

**News Release****For Immediate Release: September 5, 2024****Contact: Pauly Swanson 907.796.1520 – pswanson@apfc.org****THE BOARD OF TRUSTEES HOLDS BUDGET WORK SESSION AND AUDIT COMMITTEE MEETINGS**

JUNEAU - The Alaska Permanent Fund Corporation's (APFC) Board of Trustees held a Budget Work Session and Audit Committee Meeting in Juneau, Alaska, and via Teams webinar on September 5, 2024.

**Budget Work Session**

During the Budget Work Session, the Trustees reviewed and discussed the proposed elements of the Fiscal Year 2026 APFC Budget presented by staff. The feedback received from today's meeting will be used to refine the FY26 proposed budget, and the final version will be presented to the Board for consideration during the upcoming Annual Meeting. Once approved, it will be submitted to the governor for inclusion in the state's operating budget, scheduled for release in December, and presented to the Legislature for consideration.

"Our Budget Work Session is critical in refining our approach to the FY26 budget, ensuring that it aligns with both our long-term goals and the expectations of Alaskans. The feedback from the Trustees will guide us in crafting a budget that supports the sustainable growth of the Fund." said Deven Mitchell, CEO, Alaska Permanent Fund Corporation.

**Audit Committee**

The Audit Committee focused on reviewing insights from KPMG, the Corporation's auditor, on its financial statements and external audit results for FY24. The final audit will be released alongside APFC's FY24 Annual Report during the Board of Trustees' Annual Meeting in September.

In line with state statutes and our commitment to transparency, APFC is audited annually by an independent outside financial auditor. Since the Corporation's establishment in 1980, APFC has utilized a third party to conduct annual audits. As part of its remit, the Audit Committee monitors the integrity of the financial reporting process, and the system of internal controls and procedures related to finance, accounting, and legal compliance. It also reviews the performance and independence of APFC's external auditors. The Committee, chaired by Trustee Ryan Anderson, also includes Board Chair Jason Brune, Vice Chair Adam Crum, and Trustee Ethan Schutt.

Additionally, the Audit Committee discussed proposed changes to the current Audit Committee Charter to reflect discussions held during the July 24, 2024, Board Meeting. These changes include additional advisory responsibilities related to state law ethics issues, as well as cybersecurity protocols and systems. Insights and recommendations will be presented to the Board of Trustees during the Annual Meeting in September.

"Today's review session reinforces our dedication to maintaining the highest standards of financial integrity and transparency," said Committee Chair Ryan Anderson. "We take seriously our responsibility to ensure that APFC's financial reporting processes are robust and that our external auditors operate with complete independence."

During the meeting, Val Mertz, Chief Financial Officer, and Jacki Mallinger, Senior Portfolio Accountant II, provided an overview of the Fund's year-to-date financial results.

As of June 30, 2024, the end of FY24, the Alaska Permanent Fund had an audited total value of \$80.5 billion. The value of the permanent savings in the Principal is \$58.3 billion, with \$12.4 billion of associated unrealized gains. In FY24, realized earnings generated from investment activity amounted to \$4.2 billion, and this statutory net income was deposited into the Earnings Reserve Account (ERA). The spendable ERA had a total value of \$9.8 billion, of which \$3.7 billion was committed for the FY25 Percent of Market Value Draw, with \$4.4 of available realized earnings and \$1.7 billion of unrealized gains.

To give context to the available balance of the ERA, as of July 1, 2024, at the start of the fiscal year, APFC committed \$3.8 billion for the FY26 POMV draw and allocated \$571.7 million to cover the FY25 inflation proofing appropriation and projected the remaining \$428.3 million needed to fulfill the \$1.0 billion commitment would be earned within the first quarter, which it was. APFC generated \$576 million in statutory net income (SNI) in the first month of FY25. Thus, as of July 31, 2024, the \$1.0 billion inflation proofing commitment was fulfilled, and \$143 million remains available for future appropriation.

Although the commitment was made within the first month of FY25, it is important to note SNI can vary significantly from one fiscal year to the next based on activity in the investment portfolio. APFC manages the portfolio to provide a maximum risk-adjusted return, not towards annual gain realization – like SNI as a key metric.

APFC is committed to keeping Alaskans informed. Visit the new “Understanding Our Fund” page, [apfc.org/era-durability](https://apfc.org/era-durability) for ERA fast facts and an [infographic](#) that explains the Fund's two account structure.

The next meeting of the Board of Trustees will be the Annual Meeting on September 25-26, 2024, in Anchorage, Alaska, and via Teams webinar. Meeting information can be found [here](#).

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### **About APFC**

APFC was created by the Alaska State Legislature in 1980 as an independent state entity tasked with managing the assets of the Alaska Permanent Fund on behalf of current and future generations of Alaskans and other funds designated by law.

The Alaska Permanent Fund is a globally recognized sovereign wealth fund established in 1976 by Alaskans to preserve and convert the State's non-renewable mineral and oil wealth into a renewable financial resource for generations of Alaskans.