

these financings, legislation authorized the leases to be pledged as security. The State may acquire the Atwood Building at the term of the lease, the State will own the Goose Creek Correctional Facility at the term of the lease, and the State will pay the full cost of the constructing the Anchorage Jail. Accordingly, the financings qualify as lease-purchase from an accounting, credit, or federal tax standpoint. In other state facility leases, the leases do not qualify as lease-purchases, and are called operating leases.

The following Table 2.6 summarizes issued and outstanding COPs.

TABLE 2.6
State of Alaska Lease-Purchase Financing
Outstanding \$ (thousands)

Certificates of Participation (COP's)

	date	amount issued	6/30/2014	final maturity
State Virology Laboratory Facility 2005 B	10/1/2005	24,000	4,910	2/1/2017
Total Certificates of Participation		<u>\$ 24,000</u>	<u>\$ 4,910</u>	

Source: Department of Revenue

International Airport System Revenue Bonds

Bonds have been issued to finance improvements to the State's two international airports and are secured by a first lien on gross revenues derived from airport operations. The Commissioner of Transportation and Public Facilities is required by each bond resolution to fix and collect fees, charges, and rentals for the use of facilities of the International Airports sufficient each year to provide adjusted net revenues at least equal to 125 percent of debt service requirements during that year. Table 2.8 indicates that over the past ten fiscal years, adjusted net revenues have exceeded the amount required to pay debt service. In 2013, the State entered into a new rate and fee agreements with air carriers using the airports. The rents and fees calculated according to the agreements are airline terminal building rental rates, landing fees, international terminal docking fees, passenger loading bridge fees, and charges relating to federal inspection services. The agreements also establish procedures for review and adjustment of airline rents and fees for each fiscal year to ensure that revenues are sufficient to meet operations and maintenance expenses, debt service requirements of the revenue bonds and other funding requirements established by the resolution authorizing issuance of the revenue bonds.

The Alaska International Airport System bonds carry ratings of A1 by Moody's and A+ by Fitch Ratings.

The following Tables 2.7 and 2.8 provide additional information on the Airport Revenue Bonds.

TABLE 2.7
International Airports System
Debt Outstanding
\$ (thousands)

revenue bonds	date	amount issued	outstanding at 6/30/14	interest rate (%)	final maturity
Series 1999 A	1/15/1999	162,500	11,290	5.00	10/1/2024
Series 1999 B	1/15/1999	16,675	735	4.60	10/1/2015
Series 1999 C	10/1/1999	25,000	1,915	6.22	10/1/2024
Series 2003 A	12/3/2003	73,025	505	5.00	10/1/2024
Series 2003 B	12/3/2003	21,900	21,900	5.00	10/1/2028
Series 2006 A	3/14/2006	118,975	77,600	4.88	10/1/2022
Series 2006 B	3/14/2006	70,760	70,760	5.00	10/1/2027
Series 2006 D	3/14/2006	104,860	103,845	4.93	10/1/2027
Series 2009 A	1/6/2009	50,000	50,000	variable	10/1/2030
Series 2010 A	9/29/2010	117,271	117,270	4.96	10/1/2027
Series 2010 B	9/29/2010	21,685	15,215	4.65	10/1/2018
Series 2010 C	9/29/2010	12,565	12,565	5.00	10/1/2033
Series 2010 D*	9/29/2010	19,540	19,540	6.28	10/1/2035
Total Bonds		\$ 814,756	\$ 503,140		

*The 2010 D bonds are Build America Bonds eligible for a 35% federal interest rate subsidy
Source: State of Alaska financial statements, International Airports.

TABLE 2.8
International Airports System Revenue Bonds

fiscal year	net revenue (\$ millions)	debt service (\$ millions) ¹	ratio net revenues to debt service ²
1995	15.6	5.6	2.79
1996	17.9	5.7	3.14
1997	19.7	5.7	3.46
1998	20.7	5.7	3.63
1999	16.3	5.7	2.86
2000	18.9	4.8	3.94
2001	37.4	15.2	2.46
2002	30.5	15.2	2.01
2003	33.9	17.6	1.93
2004	33.0	22.1	1.49
2005	48.7	31.1	1.57
2006	43.7	32.4	1.35
2007	58.4	45.4	1.29
2008	62.7	49.1	1.28
2009	38.0	24.9	1.52
2010	51.3	24.6	2.09
2011	44.5	31.7	1.40
2012	41.6	31.2	1.33
2013	41.6	31.2	1.33
2014	51.7	41.2	1.25

1 Required coverage of 1.3 until 1999.

2 Since 1999 coverage of 1.25 is required.

Excludes debt service bonds which are defeased

Source: ALAS, Comprehensive Annual Report

3. Revenue Anticipation Notes (RAN's)

There have been no RAN's issued.

4. Toll Facilities' Revenue Bonds

Legislation enacted in 1984 authorizes the issuance of State revenue bonds for toll bridges, tunnels, highways, roads, crossings, and causeways. Under AS 37.15.610, the maximum amount of toll facilities bonds that may be issued is \$500 million. No bonds have been issued. Legislative approval of bonds to be issued and an appropriation of bond proceeds are required before any project proceeds.

B. State Agencies (Alphabetically)

1. Alaska Aerospace Development Corporation

The Alaska Aerospace Development Corporation was created in 1991 as a public corporation of the State. It is located for administrative purposes within the Department of Commerce and Economic Development and affiliated with the University of Alaska but with a separate and independent legal existence. The purpose of the Corporation is to allow the State to take a lead role in the exploration and development of space, to enhance