

ALASKA PERMANENT FUND

Financial Statements for the  
Years Ended June 30, 1978 and 1977 and  
Supplemental Schedule as of  
June 30, 1978 and Auditors' Report

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Alaska Permanent Fund:

August 11, 1978

We have examined the statements of net assets of the Alaska Permanent Fund as of June 30, 1978 and 1977 and the related statements of investment income and changes in net assets for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances, including confirmation of investments held by the bank trustee at June 30, 1978 and 1977 by correspondence with the trustee.

In our opinion, the financial statements referred to above present fairly the net assets of the Alaska Permanent Fund as of June 30, 1978 and 1977 and its investment income and changes in its net assets for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

*Deloitte Haskins + Sells*

ALASKA PERMANENT FUND

STATEMENTS OF NET ASSETS  
AS OF JUNE 30, 1978 AND 1977  
(Thousands of dollars)

|  | 1978            | 1977           |
|--|-----------------|----------------|
| CASH IN SAVINGS ACCOUNT.....                                 | \$ 21           | \$ 905         |
| INTEREST RECEIVABLE.....                                     | 588             | 26             |
| MARKETABLE SECURITIES - At cost:                             |                 |                |
| United States Government and Federal agency obligations..... | 23,468          | 3,034          |
| Corporate bonds.....   | 13,488          |                |
| Bankers acceptances.....                                     | 10,731          |                |
| Certificates of deposit.....                                 | 5,700           |                |
| Securities purchased under agreements to resell....          | 1,000           |                |
| Total.....   | 54,387          | 3,034          |
| AMOUNTS DUE TO GENERAL FUND.....                             | (596)           | (9)            |
| NET ASSETS.....  | <u>\$54,400</u> | <u>\$3,956</u> |

See notes to financial statements.

ALASKA PERMANENT FUND

STATEMENTS OF INVESTMENT INCOME  
FOR THE YEARS ENDED JUNE 30, 1978 AND 1977  
(Thousands of dollars)

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|   | 1978           | 1977        |
|---|----------------|-------------|
| <hr/>   |                |             |
| INTEREST:   |                |             |
| Marketable securities.....  | \$1,764        | \$ 9        |
| Savings account.....  | 19             | 27          |
| Total.....  | 1,783          | 36          |
| GAINS REALIZED FROM TRANSACTIONS IN MARKETABLE<br>SECURITIES..... | 8              |             |
| INVESTMENT INCOME.....  | <u>\$1,791</u> | <u>\$36</u> |

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See notes to financial statements.

ALASKA PERMANENT FUND

STATEMENTS OF CHANGES IN NET ASSETS  
FOR THE YEARS ENDED JUNE 30, 1978 AND 1977  
(Thousands of dollars)

|  | 1978            | 1977           |
|--|-----------------|----------------|
| ASSETS WERE PROVIDED BY:   |                 |                |
| Investment income.....   | \$ 1,791        | \$ 36          |
| Transfers from the General Fund for royalties and<br>other State receipts..... | 50,444          | 3,956          |
| Total assets provided.....   | 52,235          | 3,992          |
| TRANSFERS OF INVESTMENT INCOME TO THE GENERAL FUND..                           | 1,791           | 36             |
| INCREASE IN NET ASSETS.....  | <u>\$50,444</u> | <u>\$3,956</u> |
| INCREASE (DECREASE) IN NET ASSETS:   |                 |                |
| Cash in savings account.....   | \$ (884)        | \$ 905         |
| Interest receivable.....   | 562             | 26             |
| United States Government and Federal agency<br>obligations.....                | 20,434          | 3,034          |
| Corporate bonds.....   | 13,488          |                |
| Bankers acceptances.....   | 10,731          |                |
| Certificates of deposit.....   | 5,700           |                |
| Securities purchased under agreements to resell...                             | 1,000           |                |
| Amounts due to General Fund.....   | (587)           | (9)            |
| INCREASE IN NET ASSETS.....  | <u>\$50,444</u> | <u>\$3,956</u> |

See notes to financial statements.

ALASKA PERMANENT FUND

NOTES TO FINANCIAL STATEMENTS

1. ENTITY

In fiscal 1977 the voters approved an amendment to the Constitution of the State of Alaska which requires certain mineral lease rentals, bonuses, royalties, royalty sale proceeds, and Federal mineral revenue-sharing payments received by the State to be set aside for the use and benefit of present and future Alaskans. The amendment also provides that, in the absence of further legislation, income realized from investment of such amounts be transferred to the State's General Fund.

2. SIGNIFICANT ACCOUNTING POLICIES

Marketable securities are generally intended to be held until maturity and are stated at cost. The market value of such securities was \$52,300,000 at June 30, 1978 and \$3,015,000 at June 30, 1977.

Security transactions are generally recorded on their settlement date

Interest income is recognized using the accrual method of accounting.

Administrative and other expenses are paid by the State and are not included in the accompanying statements.

3. BALANCES AVAILABLE FOR INVESTMENT

Due to the timing of receipts, balances as of the end of June are not necessarily representative of average balances available to the Fund for investment purposes. The average balances available to the Fund were approximately \$23,800,000 during fiscal 1978 and \$650,000 during fiscal 1977.