				
Intangible - Software	(90)	(147)	-	(237)
Equipment	(384)	(247)	-	(631)
Total accumulated depreciation/depletion	(474)	(394)	-	(868)
Total capital assets being depreciated/depletion, net	910	(278)	-	632
Capital assets, net	$ 910	$ (278)	$ -	$ 632

NOTE F: LONG TERM LIABILITIES

The activity for the year ended June 30, 2015 is summarized in the following schedule (in thousands):

	June 30, 2014	Additions	Reductions	June 30, 2015	Due Within One Year
Compensated absences	$ 587	$ 531	$ (257)	$ 861	$ 179
Net Pension Liabilities		$ 728		$ 728	$ -

NOTE G: PENSION AND POST EMPLOYMENT HEALTH CARE

Plan Description

As of June 30, 2015, all regular employees of the Corporation who work more than fifteen hours per week participate in the Alaska Public Employees' Retirement System ("PERS"). PERS administers the State of Alaska Public Employees' Retirement System Defined Benefit Retirement Plan which includes both pension and post employment healthcare plans for all employees hired prior to July 1, 2006. The defined benefit plan was an agent multiple-employer, statewide plan until July 1, 2008 when Senate Bill 125 converted the plan to a multiple-employer cost-sharing plan. PERS also administers the State of Alaska Public Employees' Retirement System Defined Contribution Retirement Plan which includes both pension and post employment healthcare plans for all employees hired on or after July 1, 2006.

PERS is administered by the State of Alaska. Benefits and contribution provisions are established by Chapter 35 of Alaska Statute Title 39, and may be amended only by State Legislature. Amendments do not affect existing employees. A publicly available financial report that includes financial statements and required supplementary information is issued annually by PERS. That report may be obtained by writing to State of Alaska, Department of Administration, Division of Retirement and Benefits, P.O. Box 110203, Juneau, Alaska 99811-0202 or on the web at www.doa.alaska.gov/drb .

Defined Benefit Plans (Employees hired prior to July 1, 2006):

Employees hired prior to July 1, 1986 with five or more years of credited service are entitled to annual pension benefits beginning at normal retirement age 55 or early retirement age 50. The normal pension benefit is equal to 2% of the member's three-year highest average monthly compensation for the first ten years of service and for all service prior to July 1, 1986, 2¼% for the second ten years of service and 2½% for all remaining years of service. Employees with 30 or more years of credited service may retire at any age and receive a normal benefit. The plan pays the retiree medical plan premium and also provides death and disability benefits.

Employees hired after June 30, 1986 with five or more years of credited service are entitled to annual pension benefits beginning at normal retirement age 60 or early retirement age 55. The normal pension benefit is equal to 2% of the member's three-year highest average monthly compensation for the first ten years of service, 2¼% for the second ten years of service and 2½% for all remaining years of service. Employees with 30 or more years of credited service may retire at any age and receive a normal benefit. Also the plan does not pay the retiree medical plan premium for retirees under the age of 60 unless the retiree has 30 years of credited service. The employee may elect to pay the full premium cost for medical coverage.

Employees hired between June 30, 1996 and June 30, 2006 with five or more years of credited service are entitled to annual pension benefits beginning at normal retirement age 60 or early retirement age 55. The normal pension benefit is equal to 2% of the member's five-year highest average monthly compensation for the first ten years of service, 2¼% for the second ten years of service and 2½% for all remaining years of service. Employees with 30 or more years of credited service may retire at any age and receive a normal benefit. The plan does not pay the retiree medical plan premium for retirees with less than 10 years of service at age 60. The employee may elect to pay the full premium cost for medical coverage.

Defined Contribution Plan (Employees hired on or after July 1, 2006):

There is no retirement age set, however taxes and penalties may apply if withdrawn prior to age 59 ½. Retirement benefits are equal to the Defined Contribution account balance plus interest. The employee may direct the investment of the account if so desired. The account balance is 100% of the employees contribution plus 25% of the Corporation's contribution after two years of service, 50% of the Corporation's contribution after three years of service, 75% of the Corporation's contribution after four years of service, and 100% of the Corporation's contribution after 5 years of service. The plan pays a portion of the retiree medical plan premium if the retiree retires directly from the plan and is eligible for Medicare. The portion of premium paid by the plan is determined by years of service. Disability benefits are also provided.

Funding Policy

Defined Benefit Plans:

Under State law, covered employees are required to contribute 6¾% of their annual covered salary to the pension plan and are not required to contribute to the Post Employment Healthcare Plan.

Under State law the Corporation is required to contribute 22% of annual covered salary. For the fiscal year 2015, 12.54% of covered salary is for the pension plan and 9.46% of covered salary is for the Post Employment Healthcare Plan.

Under AS39.35.255, the difference between the actuarial required contribution of 44.03% for the fiscal year 2015 and the employer rate of 22% will be funded by the State.

The State contribution to the pension plan for the Corporation for the year ended June 30, 2015 was $894,422.

The Corporation's contributions to the pension plan for the years ended June 30, 2015 and June 30, 2014 was $264,467 and $162,635, respectively.

The State contribution to the post employment healthcare plan for the Corporation for the year ended June 30, 2015 was $0.

The Corporation's contributions to the post employment healthcare plan for the years ended June 30, 2015 and June 30, 2014 was $199,511 and $173,666, respectively.

		Employer Post Employment	On-Behalf Post Employment
PERS Confirmation 2015	DB Employer ARHCT Cont Healthcare	199,511	
	DB Employer DBUL - ARHCT	61,629	
		261,140	-
PERS Confirmation 2014	DB Employer ARHCT Cont Healthcare	47,545	
	DB Employer DBUL - ARHCT	11,744	
		59,289	31,704
PERS Confirmation 2013	DB Employer ARHCT Cont Healthcare	-	
	DB Employer DBUL - ARHCT	-	
		-	-

Defined Contribution Plans:

Under State law, covered employees are required to contribute 8% of their annual covered salary. For the fiscal year 2015, the Corporation is required to contribute 5.22% of the annual covered salary to the pension plan.

Under State law, covered employees are not required to contribute to the post employment healthcare plan. For the fiscal year 2015, the Corporation is required to contribute 1.66% of the annual covered salary plus an annual flat dollar amount of $1,960.53 for each covered employee.

If the total amount that the Corporation has contributed for the defined contribution pension and post employment healthcare plans is less that 22% of covered payroll, the Corporation must pay that additional amount. For the year ended June 30, 2015, the Corporation paid additional contributions of $143,269.

The contributions to the pension plan for the year ended June 30, 2015 by the employees was $86,393, by the Corporation was $53,996 and by the State was $457,993.

The contributions to the post employment healthcare plan for the year ended June 30, 2015 by the Corporation was $40,262 and by the State was $0.

Defined Benefit Pension Liabilities:

At June 30, 2015 the Corporation reported a liability for its proportionate share to the net pension liability in the amount of $727,606. This amount reflected a reduction for State pension support provided to the Corporation of $502,361. The total net pension liability associated with the Corporation was $1,229,967. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the new pension liability was determined by the actuarial valuation as of June 30, 2013 and rolled forward to June 30, 2014.

Defined Benefit Pension Expense:

For the year ended June 30, 2015, the Corporation recognized pension expense of $690,330 including $281,958 of nonemployer portion from the State on behalf of the Corporation.

Deferred Outflows of Resources and Deferred inflows of Resources Related to Pensions:

The Corporation's deferred outflows of resources related to pensions of $809,197 was due to a change in its proportionate share of contributions to the pension plan of $463,037 and contributions to the pension plan subsequent to the measurement date of $346,160. The Corporation's deferred inflows of resources related to pension of $84,063 was due to a difference between expected versus actual investment returns.

The amounts recognized as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ended June 30,		Deferred Outflows of Resources		Deferred Inflows of Resources		Total
2016	$	356,182	$	(21,016)	$	335,166
2017		106,855		(21,016)		85,839
2018		-		(21,016)		(21,016)
2019		-		(21,015)		(21,015)
	$	463,037	$	(84,063)	$	378,974

Defined Benefit Actuarial Assumptions:
The total pension liability was determined by an actuarial valuation as of June 30, 2013, rolled forward to June 30, 2014. The valuation was prepared assuming an inflation rate of 3.12%. Salary increases were determined by grading by age and service to range from 3.62% to 9.60%. Investment rate of return was calculated at 8%, net of pension plan investment expenses, based on an average inflation rate of 3.12% and a real rate of return of 4.88%.

Mortality rates pre-termination were based on the 1994 Group Annuity Mortality (GAM) Table, sex distinct, 1994 Base Year without margin projected to 2013 using Projection Scale AA, 75% of the male table for males and 55% of the female table for females were used. For post-termination mortality, the 1994 GAM Table, sex distinct, 1994 Base Year without margin projected to 2013 using Projection Scale AA for males and with a 1-year set forward for females were used.

The actuarial assumptions used in the June 30, 2013 used in the June 30, 2013, actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2005 to June 30, 2009, resulting in changes in actuarial assumptions adopted by the Alaska Retirement Management Board to better reflect expected future experience.

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 rates 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 pension plan's target asset allocation as of June 30, 2014 are summarized in the following table (note that the rates shown below exclude the inflation component):

Asset Class	Long-term Expected Real Rate of Return
Equities:	
Broad domestic equity	5.40%
Large cap	5.25
Small / mid cap	5.60
International equity	5.25
Emerging markets equity	5.65
Global ex-U.S. equity	5.55
Fixed Income:	1.50
Other:	
Real estate	3.95
Private equity	6.40
Hedge funds	2.85
Cash equivalents	

Discount rate:
The discount rate used to ensure the total pension liability was 8%. The projection of cash flows used to determine the discount rate assumed that the Corporation and non-employer State contributions will continue to follow the current funding policy, which meets State statutes. 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 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.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate:
The following presents the Corporations proportionate share of the net pension liability using the discount rate of 8% and what if would be in the discount rate was 1% lower (7%) or 1% higher (9%).

	1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
Corporation's proportionate share of the net pension liability	$536,935	$727,606	$954,031

NOTE H: OTHER COMMITMENTS AND CONTINGENCIES

The Corporation entered into an agreement where $4,657,856 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.

The Corporation entered into a Joint Venture Agreement effective July 1, 2014, with affiliates of ExxonMobil, BP, ConocoPhillips, and TransCanada Corp., for a proposed Alaska LNG (AK LNG) project. The project is to jointly fund and conduct Pre Front End Engineering (Pre-FEED) work consisting of engineering, design, permitting and related studies for a North Slope treatment plant, large-diameter pipeline from the North Slope to Nikiski and liquefied natural gas plant and marine terminal at Nikiski. Costs of the overall project are estimated to be $45 billion to $65 billion and the estimated export of LNG is 15 million to 18 million tons per year. Under the agreement, the Corporation would contribute $31 million and $22.4 million in FY15 and FY16, respectively, to carry out the Pre-FEED work for the Alaska LNG project. In FY15 the Corporation contributed $16.3 million, with the remainder to be contributed in FY16 and FY17.

During the fiscal year ended June 30, 1998 the Alaska Housing Finance Corporation (AHFC) began a program of self-insurance for employee medical benefits. Costs are billed directly to AHFC by the Administrative Services Provider that processes all of the claims from the employees and their dependents. AHFC has purchased a stop-loss policy that limits its liability to $175,000 per employee per year. AHFC has provided for an estimate of the Incurred But Not Reported (IBNR) liability in the amount of $2,180,000 as of June 30, 2014. The Corporation reimbursed AHFC for the cost of their employee medical benefits and pays for the administration of those services through a reimbursable service agreement.

On May 18, 2015 the governor signed into law CCS HB 72(brf sup maj fld H), Chapter 23, SLA 15, Section 3 of the legislation appropriated $8,986,700 from the In-State Natural Gas Pipeline Fund (AS 31.25.100) to be used for other purposes in the fiscal year ending June 30, 2016. On June 29, 2015, the governor signed into law CCS HB 2001, (Chapter 1, SSSLA 15), Section 9 of the legislation appropriated $157,000,000 from the In-State Natural Gas Pipeline Fund (AS 31.25.100). These appropriations are presented as restricted funds in Exhibits A and G.

NOTE I: Upcoming Accounting Pronouncements

GASB 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* – Effective for year-end June 30, 2018, with earlier application encouraged – This statement contains accounting and financial reporting guidelines for OPEB related activities at the participating employer level and generally brings the OPEB reporting rules into alignment with the new GASB 68 Pension rules.

ALASKA GASLINE DEVELOPMENT CORPORATION **Exhibit C**

(A Component Unit of the State of Alaska)

Required Supplementary Information

Schedule of Governmental Fund Revenues, Expenditures & Changes in Fund Balance - Budget to Actual

For the Year Ended June 30, 2015

(in thousands of dollars)

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Revenues from the State of Alaska	$ 1,332	$ 1,332	$ 1,332	$ -
Total Revenues	1,332	1,332	1,332	-
EXPENDITURES				
Contractual Services	90,297	90,297	90,297	-
Personnel	4,800	4,800	4,800	-
Office and Supplies	924	924	924	-
Travel	204	204	204	-
Retirement Funding State of Alaska	1,468	1,468	1,468	-
Depreciation	-	-	-	-
Insurance	43	43	43	-
Other Services	80	80	80	-
Advertising	13	13	13	-
Total Expenditures	97,829	97,829	97,829	-
Excess (Deficiency) of Revenues Over Expenditures	$ (96,498)	$ (96,498)	$ (96,498)	$ -
Net change in fund balance			(96,498)	
FUND BALANCE				
Beginning of Year Balance as restated			369,601	
End of year balance			$ 273,103	

Notes to Required Supplementary Information:

Basis of Budgeting

The legislature's legal authorization for AGDC to incur obligations is enacted on a basis inconsistent with generally accepted accounting principles (GAAP). This schedule presents comparisons of the original and final adopted budget with actual data on a budgetary basis. Encumbrances are included for total authorized expenditures, although for GAAP purposes they are excluded. The actual data in this schedule is modified accrual basis of accounting with encumbrances.

Reconciliation of Budgetary to GAAP reporting:

Budgetary Basis -Total Revenue	$ 1,332
	$ -
HB 4 appropriation	-
SB 138 appropriation	-
SB 18 re-appropiation reciept	-
Retirement funding made by State of Alaska on-behalf of AGDC	1,468
Prepaid items	(197)
Encumbrances	-
Governmental Fund Income Statement - Total Revenue	$ 2,603
Budgetary Basis - Expenditures	$ 97,829
Retirement funding made by State of Alaska on-behalf of AGDC	1,468
Prepaid items	(197)
Encumbrances	-
Governmental Fund Income Statement - Expenditures	$ 99,101

ALASKA GASLINE DEVELOPMENT CORPORATION **Exhibit D**

(A Component Unit of the State of Alaska)
Required Supplementary Information
Defined Benefit Pension Plan
Schedule of the Corporation's Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2015

		2015
The Corporation's proportion of the net pension liability (asset)		0.00028939%
The Corporation's proportionate share of the net pension liability (asset)	$	727,606
State's proportionate share of the net pension liability associated with the Corporation		502,361
Total	$	1,229,967
The Corporation's covered employeee payroll fiscal year 2014	$	2,210,771
The Corporation's proportionate share of the net pension liability as a percentage of its covered employee payroll		33.00%
Plan fiduciary net postion as a percentage of the total pension liability		62.37%

Notes to Required Supplementary Information:

Proportionate Share of the Net Pension Liability

Information in this table is presented based on the plan measurement date. For June 30, 2015, the plan measurement date is June 30, 2014.

This table is intended to present 10 years of information. Additional year's information will be added to the schedules as it becomes available.

The plan is not reporting any changes in benefit terms from the prior measurement period.

The plan is not reporting any changes in assumptions from the prior measurement period.

ALASKA GASLINE DEVELOPMENT CORPORATION **Exhibit E**

(A Component Unit of the State of Alaska)
Required Supplementary Information
Defined Benefit Pension Plan
Schedule of the Corporation's Contributions
As of and for the year ended June 30, 2015

	2015
Contractually required contributions	346,160
Contributions in relation to the contractually required contributions	346,160
Contribution deficiency (excess)	-
The Corporation's covered emplyee payroll fiscal year 2015	3,306,920
Contributions as a percentage of covered employee payroll	10.468%

Notes to Required Supplementary Information:

Corporation's Contributions

This table reports the Corporation’s pension contributions to PERS during fiscal year 2015. These contributions are reported as a deferred outflow on the June 30, 2015 basic financial statements.

This table is intended to present 10 years of information. Additional year’s information will be added to the schedules as it becomes available.

The plan is not reporting any changes in benefit terms from the prior measurement period.

The plan is not reporting any changes in assumptions from the prior measurement period.

ALASKA GASLINE DEVELOPMENT CORPORATION **Exhibit F**

(A Component Unit of the State of Alaska)
Combined Statement of Net Position
As of June 30, 2015
(in thousands of dollars)

	Instate Natural Gas Pipeline Fund (INGPF)	Alaska Liquefied Natural Gas Project Fund (ALNGPF)	Combined Statement of Net Position
ASSETS			
Cash and Investments	$ 236,560	$ 46,901	$ 283,461
Prepaid Expenses	197	-	197
Equipment, Net of Depreciation	632	-	632
Total Assets	$ 237,389	$ 46,901	$ 284,290
Deferred Outflows	$ 809	$ -	$ 809
LIABILITIES			
Accrued payables	$ 9,694	$ -	$ 9,694
Accrued Compensated Absences	861	-	861
Due to From Other Fund	(943)	943	-
Net Pension Liability	728	-	728
Total Liabilities	$ 10,340	$ 943	$ 11,283
Deferred Inflows	$ 84	$ -	$ 84
Net Position			
Total Net Position	$ 227,774	$ 45,958	$ 273,732

ALASKA GASLINE DEVELOPMENT CORPORATION **Exhibit G**

(A Component Unit of the State of Alaska)

Combined Statement of Activities

For the Year Ended June 30, 2015

(in thousands of dollars)

	Instate Natural Gas Pipeline Fund (INGPF)	Alaska Liquefied Natural Gas Project Fund (ALNGPF)	Combined Statement of Activities
REVENUES			
Revenues from the State of Alaska	$ -	$ -	$ -
Investment and Interest Income	1,155	253	1,408
Retirement Funding State of Alaska	282	-	282
Total Revenues	1,437	253	1,690
EXPENDITURES / EXPENSES			
Contractual Services	68,695	21,602	$ 90,297
Personnel	4,075	1,061	5,136
Office and Supplies	1,776	304	2,080
Travel	103	101	204
Retirement Funding State of Alaska	282	-	282
Depreciation	354	40	394
Insurance	36	7	43
Other Services	79	1	80
Advertising	12	1	13
			-
Total Expenditures / Expenses	75,412	23,117	98,529
Excess (Deficiency) of Revenues Over Expenditures / Expenses	(73,975)	(22,864)	(96,839)
Net change in fund balance / Change in Net Position	(73,975)	(22,864)	(96,839)
FUND BALANCE / Net Position			
Beginning of Year Balance as Restated	301,749	68,822	370,571
End of year balance	$ 227,774	$ 45,958	$ 273,732
End of Year Fund Balance			
Restricted	166,000	-	166,000
Unrestricted	61,774	45,958	107,732
Total	$ 227,774	$ 45,958	$ 273,732