

**TITLE:**           **Response to Questions about FY 09 Investment Revenue Forecast**

**PREPARED BY:**   Department of Revenue, Tax Division

**PURPOSE:**

To respond to questions from Senate Finance about the FY 2009 investment revenue forecast presented to the committee on February 5, 2009. The committee requested a listing of the components of the investment revenue forecast and the fiscal year - to - date actual and estimate for the remainder of the year for each component. This information was requested using actuals as of December 31, 2008 and as of January 31, 2009.

**DATA SOURCES:**   Department of Revenue, Tax and Treasury Divisions  
Alaska Permanent Fund Corporation  
Alaska State Accounting System

**ASSUMPTIONS:**   Forecast assumptions based on tax laws in place as of January 1, 2009.  
Revenue forecasts for January-June and February-June are based on the best information available as of January 2009 and February 2009, respectively.  
FY 2009 investment forecasts include actual data through Dec 31, 2008 and Jan 31, 2009 and projections for the remainder of FY 2009.

**DISCLAIMER:**       Due to continued financial market volatility, forecasts shown are subject to review and adjustment.  
Actuals and forecasts as of January 31, 2009 are preliminary and unofficial.

## Response to Questions about FY 2009 Investment Revenue Forecast

Detail for FY 2009 Investment Earnings Estimates - All Amounts in \$ Millions

Prepared Feb 19, 2009 by Alaska Department of Revenue

FY 2009 Forecast - Based on actuals through Dec 31, 2008			
	Actual through 31-08	Forecast 12- through 06-30-09	Total FY 09
<b>UNRESTRICTED</b>			
Investments	172.0	103.1	275.1
Interest Paid by Others	<u>0.3</u>	<u>1.1</u>	<u>1.4</u>
<b>TOTAL UNRESTRICTED</b>	<b>172.3</b>	<b>104.2</b>	<b>276.5</b>
<b>RESTRICTED</b>			
Investments	35.8	25.5	61.3
<i>CBRF - Main Account</i>	<i>87.6</i>	<i>52.1</i>	<i>139.7</i>
<i>CBRF - Special Sub Account</i>	<u><i>(875.5)</i></u>	<u><i>138.8</i></u>	<u><i>(736.7)</i></u>
CBRF - Total <sup>(1)</sup>	(787.9)	190.9	(597.0)
Other Treasury Managed Funds <sup>(2)</sup>	(46.1)	12.9	(33.2)
Alaska Permanent Fund	<u>(7,507.5)</u>	<u>1,128.7</u>	<u>(6,378.8)</u>
<b>TOTAL RESTRICTED</b>	<b>(8,305.7)</b>	<b>1,358.0</b>	<b>(6,947.7)</b>
<b>GRAND TOTAL</b>	<b>(8,133.4)</b>	<b>1,462.2</b>	<b>(6,671.2)</b>

FY 2009 Forecast - Based on actuals through Jan 31, 2009			
	Actual through 01-31-09	Forecast through 06-30-09	Total FY 09
<b>UNRESTRICTED</b>			
Investments	172.6	93.4	266.0
Interest Paid by Others	<u>0.5</u>	<u>0.9</u>	<u>1.4</u>
<b>TOTAL UNRESTRICTED</b>	<b>173.1</b>	<b>94.3</b>	<b>267.4</b>
<b>RESTRICTED</b>			
Investments	35.8	23.6	59.4
<i>CBRF - Main Account</i>	<i>79.0</i>	<i>42.4</i>	<i>121.4</i>
<i>CBRF - Special Sub Account</i>	<u><i>(1,074.4)</i></u>	<u><i>116.1</i></u>	<u><i>(958.3)</i></u>
CBRF - Total	(995.4)	158.5	(836.9)
Other Treasury Managed Funds	(59.2)	10.4	(48.8)
Alaska Permanent Fund	<u>(8,790.6)</u>	<u>898.0</u>	<u>(7,892.6)</u>
<b>TOTAL RESTRICTED</b>	<b>(9,809.4)</b>	<b>1,090.5</b>	<b>(8,718.9)</b>
<b>GRAND TOTAL</b>	<b>(9,636.3)</b>	<b>1,184.8</b>	<b>(8,451.5)</b>

### Notes:

See cover page for assumptions and disclaimers.

For more information about these revenue sources please see Chapter 7 of the Fall 2008 Revenue Sources Book.

(1) Total presented in January interim forecast was (574.7); this number did not include the expected reduction in earnings to the main account due to the anticipated FY 2009 CBRF draw.

(2) Total presented in January interim forecast was (31.1); this number did not reflect the final estimate for this component.