



Alaska
Housing
FINANCE CORPORATION

A Component Unit of the State of Alaska

Financial Statements
And Independent Auditor's Report

June 30, 2020

With Summarized Financial Information for
June 30, 2019

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This publication of Alaska Housing Finance Corporation. For comments or questions:
Website: <https://www.ahfc.us/investors/financials-history> or
E-Mail: nmeyers@ahfc.us



Independent Auditor's Report

To the Board of Directors
Alaska Housing Finance Corporation
Anchorage, Alaska

Report on the Financial Statements

We have audited the accompanying financial statements of net position, revenues, expenses, and change in net position and cash flows of each major fund of the Alaska Housing Finance Corporation (the Corporation), a component unit of the State of Alaska, as of and for the year ended June 30, 2020, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 Corporation'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 Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of 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 each major fund of the Alaska Housing Finance Corporation as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of the net pension liability, contributions to the pension plan, net OPEB liability, and contributions to the OPEB plan 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 an opinion on the financial statements that collectively comprise the Alaska Housing Finance Corporation's basic financial statements. The accompanying supplementary financial information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary financial information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2020, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Boise, Idaho
September 30, 2020

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MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS

This financial report of the Alaska Housing Finance Corporation (the "Corporation") consists of three sections: Management's Discussion and Analysis, the Basic Financial Statements, and Supplementary Schedules. The Corporation's operations are business-type activities and follow enterprise fund accounting rules. The Corporation is a component unit of the State of Alaska (the "State") and is discretely presented in the State's financial statements. The Corporation's Basic Financial Statements include: the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; the Statement of Cash Flows; and the Notes to Financial Statements. These statements are presented for all of the Corporation's operations and grouped by program or function. Summarized financial information for fiscal year 2020 is also presented in 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 in comparison to the prior fiscal 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 for the fiscal year ended June 30, 2020. This information is 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, audited financial statements and accompanying notes.

Basic Financial Statements

The *Statement of Net Position (Exhibit A)* helps answer the question: "How is the Corporation's financial health at the end of the year?" The Statement of Net Position includes all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the Corporation, both financial and capital, short-term and long-term. It uses the accrual basis of accounting and economic resources measurement focus. The accrual basis of accounting is used by most private-sector companies. The resulting net position presented in the Statement of Net Position is characterized as restricted or unrestricted. Assets are restricted when their use is subject to external limits or rules such as bond resolutions, legal agreements, or statutes. Assets not included in this category are characterized as unrestricted. Over time, changes in net position may serve as a useful indicator of whether the financial position of the Corporation is improving or declining.

The *Statement of Revenues, Expenses and Changes in Net Position (Exhibit B)* measures the activities of the Corporation's operations over the past year and presents the operating income or (loss) and change in net position. It can be used to determine whether the Corporation has successfully recovered all of its expenses through mortgage and loan interest, investment interest, externally funded programs and other revenue sources. The Statement of Revenues, Expenses and Changes in Net Position helps answer the question: "Is the Corporation as a whole better or worse off as a result of the year's activities?"

The primary purpose of the *Statement of Cash Flows (Exhibit C)* is to provide information about the sources and uses of the Corporation's cash and the components of the change in cash balance during the reporting period. This statement reports cash receipts, cash payments, and net changes resulting from operations, non-capital and capital financing and investing activities. It provides answers to such questions as: "Where did cash come from?"; "What was cash used for?" and "What was the change in the cash balance during the reporting period?"

The *Notes to Financial Statements* provide additional information that is essential to a full understanding of the data provided in the Basic Financial Statements. The *Notes to Financial Statements* follow *Exhibit C*.

Major Funds

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For fiscal year 2020, the Corporation reports the following major funds:

The *Administrative Fund* is the main operating fund of the Corporation. It represents all of the Corporation's activity not presented in other funds. The resources in this fund:

- provide for general working capital requirements of the Corporation;
- fund program requirements;
- are available to meet outstanding obligations and to fund continuing appropriations;
- are available to absorb future loan foreclosure losses; and
- are the source of legislatively authorized transfers to and from the State of Alaska and debt service payments for debt issued on behalf of the State.

As of June 30, 2020, the Administrative Fund reported a net position of \$556.9 million, an increase of \$43.2 million from June 30, 2019. The increase in net position is the net result of internal transfers from other funds of \$39.4 million and net operating income of \$3.8 million. Transfers were made from the Administrative Fund to the Grant Programs Fund for \$11.7 million, to Other Funds and Programs of \$3.4 million, and to the Alaska Corporation for Affordable Housing of \$1.7 million. Transfers from the Mortgage and Bond Funds to the Administrative Fund of \$56.2 million offset these transfers. The \$56.2 million from the Mortgage and Bond Funds was used to purchase mortgage loans. Approximately \$15.9 million, or 2.9%, of the Administrative Fund's net position is invested in capital assets; \$111.4 million, or 20.0%, of the total net position is restricted by contractual or statutory agreements; and \$429.6 million, or 77.1%, is unrestricted and may be used for operations and to meet the continuing obligations of the Corporation.

The *Grant Programs Fund* includes resources provided to other agencies and individuals to develop and improve affordable housing units for lower income families and to assist in improving the energy efficiency of Alaskan homes, as well as tenant-based rental assistance programs for families in the private market that are administered by the Corporation under contract with HUD. These programs include the Energy Programs, the Section 8 Voucher Programs, and Other Grants. As of June 30, 2020, the net position for these three programs combined was \$10.0 million, a decrease of \$1.0 million from June 30, 2019. This decrease is due to a net operating loss of \$1.0 million. In fiscal year 2020, the Administrative Fund transferred \$11.7 million to the Grant Programs Fund.

The *Mortgage and Bond Funds* include resources used to assist in the financing of loan programs or to fund legislative appropriations. This fund includes the First Time Homebuyer Program Bonds, Veterans Mortgage Program Bonds, Other Housing Bonds, and Non-Housing Bonds.

As of June 30, 2020, the Mortgage and Bond Funds reported a net position of \$874.4 million, a decrease of \$7.7 million from the prior year. Net operating income was \$48.5 million and the Mortgage and Bond Funds transferred \$56.2 million to the Administrative Fund to fund mortgage purchases. During fiscal year 2020, the mortgage loan portfolio decreased by 2.8% from fiscal year 2019, attributable primarily to increased loan payoffs resulting from the availability of relatively low market interest rates. Approximately \$660.8 million, or 75.6%, of the fund's net position is restricted by bond resolutions, an increase from \$657.9 million in 2019. Unrestricted net position decreased by \$10.7 million in fiscal year 2020.

The *Other Funds and Programs* include AHFC-owned housing for low income families that is managed under contract with HUD as well as other programs that are not specifically grants or bond funds. These programs include the Low Rent Program, the Market Rate Rental Housing Program, the Home Ownership Fund and the Senior Housing Revolving Loan Fund. The fiscal year 2020 operating loss of \$4.2 million was consistent with the fiscal year 2019 operating loss of \$4.8 million. In fiscal year 2020 the Administrative Fund transferred \$3.4 million to Other Funds and Programs.

The *Alaska Corporation for Affordable Housing ("ACAH")* is a non-profit public benefit corporation that develops and operates affordable housing for Alaskans, utilizing various funding sources. ACAH is reported as a major blended component unit for the benefit of users of the financial statements. ACAH's net position at June 30, 2020, was \$22.4 million, a \$214,000 increase from June 30, 2019. ACAH had operating income of \$214,000 for fiscal year 2020. ACAH's net income is the product of rental income from both housing and non-housing properties.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Also in fiscal year 2020, the Administrative Fund transferred \$1.7 million to ACAH from the sale of a building owned by AHFC. The funds are to be used in the production of affordable housing.

FINANCIAL HIGHLIGHTS

- Operating income for the Corporation for fiscal year 2020 was \$35.5 million, an increase of \$708,000 over fiscal year 2019. Operating income in the Administrative Fund and the Mortgage and Bond Funds offset operating losses in the Grant Programs Fund and Other Funds and Programs.
- The Corporation's assets and deferred outflow of resources exceeded its liabilities and deferred inflow of resources as of June 30, 2020, by \$1.61 billion (net position).
- During the fiscal year ended June 30, 2020, the investment portfolio earned approximately 1.76% overall, as compared to 2.58% for the fiscal year ended June 30, 2019, reflecting the decrease in short-term interest rates during fiscal year 2020.
- The Corporation's mortgage loan portfolio is one of its primary assets. During the fiscal year ended June 30, 2020, the mortgage loan portfolio decreased by 2.8%, primarily due to loan payoffs, which were 169.1% higher than in 2019. The bond portfolio increased by 4.5%. See the paragraphs below regarding new bonds issued in fiscal year 2020.
- On July 11, 2019, the Corporation issued \$200,000,000 in State Capital Project Bonds II, 2019 Series A and Series B. Net proceeds of the bonds totaled \$210,472,000, including a premium of \$10,725,000. Proceeds were used to refund certain of the Corporation's outstanding commercial paper, to reimburse the Corporation for certain capital expenditures, to fund certain maintenance expenses related to its Public Housing Division infrastructure, and to pay costs of issuance. The bonds are general obligations of the Corporation. The Series A bonds are taxable and bear interest at variable rates. The Series B bonds are non-taxable and bear interest at fixed rates between 2.51% and 5.0%. Interest is payable on each June 1 and December 1 with a final maturity of December 1, 2044.
- On October 22, 2019, the Corporation issued \$161,685,000 in General Mortgage Revenue Bonds II, 2019 Series A and Series B. Total proceeds of \$168,110,000, including premium in the amount of \$7,150,000 less underwriter's discount of \$725,000, were used to refund certain of the Corporation's outstanding commercial paper, finance the purchase of mortgage loans, refund the principal amount outstanding of the Corporation's Mortgage Revenue Bonds, 2009 Series A-1, and to refund a portion of the principal amount outstanding of the Corporation's Mortgage Revenue Bonds, 2010 Series A and Series B. The bonds are tax-exempt general obligations of the Corporation bearing interest at fixed rates between 1.10% and 5.00%, payable on each June 1 and December 1, with a final maturity of June 1, 2049.
- As of June 30, 2020, the weighted average interest rate on the mortgage and bond portfolios were 4.42% and 3.31%, respectively, yielding a net interest margin of 1.11%, an increase from 0.81% in fiscal year 2019.
- In fiscal year 2020, the Corporation sold the McKinley Towers for \$1.3 million. Realized loss on the sale of the property was \$1.7 million.
- On June 16, 2020, the Corporation received \$10.0 million in Federal CARES funding from the State of Alaska to assist Alaskans struggling to make rent or mortgage payments due to the coronavirus pandemic. As of June 30, 2020, the Corporation has made payments totaling \$3.8 million to various non-profit organizations assisting those in need.

CONDENSED STATEMENT OF NET POSITION

The following table presents condensed information about the financial position of the Corporation as of June 30, 2020 and 2019, and changes in balances during the fiscal year ended June 30, 2020 (in thousands):

MANAGEMENT'S DISCUSSION AND ANALYSIS

Condensed Statement of Net Position

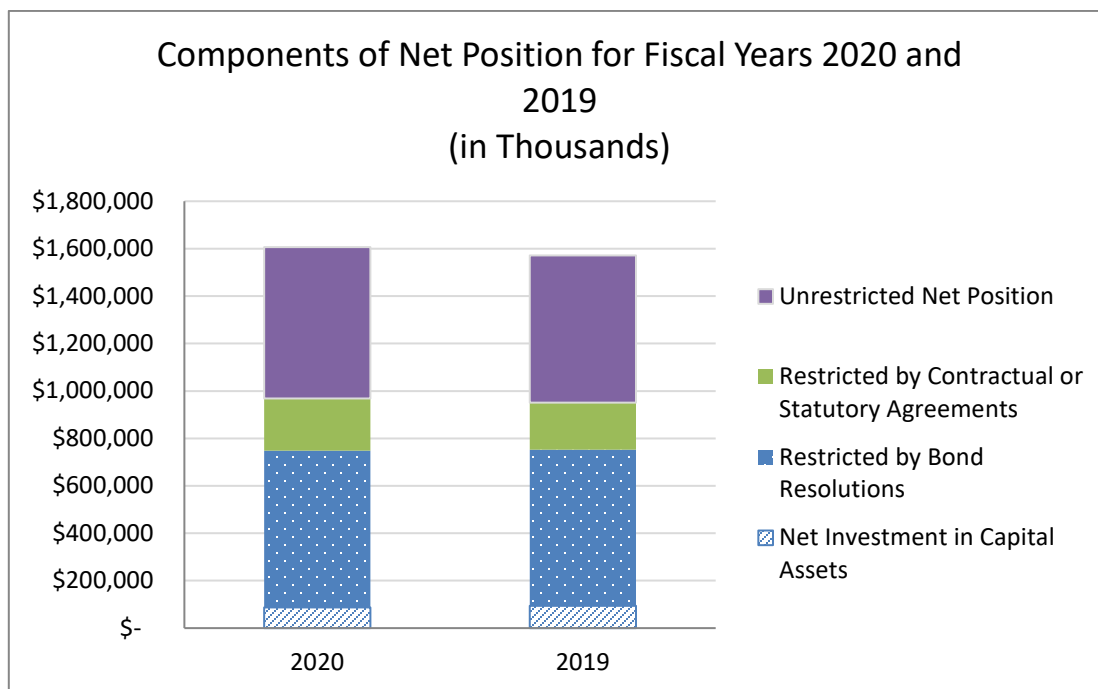
	2020	2019	Increase/(Decrease)	
Cash and investments	\$ 945,157	\$ 636,930	\$ 308,227	48.4%
Mortgage loans, notes and other loans, net	3,256,290	3,358,792	(102,502)	-3.1%
Capital assets, net	87,061	94,036	(6,975)	-7.4%
Other assets	60,108	46,035	14,073	30.6%
Total Assets	4,348,616	4,135,793	212,823	5.1%
Deferred outflow of resources	261,327	186,739	74,588	39.9%
Bonds and notes payable, net	2,572,813	2,461,125	111,688	4.5%
Short term debt	115,366	49,469	65,897	133.2%
Accrued interest payable	7,257	8,388	(1,131)	-13.5%
Derivatives	234,281	158,349	75,932	48.0%
Pension and OPEB liabilities	36,968	42,801	(5,833)	-13.6%
Other liabilities	33,433	27,258	6,175	22.7%
Total liabilities	3,000,118	2,747,390	252,728	9.2%
Deferred inflow of resources	2,861	3,719	(858)	-23.1%
Total net position	\$ 1,606,964	\$ 1,571,423	\$ 35,541	2.3%

The increase in total assets during FY 2020 is primarily due to an increase in investments relating to increased capital reserves held for a large commitment pipeline. As discussed previously, there was a decrease in mortgage loans due to the large number of loan prepayments.

Total liabilities increased by \$252.7 million. See the description of new bond issuances in fiscal year 2020 in the Financial Highlights section of this report. Total net pension and other post-employment benefit (OPEB) liability as of June 30, 2020, actually decreased by \$5.8 million, but short term debt (commercial paper) increased by \$65.9 million in 2020. The increase in short term debt is due partly to delays in issuing new debt to refund the commercial paper. In addition, the fair value of the Corporation's derivatives increased, thereby increasing liabilities by \$75.9 million. Derivative valuations are based on forward swap rates, which were steadily increasing during fiscal year 2018, causing derivative liability to decrease in 2018. But in fiscal years 2019 and 2020, the Federal Reserve reversed direction and began cutting rates due to global volatility, which caused the forward swap curve to decrease sharply, thus increasing the fair value of the derivatives.

The chart on the next page shows the various components of net position in fiscal years 2020 and 2019.

MANAGEMENT'S DISCUSSION AND ANALYSIS



CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The following table presents condensed information about the revenues, expenses and changes in net position for the fiscal years ended June 30, 2020 and 2019, and the variances from the prior fiscal year (in thousands):

Condensed Statement of Revenues, Expenses, and Changes in Net Position

	2020	2019	Increase/(Decrease)	
Mortgage and loan revenue	\$ 147,068	\$ 146,042	\$ 1,026	0.7%
Investment interest income	13,031	17,404	(4,373)	-25.1%
Net change in fair value of investments	1,745	(1,116)	2,861	-256.4%
Externally funded programs	76,113	77,143	(1,030)	-1.3%
Rental and other revenue	13,119	16,560	(3,441)	-20.8%
Total operating revenue	251,076	256,033	(4,957)	-1.9%
Interest expense	81,137	76,831	4,306	5.6%
Mortgage and loan costs	8,124	6,294	1,830	29.1%
Bond financing expenses	5,163	6,054	(891)	-14.7%
Operations and administration	40,958	44,781	(3,823)	-8.5%
Rental housing and grant expenses	80,153	87,240	(7,087)	-8.1%
Total operating expense	215,535	221,200	(5,665)	-2.6%
Operating income(loss)	35,541	34,833	708	2.0%
Contributions to the State of Alaska	-	(2,106)	2,106	-100.0%
Cumulative effect of accounting change	-	-	-	
Change in net position	\$ 35,541	\$ 32,727	\$ 2,814	8.6%

MANAGEMENT'S DISCUSSION AND ANALYSIS

Total operating revenues decreased by \$4.9 million, or 1.9%, during fiscal year 2020, due primarily to decreases in investment interest revenue and other revenue. The decrease in other revenue is primarily due to the loss on the sale of the McKinley Towers property. See the Financial Highlights for more explanation on the loss on the sale of the property. Grant revenue also decreased by \$1.0 million.

Operating expenses likewise decreased in 2020 due primarily to decreased administrative expenses and grant expenses.

As shown in the table, the net effect of changes in operating revenues and expenses was very similar in fiscal years 2020 and 2019. Total change in operating income from 2019 to 2020 was an increase of \$708,000.

In fiscal year 2020, the Corporation sent no cash contributions to the State of Alaska, compared to cash contributions of \$2.1 million in fiscal year 2019. See Footnote No. 18 in the Notes to the Financial Statements for more details about the Transfer Plan.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The Corporation's capital assets include land, buildings, office, and computer equipment. Capital assets are presented in the financial statements at \$87.1 million (net of accumulated depreciation), a decrease of 7.4%, partly due to the sale of the McKinley Towers (see Financial Highlights). Typically, the change in capital assets in any given year is immaterial to the overall operation of the Corporation.

As of June 30, 2020, the Corporation had \$2.6 billion in outstanding bonds and notes payable secured by assets held and the general obligation pledge of the Corporation. The Corporation's general obligation is rated by three major rating agencies as follows.

Rating Category	Standard & Poor's	Moody's Investors Service	Fitch Ratings
Long Term	AA+	Aa2	AA+
Short Term	A-1+	P-1	F1+

Significant debt activity during the year included the following:

- Issued \$361.7 million in bonds;
- Redeemed bonds through special redemption provisions of their respective indentures in the amount of \$171.4 million.

Additional information on the Corporation's long-term debt can be found in the Notes to Financial Statements.

ECONOMIC FACTORS AND OTHER FINANCIAL INFORMATION

The primary business activity of the Corporation is providing a secondary market for the purchase of single-family and multi-family mortgage loans. The Corporation's mortgage financing activities are sensitive to changes in interest rates, the spread between the rate on the Corporation's loans and those available in the conventional mortgage markets, and the availability of affordable housing in the State. The availability of long-term tax-exempt financing on favorable terms is a key element in providing the funding necessary for the Corporation to continue its mortgage financing activities.

The Corporation's main sources of revenue include mortgage loan activity, investment interest income and externally funded grants and subsidies. Market interest rates have an effect on both the mortgage program and investment income revenues. If interest rates rise, mortgage and investment income should increase as new loans are originated and new investments are purchased at the higher rates. If interest rates fall, mortgage and investment income will decrease as new loans are originated and new investments are purchased at the lower rates.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Any decrease in interest rates could also cause an increase in prepayments on higher rate mortgages. The Corporation uses these prepayments to redeem higher rate bonds, thus lowering the interest expense incurred on the Corporation's overall portfolio, or to recycle mortgages to obtain the maximum allowable spread. Large federal deficits or changes in programs or funding levels could have a negative impact on externally funded program revenues.

CONTACTING THE CORPORATION'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. For inquiries about this report or to request additional financial information please call (907) 330-8322 or email finance@ahfc.us.

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ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

COMBINED – ALL MAJOR PROGRAMS

As of June 30, 2020

(in thousands of dollars)

	Administrative Fund	Grant Programs	Mortgage and Bond Funds	Other Funds and Programs	Total Programs and Funds
ASSETS					
Current					
Cash	\$ 28,038	\$ 8,235	\$ 189	\$ 29,110	\$ 65,572
Investments	579,326	-	287,837	4,224	871,387
Accrued interest receivable	3,811	-	12,187	119	16,117
Inter-fund due (to)/from	(85,773)	2,850	83,988	(982)	83
Mortgage loans, notes and other loans	5,589	33	91,984	1,282	98,888
Net investment in direct financing lease	-	-	2,180	-	2,180
Other assets	5,231	5,262	2	1,377	11,872
Intergovernmental receivable	86	5,107	-	(1)	5,192
Total Current	536,308	21,487	478,367	35,129	1,071,291
Non Current					
Inter-fund due (to)/from	-	1,423	-	-	1,423
Mortgage loans, notes and other loans	165,729	1,082	2,936,386	41,444	3,144,641
Net investment in direct financing lease	-	-	20,288	-	20,288
Capital assets - non-depreciable	2,483	-	-	13,636	16,119
Capital assets - depreciable, net	13,370	50	-	52,782	66,202
Other assets	3,540	-	729	-	4,269
Total Non Current	185,122	2,555	2,957,403	107,862	3,252,942
Total Assets	721,430	24,042	3,435,770	142,991	4,324,233
DEFERRED OUTFLOW OF RESOURCES	7,309	-	254,018	-	261,327
LIABILITIES					
Current					
Bonds payable	-	-	96,180	-	96,180
Short term debt	115,366	-	-	-	115,366
Accrued interest payable	-	-	7,257	-	7,257
Other liabilities	12,863	14,033	890	945	28,731
Intergovernmental payable	-	-	189	457	646
Total Current	128,229	14,033	104,516	1,402	248,180
Non Current					
Bonds payable	-	-	2,476,633	-	2,476,633
Other liabilities	3,766	-	-	-	3,766
Derivative instrument - interest rate swaps	-	-	234,281	-	234,281
Pension & OPEB liability	36,968	-	-	-	36,968
Total Non Current	40,734	-	2,710,914	-	2,751,648
Total Liabilities	168,963	14,033	2,815,430	1,402	2,999,828
DEFERRED INFLOW OF RESOURCES	2,861	-	-	-	2,861
NET POSITION					
Net investment in capital assets	15,853	50	-	66,418	82,321
Restricted by bond resolutions	-	-	660,845	-	660,845
Restricted by contractual or statutory agreements	111,441	13,505	-	75,763	200,709
Unrestricted or (deficit)	429,621	(3,546)	213,513	(592)	638,996
Total Net Position	\$ 556,915	\$ 10,009	\$ 874,358	\$ 141,589	\$ 1,582,871

See accompanying notes to the financial statements.

Alaska Corporation for Affordable Housing	Total June 30, 2020
\$ 8,200	\$ 73,772
-	871,387
66	16,183
(83)	-
-	98,888
-	2,180
121	11,993
-	5,192
8,304	1,079,595
(1,423)	-
12,761	3,157,402
-	20,288
4,740	20,859
-	66,202
1	4,270
16,079	3,269,021
24,383	4,348,616
-	261,327
-	96,180
-	115,366
-	7,257
-	28,731
-	646
-	248,180
-	2,476,633
290	4,056
-	234,281
-	36,968
290	2,751,938
290	3,000,118
-	2,861
4,740	87,061
-	660,845
19,397	220,106
(44)	638,952
\$ 24,093	\$ 1,606,964

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF ACTIVITIES

COMBINED – ALL MAJOR PROGRAMS

For the Year Ended June 30, 2020

(in thousands of dollars)

	Administrative Fund	Grant Programs	Mortgage and Bond Funds	Other Funds and Programs	Total Programs and Funds
OPERATING REVENUES					
Mortgage and loan revenue	\$ 7,548	\$ -	\$ 137,970	\$ 1,412	\$ 146,930
Investment interest	6,339	7	6,527	146	13,019
Net change in the fair value of investments	1,693	-	225	4	1,922
Net change of hedge termination	-	-	(177)	-	(177)
Total Investment Revenue	<u>8,032</u>	<u>7</u>	<u>6,575</u>	<u>150</u>	<u>14,764</u>
Grant revenue	66	61,654	-	3,191	64,911
Housing rental subsidies	-	-	-	11,202	11,202
Rental revenue	94	-	-	11,189	11,283
Gain (Loss) on Disposal of Capital Assets	(1,806)	-	-	84	(1,722)
Other revenue	2,424	683	179	2	3,288
Total Operating Revenues	<u>16,358</u>	<u>62,344</u>	<u>144,724</u>	<u>27,230</u>	<u>250,656</u>
OPERATING EXPENSES					
Interest	742	-	80,395	-	81,137
Mortgage and loan costs	2,557	-	12,075	131	14,763
Bond financing expenses	820	-	4,343	-	5,163
Provision for loan loss	(1,145)	37	(5,400)	(1)	(6,509)
Operations and administration	8,973	11,241	4,820	15,591	40,625
Rental housing operating expenses	622	17	-	15,711	16,350
Grant expense	5	63,795	-	-	63,800
Total Operating Expenses	<u>12,574</u>	<u>75,090</u>	<u>96,233</u>	<u>31,432</u>	<u>215,329</u>
Operating Income (Loss)	<u>3,784</u>	<u>(12,746)</u>	<u>48,491</u>	<u>(4,202)</u>	<u>35,327</u>
NON-OPERATING EXPENSES AND TRANSFERS					
Interfund receipts (payments) for operations	39,479	11,720	(56,230)	3,367	(1,664)
Change in Net Position	43,263	(1,026)	(7,739)	(835)	33,663
Net position at beginning of year	513,652	11,035	882,097	142,424	1,549,208
Net Position at End of Period	<u>\$ 556,915</u>	<u>\$ 10,009</u>	<u>\$ 874,358</u>	<u>\$ 141,589</u>	<u>\$ 1,582,871</u>

See accompanying notes to the financial statements.

Alaska Corporation for Affordable Housing	Total June 30, 2020
\$ 138	\$ 147,068
12	13,031
-	1,922
-	(177)
<u>12</u>	<u>14,776</u>
-	64,911
-	11,202
229	11,512
-	(1,722)
41	3,329
<u>420</u>	<u>251,076</u>
-	81,137
-	14,763
-	5,163
(130)	(6,639)
333	40,958
3	16,353
-	63,800
<u>206</u>	<u>215,535</u>
214	35,541
1,664	-
<u>1,878</u>	<u>35,541</u>
22,215	1,571,423
<u>\$ 24,093</u>	<u>\$ 1,606,964</u>

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

COMBINED – ALL MAJOR PROGRAMS

For the Year Ended June 30, 2020

(in thousands of dollars)

	Administrative Fund	Grant Programs	Mortgage and Bond Funds	Other Funds and Programs	Total Programs and Funds
CASH FLOWS					
Operating Activities					
Interest income on mortgages and loans	\$ 6,577	\$ -	\$ 127,692	\$ 1,282	\$ 135,551
Principal receipts on mortgages and loans	9,550	-	533,588	5,478	548,616
Disbursements to fund mortgages and loans	(511,119)	-	-	-	(511,119)
Receipts (payments) for interfund loan transfers	396,594	-	(389,981)	(6,613)	-
Mortgage and loan proceeds receipts	735,191	-	-	-	735,191
Mortgage and loan proceeds paid to funds	(688,369)	-	-	-	(688,369)
Payroll-related disbursements	(21,809)	(5,216)	-	(9,729)	(36,754)
Payments for goods and services	(6,374)	(1,497)	-	(13,480)	(21,351)
Receipts for externally funded programs	-	33,785	-	13,906	47,691
Receipts for Federal HAP subsidies	-	36,028	-	-	36,028
Payments for Federal HAP subsidies	-	(35,211)	-	-	(35,211)
Interfund receipts (payments)	(7,715)	4,944	-	949	(1,822)
Grant payments to other agencies	(5)	(30,050)	-	-	(30,055)
Other operating cash receipts (payments)	24,618	237	(10)	10,833	35,678
Net Cash Receipts (Disbursements)	(62,861)	3,020	271,289	2,626	214,074
Non-Capital Financing Activities					
Proceeds from bond issuance	-	-	379,756	-	379,756
Principal paid on bonds	-	-	(248,670)	-	(248,670)
Payment of bond issuance costs	(590)	-	(1,173)	-	(1,763)
Interest paid on bonds	-	-	(91,977)	-	(91,977)
Proceeds from short-term debt issuance	656,727	-	-	-	656,727
Payment of short term debt	(591,571)	-	-	-	(591,571)
Transfers from (to) other funds	193,881	-	(193,881)	-	-
Net Cash Receipts (Disbursements)	258,447	-	(155,945)	-	102,502
Capital Financing Activities					
Acquisition of capital assets	(251)	(29)	-	(1,078)	(1,358)
Proceeds from the disposal of capital assets	1,359	-	-	84	1,443
Principal paid on capital notes	-	-	(6,020)	-	(6,020)
Interest paid on capital notes	-	-	(1,222)	-	(1,222)
Proceeds from direct financing leases	-	-	3,303	-	3,303
Net Cash Receipts (Disbursements)	1,108	(29)	(3,939)	(994)	(3,854)
Investing Activities					
Purchase of investments	(3,661,406)	-	(1,480,567)	(6,915)	(5,148,888)
Proceeds from maturity of investments	3,452,171	-	1,363,340	6,660	4,822,171
Interest received from investments	7,037	7	5,812	154	13,010
Net Cash Receipts (Disbursements)	(202,198)	7	(111,415)	(101)	(313,707)
Net Increase (decrease) in cash	(5,504)	2,998	(10)	1,531	(985)
Cash at beginning of year	33,542	5,237	199	27,579	66,557
Cash at end of period	\$ 28,038	\$ 8,235	\$ 189	\$ 29,110	\$ 65,572

Alaska Corporation for Affordable Housing	Total June 30, 2020
\$ -	\$ 135,551
-	548,616
-	(511,119)
-	-
-	735,191
-	(688,369)
(254)	(37,008)
(81)	(21,432)
-	47,691
-	36,028
-	(35,211)
1,822	-
-	(30,055)
72	35,750
1,559	215,633
-	379,756
-	(248,670)
-	(1,763)
-	(91,977)
-	656,727
-	(591,571)
-	-
-	102,502
(1,073)	(2,431)
-	1,443
-	(6,020)
-	(1,222)
-	3,303
(1,073)	(4,927)
-	(5,148,888)
-	4,822,171
12	13,022
12	(313,695)
498	(487)
7,702	74,259
\$ 8,200	\$ 73,772

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

COMBINED – ALL MAJOR PROGRAMS

For the Year Ended June 30, 2020

(in thousands of dollars)

	Administrative Fund	Grant Programs	Mortgage and Bond Funds	Other Funds and Programs	Total Programs and Funds
RECONCILIATION					
Operating Income (Loss) to Net Cash					
Operating income (loss)	\$ 3,784	\$ (12,746)	\$ 48,491	\$ (4,202)	\$ 35,327
<i>Adjustments:</i>					
Depreciation expense	1,000	18	-	5,315	6,333
Provision for loan loss	(1,145)	37	(5,400)	(1)	(6,509)
Net change in the fair value of investments	(1,693)	-	(225)	(4)	(1,922)
Interfund receipts (payments) for operations	39,479	11,720	(56,230)	3,367	(1,664)
Interest received from investments	(7,037)	(7)	(5,812)	(154)	(13,010)
Interest paid on bonds and capital notes	-	-	91,977	-	91,977
<i>Change in assets, liabilities and deferred resources:</i>					
Net (increase) decrease in mortgages and loans	40,783	36	47,233	(1,155)	86,897
Net increase (decrease) in assets, liabilities, and deferred resources	(138,032)	3,962	151,255	(540)	16,645
Net Operating Cash Receipts (Disbursements)	\$ (62,861)	\$ 3,020	\$ 271,289	\$ 2,626	\$ 214,074
Non-Cash Activities					
Deferred outflow of resources - derivatives	-	-	82,016	-	82,016
Derivative instruments liability	-	-	83,347	-	83,347
Net change of hedge termination	-	-	6,252	-	6,252
Deferred outflow debt refunding	-	-	24,110	-	24,110
Total Non-Cash Activities	\$ -	\$ -	\$ 195,725	\$ -	\$ 195,725

See accompanying notes to the financial statements.

Alaska Corporation for Affordable Housing	Total June 30, 2020
\$ 214	\$ 35,541
-	6,333
(130)	(6,639)
-	(1,922)
1,664	-
(12)	(13,022)
-	91,977
(226)	86,671
49	16,694
<u>\$ 1,559</u>	<u>\$ 215,633</u>
-	82,016
-	83,347
-	6,252
-	24,110
<u>\$ -</u>	<u>\$ 195,725</u>

NOTE DISCLOSURES
TO THE FINANCIAL STATEMENTS

NOTE DISCLOSURES INDEX

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FOR THE TWELVE MONTHS ENDED JUNE 30, 2020

1 AUTHORIZING LEGISLATION AND FUNDING

The Alaska Housing Finance Corporation (the "Corporation") or ("AHFC"), a public corporation and government instrumentality of the State of Alaska (the "State"), was created in 1971, and substantially modified in 1992, by acts of the Alaska State Legislature (the "Legislature") to assist in the financing, development and sale of dwelling units, operate the State's public housing, offer various home loan programs emphasizing housing for low and moderate-income and rural residents, and administer energy efficiency and weatherization programs within Alaska. The Corporation is a component unit of the State and is discretely presented in the State's financial statements.

Generally, the Corporation accomplishes its mortgage-related objectives by functioning as a secondary market for qualified real estate loans originated by financial institutions. The Corporation is authorized by the Legislature to issue its own bonds, bond anticipation notes and other obligations in such principal amounts as, in the opinion of the Corporation, will be necessary to provide sufficient funds for carrying out its purpose. Certain bonds issued to finance residences for qualified veterans are unconditionally guaranteed by the State. No other obligations constitute a debt of the State.

The non-mortgage related programs of the Corporation are funded through various grant and program agreements with the federal government's departments of Housing and Urban Development ("HUD"), Energy ("DOE"), and Health and Human Services ("HHS"), funding from the State of Alaska, as well as capital and operating subsidies from the Corporation's own funds.

The Corporation has affiliates incorporated under the Alaska Nonprofit Corporation Act (AS 10.20) and provisions of the Alaska Housing Finance Corporation Act (AS 18.56), as amended. Each affiliate issues annual audited financial statements. Copies may be found at the following links, or please contact AHFC to obtain a copy. The affiliates are as follows:

- Northern Tobacco Securitization Corporation ("NTSC") incorporated on September 29, 2000, pursuant to House Bill No. 281 of the 2000 Legislature. <https://www.ahfc.us/about-us/subsidiaries/ntsc/ntsc-financial-statements/>
- Alaska Housing Capital Corporation ("AHCC") incorporated on May 23, 2006, pursuant to Senate Bill No. 232 of the 2006 Legislature. <https://www.ahfc.us/about-us/subsidiaries/ahcc/ahcc-financial-statements/>
- Alaska Corporation for Affordable Housing ("ACAH") incorporated on February 1, 2012, pursuant to House Bill No. 119 of the 2011 Legislature. <https://www.ahfc.us/about-us/subsidiaries/alaska-corporation-affordable-housing-acah/acah-financial-statements/>

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The financial reporting entity consists of AHFC and the blended component unit ACAH. The entities are closely related and financially integrated. The board of directors for AHFC and ACAH are the same and both entities have similar mission statements. ACAH is a legally separate entity from AHFC but is considered a blended component unit of AHFC due to AHFC's operational responsibility for ACAH and the potential financial benefit or financial burden between AHFC and ACAH. AHFC is financially accountable for ACAH.

The other affiliates of AHFC are not closely related, nor financially integrated with AHFC. There is no financial accountability for the other affiliates by AHFC. They are not component units of AHFC, thus not included in these financial statements. NTSC and AHCC are component units of the State.

Neither AHFC nor the State is liable for any debt issued by the affiliates of AHFC. They are government instrumentalities of, but have a legal existence separate and apart from, the State.

Basis of Accounting

The financial reporting entity utilizes the economic resource measurement focus and full accrual basis of accounting wherein revenues are recognized when earned and expenses when incurred. The financial statements have been prepared in conformity with generally accepted accounting principles ("GAAP") as prescribed by the Governmental Accounting Standards Board ("GASB"). GASB is the accepted standard-setting body for governmental accounting and financial reporting principles as set forth in GASB's pronouncements.

Basis of Presentation

The financial reporting entity is engaged in business-type activities that utilize enterprise funds. The basic fund financial statements are comprised of the Statement of Net Position (Exhibit A), the Statement of Revenues, Expenses and Changes in Net Position (Exhibit B), the Cash Flow Statement (Exhibit C) and the accompanying note disclosures. The supplementary section contains combining financial statements by program, purpose, or bond indenture.

The basic financial statements include a Total Funds and Programs column representing an aggregate of AHFC amounts and a Total column for the financial reporting entity, an aggregation of both AHFC and ACAH amounts.

Major Funds and Component Unit

The basic fund financial statements present the major funds of AHFC and the major component unit ACAH.

Administrative Fund: This is the Corporation's primary operating fund. It accounts for all financial resources of the Corporation not accounted for in other funds.

Grant Programs: Resources provided to other agencies and individuals to develop and improve affordable housing units for lower income families, to assist in improving the energy efficiency of Alaska homes, and to provide tenant-based rental assistance programs for families in the private market (administered by the Corporation under contract with HUD).

Mortgage or Bond Funds: Provides resources to assist in the financing of loan programs or to fund Legislature appropriations.

Other Funds or Programs: Includes the Low Rent program and other affordable housing for low income families managed under contract with HUD, owned by AHFC. Also includes the Home Ownership Fund and the Senior Housing Revolving Loan Fund.

Component unit ACAH: A non-profit public benefit corporation that develops and operates affordable housing for Alaskans, utilizing various funding sources. ACAH is reported as a major component unit for the benefit of users of the financial statements.

Restricted Net Position

The restricted net position of the Administrative Fund consists of the Corporation's remaining commitments to the State (refer to Footnote No. 18 State Authorizations and Commitments for further details) and resources of the Affordable Housing Development Program. The remaining resources of the Administrative Fund are unrestricted.

The other financial activities of the Corporation are restricted by the Corporation's bond indentures, requirements from the Legislature, and statutory requirements or third-party agreements that restrict the use of resources. These restricted resources are recorded in various special purpose funds and accounts. Restricted funds with a net deficit balance are shown as having an unrestricted net position balance pursuant to reporting requirements.

When both restricted and unrestricted resources are available in a fund, it is the Corporation's policy to spend restricted funds to the extent allowed and only spend unrestricted funds when needed.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates. The major estimate for the Corporation is the allowance for loan losses.

Investments

All investments are stated at fair value.

Accrued Interest Receivable on Loans and Real Estate Owned

Interest is accrued based upon the principal amount outstanding. Accrual of interest income is discontinued on loans when, in the opinion of management, collection of such interest becomes doubtful. When payment of interest is provided for pursuant to the terms of loan insurance or guarantees, accrual of interest on delinquent loans and real estate owned is continued.

Loans and Allowances for Estimated Loan Losses

Mortgage loans are carried at their unpaid principal balances net of allowance for estimated loan losses. Once monies have been disbursed the mortgage loans are recorded.

The Corporation provides for possible losses on loans on which foreclosure is anticipated. A potential loss is recorded when the net realizable value, or fair value, of the related collateral or security interest is estimated to be less than the Corporation's investment in the property less anticipated recoveries from private mortgage insurance, private credit insurance, and various other loan guarantees. In providing for losses, through a charge to operations, consideration is given to the costs of holding real estate, including interest costs. The loan portfolio, property holding periods and property holding costs are reviewed periodically. A general allowance is applied to the performing loan portfolio, and a specific reserve on individual non-performing. This can be modified. While management uses the best information available to make evaluations, future adjustments to the allowances may be necessary if there are significant changes in economic conditions or property disposal programs.

Real Estate Owned

Real estate owned consists principally of properties acquired through foreclosure or repossession and is carried at the lower of cost or estimated net realizable value. These amounts are included in other assets.

Depreciation

Depreciation and amortization of buildings, equipment, and leasehold improvements are computed on a straight-line basis over the estimated useful lives of the related assets. Estimated useful lives range from 3 to 40 years. The capitalization threshold is \$5,000.

Bonds

The Corporation issues bonds to provide capital for its mortgage programs and other uses consistent with its mission. The bonds are recorded at cost plus accreted interest and premiums, less discounts. Discounts and premiums are amortized using the straight-line method. Costs of issuance are expensed when incurred.

Deferred Debt Refunding Expenses

Deferred debt refunding expenses occur when new debt is issued to replace existing debt. The differences between the carrying value of the old debt and the resources used to redeem it are called deferred debt refunding expenses. The unamortized balances of these expenses are recorded as deferred outflows of resources. These expenses are amortized over the shorter of the remaining life of the old debt or the remaining life of the new debt.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System ("PERS") and additions to/from the PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Based on the amount of unamortized discount or premium from the original bond issue, the net effect of the change is immaterial to the financial statements.

Other Post-Employment Benefits

Information about the Other Post-Employment Benefits ("OPEB") fiduciary net position of the PERS plans has been determined on the same basis as reported by PERS. The PERS information includes the valuation of the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense. Benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Derivative Instruments-Interest Rate Swaps

The Corporation's Fiscal Policies allow, with certain restrictions, the Corporation to enter into certain derivative financial instruments called interest rate swap agreements, or swaps. The Corporation enters into these swaps with various counter-parties to achieve a lower overall cost of funds for certain bond issuances. These agreements can be negotiated whereby the Corporation pays the counter-party a fixed interest rate in exchange for a variable interest rate payment from the counter-party, or vice-versa. The swap agreements are negotiated to achieve the financing objectives of the Corporation. The swaps are stated at fair value. The change in the fair value of the hedgeable derivatives is recorded as deferred inflows of resources or deferred outflows of resources, and the change in the fair value of the investment derivatives is recorded as investment revenue.

Operating Revenues and Expenses

The Corporation was created with the authority to issue bonds to the investing public in order to create a flow of private capital through the Corporation into mortgage loans to qualified housing sponsors and to certain individuals. The Corporation's primary purpose is to borrow funds in the bond market and to use those funds to make single-family and multi-family mortgages and loans. Its primary operating revenue is derived from the interest income and fees from those mortgages and loans and on the invested proceeds from the bond issues. Additionally, the Corporation's statutory purpose includes providing financial assistance programs for rental subsidies to tenants of various housing developments. The Corporation records all revenues from mortgages and loans, investments, rental activities, and

externally funded programs as operating revenues. The primary costs of providing these programs are recorded as operating expenses.

Income Taxes

The Corporation is exempt from federal and state income taxes.

3 CASH AND INVESTMENTS

Cash consists of demand deposits, time deposits, and cash held in trust. The carrying amount of the Corporation's cash is restricted by bond resolutions, contractual agreements, and statutory agreements. A summary of the Corporation's cash is shown below (in thousands):

	<u>June 30, 2020</u>	
Restricted cash	\$	55,248
Unrestricted cash		<u>18,524</u>
Carrying amount		<u><u>73,772</u></u>
Bank balance	\$	<u><u>73,881</u></u>

Investment Valuation

AHFC categorizes its fair value measurements within the fair value hierarchy established by Generally Accepted Accounting Principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

AHFC measures its investments using quoted market prices (Level 1 inputs).

Investment Maturities

The fair value of debt security investments by contractual maturity is shown below (in thousands). Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without penalty.

	<u>Less Than</u>		<u>More Than</u>		
	<u>1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>10 Years</u>	<u>June 30, 2020</u>
Commercial paper & medium-term notes	\$ 468,616	\$ -	\$ -	\$ -	\$ 468,616
Corporate Certificates of Deposit	4,657	-	-	-	4,657
Money market funds	<u>396,613</u>	-	-	-	<u>396,613</u>
Total not including GeFONSI	<u>\$ 869,886</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 869,886</u>
GeFONSI pool					<u>1,501</u>
Total AHFC Investment Portfolio					<u><u>\$ 871,387</u></u>

Restricted Investments

A large portion of the Corporation's investments, \$389,698,000, is restricted by bond resolutions, contractual agreements, and statutory agreements, and the remainder, \$481,689,000, is unrestricted.

Realized Gains and Losses

The calculation of realized gains and losses is independent of the calculation of the net increase in the fair value of investments. Realized gains and losses on investments that had been held in more than one fiscal year and sold in

the current period may have been recognized as an increase or decrease in the fair value of investments reported in the prior year. The net increase in the fair value of investments included in the table below takes into account all changes in fair value (including purchases and sales) that occurred during the period. A summary of the gains and losses is shown below (in thousands):

	June 30, 2020
Ending unrealized holding gain	\$ 3,433
Beginning unrealized holding gain	1,511
Net change in unrealized holding gain	1,922
Net realized gain (loss)	-
Net increase (decrease) in fair value	\$ 1,922

Deposit and Investment Policies

The Corporation utilizes different investment strategies depending upon the nature and intended use of the assets being invested. All funds are classified as trusted or non-trusted, and this classification determines the applicable investment guidelines used by staff when making investment decisions. Trusted funds are invested in accordance with their respective indentures or governing agreements. Non-trusted funds are governed by the terms outlined in the Corporation's Fiscal Policies and are typically invested to meet the projected need for use of such funds.

The following securities are eligible for investment under the Corporation's Fiscal Policies:

- Obligations backed by the full faith and credit of the United States;
- Obligations of U.S. government-sponsored enterprises ("GSEs") and federal agencies not backed by the full faith and credit of the United States;
- Obligations of the World Bank rated at least "AA" by S&P or "Aa2" by Moody's or "AA" by Fitch if maturing in excess of one year or "A-1" by S&P or "P-1" by Moody's or "F1" by Fitch if maturing in one year or less;
- Money market funds rated at least "AAm" by S&P or "Aa-mf" by Moody's or "AAmmf" by Fitch;
- Banker's acceptances and negotiable certificates of deposit of any bank, the unsecured short-term obligations of which are rated at least "A-1" by S&P or "P-1" by Moody's or "F-1" by Fitch and which is incorporated under the laws of the United States of America or any state thereof and subject to supervision and examination by federal or state banking authorities, or which is a foreign bank with a branch or agency licensed under the laws of the United States of America or any state thereof and subject to supervision and examination by federal or state banking authorities, or which is a foreign bank having a long-term issuer rating of at least "AA" from S&P or "Aa2" from Moody's or "AA" from Fitch;
- Commercial paper, including asset-backed commercial paper, rated at least "A-1" by S&P or "P-1" by Moody's or "F1" by Fitch;
- Repurchase agreements ("repos") where: the counterparty is designated as a primary dealer by the Federal Reserve and has a long-term debt rating of at least "A" by S&P or "A" by Moody's or "A" by Fitch or a short-term rating of at least "A-1" by S&P or "P-1" by Moody's or "F-1" by Fitch; collateral is pledged at a minimum level of 102%, valued on a daily basis with a one-business-day cure period; the term of such repurchase agreement is one week or less; a third-party custodian acting as the Corporation's agent has possession of the collateral and holds such collateral in the Corporation's name; the agreement is evidenced by standard documents published by the Securities Industry and Financial Markets Association ("SIFMA"); and the securities to be repurchased are obligations backed by the full faith and credit of the United States or obligations of U.S. government-sponsored enterprises and federal agencies not backed by the full faith and credit of the United States or obligations of the World Bank rated at least "AA" by S&P or "Aa2" by Moody's or "AA" by Fitch if maturing in excess of one year or "A-1" by S&P or "P-1" by Moody's or "F1" by Fitch if maturing in one year or less;
- Guaranteed investment contracts with a financial institution having outstanding unsecured long-term obligations rated, or an investment agreement rating of, at least "AA" by S&P or "Aa2" by Moody's or "AA" by Fitch, or, if the term is one year or less, at least "A-1" by S&P or "P-1" by Moody's or "F-1" by Fitch;

- Fixed and floating-rate notes and bonds, other than commercial paper, issued by corporate or municipal obligors and rated at least “AA” by S&P or “Aa2” by Moody’s or “AA” by Fitch if maturing in excess of one year, or at least “A-1” by S&P or “P-1” by Moody’s or “F1” by Fitch if maturing, or with a provision for investor withdrawal or put at par, in one year or less;
- Asset-backed securities, other than asset-backed commercial paper, rated at least “AA+” by S&P or “Aa1” by Moody’s or “AA+” by Fitch; and
- Investment pools managed by the State of Alaska, including the General Fund and Other Non-Segregated Investments (“GeFONSI”) pool.

Credit Risk

Credit risk is the risk of loss due to the failure of the security or backer. The Corporation mitigates its credit risk by limiting investments to those permitted in its Fiscal Policies and relevant governing agreements, diversifying the investment portfolio, and pre-qualifying firms with which the Corporation administers its investment activities.

The credit quality ratings of the Corporation’s investments as of June 30, 2020, as determined by nationally recognized statistical rating organizations, are shown below (in thousands), and do not include investments held by GeFONSI pool.

	S&P	Moody's	Fitch	Investment Fair Value
Commercial paper, medium-term notes and Certificates of Deposit:	AAA	Aaa	WD	\$ 252
	AA+	Aa1	NA	253
	AA-	Aa2	NA	501
	A+	Aa2	AA	500
	A-1+	P-1	F1+	40,482
	A-1+	P-1	F1	19,824
	A-1+	P-1	F-1+	252
	A-1+	P-1	F-1	724
	A-1+	P-1	F-2	10,426
	A-1+	P-1	NA	139,216
	A-1	P-1	F1	92,546
	A-1	P-1	F1+	27,500
	A-1	P-1	NA	58,634
	A-1	P-1	WD	503
	A-1	P-2	F-1	291
	A-1	P-2	F2	29,910
	A-1	P-2	NA	9,975
	A-2	P-1	F1+	26,928
	A-2	P-2	F1	14,056
	NA	P-1	NA	250
	NR	P-1	NA	250
				<u>473,273</u>
Money market funds:	AAA	Aaa	AAA	320,787
	AAA-m	Aaa	NA	75,826
				<u>396,613</u>
				<u><u>\$ 869,886</u></u>

Concentration Risk

Concentration risk is the risk of loss attributed to the magnitude of the Corporation's investments in a single issuer. Concentration limits are not established in the bond indentures and governing agreements for trust investments. The following table details the maximum concentration limits for non-trust investments as outlined in the Corporation's Fiscal Policies. Under certain conditions, the Fiscal Policies permit investments in excess of these limits. For more information, please see the Corporation's Fiscal Policies at: <http://www.ahfc.us/pros/investors/fiscal-policies>

Investment Category	Category Limit as % of Total Portfolio	Issuer Limit as % of Total Portfolio
U.S. Government obligations	n/a	n/a
U.S. GSEs and agencies	n/a	35%
World Bank obligations	n/a	35%
Money market funds	n/a	n/a
Banker's acceptances, negotiable CDs	n/a	5%
Commercial paper	n/a	5%
Repurchase agreements	n/a	25%
Guaranteed investment contracts	n/a	5%
Corporate and municipal notes and bonds	n/a	5%
Asset-backed securities	20%	5%
State of Alaska investment pools	n/a	n/a

Investment Holdings Greater than Five Percent of Total Portfolio

The following investment holdings, summarized by issuer, include both investments that are governed by the maximum concentration limits of the Corporation's Fiscal Policies and trusted investments which have no established concentration limits. As of June 30, 2020, the Corporation had investment balances greater than 5 percent of the Corporation's total investments with the following issuers (in thousands).

Issuer	Investment Fair Value	Percentage of Total Portfolio
Morgan Stanley	\$ 320,787	36.81%
Goldman Sachs	75,826	8.70
Toronto Dominion Bank	65,358	7.50

Custodial Credit Risk

The Corporation assumes levels of custodial credit risk for its deposits with financial institutions, bank investment agreements, and investments. For deposits, custodial credit risk is the risk that, in the event of a bank failure, the Corporation's deposits may not be returned. For bank investment agreements and investments, custodial credit risk is the risk that, in the event of failure of the custodian or counterparty holding the investment, the Corporation will not be able to recover the value of the investment. As stated in the Corporation's Fiscal Policies, credit risk is mitigated by limiting investments to those highly-rated securities permitted in the Fiscal Policies and by pre-qualifying firms through which the Corporation administers its investment activities.

Of the Corporation's \$73,881,000 bank balance at June 30, 2020, cash deposits in the amount of \$1,914,000 were uninsured and uncollateralized.

Interest Rate Risk

Interest rate risk is the risk that the market value of investments will decline as a result of changes in general interest rates. As stated in the Corporation's Fiscal Policies, for non-trust investments, the Corporation mitigates interest rate risk by structuring its investment maturities to meet cash requirements (including corporate operations), thereby avoiding the need to sell securities in the open market prior to maturity. For investments held in trust, investment maturities are structured to meet cash requirements as outlined in the bond indentures and contractual and statutory agreements.

The GeFONSI pool investment interest rate risk details are at the end of this footnote.

Modified Duration

Modified duration estimates the sensitivity of an investment to interest rate changes. The following table shows the Corporation's trusted and non-trusted investments (in thousands, net of GeFONSI holdings) with their modified duration as of June 30, 2020:

	Investment Fair Value	Modified Duration
Certificate of deposit	\$ 4,657	0.251
Commercial paper & medium-term notes:		
Commercial paper discounts	455,665	0.278
Medium-term notes	12,951	0.375
Money market funds	396,613	0.000
Portfolio modified duration	<u>\$ 869,886</u>	0.152

Investment in GeFONSI Pool

The Alaska State Department of Revenue, Treasury Division, has established various investment pools to manage funds for which the Commissioner of Revenue has fiduciary responsibility. The GeFONSI pool in which the Corporation participates is itself comprised of investment shares of the State's Short-term Fixed Income, and Intermediate-term Fixed Income investment pools. Assets in these pools are reported at fair value with purchases and sales recorded on a trade-date basis. Securities are valued each business day using prices obtained from a pricing service. The complete financial activity of the State's investment pools is shown in the Comprehensive Annual Financial Report (CAFR) available from the Department of Administration, Division of Finance.

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, Short-term Liquidity and Intermediate-term Fixed Income Pools is allocated to the pool participants daily on a pro-rata basis. The fair value of the Corporation's investment in the GeFONSI pool is \$1,501,000.

For additional information on interest rate risk, credit risk, foreign exchange, derivatives, fair value, and counterparty credit risk see the separately issued report on the Invested Assets of the Commissioner of Revenue at: <http://treasury.dor.alaska.gov/Investments/Annual-Investment-Reports.aspx>.

4 INTERFUND RECEIVABLE/PAYABLE

A summary of the interfund receivable/payable balance as of June 30, 2020, is shown below (in thousands):

		Due From					
		Administrative Fund	Grant Programs	Mortgage or Bond Programs	Other Funds or Programs	Alaska Corporation for Affordable Housing	Total
Due To	Administrative Fund	\$ -	\$ 6,599	\$ -	\$ 1,326	\$ 83	\$ 8,008
	Grant Programs	9,449	-	-	-	1,423	10,872
	Mortgage or Bond Programs	83,988	-	-	-	-	83,988
	Other Funds or Programs	344	-	-	-	-	344
	Alaska Corporation for Affordable Housing	-	-	-	-	-	-
	Total	<u>\$ 93,781</u>	<u>\$ 6,599</u>	<u>\$ -</u>	<u>\$ 1,326</u>	<u>\$ 1,506</u>	<u>\$ 103,212</u>

The balance due to the Mortgage or Bond programs from the Administrative Fund resulted primarily from monies belonging to these funds being deposited in an Administrative Fund account to obtain a greater rate of return.

The balance due to the Administrative Fund from Grant Programs, Other Funds or Programs, and ACAH resulted primarily from expenditures paid by the Administrative Fund on behalf of those programs, as well as an allocation of management and bookkeeping fees mandated by HUD.

The balance due from ACAH to the Grant Programs is the result of a repayable grant to ACAH for the purchase of land in 2013.

5 MORTGAGE LOANS, NOTES AND OTHER LOANS

A summary of mortgage loans, notes and other loans is shown below (in thousands):

		June 30, 2020
Mortgage loans	\$	2,770,213
Multifamily loans		452,498
Other notes receivable		75,172
		3,297,883
Less:		
Allowance for losses		(41,593)
Net Mortgages, Notes & other	\$	3,256,290

Of the \$3,297,883,000 mortgage loans, notes, and other loans, \$98,888,000 is due within a year.

Other notes receivable include monies due to AHFC for various unconventional loan programs, monies remaining unexpended by grant recipients, and notes receivable due to ACAH of \$13,871,000. Included in the allowance for losses is \$1,110,000 for ACAH's notes receivable bringing ACAH's net notes receivable to \$12,761,000.

Other supplementary loan information is summarized in the following table (in thousands):

		June 30, 2020
<u>Loans Delinquent 30 days or more</u>	\$	270,554
Foreclosures during reporting period		7,799
Loans in foreclosure process		6,645
<u>Mortgage-related commitments:</u>		
To purchase mortgage loans	\$	105,475

6 INSURANCE AGREEMENTS

The Corporation has obtained private mortgage insurance, credit insurance, or guarantees on certain mortgages and loans. The agreements protect the Corporation to varying degrees against losses arising from the disposition of the related collateral obtained through foreclosure or repossession, as well as the costs of obtaining title to, maintaining, and liquidating the collateral. The Corporation is exposed to losses on disposition in the event the insurers or guarantors are unable or refuse to meet their obligations under these agreements.

7 DIRECT FINANCING LEASE

In 1997, the Corporation purchased an office building (the "Atwood Office Building") in downtown Anchorage with bond proceeds. As part of the Corporation's State Building Lease Program, the Atwood Office Building was leased to the State of Alaska and was recorded as a direct financing lease. The lease expired in 2017, at which time the State exercised the option to purchase the Atwood Office Building and associated land, identified as Block 79, for \$1. Block 102, containing land the State did not transfer but may take ownership of at a later date, is reported as a Corporation asset at the assessed value of \$4,175,000, in the Other Non-Current Assets section of the financial statements, pending potential future transfers.

In 2007, the Corporation constructed a parking garage (the "Pacillo Parking Garage") in downtown Anchorage with its corporate assets. The Pacillo Parking Garage cost \$44,000,000 and was leased to the State of Alaska for use by its departments and agencies located in Anchorage. As part of the Corporation's State Building Lease Program, the lease has been recorded as a direct financing lease. The State has the option to purchase the Pacillo Parking Garage for \$1 after December 1, 2027, which is the end of the lease. In 2015, the Corporation issued its State Capital Project Bonds II, 2015 Series B and C, respectively, to partially refund its State Capital Project Bonds, 2007 Series A, which were originally issued in 2007 to finance the Pacillo Parking Garage. The following table lists the components of the net investment in direct financing lease and shows the future minimum payments under the lease for the next five years and thereafter (in thousands):

Future Minimum Payments Due	
Year Ending June 30,	Parking Garage
2021	\$ 3,304
2022	3,304
2023	3,304
2024	3,304
2025	3,304
Thereafter	9,908
Gross payments due	26,428
Less: Unearned revenue	(3,960)
Net investment in direct financing lease	\$ 22,468

8 CAPITAL ASSETS

Capital assets activity for the twelve months ended June 30, 2020, and a summary of balances is shown below (in thousands):

	June 30, 2019	Additions	Reductions	June 30, 2020
Non-Depreciable Capital Assets:				
Land	\$ 20,228	\$ 1,073	\$ (442)	\$ 20,859
Construction in progress	-	691	(691)	-
Total Non-Depreciable	20,228	1,764	(1,133)	20,859
Depreciable Capital Assets:				
Buildings	246,074	637	(2,892)	243,819
Computers & Equipment	2,746	425	-	3,171
Vehicles	2,395	296	(118)	2,573
Less: Accumulated depreciation				
Buildings	(173,021)	(5,915)	261	(178,675)
Computers & Equipment	(2,446)	(229)	-	(2,675)
Vehicles	(1,940)	(189)	118	(2,011)
Total Depreciable, Net	73,808	(4,975)	(2,631)	66,202
Total Capital Assets, Net	\$ 94,036	\$ (3,211)	\$ (3,764)	\$ 87,061

The above capital assets include \$4,740,000 of land and land improvements that belong to ACAH.

Depreciation expense charged by the Corporation was \$6,333,000 for the twelve months ended June 30, 2020.

The Corporation is obligated under contracts and other commitments to purchase and/or modernize certain fixed assets. The total commitment, including amounts to be funded by third parties, was \$10,809,000 at June 30, 2020.

9 DEFERRED OUTFLOWS OF RESOURCES

The Government Accounting Standards Board has defined deferred outflows of resources as the consumption of resources that are applicable to a future period. AHFC's deferred outflows of resources at June 30, 2020, were interest rate swap derivatives of \$232,547,000, deferred debt refunding expense of \$21,471,000, pension deferred outflows of \$4,178,000, and other post employment benefits deferred outflows of \$3,131,000 for a total of \$261,327,000.

10 BONDS PAYABLE

All of the bonds are general obligations of the Corporation for which its full faith and credit are pledged. All of the bonds are secured, as described in the applicable agreements, by the revenues, monies, investments, mortgage loans, and other assets in the funds and accounts established by the respective security agreements. A substantial portion of the assets of the Corporation are pledged to the outstanding obligations of the Corporation.

The Corporation's obligations are not a debt of the State, and the State is not directly liable thereon except for the Veterans Mortgage Program Bonds. The Veterans Mortgage Program Bonds are backed by the full faith and credit of the State. Although the Corporation has always made its Veterans Mortgage Program Bond payments, in the event that the Corporation cannot make the payments, the State would be responsible for the principal and interest.

Bonds outstanding as of June 30, 2020, are shown on the next three pages (in thousands):

	Original Amount	June 30, 2020
Housing Bonds:		
<i>Mortgage Revenue Bonds, Tax-Exempt:</i>		
• 2009 Series A-2; 2.32%, due 2026-2041	\$ 128,750	\$ 60,170
• 2011 Series B; 3.30% to 4.05%, due 2020-2026	71,360	16,230
Total Mortgage Revenue Bonds	200,110	76,400
<i>Home Mortgage Revenue Bonds, Tax-Exempt:</i>		
• 2002 Series A; Floating Rate*; 0.17% at June 30, 2020, due 2032-2036 Unamortized swap termination penalty	170,000	32,515 (1,595)
• 2007 Series A; Floating Rate*; 0.12% at June 30, 2020, due 2020-2041	75,000	69,200
• 2007 Series B; Floating Rate*; 0.12% at June 30, 2020, due 2020-2041	75,000	69,200
• 2007 Series D; Floating Rate*; 0.12% at June 30, 2020, due 2020-2041	89,370	82,440
• 2009 Series A; Floating Rate*; 0.12% at June 30, 2020, due 2020-2040	80,880	79,770
• 2009 Series B; Floating Rate*; 0.12% at June 30, 2020, due 2020-2040	80,880	79,770
• 2009 Series D; Floating Rate*; 0.12% at June 30, 2020, due 2020-2040	80,870	79,765
Total Home Mortgage Revenue Bonds	652,000	491,065
<i>Collateralized Bonds (Veterans Mortgage Program), Tax-Exempt:</i>		
• 2016 First and Second Series; 1.25% to 3.20%, due 2020-2046	50,000	45,560
• 2019 First and Second Series; 1.65% to 4.00%, due 2020-2049	60,000	48,735
• Unamortized premium		781
Total Collateralized Bonds (Veterans Mortgage Program)	110,000	95,076
<i>General Mortgage Revenue Bonds II, Tax-Exempt:</i>		
• 2012 Series A; 2.50%-4.125%, due 2020-2037 Unamortized discount	145,890	64,740 (120)
• 2016 Series A; 1.10%-3.50%, due 2020-2046 Unamortized premium	100,000	81,905 571
• 2018 Series A; 1.90%-4.00%, due 2020-2048 Unamortized premium	109,260	100,300 1,843
• 2018 Series B; 3.45%-5.00%, due 2031-2035 Unamortized premium	58,520	54,520 4,188
• 2019 Series A; 1.15%-3.75%, due 2020-2049 Unamortized premium	136,700	133,740 2,043
• 2019 Series B; 2.50%-5.00%, due 2030-2034 Unamortized premium	24,985	24,985 4,594
Total General Mortgage Revenue Bonds II, Tax-Exempt	\$ 575,355	\$ 473,309

	Original Amount	June 30, 2020
Housing Bonds (cont.)		
Governmental Purpose Bonds, Tax-Exempt:		
• 2001 Series A; Floating Rate*; 0.12% at June 30, 2020, due 2020-2030	\$ 76,580	\$ 37,905
Unamortized swap termination penalty		(3,313)
• 2001 Series B; Floating Rate*; 0.12% at June 30, 2020, due 2020-2030	93,590	46,320
Total Governmental Purpose Bonds	170,170	80,912
Total Housing Bonds	1,707,635	1,216,762
Non-Housing Bonds:		
State Capital Project Bonds, Tax-Exempt:		
• 2002 Series C; Floating Rate*; 0.13% at June 30, 2020, due 2020-2022	60,250	16,890
• 2011 Series A; 5.00%, due 2020	105,185	3,040
Unamortized premium		9
Total State Capital Project Bonds, Tax-Exempt	165,435	19,939
State Capital Project Bonds II, Tax-Exempt:		
• 2012 Series A; 3.25% to 5.00%, due 2020-2032	99,360	35,320
Unamortized discount		(76)
Unamortized premium		1,143
• 2013 Series A; 4.00% to 5.00%, due 2020-2032	86,765	55,115
Unamortized premium		2,283
• 2014 Series A; 4.00% to 5.00%, due 2020-2033	95,115	74,075
Unamortized discount		(44)
Unamortized premium		2,906
• 2014 Series B; 5.00%, due 2020-2029	29,285	21,820
Unamortized premium		1,542
• 2014 Series D; 5.00%, due 2020-2029	78,105	71,900
Unamortized premium		5,925
• 2015 Series A; 4.00% to 5.00%, due 2020-2030	111,535	92,715
Unamortized premium		7,690
• 2015 Series B; 3.00% to 5.00%, due 2020-2036	93,365	84,970
Unamortized discount		(165)
Unamortized premium		3,695
• 2015 Series C; 5.00%, due 2021-2035	55,620	43,430
Unamortized premium		4,559
• 2017 Series A; 4.00% to 5.00%, due 2020-2032	143,955	135,535
Unamortized premium		15,752
• 2017 Series C; 5.00%, due 2024-2032	43,855	43,855
Unamortized premium		6,074
• 2018 Series B; 3.125% to 5.00%, due 2020-2038	35,570	33,915
Unamortized discount		(70)
Unamortized premium		3,513
• 2019 Series B; 3.00% to 5.00%, due 2020-2039	60,000	59,070
Unamortized premium		9,665
Total State Capital Project Bonds II, Tax-Exempt	\$ 932,530	\$ 816,112

	Original Amount	June 30, 2020
Non-Housing Bonds (cont.):		
State Capital Project Bonds II, Taxable:		
• 2017 Series B; Floating Rate*; 0.25% at June 30, 2020, due 2047	\$ 150,000	\$ 150,000
• 2018 Series A; Floating Rate*; 0.22% at June 30, 2020, due 2031-2043	90,000	90,000
• 2019 Series A; Floating Rate*; 0.27% at June 30, 2020, due 2033-2044	140,000	140,000
Total State Capital Project Bonds II, Taxable	380,000	380,000
Total Non-Housing Bonds	1,477,965	1,216,051
Direct Placement Bonds, Taxable:		
• 2014 Series C; Indexed Floating Rate**, 0.673% at June 30, 2020, due 2029	140,000	140,000
Total Direct Placement Bonds, Taxable	140,000	140,000
Total Bonds Payable	\$ 3,325,600	\$ 2,572,813

Note: Debt service payments on the above-mentioned bonds are semi-annual unless otherwise mentioned.

*Interest rates on the annotated variable-rate bonds are established by the Remarketing Agents on each Rate Determination Date.

**Interest rates on the indexed floating rate bonds are established monthly based on an index and a prescribed spread in the underlying bond documents.

Assets Pledged As Collateral for Debt

AHFC's bonds are secured by the general obligation of the Corporation and may also be secured with collateral from mortgages, investments and/or direct financing leases. See the table below (in thousands):

	Mortgages	Investments	Leases	Total
Housing	\$ 1,584,237	\$ 223,355	\$ -	\$ 1,807,592
Non-Housing	-	-	22,468	22,468
Direct Placement	-	-	-	-
Total	\$ 1,584,237	\$ 223,355	\$ 22,468	\$ 1,830,060

Redemption Provisions

The bonds are generally subject to certain early-redemption provisions, both mandatory and at the option of the Corporation. The Corporation redeems debt pursuant to the terms of the related agreements governing such redemptions. For housing bonds, such agreements typically permit surplus revenues resulting primarily from mortgage loan prepayments to be used to retire housing obligations at par. With respect to non-housing and direct placement bonds, such agreements typically permit optional redemptions at par from any source of funds on or after a specified date.

The Corporation also issues new debt whose proceeds are used to redeem previously issued debt, called current refundings. The related discounts and costs of issuance of the old debt are classified as a deferred outflow of resources and amortized as interest expense. The Corporation may call some bonds at a premium using any monies once bonds reach a certain age and may also use a clean-up call to redeem certain bonds once the outstanding amount falls below 15% of the total issuance.

During the twelve months ended June 30, 2020, the Corporation made special redemptions in the amount of \$171,395,000.

Advance Refundings

There were no advance refundings in fiscal year 2020. A summary of all defeased debt from prior fiscal years as of June 30, 2020, follows (in thousands):

	Date Defeased	June 30, 2020
State Capital Project Bonds, 2011 Series A	September 2017	\$ 63,705
State Capital Project Bonds II, 2012 Series A	December 2017	29,795
State Capital Project Bonds II, 2013 Series A	December 2017	16,345
		<u>\$ 109,845</u>

Debt Service Requirements**

For all bonds in the preceding schedules, the Corporation's annual debt service requirements through 2025 and in five year increments thereafter to maturity are shown below (in thousands):

Year Ended June 30,	Housing Bond Debt Service			Non-Housing Bond Debt Service		
	Principal	Interest*	Total	Principal	Interest*	Total
2021	\$ 40,290	\$ 40,332	\$ 80,622	\$ 55,890	\$ 36,443	\$ 92,333
2022	41,655	39,173	80,828	57,855	33,750	91,605
2023	43,300	37,922	81,222	53,425	30,883	84,308
2024	41,545	36,654	78,199	57,110	28,176	85,286
2025	43,020	35,389	78,409	57,895	25,324	83,219
2026-2030	259,200	154,314	413,514	296,730	82,905	379,635
2031-2035	351,435	99,830	451,265	188,175	24,496	212,671
2036-2040	242,415	49,521	291,936	66,825	6,608	73,433
2041-2045	101,460	14,974	116,434	167,745	3,702	171,447
2046-2050	43,450	3,286	46,736	150,000	938	150,938
	<u>\$ 1,207,770</u>	<u>\$ 511,395</u>	<u>\$ 1,719,165</u>	<u>\$ 1,151,650</u>	<u>\$ 273,225</u>	<u>\$ 1,424,875</u>

Year Ended June 30,	Direct Placement Debt Service			Total Debt Service		
	Principal	Interest*	Total	Principal	Interest*	Total
2021	\$ -	\$ 4,573	\$ 4,573	\$ 96,180	\$ 81,348	\$ 177,528
2022	-	4,573	4,573	99,510	77,496	177,006
2023	-	4,573	4,573	96,725	73,378	170,103
2024	-	4,586	4,586	98,655	69,416	168,071
2025	-	4,573	4,573	100,915	65,287	166,202
2026-2030	140,000	20,599	160,599	695,930	257,819	953,749
2031-2035	-	-	-	539,610	124,326	663,936
2036-2040	-	-	-	309,240	56,129	365,369
2041-2045	-	-	-	269,205	18,675	287,880
2046-2050	-	-	-	193,450	4,223	197,673
	<u>\$ 140,000</u>	<u>\$ 43,477</u>	<u>\$ 183,477</u>	<u>\$ 2,499,420</u>	<u>\$ 828,097</u>	<u>\$ 3,327,517</u>

* Interest requirements have been computed for hedged variable rate bonds using the associated fixed swap rates and for unhedged variable rate bonds using interest rates in effect at June 30, 2020.

** Also see Note 11 – Derivatives.

Conduit Debt

From time to time, the Corporation has issued debt to assist private-sector entities in the acquisition or construction of facilities that help the Corporation fulfill its mission of making housing affordable for all Alaskans. The bonds are secured by the properties financed and are payable from rents, payments received on the underlying mortgage loans, as well as tax credits, grants and other subsidy funding. Neither the Corporation nor the State is obligated in any manner for repayment of the bonds. Accordingly, the bonds and any related assets are not reported as assets or liabilities in the accompanying financial statements.

A summary of all conduit debt as of June 30, 2020, follows (in thousands):

	Maximum Issue Amount	Balance as of June 30, 2020	Remaining Authority as of June 30, 2020
Revenue Bonds, 2018 (Marina Karina Project)	\$ 4,400	\$ 742	\$ 3,658
Revenue Bonds, 2020 (West 32nd Avenue Project)	3,500	50	3,450

Events of Default

Significant finance-related events of default with respect to the Corporation's outstanding housing, non-housing, and direct placement bonds include a failure to repay principal at stated maturity or upon redemption (including sinking fund payments); a failure to pay interest when due; and a continued failure to comply with, or default in the performance or observance of, any of the covenants, agreements or conditions in the Indenture 45 days after having received written notice thereof.

11 DERIVATIVES

The Corporation entered into derivatives to reduce the overall cost of borrowing long-term capital and protect against the risk of rising interest rates. The Corporation's derivatives consist of interest rate swap agreements entered into in connection with its long-term variable rate bonds. The interest rate swaps are pay-fixed, receive-variable agreements, and were entered into at a cost less than what the Corporation would have paid to issue conventional fixed-rate debt.

The swaps are recorded and disclosed as either hedging derivatives or investment derivatives. The synthetic instrument method was used to determine whether or not the derivatives constitute effective hedges. The fair values of the hedgeable derivatives and investment derivatives are presented in the Statement of Net Position, either as a derivative liability (negative fair value amount) or as a derivative asset (positive fair value amount). If a swap changes from a hedgeable derivative to an investment derivative, the hedge is considered terminated and the accumulated change in fair value is no longer deferred but recognized as a revenue item.

AHFC categorizes its fair value measurements within the fair value hierarchy established by Generally Accepted Accounting Principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The fair value amounts, obtained from mark to market statements from the respective counterparties and reconciled to present value calculations done by the Corporation, represent mid-market valuations that approximate the current economic value using market averages, reference rates, and/or mathematical models. These measurements are Level 2 inputs. Actual trade prices may vary significantly from these estimates as a result of various factors, which may include (but are not limited to) portfolio composition, current trading intentions, prevailing credit spreads, market liquidity, hedging costs and risks, position size, transaction and financing costs, and the use of capital profit. The fair value represents the current price to settle swap assets or liabilities in the marketplace if a swap were to be terminated.

The Corporation's interest rate swaps require that if the ratings on the associated bonds fall to "BBB+/Baa1", the Corporation would have to post collateral of up to 100 percent of the swap's fair value. As of June 30, 2020, the Corporation had not posted any collateral and was not required to post any collateral.

Hedging Derivatives

The significant terms and credit ratings of the Corporation's hedging derivatives as of June 30, 2020, are shown below:

Related Bond Issue	Effective Date	Fixed Rate Paid	Variable Rate Received	Swap Termination Date	Counterparty Credit Rating ⁷
GP01A ¹	12/01/08	2.4530%	67% of 1M LIBOR ⁴	12/01/30	BBB+/A3
GP01B	08/02/01	4.1427%	67% of 1M LIBOR	12/01/30	AA/Aa3
E021A1 ²	10/09/08	2.9800%	70% of 3M LIBOR ⁵	06/01/32	AA-/Aa2
SC02C ³	12/05/02	4.3030%	SIFMA ⁶ + 0.115%	07/01/22	A+/Aa1
E071AB	05/31/07	3.7345%	70% of 3M LIBOR	12/01/41	AA-/Aa2
E071BD	05/31/07	3.7200%	70% of 3M LIBOR	12/01/41	A+/Aa1
E091A	05/28/09	3.7610%	70% of 3M LIBOR	12/01/40	A+/Aa1
E091B	05/28/09	3.7610%	70% of 3M LIBOR	12/01/40	AA-/Aa2
E091ABD	05/28/09	3.7400%	70% of 3M LIBOR	12/01/40	A+/Aa1
SC14C	06/01/19	3.2220%	100% of 1M LIBOR	12/01/29	AA-/Aa2

- | | |
|--|---|
| 1. Governmental Purpose Bonds | 5. London Interbank Offered Rate 3 month |
| 2. Home Mortgage Revenue Bonds | 6. Securities Industry and Financial Markets Municipal Swap Index |
| 3. State Capital Project Bonds (I/II) | 7. Standard & Poor's/Moody's |
| 4. London Interbank Offered Rate ("LIBOR") 1 month | |

The change in fair value and ending balance of the hedging derivatives as of June 30, 2020, is shown below (in thousands). The fair value is reported as a deferred outflow / inflow of resources in the Statement of Net Position.

Related Bond Issue	Notional Amounts	Present Values	Fair Values		Change in Fair Value
			June 30, 2020	June 30, 2019	
GP01A	\$ 37,905	\$ 42,650	\$ (4,745)	\$ (3,063)	\$ (1,682)
GP01B	46,320	56,675	(10,355)	(8,776)	(1,579)
E021A1	32,515	38,145	(5,630)	(3,844)	(1,786)
SC02C	16,890	17,585	(695)	(1,059)	364
E071AB	132,504	184,132	(51,628)	(35,750)	(15,878)
E071AD	88,336	122,534	(34,198)	(23,645)	(10,553)
E091A	71,791	99,154	(27,363)	(19,138)	(8,225)
E091B	71,792	98,712	(26,920)	(18,854)	(8,066)
E091ABD	95,722	131,313	(35,591)	(24,873)	(10,718)
SC14C	140,000	175,421	(35,421)	(17,789)	(17,632)
Total	\$ 733,775	\$ 966,321	\$ (232,546)	\$ (156,791)	\$ (75,755)

As of June 30, 2020, debt service requirements of the Corporation's outstanding variable-rate debt and net swap payments are displayed in the following schedule (in thousands). As interest rates vary, variable-rate bond interest payments and net swap payments will also vary.

Fiscal Year Ending June 30	VRDO Principal	VRDO Interest	Swap Net Payment	Total Payments
2021	\$ 27,780	\$ 1,664	\$ 24,625	\$ 54,069
2022	29,230	1,629	23,630	54,489
2023	27,175	1,591	22,581	51,347
2024	24,750	1,559	21,701	48,010
2025	25,920	1,528	20,855	48,303
2026-2030	288,960	6,646	87,986	383,592
2031-2035	127,845	1,508	44,153	173,506
2036-2040	148,840	709	20,846	170,395
2041-2045	33,275	34	1,017	34,326
	\$ 733,775	\$ 16,868	\$ 267,394	\$ 1,018,037

Credit Risk

As of June 30, 2020, the Corporation was not exposed to credit risk on any of the swaps because the swaps all have negative fair values. If interest rates rise and the fair value of the swaps becomes positive, the Corporation would be exposed to credit risk in the amount of the swaps' fair value. The swap agreements contain varying collateral agreements with the counterparties and require full collateralization of the fair value amount of the swap should the counterparty's rating fall to "BBB+/Baa1". The Corporation currently has swap agreements with six separate counterparties. Approximately 32.3% of the total notional amount of the swaps is held with one counterparty rated "AA-/Aa2". Another 27.4% of the total notional amount of the swaps is held with another counterparty rated "A+/Aa1" and 19.1% of the total notional amount of the swaps is held with another counterparty rated "AA-/Aa2." Of the remaining swaps, the counterparties are rated "A+/Aa1", "AA/Aa3", and "BBB+/A3", approximating 9.8%, 6.3%, and 5.2% respectively, of the total notional amount of the swaps.

Interest Rate Risk

The Corporation is exposed to interest rate risk on all of its interest rate swaps. As LIBOR or the SIFMA index decreases, the Corporation's net payment on the swaps increases.

Basis Risk

All of the Corporation's variable-rate bond interest payments related to interest rate swaps are based on the tax-exempt SIFMA index. Therefore, the Corporation is exposed to basis risk on swaps where the variable payment received on the swaps is based on a taxable LIBOR index and does not fully offset the variable rate paid on the bonds. The SC02C swap is based on the SIFMA index and thus is not exposed to any basis risk. As of June 30, 2020, SIFMA was 0.13% and 1-month LIBOR was 0.16%, resulting in a SIFMA/LIBOR ratio of 80%. The 3-month LIBOR was 0.30%, resulting in a SIFMA/LIBOR ratio of 43%. The SIFMA/LIBOR ratios have fluctuated since the agreements became effective but the anticipated cost savings from the swaps increases as the ratios decrease.

Termination Risk

Termination risk is the risk of an unscheduled termination of a swap prior to its planned maturity. If any of the swaps are terminated, the associated floating rate bonds would no longer carry synthetic fixed interest rates and the Corporation would be exposed to interest rate risk on the bond. This risk is mitigated by the fact that the termination payment could be used to enter into an identical swap at the termination date of the existing swap. Further, if any of the swaps have a negative fair value at termination, the Corporation would be liable to the counterparty for payments equal to the swaps' fair value. The Corporation or the counterparty may terminate any of the swaps if the other party fails to perform under the terms of the agreement, including downgrades and events of default.

Rollover Risk

Rollover risk occurs when there is a mismatch in the amortization of the swap versus the amortization of the floating rate bonds. The Corporation has structured the swaps to amortize at the same rate as scheduled or anticipated reductions in the associated floating rate bonds outstanding. The Home Mortgage Revenue Bonds, 2002 Series A swaps were set up in several tranches of various sizes that could be cancelled to parallel the redemption of debt from mortgage prepayments. In addition, the Governmental Purpose Bonds, 2001 Series A and B swaps cover only a portion of the total debt issuance, allowing any increase in the speed of mortgage prepayments to be directed to the un-swapped portion of the debt.

Investment Derivative

The State Capital Project Bonds, 2002 Series B, were fully redeemed in fiscal year 2009, so the associated interest rate swap is no longer a hedging derivative and is accounted for as an investment derivative.

The significant terms and credit ratings of the Corporation's investment derivative as of June 30, 2020, are shown below:

Related	Swap				
Bond Issue	Effective Date	Fixed Rate Paid	Variable Rate Received	Termination Date	Counterparty Credit Rating
SC02B	12/05/02	3.77%	70% of 1M LIBOR	07/01/24	A+/Aa1

The change in fair value of the investment derivatives as of June 30, 2020, is shown below (in thousands) and is presented on the net change of hedge termination line in the Statement of Revenues, Expenses, and Changes in Net

Position.

Related Bond Issue	Notional Amounts	Present Values	Fair Values		Change in Fair Value
			June 30, 2020	June 30, 2019	
SC02B	\$ 14,555	\$ 16,290	\$ (1,735)	\$ (1,558)	\$ (177)

Credit Risk

As of June 30, 2020, the Corporation was not exposed to credit risk on this outstanding swap because the swap had a negative fair value. If interest rates rise and the fair value of the swap becomes positive, the Corporation would be exposed to credit risk in the amount of the swaps' fair value. The swap agreement requires the counterparty to fully collateralize the fair value amount of the swap should the counterparty's rating fall to "BBB+/Baa1". The counterparty on this swap is rated "A+/Aa1".

12 LONG TERM LIABILITIES

The activity for the twelve months ended June 30, 2020, is summarized in the following schedule (in thousands):

	June 30, 2019	Additions	Reductions	June 30, 2020	Due Within One Year
Total bonds and notes payable	\$ 2,461,125	\$ 379,558	\$ (267,870)	\$ 2,572,813	\$ 96,180
Net Pension liability	35,515	445	-	35,960	-
Net OPEB liability	7,286	80	(6,358)	1,008	-
Compensated absences	4,317	2,816	(2,401)	4,732	966
Other liabilities	-	397	(397)	-	-
Total long-term liabilities	\$ 2,508,243	\$ 383,296	\$ (277,026)	\$ 2,614,513	\$ 97,146

13 SHORT TERM DEBT

The Corporation has a taxable commercial paper program. Commercial paper is used to refund certain tax-exempt debt until new debt replaces it. Individual maturities range up to 270 days from date of issuance. The maximum aggregate outstanding principal balance authorized by the Corporation's Board of Directors is \$150,000,000. The lowest yield during the twelve months ended June 30, 2020, was 0.17% and the highest, 2.46%.

Short term debt activity for the twelve months ended June 30, 2020, is summarized in the following schedule (in thousands):

	June 30, 2019	Additions	Reductions	June 30, 2020
Commercial paper	\$ 49,550	\$ 657,438	\$ (591,571)	\$ 115,417
Unamortized discount	(81)	(718)	748	(51)
Commercial paper, net	\$ 49,469	\$ 656,720	\$ (590,823)	\$ 115,366

14 DEFERRED INFLOWS OF RESOURCES

The Government Accounting Standards Board has defined deferred inflows of resources as the acquisition of resources that are applicable to a future period. AHFC's pension deferred inflows of resources at June 30, 2020, totaling \$1,537,000, represent the difference between expected and actual experience of \$532,000 and changes in proportion and differences between employer contributions of \$1,005,000 in the State of Alaska's PERS Defined Benefit Retirement Plan. AHFC's OPEB deferred inflows of resources at June 30, 2020, represent \$709,000 difference between expected and actual experience, 3,000 changes in assumptions, \$430,000 difference between projected and actual investment earnings, and \$183,000 changes in proportion and differences between employer contributions in the OPEB plan. The combined total of all OPEB deferred inflows of resources is \$1,324,000. The combined total of all deferred inflows of resources is \$2,861,000.

15 TRANSFERS

Transfers for the twelve months ended June 30, 2020, are summarized in the following schedule (in thousands):

	From					Total
	Administrative Fund	Grant Programs	Mortgage or Bond Programs	Other Funds or Programs	Alaska Corporation for Affordable Housing	
To Administrative Fund	\$ -	\$ 2,126	\$ 593,813	\$ 6,613	\$ -	\$ 602,552
Grant Programs	13,846	-	-	-	-	13,846
Mortgage or Bond Programs	537,583	-	-	-	-	537,583
Other Funds or Programs	9,980	-	-	-	-	9,980
Alaska Corporation for Affordable Housing	1,664	-	-	-	-	1,664
Total	\$ 563,073	\$ 2,126	\$ 593,813	\$ 6,613	\$ -	\$ 1,165,625

Transfers are used to:

- (1) move cash between the Administrative Fund and the Mortgage or Bond Programs to subsidize debt service payments or satisfy bond indenture requirements;
- (2) move mortgages between the Administrative Fund and the Mortgage or Bond Programs;
- (3) record expenditures paid on behalf of the Grant Programs, the Mortgage or Bond Programs, and the Other Funds or Programs by the Administrative Fund;
- (4) move cash and mortgages between various Mortgage or Bond Programs; or
- (5) record any non-reimbursable expenditures paid by the Administrative Fund on behalf of ACAH and cash transferred between the Administrative Fund and ACAH.

16 OTHER CREDIT ARRANGEMENTS

The Corporation currently has certain outstanding debt obligations in relation to which it has entered into standby bond purchase agreements ("SBPAs") to guarantee the payment of debt service in the event of unremarketed tenders. The Corporation also entered into a revolving credit agreement ("RCA") in 2017 for up to \$300,000,000 of additional liquidity with respect to debt issued under its State Capital Project Bonds indenture, State Capital Project Bonds II indenture, and Commercial Paper Notes program.

At June 30, 2020, the Corporation had the following available unused credit lines (in thousands):

	Credit Type	Credit Exposure:		Available Unused Lines of Credit
		S&P	Moody	
2002 Series A Home Mortgage Revenue Bonds	SBPA	AA+	Aaa	\$ 32,515
2007 Series A, B, D Home Mortgage Revenue Bonds	SBPA	AA+	Aaa	220,840
2009 Series A Home Mortgage Revenue Bonds	SBPA	A+	Aa1	79,770
2009 Series B Home Mortgage Revenue Bonds	SBPA	A+	Aa1	79,770
2009 Series D Home Mortgage Revenue Bonds	SBPA	AA+	Aaa	79,765
2001 Series A & B Governmental Purpose Bonds	SBPA	AA+	Aaa	84,225
State Capital Project Bonds (I & II) & Commercial Paper	RCA	A	A1	300,000
Total				<u>\$ 876,885</u>

17 YIELD RESTRICTION AND ARBITRAGE REBATE

Most mortgages purchased with the proceeds of tax-exempt mortgage revenue bonds issued by the Corporation are subject to interest-rate yield restrictions of 1.125% to 1.500% over the yield of the bonds. These restrictions are in effect over the lives of the bonds.

Non-mortgage investments made under the Corporation's tax-exempt mortgage revenue bond programs are subject to rebate provisions or restricted as to yields. The rebate provisions require that a calculation be performed every five years and upon full retirement of the bonds to determine the amount, if any, of excess yield earned and owed to the

Internal Revenue Service. As investment rates change over time, it is sometimes possible to recoup previous rebate payments. With respect to the Corporation's Governmental Purpose Bonds, 2001 Series A and B, prior payments totaled \$1,396,000, but rebate liability as of June 30, 2020, was \$667,000, resulting in \$729,000 due to the Corporation.

18 STATE AUTHORIZATIONS AND COMMITMENTS

The Corporation uses its assets to fund certain housing and non-housing capital projects identified by the State. The aggregate amount expected to be funded by the Corporation was expressed by the following language of legislative intent included in the fiscal year 1996 capital appropriation bill, enacted in 1995.

"The Legislature intends to ensure the prudent management of the Alaska Housing Finance Corporation to protect its excellent debt rating by the nation's financial community and to preserve its valuable assets of the State. To accomplish its goal, the sum of withdrawals for transfer to the general fund and for expenditure on corporate funded capital projects should not exceed the Corporation's net income for the preceding fiscal year."

The projected amounts stated in the legislative intent language were based on the Corporation's financial operating plan and represent the total amount of anticipated State transfers and capital expenditures rather than projected "net income". The following table shows the cumulative total of all dividends due and payable to the State since 1991, and the remaining commitment as of June 30, 2020, (in thousands).

	Dividend Due to State	Expenditures	Remaining Commitments
State General Fund Transfers	\$ 807,018	\$ (788,948)	\$ 18,070
State Capital Projects Debt Service	482,877	(470,877)	12,000
State of Alaska Capital Projects	276,186	(251,641)	24,545
AHFC Capital Projects	535,592	(492,570)	43,022
Total	<u>\$ 2,101,673</u>	<u>\$ (2,004,036)</u>	<u>\$ 97,637</u>

Transfer Plan with the State

The 1998 Legislature authorized the Corporation to finance state capital projects through the issuance of up to \$224,000,000 in bonds. Debt service payments on such bonds are categorized as transfers pursuant to the Transfer Plan. That legislation also extended the term of the Transfer Plan by stating the Legislature's intent that the Corporation transfer to the State (or expend on its behalf) an amount not to exceed \$103,000,000 in each fiscal year through fiscal year 2006, again stating that, to protect the Corporation and its bond rating, in no fiscal year should such amount exceed the Corporation's net income for the preceding fiscal year. The bond proceeds are allocated to agencies and municipalities subject to specific legislative appropriation.

The 2000 Legislature adopted legislation authorizing the issuance of bonds in sufficient amounts to fund the construction of various State capital projects, and extended the Transfer Plan (as described above) through fiscal year 2008. The 2002 Legislature authorized the issuance of capital project bonds for the renovation and deferred maintenance of the Corporation's Public Housing facilities. The 2004 Legislature adopted legislation authorizing the additional issuance of bonds in sufficient amounts to fund the construction of various State capital projects. The bond proceeds are allocated to agencies and municipalities subject to specific legislative appropriation.

The Corporation has issued \$196,345,000 principal amount of State Capital Project Bonds pursuant to the 1998 Act, \$74,535,000 principal amount of State Capital Project Bonds pursuant to the 2000 Act, \$60,250,000 principal amount of State Capital Project Bonds pursuant to the 2002 Act, and \$45,000,000 principal amount of bonds under the State Capital Project agreement pursuant to the 2004 Act, and has completed its issuance authority under the Acts. The payment of principal and interest on these bonds will be included in future capital budgets of the Corporation. Debt service payments on such bonds are categorized as transfers pursuant to the Transfer Plan.

The Twenty-Third Legislature in 2003 enacted SCS HB 256 (the "2003 Act") which added language to the Alaska Statutes to modify and incorporate the Transfer Plan. The Corporation and the State view the 2003 Act as an indefinite, sustainable continuation of the Transfer Plan. As approved and signed into law by the Governor and modified by the Twenty-Fourth Legislature in 2006 with SB 236, the 2003 Transfer Plan calls for annual transfers that will not exceed the lesser of 75% of the adjusted change in net position for the fiscal year two years prior to the current fiscal year or \$103,000,000 less debt service on certain State Capital Project Bonds, less any legislative appropriation of the Corporation's unrestricted, unencumbered funds other than appropriations of the Corporation's operating budget.

19 HOUSING GRANTS AND SUBSIDIES EXPENSES

The grant programs are funded from HUD, federal, State and Corporate proceeds. The Corporation paid grants to third parties for the following programs (in thousands):

		June 30, 2020
AMHTA Rural Capacity Expansion	\$	68
Beneficiaries and Special Needs Housing		2,519
Continuum of Care Homeless Assistance		2,054
Alaska Housing Relief Program (AHR)		24
Domestic Violence		1,685
Discharge Incentive grant		187
Drug Elimination		15
Emergency Shelter Grant (ESG)		245
Energy Efficiency Monitoring Research		361
Energy Efficient Home Program		(2)
Foster Youth to Independence		15
HOME Investment Partnership		2,896
Homeless Assistance Program (HAP)		5,989
Housing Choice Vouchers		30,709
Housing Choice Voucher - Mainstream		252
Housing Grants - Other Agencies		5
Housing Loan Program		797
Housing Opportunities for Persons with AIDS		692
Housing Trust Fund		1,717
Low Income Weatherization Assistance		5,432
Low Income Home Energy Assistance		669
Non-Elderly Disabled (NED)		239
Parolees (TBRA)		558
Section 811 Rental Housing Assistance		84
Section 8 Rehabilitation		492
Senior Citizen Housing Development Grant		1,178
Supplemental Housing Grant		2,822
Veterans Affairs Supportive Housing		1,954
Youth (TBRA)		144
Total Housing Grants and Subsidies Expenses	\$	63,800

In addition to grant payments made, the Corporation had advanced grant funds of \$4,747,000 and committed to third parties a sum of \$35,025,000 in grant awards as of June 30, 2020.

20 PENSION AND POST-EMPLOYMENT HEALTHCARE PLANS

Description of Plans

As of June 30, 2020, 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. Benefits and contributions 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.

PERS audited financial statements are available at www.doa.alaska.gov/drb.

Defined Benefit (“DB”) Pension and Post-Employment Healthcare Plans (*Employees hired prior to July 1, 2006*)

Employee Benefits:

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 provides death and disability benefits.

Employees hired between July 1, 1986, and June 30, 1996, 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. 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 July 1, 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.

This plan was closed to new entrants as of June 30, 2006.

The Defined Benefit Pension and Post-Employment Healthcare Plan issues financial reports that are available to the public on the SOA website: alaska.gov/drb/employer/resources/gasb.html

Funding Policy:

Under State law, covered employees are required to contribute 6.75% 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 22.00% of annual covered salary. For fiscal year 2020, 15.72% of covered salary is for the pension plan and 6.28% is for the post-employment healthcare plan.

Under AS39.35.255, the State funds 6.62%, the difference between the actuarial required contribution of 28.62% for fiscal year 2020 and the employer rate of 22.00%.

Pension Liabilities:

At June 30, 2020, the Corporation reported a liability for its proportionate share of net pension liability of \$35,960,000. This amount reflected State pension support provided to the Corporation of \$14,276,000. The total net pension liability associated with the Corporation was \$50,236,000.

The net pension liability for the June 30, 2019 measurement date, and the total pension liability used to calculate the new pension liability was determined by an actuarial valuation as of June 30, 2018 and rolled forward to June 30, 2019.

Pension Expense:

For the year ended June 30, 2020, the Corporation recognized pension expense of \$5,006,000 and revenue of \$1,383,000 for support provided by the State.

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

As of June 30, 2020, the Corporation's deferred outflows of resources related to pension expense of \$4,178,000 were due to changes in assumptions of \$1,101,000, a difference between projected and actual investment earnings of \$516,000 and contributions to the pension plan subsequent to the measurement date of \$2,561,000. The Corporation's deferred inflows of resources related to pension of \$1,537,000 were due to a difference between expected and actual experience of \$532,000 and a change in proportion and differences between employer contributions of \$1,005,000.

Contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending June 30, 2020. The amounts recognized as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows (in thousands):

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
2021	\$ 3,081	\$ (385)	\$ 2,696
2022	4	(384)	(380)
2023	531	(384)	147
2024	562	(384)	178
	<u>\$ 4,178</u>	<u>\$ (1,537)</u>	<u>\$ 2,641</u>

Pension Employer Contributions:

In 2020, the Corporation was credited with the following contributions to the PERS plan:

	Measurement Period Corporation FY19	Measurement Period Corporation FY18
Employer PERS contributions	\$ 2,616,000	\$ 2,932,000

Pension and OPEB Actuarial Assumptions:

The total pension and OPEB liabilities for the fiscal year ending June 30, 2020, was determined by an actuarial valuation as of June 30, 2018, rolled forward to the measurement date of June 30, 2019. The valuation was prepared assuming an inflation rate of 2.50%. Salary increases were determined by grading by service to range from 6.75% to 2.75%. The investment rate of return was calculated at 7.38%, net of pension and OPEB plan investment expenses, based on an average inflation rate of 2.50% and a real return of 4.88%.

Mortality rates were based on the RP-2014 table, based upon the 2013-2017 actual experience.

The actuarial assumptions used in the June 30, 2018 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2013, to June 30, 2017.

The long-term expected rate of return on pension and OPEB plans 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 and OPEB plans investment expense and inflation) are developed for each major asset class. These ranged 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, excluding the inflation component of 2.50%, for each major asset class included in the and OPEB plans' target asset allocation are summarized in the following:

Asset Class	Long-term Expected Real Rate of Return
Domestic Equity	8.16 %
Global Equity (non-U.S.)	7.51 %
Intermediate treasuries	1.58 %
Opportunistic	3.96 %
Real Assets	4.76 %
Private Equity	11.39 %
Cash Equivalentents	0.83 %

Pension Discount rate:

The discount rate used to measure the total pension liability was 7.38%. 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 in accordance with the method prescribed by GASB Statement No. 67.

Sensitivity of the Corporation's proportionate share of the net pension liability to changes in the discount rate:

The following presents the Corporation's proportionate share of the net pension liability using the discount rate of 7.38% and what it would be if the discount was 1% lower (6.38%) or 1% higher (8.38%), (in thousands).

	1% Decrease (6.38%)	Current Discount Rate (7.38%)	1% Increase (8.38%)
Corporation's proportionate share of the net pension liability	\$ 47,462	\$ 35,960	\$ 26,329

Defined Contribution ("DC") Pension and Post-Employment Healthcare Plans (*Employees hired on or after July 1, 2006*):

Employee Benefits

Defined Contribution Pension Plan participants (PERS Tier IV) participate in the Occupational Death and Disability Plan ("ODD"), and the Retiree Medical Plan ("RM"). Information on these plans is included in the comprehensive annual financial report for the PERS Plan noted above. These plans provide for death, disability, and post-employment healthcare benefits.

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 employee's 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.

Funding Policy

Under State law, covered employees are required to contribute 8% of their annual covered salary to the pension plan and are not required to contribute to the post-employment healthcare plan. Employer contribution rates for the fiscal year 2020 are as follows:

	Other Tier IV
Pension Employer Contribution	5.00 %
Occupational Death and Disability Benefits (ODD)	0.26 %
Retiree Medical	1.32 %
Total OPEB	1.58
Total Contribution Rates	6.58 %

Under State law, the Corporation is required to contribute 22% of annual covered salary. For fiscal year 2020, 6.58% of covered salary is split between 5.00% for the pension plan and 1.58% for the post-employment healthcare plan. Then, to offset additional individual post-employment healthcare cost, an annual flat dollar amount of \$2,121.60, representing 3% of total annual covered compensation in the Plan for each full-time employee, and \$1.36 per hour for part-time employees, is deposited in a Health Reimbursement Arrangement ("HRA") Account for each covered employee per AS 39.30.370.

Additionally, if the total amount that the Corporation has contributed for the defined contribution pension and post-employment healthcare plans is less than 22% of covered payroll after the HRA contributions, the Corporation must pay that additional amount. This additional amount is used to reduce the defined benefit plan's unfunded liability. For the twelve months ended June 30, 2020, the Corporation paid additional contributions of \$1,240,000. These contributions equal \$886,000 for the defined benefit pension as of June 30, 2020, and \$354,000 for the defined benefit post-employment healthcare plans as of June 30, 2020.

The contributions to the pension plan for the twelve months ended June 30, 2020, by the employees totaled \$817,000 and by the Corporation totaled \$505,000.

The contributions to Other Post-Employment Benefits (OPEB) plan by the Corporation for the twelve months ended June 30, 2020, totaled \$159,000.

The Corporation contributed \$335,000 to a Health Reimbursement Arrangement for the twelve months ended June 30, 2020.

The Defined Contribution Pension and Post Employment Healthcare Plan issues financial reports that are available to the public on the SOA website: alaska.gov/drb/employer/resources/gasb.html.

Other Post-Employment Benefits (“OPEB”) Defined Benefit and Defined Contribution Plans

The Corporation’s contributions to the defined benefit post-employment healthcare plan for the twelve months ended June 30, 2020, totaled \$669,000, and for the years ended June 30, 2019, and June 30, 2018, totaled \$676,000 and \$613,000, respectively.

OPEB Employer Contribution Rate:

In 2020, the Corporation was credited with the following contributions to the OPEB plan:

	Measurement Period Corporation FY19	Measurement Period Corporation FY18
Employer contributions DB	\$ 2,616,000	\$ 2,932,000
Employer contributions DC RM	82,000	83,000
Employer contributions DC ODD	23,000	13,000
Nonemployer contributions (on-behalf)	-	-
Total Contributions	\$ 2,721,000	\$ 3,028,000

Changes in Benefit Provisions Since the Prior Valuation of OPEB:

For the DB and DC RM OPEB plans, in addition to the changes in assumptions due to the experience study displayed in the table “OPEB Actuarial Assumptions,” the following assumption changes have been made since the prior evaluation: a) based on recent experience, the healthcare cost trend assumptions were updated, b) per capita claim costs were updated to reflect recent experience, c) healthcare costs trends were updated to reflect a Cadillac tax load. For the DB OPEB only, the changes of the benefit terms are significantly impacted by the adoption of EGWP program, certain prescription drug benefits previously provided by the Plan now provided by Medicare. No changes for DC ODD plan, except for the changes in assumptions due to the experience study displayed in the table “OPEB Actuarial Assumptions.”

OPEB healthcare cost trend rates:

Healthcare cost trend model has been adopted by the Society of Actuaries, and has been populated with assumptions that are specific to the State of Alaska. The table below shows the rate used by actuaries to project the cost from the shown fiscal year to the next fiscal year (includes increase due to the cost plan excise tax (Cadillac tax)).

	Medical Pre-65	Medical Post-65	Prescription Drugs/ Employer Group Waiver Plan (EGWP)	RDS
FY19	7.5%	5.5%	8.5%	4.7%
FY20	7.0%	5.4%	8.0%	4.7%
FY21	6.5%	5.4%	7.5%	4.6%
FY22	6.3%	5.4%	7.1%	4.6%
FY23	6.1%	5.4%	6.8%	4.6%
FY24	5.9%	5.4%	6.4%	4.6%
FY25	5.8%	5.4%	6.1%	4.6%
FY26	5.6%	5.4%	5.7%	4.6%
FY27-FY40	5.4%	5.4%	5.4%	4.5%
FY41	5.3%	5.3%	5.3%	4.5%
FY42	5.2%	5.2%	5.2%	4.5%
FY43	5.1%	5.1%	5.1%	4.5%
FY44	5.1%	5.1%	5.1%	4.5%
FY45	5.0%	5.0%	5.0%	4.5%
FY46	4.9%	4.9%	4.9%	4.5%
FY47	4.8%	4.8%	4.8%	4.5%
FY48	4.7%	4.7%	4.7%	4.5%
FY49	4.6%	4.6%	4.6%	4.5%
FY50+	4.5%	4.5%	4.5%	4.5%

Key Elements of OPEB formula:

Liabilities and contributions shown in the report are computed using the Entry Age Normal Actuarial Cost Method. Projected pension and postemployment healthcare benefits were determined for all active members. Cost factors designed to produce annual costs as a constant percentage of each member's expected compensation in each year from the assumed entry age to the assumed retirement age were applied to the projected benefits to determine the normal cost (the portion of the total cost of the plan allocated to the current year under the method). The normal cost is determined by summing intermediate results for active members and determining an average normal cost rate, which is then related to the total payroll of active members. The actuarial accrued liability for active members (the portion of the total cost of the plan allocated to prior years under the method) was determined as the excess of the actuarial present value of projected benefits over the actuarial present value of future normal costs.

The actuarial accrued liability for retired members, their beneficiaries currently receiving benefits, terminated vested members and disabled members not yet receiving benefits was determined as the actuarial present value of the benefits expected to be paid. No future normal costs are payable for these members.

The actuarial accrued liability under this method at any point in time is the theoretical amount of the fund that would have been accumulated had annual contributions equal to the normal cost been made in prior years (it does not represent the liability for benefits accrued to the valuation date). The unfunded actuarial accrued liability is the excess of the actuarial accrued liability over the actuarial value of plan assets measured on the valuation date.

Post-employment healthcare benefits:

For DB plan major medical benefits are provided to retirees and their surviving spouses by PERS for all employees hired before July 1, 1986, (Tier 1) and disabled retirees. Employees hired after June 30, 1986, (Tier 2) and their surviving spouses with five years of credited service (or ten years of credited service for those first hired after June 30, 1996, (Tier 3)) must pay the full monthly premium if they are under age sixty and will receive full benefits paid by PERS if they are over age sixty. Tier 3 Members with between five and ten years of credited service must pay the full monthly premium regardless of their age. Tier 2 and Tier 3 members with less than five years of credited service are not eligible for post-employment healthcare benefits. Tier 2 members, who are receiving a conditional benefit and are age eligible, are eligible for post-employment healthcare benefits. Employees and their surviving spouses with thirty years of membership service receive benefits paid by PERS, regardless of their age or date of hire.

Medical, prescription drug, dental, vision and audio coverage is provided through the AlaskaCare Retiree Health Plan. Health plan provisions do not vary by retirement tier or age, except for Medicare coordination. Surviving spouses continue coverage only if a pension payment form that provided survivor benefits was elected. Where premiums are required prior to age 60, the valuation bases this payment upon the age of the retiree.

Of those benefit recipients who are eligible for the COLA, 70% are assumed to remain in Alaska and receive COLA. 50%-75% of assumed inflation, or 1.25% and 1.875% respectively, is valued for the annual automatic Post-Retirement Pension Adjustment (PRPA).

For DC RM and DC ODD retirement eligibility: must retire from the plan and either after 30 years of service or to be eligible for Medicare and have 10 years of service. Once member becomes eligible for Medicare, the required contribution follows a set plan schedule. The plan's coverage is supplemental to Medicare, referred to in the industry as exclusion coordination. Medicare payment is deducted from the Medicare allowable expense and plan parameters are applied to the remaining amount. Starting in 2019, the prescription drug coverage will be through a Medicare Part D Employer Group Waiver Plan (EGWP) arrangement. The cost of premiums for retiree major medical insurance coverage for an eligible member of surviving spouse who is: a) not eligible for Medicare is an amount equal to the full monthly group premium for retiree major medical insurance coverage; b) eligible based on the years of service. Occupational Disability and Death benefit are 40% of salary at date of qualifying event. Medicare exclusion coordination applies to ODD benefits.

OPEB Liabilities:

At June 30, 2020, the total net OPEB liability associated with the Corporation was \$1,008,000.

At June 30, 2020, the Corporation reported a liability for its proportionate share of the net OPEB liabilities ("NOL") that reflected a reduction for State OPEB support provided to the Corporation. The amount recognized by the Corporation for its proportional share, the related State proportion, and the total were as follows:

<u>Corporation's proportionate share Net OPEB Liabilities:</u>	<u>2020</u>
Corporation's proportionate share of NOL – DB	\$ 976,000
Corporation's proportionate share of NOL – DC RM	167,000
<u>State's proportionate share of the NOL associated with the Corporation</u>	<u>-</u>
Total Net OPEB Liabilities	<u>\$ 1,143,000</u>
<u>Corporation's proportionate share Net OPEB Assets:</u>	<u>2020</u>
<u>Corporation's proportionate share of NOA – DC ODD</u>	<u>\$ 135,000</u>
	-
Total Net OPEB Assets	<u>\$ 135,000</u>

The net OPEB liability was measured as of June 30, 2019, and the total pension liability used to calculate the new pension liability was determined by an actuarial valuation as of June 30, 2018, and rolled forward to June 30, 2019.

	June 30, 2018 Measurement Date Employer Proportion	June 30, 2019 Measurement Date Employer Proportion	Change
<u>Corporation's proportionate share Net OPEB Liabilities:</u>			
DB	0.71460%	0.65680%	(0.05780%)
DC RM	0.71095%	0.69949%	(0.01146%)
DC ODD	0.71095%	0.55609%	(0.15486%)

Changes in Benefit Provisions Since Prior Valuation of OPEB:

For DC RM and DC ODD plans, there were no changes in benefit provisions. For the DB OPEB only, the changes of benefit terms are significantly impacted by the adoption of EGWP program, certain prescription drug benefits previously provided by the Plan now provided by Medicare. No changes for DC RM plan except for the changes in assumptions due to the experience study displayed in the table "OPEB Actuarial Assumptions."

OPEB Expense:

For the year ended June 30, 2020, the Corporation recognized OPEB expense of \$505,000 and no support provided by the State.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

At June 30, 2020, the Corporation reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources (in thousands):

Year Ended June 30, 2020	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 1,631	\$ -
Difference between expected and actual experience	-	(708)
Difference between projected and actual investment earnings	-	(430)
Changes in assumptions	1,374	(3)
Changes in proportion and differences between employer contributions	126	(183)
Total Deferred Outflows and Deferred Inflows	\$ 3,131	\$ (1,324)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	Total
2021	1,870
2022	(330)
2023	110
2024	141
2025	5
Thereafter	11
	\$ 1,807

OPEB Discount rate:

The discount rate used to measure the total OPEB liability was 7.38%. 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 OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability in accordance with the method prescribed by GASB Statement No. 74.

Sensitivity of the Corporation's proportionate share of the net OPEB liability to changes in the discount rate:

The following presents the Corporations proportionate share of the net pension liability using the discount rate of 7.38% and what it would be if the discount was 1-percentage-point (6.38%) lower or 1-percentage-point higher (8.38%), (in thousands).

Corporation's proportionate share of the net OPEB liabilities (assets):	Proportional Share	1% Decrease (6.38%)	Current Discount Rate (7.38%)	1% Increase (8.38%)
DB plan	0.65680	\$ 7,839	\$ 976	\$ (4,672)
DC RM plan	0.69949	\$ 420	\$ 167	\$ (23)
DC ODD plan	0.55609	\$ (128)	\$ (135)	\$ (140)

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rate:

The following presents the Corporation's net OPEB liability using current healthcare cost trend rates and comparing to a 1% increase and a 1% decrease of current healthcare costs trend rates, (in thousands).

Corporation's proportionate share of the net OPEB liabilities (assets):	Proportional Share	1% Decrease	Current Discount Rate	1% Increase
DB plan	0.65680	\$ (5,333)	\$ 976	\$ 8,672
DC RM plan	0.69949	\$ (51)	\$ 167	\$ 467
DC ODD plan	0.55609	n/a	\$ (135)	n/a

OPEB plan's fiduciary net position:

All information regarding the Plan's assets, deferred outflow/inflow of resources, liabilities and fiduciary net position can be found in the PERS financial statements that are available to the public on the SOA website: <http://doa.alaska.gov/dr/employer/resources/gasb.html#.XtWcbXkzVbs>

Annual Postemployment Healthcare Cost

In 2020, the Corporation recognized \$335,000 in DC OPEB costs. These amounts were recognized as expense.

21 OTHER COMMITMENTS AND CONTINGENCIES

Medical Self Insurance

During the fiscal year ended June 30, 1998, the Corporation began a program of self-insurance for employee medical benefits. Costs are billed directly to the Corporation by an Administrative Services Provider that processes all of the claims from the employees and their dependents. The Corporation has purchased a stop-loss policy that limits its liability to \$175,000 per employee per year. The Corporation has provided for an estimate of the Incurred but Not Reported ("IBNR") liability in the amount of \$1,987,000 as of June 30, 2020.

Lease Obligations

The Corporation leases the land at its Anchorage Family Investment Center located at 440 E. Benson Blvd., Anchorage, Alaska for \$7,000 per month. Lease expense for the twelve months ended June 30, 2020, totaled \$84,000.

Litigation

The Corporation, in the normal course of its activities, is involved in various claims and pending litigation, the outcome of which is not presently determinable. In the opinion of management, the disposition of these matters is not presently expected to have a material adverse effect on the Corporation's financial statements.

Contingent Liabilities

The Corporation participates in several federally assisted programs. These programs are subject to program compliance audits and adjustment by the grantor agencies or their representatives. Any disallowed claims, including amounts already collected, would become a liability of the Administrative Fund. In management's opinion, disallowance, if any, will be immaterial.

Subsequent Events

The Corporation will deliver its \$209,845,000 General Mortgage Revenue Bonds II, 2020 Series A and B, on September 15, 2020. The Series A Bonds are \$135,170,000 tax-exempt general obligations of the Corporation with a final maturity of December 1, 2044. The Series B Bonds are \$74,675,000 tax-exempt general obligations of the Corporation with a final maturity of December 1, 2035. Interest on the Series A and B Bonds is payable each June 1 and December 1 at fixed rates ranging from 0.25% to 5.00%. Proceeds of the Series A Bonds will be used to finance mortgage loans, to refund the Corporation's Mortgage Revenue Bonds, 2009 Series A 2, and to pay certain costs of issuance. Proceeds of the Series B Bonds will be used to refund the Corporation's Mortgage Revenue Bonds, 2011 Series B-1 and 2011 Series B-2 and certain other outstanding obligations of the Corporation.

The Corporation will deliver \$96,665,000 State Capital Project Bonds II, 2020 Series A (Federally Taxable), on October 13, 2020. The Series A Bonds are taxable general obligations of the Corporation with a final maturity of December 1, 2033. Interest on the Bonds will be payable each June 1 and December 1 at fixed rates ranging from 0.531% to 2.18%. Proceeds of the Bonds will be used to refund certain outstanding bonds of the Corporation and for any authorized purpose of the Corporation.

In early 2020, an outbreak of the novel strain of coronavirus (COVID-19) emerged globally. There has been significant disruption to businesses worldwide. The duration of the pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to estimate the duration and severity of these

consequences with any accuracy, as well as their impact on the Corporation for future periods. Accordingly, the Corporation has determined that these events are non-adjusting subsequent events. Currently, the Corporation continues to closely monitor the fast changing and developing COVID-19 situation and implement necessary measures, policies and procedures.

On May 11, 2020, the State of Alaska Legislative Budget and Audit Committee approved Revised Program Legislative (RPL) Process Overview for the distribution of coronavirus Aid, Relief, and Economic Security (CARES) Act Funding to State of Alaska agencies. RPL-04-2020-1059 approved \$10 million in CARES Act funding for AFHC'S Homeless Assistance Program. The funds were subsequently appropriated.

The initial advance of approximately 70% was paid to grantees to manage the Alaska Housing Relief (AHR) Program for the CARES Acts funds. The funds went to grantees in order to reimburse landlords for rent or mortgage companies for mortgage payments. Period of performance for this grant is from June 1, 2020 until November 30, 2020.

During COVID-19, if a borrower is unable to make mortgage payments, a temporary forbearance may be granted and borrower(s) would work with their loan servicer to agree on a loss mitigation plan, acceptable to AHFC, to bring the loan current when the forbearance period has ended. The Corporation's Public Housing Division created an emergency hardship process to provide immediate rental relief to families affected by income loss due to COVID-19. The program is provided to those who use an AHFC Housing Choice Voucher or live in public housing and is called the Safety Net program. The program initially provided for three months of rental assistance, but has been expanded to provide for more assistance if the family continues to have a negative economic impact due to COVID-19. The Public Housing Division received CARES Act funding from HUD which covers the cost of the Safety Net program.

22 RISK MANAGEMENT

The Corporation is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by various commercial insurance policies and contractual risk transfers. When the Corporation enters into agreements, contracts or grants, it requires insurance from the party with which the Corporation is doing business. This ensures that the party can adequately sustain any loss exposure, so the Corporation is not first in line in case of a loss. There have been no significant reductions in insurance coverage from the prior year, and settlements have not exceeded insurance coverage during the past three years.

23 FIVE YEAR FINANCIAL INFORMATION

Entity-wide amounts at year-end are presented below for informational purposes (in thousands):

	June 30,				
	2020	2019	2018	2017	2016
Assets					
Cash	\$ 73,772	\$ 74,259	\$ 69,609	\$ 66,343	\$ 70,104
Investments	871,387	562,671	596,133	618,544	615,588
Accrued interest receivable	16,183	15,831	14,115	12,771	12,325
Mortgage loans, notes and other loans	3,256,290	3,342,961	3,132,437	2,910,332	2,817,494
Net investment in direct financing lease	22,468	24,780	27,003	29,142	34,555
Capital assets, net	87,061	94,036	100,472	106,762	109,821
Other assets	21,455	21,255	28,684	23,171	35,746
Total Assets	4,348,616	4,135,793	3,968,453	3,767,065	3,695,633
Deferred Outflow of Resources					
	261,327	186,739	133,107	172,676	234,921
Liabilities					
Bonds and notes payable	2,572,813	2,461,125	2,328,487	2,124,637	2,083,582
Short term debt	115,366	49,469	53,269	82,526	71,589
Accrued interest payable	7,257	8,388	9,984	9,622	9,628
Other liabilities	70,401	70,059	58,868	63,894	55,009
Derivative instrument - interest rate swaps	234,281	158,349	104,674	144,903	210,543
Total Liabilities	3,000,118	2,747,390	2,555,282	2,425,582	2,430,351
Deferred Inflow of Resources					
	2,861	3,719	7,582	531	670
Total Net Position	\$ 1,606,964	\$ 1,571,423	\$ 1,538,696	\$ 1,513,628	\$ 1,499,533
Operating Revenues					
Mortgage and loans revenue	\$ 147,068	\$ 146,042	\$ 135,055	\$ 130,538	\$ 128,942
Investment interest	13,031	17,404	6,273	4,727	3,595
Net change in fair value of investments	1,922	(838)	2,967	1,899	2,754
Net change of hedge termination	(177)	(278)	760	1,028	(552)
Total Investment Revenue	14,776	16,288	10,000	7,654	5,797
Externally funded programs	76,113	77,143	86,844	96,081	123,782
Rental	11,512	11,926	11,305	11,155	10,707
Other	1,607	4,634	3,076	4,051	4,952
Total Operating Revenues	251,076	256,033	246,280	249,479	274,180
Operating Expenses					
Interest	81,137	76,831	71,246	69,890	70,357
Mortgage and loan costs	14,763	12,034	11,452	10,843	10,836
Operations and administration	40,958	44,781	46,127	56,867	58,373
Financing expenses	5,163	6,054	5,027	4,512	3,556
Provision for loan loss	(6,639)	(5,740)	(4,560)	(5,584)	(5,831)
Housing grants and subsidies	63,800	72,198	68,314	84,310	107,054
Rental housing operating expenses	16,353	15,042	15,091	14,296	15,634
Total Operating Expenses	215,535	221,200	212,697	235,134	259,979
Operating Income (Loss)	35,541	34,833	33,583	14,345	14,201
Non-Operating & Special Item					
Contribution to State or State agency	-	(2,106)	(125)	(250)	(149)
Change in Net Position	\$ 35,541	\$ 32,727	\$ 33,458	\$ 14,095	\$ 14,052

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the Corporation's Proportionate Share of the Net Pension Liability (in thousands):

	2020	2019	2018	2017	2016	2015	2014
The Corporation's proportion of the net pension liability (asset)	0.656900%	0.714740%	0.689820%	0.852380%	0.780600%	0.608214%	0.598696%
The Corporation's proportionate share of the net pension liability (asset)	\$ 35,960	\$ 35,515	\$ 35,660	\$ 47,645	\$ 37,859	\$ 28,368	\$ 31,440
State's proportionate share of the net pension liability (asset) associated with the Corporation	14,276	10,284	13,285	6,003	10,856	22,644	26,434
Total	\$ 50,236	\$ 45,799	\$ 48,945	\$ 53,648	\$ 48,715	\$ 51,012	\$ 57,874
The Corporation's covered employee payroll	\$11,680	\$12,583	\$ 13,817	\$ 15,252	\$ 16,314	\$ 17,189	\$ 17,815
The Corporation's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	307.88%	282.24%	258.10%	312.39%	232.06%	165.04%	176.48%
Plan fiduciary net position as a percentage of the total pension liability	63.42%	65.19%	63.37%	59.55%	63.96%	62.37%	56.04%

Information in this table is presented based on the Plan measurement date. For June 30, 2020, the plan measurement date is June 30, 2019.

This pension table is intended to present 10 years of information. Additional years will be added to the schedule as they become available.

The Plan is reporting no changes in benefit terms from the prior measurement period.

The Plan is reporting no changes in assumptions from the prior measurement period.

See accompanying independent auditor's report.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the Corporation's Contributions (in thousands)

	2020	2019	2018	2017	2016	2015	2014
Contractually required contributions	\$ 2,561	\$ 2,727	\$ 2,932	\$ 2,679	\$ 2,475	\$ 2,403	\$ 2,128
Contributions in relation to the contractually required contributions	2,561	2,727	2,932	2,679	2,475	2,403	2,128
Contribution deficiency (excess)	-	-	-	-	-	-	-
The Corporation's covered employee payroll	10,681	11,680	12,583	13,817	15,252	16,314	17,189
Contributions as a percentage of covered-employee payroll	23.98%	23.35%	23.30%	19.39%	16.23%	14.73%	12.38%

This table reports the Corporation's pension contributions to PERS during fiscal year 2020. These contributions are reported as a deferred outflow of resources on the June 30, 2020 basic financial statements.

This pension table is intended to present 10 years of information. Additional years will be added to the schedule as they become available.

The Plan is reporting no changes in benefit terms from the prior measurement period.

The Plan is reporting no changes in assumptions from the prior measurement period.

See accompanying independent auditor's report.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the Corporation's Proportionate Share of the Net OPEB Liability (in thousands):

	2020	2019	2018	2017
The Corporation's proportion of the net OPEB liability (asset) for Defined Benefit - Retiree Medical	0.65680000%	0.71458000%	0.68992000%	0.85265000%
The Corporation's proportion of the net OPEB liability (asset) for Defined Contribution Pension Plans - Retiree Medical Plan	0.69949000%	0.71095000%	0.70310000%	0.66252000%
The Corporation's proportion of the net OPEB liability (asset) for Defined Contribution Pension Plans - Occupational Death & Disability Plan	0.55609000%	0.71095000%	0.70310000%	0.66252000%
The Corporation's proportionate share of the net OPEB liability (asset)	\$ 1,007	\$ 7,286	\$ 5,765	\$ 9,752
State's proportionate share of the net OPEB liability (asset) associated with the Corporation	388	2,129	2,173	-
Total	\$ 1,395	\$ 9,415	\$ 7,939	\$ 9,752
The Corporation's covered employee payroll	\$ 20,890	\$ 20,629	\$ 21,133	\$ 21,629
The Corporation's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	4.82%	35.32%	27.28%	45.09%
Defined Benefit - Retiree Medical Plan fiduciary net position as a percentage of the total OPEB liability	98.13%	88.12%	89.68%	85.45%
Defined Contribution - Retiree Medical Plan fiduciary net position as a percentage of the total OPEB liability	83.17%	88.71%	93.98%	86.82%
Defined Contribution - Occupational Death & Disability Plan fiduciary net position as a percentage of the total OPEB liability	297.43%	270.62%	212.97%	245.29%

Information in this table is presented based on the Plan measurement date. For June 30, 2020, the plan measurement date is June 30, 2019.

This OPEB table is intended to present 10 years of information. Additional years will be added to the schedule as they become available.

Defined Benefit - Retiree Medical Plan is reporting no changes in benefit terms from the prior measurement period.

Defined Contribution Pension Plans (Retiree Medical Plan and Occupational Death & Disability Plan) are reporting the following changes in benefit terms from the prior measurement period:

- Updated non-Medicare eligible dependent coverage premiums to reflect subsidy when the member is Medicare-eligible.
- Updated factors used to adjust the defined benefit plan costs to reflect adopted Defined Contribution Retiree Medical plan design

See accompanying independent auditor's report.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the Corporation's Contributions (in thousands)

	2020	2019	2018	2017
Contractually required contributions	\$ 1,358	\$ 1,325	\$ 1,189	\$ 1,593
Contributions in relation to the contractually required contributions	1,358	1,325	1,189	1,593
Contribution deficiency (excess)	-	-	-	-
The Corporation's covered employee payroll	20,890	20,775	20,629	21,133
Contributions as a percentage of covered-employee payroll	6.50%	6.38%	5.76%	7.54%

This table reports the Corporation's OPEB contributions to SOA during fiscal year 2020. These contributions are reported as a deferred outflow of resources on the June 30, 2020 basic financial statements.

This OPEB table is intended to present 10 years of information. Additional years will be added to the schedule as they become available.

Defined Benefit - Retiree Medical Plan is reporting no changes in benefit terms from the prior measurement

Defined Contribution Pension Plans (Retiree Medical Plan and Occupational Death & Disability Plan) are reporting the following changes in benefit terms from the prior measurement period:

- Updated non-Medicare eligible dependent coverage premiums to reflect subsidy when the member is Medicare-eligible.
- Updated factors used to adjust the defined benefit plan costs to reflect adopted Defined Contribution Retiree Medical plan design

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

COMBINED - ALL FUNDS

As of June 30, 2020

(in thousands of dollars)

	Administrative Fund	Combined Home Mortgage Revenue Bonds	Combined General Mortgage Revenue Bonds	Combined Mortgage Revenue Bonds	Combined Collateralized Veterans Mortgage Bonds
ASSETS					
Current					
Cash	\$ 28,038	\$ -	\$ -	\$ -	\$ -
Investments	579,326	107,142	53,708	10,908	20,561
Accrued interest receivable	3,811	2,660	1,666	387	375
Inter-fund due (to)/from	(85,773)	19,531	12,744	2,334	3,036
Mortgage loans, notes and other loans	5,589	20,391	16,731	3,416	3,138
Net investment in direct financing lease	-	-	-	-	-
Other assets	5,231	-	-	-	-
Intergovernmental receivable	86	-	-	-	-
Total Current	536,308	149,724	84,849	17,045	27,110
Non Current					
Inter-fund due (to)/from	-	-	-	-	-
Mortgage loans, notes and other loans	165,729	659,291	503,240	110,451	101,464
Net investment in direct financing lease	-	-	-	-	-
Capital assets - non-depreciable	2,483	-	-	-	-
Capital assets - depreciable, net	13,370	-	-	-	-
Other assets	3,539	-	-	-	-
Total Non Current	185,122	659,291	503,240	110,451	101,464
Total Assets	721,430	809,015	588,089	127,496	128,574
DEFERRED OUTFLOW OF RESOURCES	7,309	187,765	1,035	-	-
LIABILITIES					
Current					
Bonds payable	-	12,815	13,605	4,935	2,335
Short term debt	115,366	-	-	-	-
Accrued interest payable	-	1,457	1,236	165	231
Other liabilities	12,863	238	153	37	33
Intergovernmental payable	-	-	-	-	-
Total Current	128,229	14,510	14,994	5,137	2,599
Non Current					
Bonds payable	-	478,250	459,704	71,465	92,741
Other liabilities	3,766	-	-	-	-
Derivative instrument - interest rate swaps	-	181,330	-	-	-
Pension & OPEB liability	36,968	-	-	-	-
Total Non Current	40,734	659,580	459,704	71,465	92,741
Total Liabilities	168,963	674,090	474,698	76,602	95,340
DEFERRED INFLOW OF RESOURCES	2,861	-	-	-	-
NET POSITION					
Net investment in capital assets	15,853	-	-	-	-
Restricted by bond resolutions	-	322,690	114,426	50,894	33,234
Restricted by contractual or statutory agreements	111,441	-	-	-	-
Unrestricted or (deficit)	429,621	-	-	-	-
Total Net Position	\$ 556,915	\$ 322,690	\$ 114,426	\$ 50,894	\$ 33,234

See accompanying notes to the financial statements.

Combined Governmental Purpose Bonds	Combined State Capital Project Bonds	Combined Other Programs	Total June 30, 2020
\$ -	\$ 189	\$ 45,545	\$ 73,772
30,986	64,532	4,224	871,387
524	6,575	185	16,183
6,658	39,685	1,785	-
5,457	42,851	1,315	98,888
-	2,180	-	2,180
-	2	6,760	11,993
-	-	5,106	5,192
43,625	156,014	64,920	1,079,595
-	-	-	-
176,443	1,385,497	55,287	3,157,402
-	20,288	-	20,288
-	-	18,376	20,859
-	-	52,832	66,202
729	-	1	4,270
177,172	1,405,785	126,496	3,269,021
220,797	1,561,799	191,416	4,348,616
15,101	50,117	-	261,327
6,600	55,890	-	96,180
-	-	-	115,366
237	3,931	-	7,257
47	382	14,978	28,731
-	189	457	646
6,884	60,392	15,435	248,180
74,312	1,300,161	-	2,476,633
-	-	290	4,056
15,101	37,850	-	234,281
-	-	-	36,968
89,413	1,338,011	290	2,751,938
96,297	1,398,403	15,725	3,000,118
-	-	-	2,861
-	-	71,208	87,061
139,601	-	-	660,845
-	-	108,665	220,106
-	213,513	(4,182)	638,952
\$ 139,601	\$ 213,513	\$ 175,691	\$ 1,606,964

ALASKA HOUSING FINANCE CORPORATION

Schedule 2

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

ADMINISTRATIVE FUND

As of June 30, 2020

(in thousands of dollars)

	Administrative Fund
ASSETS	
Current	
Cash	\$ 28,038
Investments	579,326
Accrued interest receivable	3,811
Inter-fund due (to)/from	(85,773)
Mortgage loans, notes and other loans	5,589
Net investment in direct financing lease	-
Other assets	5,231
Intergovernmental receivable	86
Total Current	536,308
Non Current	
Inter-fund due (to)/from	-
Mortgage loans, notes and other loans	165,729
Net investment in direct financing lease	-
Capital assets - non-depreciable	2,483
Capital assets - depreciable, net	13,370
Other assets	3,540
Total Non Current	185,122
Total Assets	721,430
DEFERRED OUTFLOW OF RESOURCES	7,309
LIABILITIES	
Current	
Bonds payable	-
Short term debt	115,366
Accrued interest payable	-
Other liabilities	12,863
Intergovernmental payable	-
Total Current	128,229
Non Current	
Bonds payable	-
Other liabilities	3,766
Derivative instrument - interest rate swaps	-
Pension & OPEB liability	36,968
Total Non Current	40,734
Total Liabilities	168,963
DEFERRED INFLOW OF RESOURCES	2,861
NET POSITION	
Net investment in capital assets	15,853
Restricted by bond resolutions	-
Restricted by contractual or statutory agreements	111,441
Unrestricted or (deficit)	429,621
Total Net Position	\$ 556,915

See accompanying notes to the financial statements.

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ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

HOME MORTGAGE REVENUE BONDS

As of June 30, 2020

(in thousands of dollars)

	Home Mortgage Revenue Bonds 2002 A	Home Mortgage Revenue Bonds 2007 A	Home Mortgage Revenue Bonds 2007 B	Home Mortgage Revenue Bonds 2007 D	Home Mortgage Revenue Bonds 2009 A
ASSETS					
Current					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	9,518	12,965	11,691	15,773	18,108
Accrued interest receivable	273	283	315	376	482
Inter-fund due (to)/from	2,213	2,296	2,504	3,601	3,353
Mortgage loans, notes and other loans	2,064	2,259	2,200	2,978	3,364
Net investment in direct financing lease	-	-	-	-	-
Other assets	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-
Total Current	14,068	17,803	16,710	22,728	25,307
Non Current					
Inter-fund due (to)/from	-	-	-	-	-
Mortgage loans, notes and other loans	66,728	73,026	71,146	96,298	108,767
Net investment in direct financing lease	-	-	-	-	-
Capital assets - non-depreciable	-	-	-	-	-
Capital assets - depreciable, net	-	-	-	-	-
Other assets	-	-	-	-	-
Total Non Current	66,728	73,026	71,146	96,298	108,767
Total Assets	80,796	90,829	87,856	119,026	134,074
DEFERRED OUTFLOW OF RESOURCES					
	5,630	28,098	28,084	33,307	31,265
LIABILITIES					
Current					
Bonds payable	-	1,850	1,850	2,200	2,305
Short term debt	-	-	-	-	-
Accrued interest payable	78	207	207	247	239
Other liabilities	26	27	28	33	42
Intergovernmental payable	-	-	-	-	-
Total Current	104	2,084	2,085	2,480	2,586
Non Current					
Bonds payable	30,920	67,350	67,350	80,240	77,465
Other liabilities	-	-	-	-	-
Derivative instrument - interest rate swaps	5,630	26,963	26,948	31,915	30,329
Pension & OPEB liability	-	-	-	-	-
Total Non Current	36,550	94,313	94,298	112,155	107,794
Total Liabilities	36,654	96,397	96,383	114,635	110,380
DEFERRED INFLOW OF RESOURCES					
	-	-	-	-	-
NET POSITION					
Net investment in capital assets	-	-	-	-	-
Restricted by bond resolutions	49,772	22,530	19,557	37,698	54,959
Restricted by contractual or statutory agreements	-	-	-	-	-
Unrestricted or (deficit)	-	-	-	-	-
Total Net Position	\$ 49,772	\$ 22,530	\$ 19,557	\$ 37,698	\$ 54,959

See accompanying notes to the financial statements.

Home Mortgage Revenue Bonds 2009 B	Home Mortgage Revenue Bonds 2009 D	Total June 30, 2020
\$ -	\$ -	\$ -
18,667	20,420	107,142
441	490	2,660
2,797	2,767	19,531
3,657	3,869	20,391
-	-	-
-	-	-
-	-	-
25,562	27,546	149,724
-	-	-
118,230	125,096	659,291
-	-	-
-	-	-
-	-	-
118,230	125,096	659,291
143,792	152,642	809,015
30,822	30,559	187,765
2,305	2,305	12,815
-	-	-
240	239	1,457
39	43	238
-	-	-
2,584	2,587	14,510
77,465	77,460	478,250
-	-	-
29,887	29,658	181,330
-	-	-
107,352	107,118	659,580
109,936	109,705	674,090
-	-	-
-	-	-
64,678	73,496	322,690
-	-	-
-	-	-
\$ 64,678	\$ 73,496	\$ 322,690

ALASKA HOUSING FINANCE CORPORATION
(A Component Unit of the State of Alaska)

Schedule 4

STATEMENT OF NET POSITION

GENERAL MORTGAGE REVENUE BONDS

As of June 30, 2020

(in thousands of dollars)

	General Mortgage Revenue Bonds II 2012 A & B	General Mortgage Revenue Bonds II 2016 A	General Mortgage Revenue Bonds II 2018 A & B	General Mortgage Revenue Bonds II 2019 A & B	Total June 30, 2020
ASSETS					
Current					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	13,397	3,488	16,518	20,305	53,708
Accrued interest receivable	361	239	570	496	1,666
Inter-fund due (to)/from	5,192	1,358	3,845	2,349	12,744
Mortgage loans, notes and other loans	4,944	2,474	4,895	4,418	16,731
Net investment in direct financing lease	-	-	-	-	-
Other assets	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-
Total Current	23,894	7,559	25,828	27,568	84,849
Non Current					
Inter-fund due (to)/from	-	-	-	-	-
Mortgage loans, notes and other loans	122,121	79,998	158,282	142,839	503,240
Net investment in direct financing lease	-	-	-	-	-
Capital assets - non-depreciable	-	-	-	-	-
Capital assets - depreciable, net	-	-	-	-	-
Other assets	-	-	-	-	-
Total Non Current	122,121	79,998	158,282	142,839	503,240
Total Assets	146,015	87,557	184,110	170,407	588,089
DEFERRED OUTFLOW OF RESOURCES					
	1,035	-	-	-	1,035
LIABILITIES					
Current					
Bonds payable	4,265	4,235	1,940	3,165	13,605
Short term debt	-	-	-	-	-
Accrued interest payable	192	177	486	381	1,236
Other liabilities	31	25	52	45	153
Intergovernmental payable	-	-	-	-	-
Total Current	4,488	4,437	2,478	3,591	14,994
Non Current					
Bonds payable	60,355	78,241	158,911	162,197	459,704
Other liabilities	-	-	-	-	-
Derivative instrument - interest rate swaps	-	-	-	-	-
Pension & OPEB liability	-	-	-	-	-
Total Non Current	60,355	78,241	158,911	162,197	459,704
Total Liabilities	64,843	82,678	161,389	165,788	474,698
DEFERRED INFLOW OF RESOURCES					
	-	-	-	-	-
NET POSITION					
Net investment in capital assets	-	-	-	-	-
Restricted by bond resolutions	82,207	4,879	22,721	4,619	114,426
Restricted by contractual or statutory agreements	-	-	-	-	-
Unrestricted or (deficit)	-	-	-	-	-
Total Net Position	\$ 82,207	\$ 4,879	\$ 22,721	\$ 4,619	\$ 114,426

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION
(A Component Unit of the State of Alaska)

Schedule 5

STATEMENT OF NET POSITION
MORTGAGE REVENUE BONDS
As of June 30, 2020
(in thousands of dollars)

	Mortgage Revenue Bonds 2009 A-1, 2010 A & B	Mortgage Revenue Bonds 2009 A-2, 2011 A & B	Total June 30, 2020
ASSETS			
Current			
Cash	\$ -	\$ -	\$ -
Investments	-	10,908	10,908
Accrued interest receivable	-	387	387
Inter-fund due (to)/from	-	2,334	2,334
Mortgage loans, notes and other loans	-	3,416	3,416
Net investment in direct financing lease	-	-	-
Other assets	-	-	-
Intergovernmental receivable	-	-	-
Total Current	-	17,045	17,045
Non Current			
Inter-fund due (to)/from	-	-	-
Mortgage loans, notes and other loans	-	110,451	110,451
Net investment in direct financing lease	-	-	-
Capital assets - non-depreciable	-	-	-
Capital assets - depreciable, net	-	-	-
Other assets	-	-	-
Total Non Current	-	110,451	110,451
Total Assets	-	127,496	127,496
DEFERRED OUTFLOW OF RESOURCES			
	-	-	-
LIABILITIES			
Current			
Bonds payable	-	4,935	4,935
Short term debt	-	-	-
Accrued interest payable	-	165	165
Other liabilities	-	37	37
Intergovernmental payable	-	-	-
Total Current	-	5,137	5,137
Non Current			
Bonds payable	-	71,465	71,465
Other liabilities	-	-	-
Derivative instrument - interest rate swaps	-	-	-
Pension & OPEB liability	-	-	-
Total Non Current	-	71,465	71,465
Total Liabilities	-	76,602	76,602
DEFERRED INFLOW OF RESOURCES			
	-	-	-
NET POSITION			
Net investment in capital assets	-	-	-
Restricted by bond resolutions	-	50,894	50,894
Restricted by contractual or statutory agreements	-	-	-
Unrestricted or (deficit)	-	-	-
Total Net Position	\$ -	\$ 50,894	\$ 50,894

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

COLLATERALIZED VETERANS MORTGAGE BONDS

As of June 30, 2020

(in thousands of dollars)

	Collateralized Bonds, 2016 1st & 2nd Series	Collateralized Bonds, 2019 1st & 2nd Series	Total June 30, 2020
ASSETS			
Current			
Cash	\$ -	\$ -	\$ -
Investments	11,895	8,666	20,561
Accrued interest receivable	170	205	375
Inter-fund due (to)/from	689	2,347	3,036
Mortgage loans, notes and other loans	1,443	1,695	3,138
Net investment in direct financing lease	-	-	-
Other assets	-	-	-
Intergovernmental receivable	-	-	-
Total Current	14,197	12,913	27,110
Non Current			
Inter-fund due (to)/from	-	-	-
Mortgage loans, notes and other loans	46,647	54,817	101,464
Net investment in direct financing lease	-	-	-
Capital assets - non-depreciable	-	-	-
Capital assets - depreciable, net	-	-	-
Other assets	-	-	-
Total Non Current	46,647	54,817	101,464
Total Assets	60,844	67,730	128,574
DEFERRED OUTFLOW OF RESOURCES			
	-	-	-
LIABILITIES			
Current			
Bonds payable	1,300	1,035	2,335
Short term debt	-	-	-
Accrued interest payable	96	135	231
Other liabilities	15	18	33
Intergovernmental payable	-	-	-
Total Current	1,411	1,188	2,599
Non Current			
Bonds payable	44,260	48,481	92,741
Other liabilities	-	-	-
Derivative instrument - interest rate swaps	-	-	-
Pension & OPEB liability	-	-	-
Total Non Current	44,260	48,481	92,741
Total Liabilities	45,671	49,669	95,340
DEFERRED INFLOW OF RESOURCES			
	-	-	-
NET POSITION			
Net investment in capital assets	-	-	-
Restricted by bond resolutions	15,173	18,061	33,234
Restricted by contractual or statutory agreements	-	-	-
Unrestricted or (deficit)	-	-	-
Total Net Position	\$ 15,173	\$ 18,061	\$ 33,234

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

GOVERNMENTAL PURPOSE BONDS

As of June 30, 2020

(in thousands of dollars)

Schedule 7

	Governmental Purpose Bonds 1997 A	Governmental Purpose Bonds 2001 A & B	Total June 30, 2020
ASSETS			
Current			
Cash	\$ -	\$ -	\$ -
Investments	-	30,986	30,986
Accrued interest receivable	-	524	524
Inter-fund due (to)/from	-	6,658	6,658
Mortgage loans, notes and other loans	-	5,457	5,457
Net investment in direct financing lease	-	-	-
Other assets	-	-	-
Intergovernmental receivable	-	-	-
Total Current	-	43,625	43,625
Non Current			
Inter-fund due (to)/from	-	-	-
Mortgage loans, notes and other loans	-	176,443	176,443
Net investment in direct financing lease	-	-	-
Capital assets - non-depreciable	-	-	-
Capital assets - depreciable, net	-	-	-
Other assets	-	729	729
Total Non Current	-	177,172	177,172
Total Assets	-	220,797	220,797
DEFERRED OUTFLOW OF RESOURCES	-	15,101	15,101
LIABILITIES			
Current			
Bonds payable	-	6,600	6,600
Short term debt	-	-	-
Accrued interest payable	-	237	237
Other liabilities	-	47	47
Intergovernmental payable	-	-	-
Total Current	-	6,884	6,884
Non Current			
Bonds payable	-	74,312	74,312
Other liabilities	-	-	-
Derivative instrument - interest rate swaps	-	15,101	15,101
Pension & OPEB liability	-	-	-
Total Non Current	-	89,413	89,413
Total Liabilities	-	96,297	96,297
DEFERRED INFLOW OF RESOURCES	-	-	-
NET POSITION			
Net investment in capital assets	-	-	-
Restricted by bond resolutions	-	139,601	139,601
Restricted by contractual or statutory agreements	-	-	-
Unrestricted or (deficit)	-	-	-
Total Net Position	\$ -	\$ 139,601	\$ 139,601

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

STATE CAPITAL PROJECT BONDS

As of June 30, 2020

(in thousands of dollars)

	State Capital Project Bonds 2002 A, B, C	State Capital Project Bonds 2011 A	State Capital Project Bonds II 2012 A & B	State Capital Project Bonds II 2013 A & B	State Capital Project Bonds II 2014 A, B, C & D
ASSETS					
Current					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	3,867	410	2,591	6,203	16,478
Accrued interest receivable	118	37	267	414	1,503
Inter-fund due (to)/from	1,227	43	916	1,513	9,619
Mortgage loans, notes and other loans	550	134	1,201	1,762	10,271
Net investment in direct financing lease	-	-	-	-	-
Other assets	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-
Total Current	5,762	624	4,975	9,892	37,871
Non Current					
Inter-fund due (to)/from	-	-	-	-	-
Mortgage loans, notes and other loans	17,782	4,339	38,848	56,966	332,112
Net investment in direct financing lease	-	-	-	-	-
Capital assets - non-depreciable	-	-	-	-	-
Capital assets - depreciable, net	-	-	-	-	-
Other assets	-	-	-	-	-
Total Non Current	17,782	4,339	38,848	56,966	332,112
Total Assets	23,544	4,963	43,823	66,858	369,983
DEFERRED OUTFLOW OF RESOURCES	695	-	-	-	35,421
LIABILITIES					
Current					
Bonds payable	6,540	3,040	5,030	5,810	13,870
Short term debt	-	-	-	-	-
Accrued interest payable	138	13	127	206	1,128
Other liabilities	9	2	11	16	107
Intergovernmental payable	-	-	-	-	-
Total Current	6,687	3,055	5,168	6,032	15,105
Non Current					
Bonds payable	10,350	10	31,356	51,588	304,254
Other liabilities	-	-	-	-	-
Derivative instrument - interest rate swaps	2,429	-	-	-	35,421
Pension & OPEB liability	-	-	-	-	-
Total Non Current	12,779	10	31,356	51,588	339,675
Total Liabilities	19,466	3,065	36,524	57,620	354,780
DEFERRED INFLOW OF RESOURCES	-	-	-	-	-
NET POSITION					
Net investment in capital assets	-	-	-	-	-
Restricted by bond resolutions	-	-	-	-	-
Restricted by contractual or statutory agreements	-	-	-	-	-
Unrestricted or (deficit)	4,773	1,898	7,299	9,238	50,624
Total Net Position	\$ 4,773	\$ 1,898	\$ 7,299	\$ 9,238	\$ 50,624

See accompanying notes to the financial statements.

State Capital Project Bonds II 2015 A, B & C	State Capital Project Bonds II 2017 A, B & C	State Capital Project Bonds II 2018 A & B	State Capital Project Bonds II 2019 A & B	Total June 30, 2020
\$ -	\$ 189	\$ -	\$ -	\$ 189
17,193	6,546	1,605	9,639	64,532
1,193	1,717	488	838	6,575
7,216	7,552	4,144	7,455	39,685
7,244	10,923	4,312	6,454	42,851
-	2,180	-	-	2,180
-	-	-	2	2
-	-	-	-	-
32,846	29,107	10,549	24,388	156,014
-	-	-	-	-
234,207	353,165	139,411	208,667	1,385,497
-	20,288	-	-	20,288
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
234,207	373,453	139,411	208,667	1,405,785
267,053	402,560	149,960	233,055	1,561,799
8,933	5,068	-	-	50,117
12,845	5,690	1,170	1,895	55,890
-	-	-	-	-
858	764	431	266	3,931
78	64	41	54	382
-	189	-	-	189
13,781	6,707	1,642	2,215	60,392
224,049	345,526	126,188	206,840	1,300,161
-	-	-	-	-
-	-	-	-	37,850
-	-	-	-	-
224,049	345,526	126,188	206,840	1,338,011
237,830	352,233	127,830	209,055	1,398,403
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
38,156	55,395	22,130	24,000	213,513
\$ 38,156	\$ 55,395	\$ 22,130	\$ 24,000	\$ 213,513

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

OTHER PROGRAM FUNDS

As of June 30, 2020

(in thousands of dollars)

	Low Rent Program	Market Rate Rental Housing Program	Home Ownership Fund	Senior Housing Revolving Loan Fund	Other Funds or Programs Subtotal
ASSETS					
Current					
Cash	\$ 15,330	\$ 13,780	\$ -	\$ -	\$ 29,110
Investments	-	-	293	3,931	4,224
Accrued interest receivable	-	-	20	99	119
Inter-fund due (to)/from	(879)	(447)	99	245	(982)
Mortgage loans, notes and other loans	-	-	376	906	1,282
Net investment in direct financing lease	-	-	-	-	-
Other assets	1,270	107	-	-	1,377
Intergovernmental receivable	2	(3)	-	-	(1)
Total Current	15,723	13,437	788	5,181	35,129
Non Current					
Inter-fund due (to)/from	-	-	-	-	-
Mortgage loans, notes and other loans	-	-	12,147	29,297	41,444
Net investment in direct financing lease	-	-	-	-	-
Capital assets - non-depreciable	12,506	1,130	-	-	13,636
Capital assets - depreciable, net	39,319	13,463	-	-	52,782
Other assets	-	-	-	-	-
Total Non Current	51,825	14,593	12,147	29,297	107,862
Total Assets	67,548	28,030	12,935	34,478	142,991
DEFERRED OUTFLOW OF RESOURCES					
	-	-	-	-	-
LIABILITIES					
Current					
Bonds payable	-	-	-	-	-
Short term debt	-	-	-	-	-
Accrued interest payable	-	-	-	-	-
Other liabilities	728	206	2	9	945
Intergovernmental payable	457	-	-	-	457
Total Current	1,185	206	2	9	1,402
Non Current					
Bonds payable	-	-	-	-	-
Other liabilities	-	-	-	-	-
Derivative instrument - interest rate swaps	-	-	-	-	-
Pension & OPEB liability	-	-	-	-	-
Total Non Current	-	-	-	-	-
Total Liabilities	1,185	206	2	9	1,402
DEFERRED INFLOW OF RESOURCES					
	-	-	-	-	-
NET POSITION					
Net investment in capital assets	51,825	14,593	-	-	66,418
Restricted by bond resolutions	-	-	-	-	-
Restricted by contractual or statutory agreements	15,130	13,231	12,933	34,469	75,763
Unrestricted or (deficit)	(592)	-	-	-	(592)
Total Net Position	\$ 66,363	\$ 27,824	\$ 12,933	\$ 34,469	\$ 141,589

See accompanying notes to the financial statements.

Energy Programs	Section 8 Voucher Programs	Other Grants	Grant Programs Subtotal	Alaska Corporation for Affordable Housing	Total June 30, 2020
\$ 978	\$ 7,254	\$ 3	\$ 8,235	\$ 8,200	\$ 45,545
-	-	-	-	-	4,224
-	-	-	-	66	185
635	(3,273)	5,488	2,850	(83)	1,785
-	-	33	33	-	1,315
-	-	-	-	-	-
260	515	4,487	5,262	121	6,760
954	189	3,964	5,107	-	5,106
2,827	4,685	13,975	21,487	8,304	64,920
-	-	1,423	1,423	(1,423)	-
-	-	1,082	1,082	12,761	55,287
-	-	-	-	-	-
-	-	-	-	4,740	18,376
-	50	-	50	-	52,832
-	-	-	-	1	1
-	50	2,505	2,555	16,079	126,496
2,827	4,735	16,480	24,042	24,383	191,416
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	3,664	10,369	14,033	-	14,978
-	-	-	-	-	457
-	3,664	10,369	14,033	-	15,435
-	-	-	-	-	-
-	-	-	-	290	290
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	290	290
-	3,664	10,369	14,033	290	15,725
-	-	-	-	-	-
-	50	-	50	4,740	71,208
-	-	-	-	-	-
4,305	2,423	6,777	13,505	19,397	108,665
(1,478)	(1,402)	(666)	(3,546)	(44)	(4,182)
\$ 2,827	\$ 1,071	\$ 6,111	\$ 10,009	\$ 24,093	\$ 175,691

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF ACTIVITIES

COMBINED - ALL FUNDS

For the Year Ended June 30, 2020

(in thousands of dollars)

	Administrative Fund	Combined Home Mortgage Revenue Bonds	Combined General Mortgage Revenue Bonds	Combined Mortgage Revenue Bonds	Combined Collateralized Veterans Mortgage Bonds
OPERATING REVENUES					
Mortgage and loan revenue	\$ 7,548	\$ 31,151	\$ 19,772	\$ 6,397	\$ 4,527
Investment interest	6,339	1,475	760	299	517
Net change in the fair value of investments	1,693	78	55	7	(6)
Net change of hedge termination	-	-	-	-	-
Total Investment Revenue	<u>8,032</u>	<u>1,553</u>	<u>815</u>	<u>306</u>	<u>511</u>
Grant revenue	66	-	-	-	-
Housing rental subsidies	-	-	-	-	-
Rental revenue	94	-	-	-	-
Gain (Loss) on Disposal of Capital Assets	(1,806)	-	-	-	-
Other revenue	2,424	-	-	-	-
Total Operating Revenues	<u>16,358</u>	<u>32,704</u>	<u>20,587</u>	<u>6,703</u>	<u>5,038</u>
OPERATING EXPENSES					
Interest	742	18,451	13,291	3,663	2,986
Mortgage and loan costs	2,557	2,867	3,143	617	397
Bond financing expenses	820	2,179	1,142	18	4
Provision for loan loss	(1,145)	(1,572)	(789)	(1,703)	(22)
Operations and administration	8,973	1,318	897	327	136
Rental housing operating expenses	622	-	-	-	-
Grant expense	5	-	-	-	-
Total Operating Expenses	<u>12,574</u>	<u>23,243</u>	<u>17,684</u>	<u>2,922</u>	<u>3,501</u>
Operating Income (Loss)	<u>3,784</u>	<u>9,461</u>	<u>2,903</u>	<u>3,781</u>	<u>1,537</u>
NON-OPERATING EXPENSES AND TRANSFERS					
Interfund receipts (payments) for operations	39,479	1,739	6,936	(12,665)	2,368
Change in Net Position	43,263	11,200	9,839	(8,884)	3,905
Net position at beginning of year	513,652	311,490	104,587	59,778	29,329
Net Position at End of Period	<u>\$ 556,915</u>	<u>\$ 322,690</u>	<u>\$ 114,426</u>	<u>\$ 50,894</u>	<u>\$ 33,234</u>

See accompanying notes to the financial statements.

Combined Governmental Purpose Bonds	Combined State Capital Project Bonds	Combined Other Programs	Total June 30, 2020
\$ 6,361	\$ 69,762	\$ 1,550	\$ 147,068
575	2,901	165	13,031
(35)	126	4	1,922
-	(177)	-	(177)
<u>540</u>	<u>2,850</u>	<u>169</u>	<u>14,776</u>
-	-	64,845	64,911
-	-	11,202	11,202
-	-	11,418	11,512
-	-	84	(1,722)
179	-	726	3,329
7,080	72,612	89,994	251,076
3,669	38,335	-	81,137
577	4,474	131	14,763
303	697	0	5,163
(519)	(795)	(94)	(6,639)
280	1,862	27,165	40,958
-	-	15,731	16,353
-	-	63,795	63,800
<u>4,310</u>	<u>44,573</u>	<u>106,728</u>	<u>215,535</u>
2,770	28,039	(16,734)	35,541
(15,876)	(38,732)	16,751	-
(13,106)	(10,693)	17	35,541
152,707	224,206	175,674	1,571,423
\$ 139,601	\$ 213,513	\$ 175,691	\$ 1,606,964

ALASKA HOUSING FINANCE CORPORATION
(A Component Unit of the State of Alaska)

STATEMENT OF ACTIVITIES

ADMINISTRATIVE FUND

For the Year Ended June 30, 2020

(in thousands of dollars)

	<u>Administrative Fund</u>
OPERATING REVENUES	
Mortgage and loan revenue	\$ 7,548
Investment interest	6,339
Net change in the fair value of investments	1,693
Net change of hedge termination	-
Total Investment Revenue	<u>8,032</u>
Grant revenue	66
Housing rental subsidies	-
Rental revenue	94
Gain (Loss) on Disposal of Capital Assets	(1,806)
Other revenue	2,424
Total Operating Revenues	<u>16,358</u>
OPERATING EXPENSES	
Interest	742
Mortgage and loan costs	2,557
Bond financing expenses	820
Provision for loan loss	(1,145)
Operations and administration	8,973
Rental housing operating expenses	622
Grant expense	5
Total Operating Expenses	<u>12,574</u>
Operating Income (Loss)	3,784
NON-OPERATING EXPENSES AND TRANSFERS	
Interfund receipts (payments) for operations	<u>39,479</u>
Change in Net Position	43,263
Net position at beginning of year	<u>513,652</u>
Net Position at End of Period	<u>\$ 556,915</u>

See accompanying notes to the financial statements.

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ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF ACTIVITIES**HOME MORTGAGE REVENUE BONDS**

For the Year Ended June 30, 2020

(in thousands of dollars)

	Home Mortgage Revenue Bonds 2002 A	Home Mortgage Revenue Bonds 2007 A	Home Mortgage Revenue Bonds 2007 B	Home Mortgage Revenue Bonds 2007 D	Home Mortgage Revenue Bonds 2009 A
OPERATING REVENUES					
Mortgage and loan revenue	\$ 3,580	\$ 3,546	\$ 3,519	\$ 4,738	\$ 4,792
Investment interest	154	173	169	212	261
Net change in the fair value of investments	8	8	6	11	12
Net change of hedge termination	-	-	-	-	-
Total Investment Revenue	<u>162</u>	<u>181</u>	<u>175</u>	<u>223</u>	<u>273</u>
Grant revenue	-	-	-	-	-
Housing rental subsidies	-	-	-	-	-
Rental revenue	-	-	-	-	-
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-
Other revenue	-	-	-	-	-
Total Operating Revenues	<u>3,742</u>	<u>3,727</u>	<u>3,694</u>	<u>4,961</u>	<u>5,065</u>
OPERATING EXPENSES					
Interest	1,178	2,638	2,638	3,096	2,968
Mortgage and loan costs	341	346	326	427	430
Bond financing expenses	166	296	296	356	344
Provision for loan loss	(278)	(170)	(156)	(248)	(178)
Operations and administration	207	160	141	191	187
Rental housing operating expenses	-	-	-	-	-
Grant expense	-	-	-	-	-
Total Operating Expenses	<u>1,614</u>	<u>3,270</u>	<u>3,245</u>	<u>3,822</u>	<u>3,751</u>
Operating Income (Loss)	<u>2,128</u>	<u>457</u>	<u>449</u>	<u>1,139</u>	<u>1,314</u>
NON-OPERATING EXPENSES AND TRANSFERS					
Interfund receipts (payments) for operations	(5,552)	1,016	973	1,354	1,304
Change in Net Position	<u>(3,424)</u>	<u>1,473</u>	<u>1,422</u>	<u>2,493</u>	<u>2,618</u>
Net position at beginning of year	53,196	21,057	18,135	35,205	52,341
Net Position at End of Period	<u>\$ 49,772</u>	<u>\$ 22,530</u>	<u>\$ 19,557</u>	<u>\$ 37,698</u>	<u>\$ 54,959</u>

See accompanying notes to the financial statements.

Home Mortgage Revenue Bonds 2009 B	Home Mortgage Revenue Bonds 2009 D	Total June 30, 2020
\$ 5,198	\$ 5,778	\$ 31,151
254	252	1,475
17	16	78
-	-	-
<u>271</u>	<u>268</u>	<u>1,553</u>
-	-	-
-	-	-
-	-	-
-	-	-
<u>5,469</u>	<u>6,046</u>	<u>32,704</u>
2,968	2,965	18,451
471	526	2,867
344	377	2,179
(213)	(329)	(1,572)
206	226	1,318
-	-	-
-	-	-
<u>3,776</u>	<u>3,765</u>	<u>23,243</u>
<u>1,693</u>	<u>2,281</u>	<u>9,461</u>
1,262	1,382	1,739
<u>2,955</u>	<u>3,663</u>	<u>11,200</u>
61,723	69,833	311,490
<u>\$ 64,678</u>	<u>\$ 73,496</u>	<u>\$ 322,690</u>

ALASKA HOUSING FINANCE CORPORATION

Schedule 13

(A Component Unit of the State of Alaska)

STATEMENT OF ACTIVITIES

GENERAL MORTGAGE REVENUE BONDS

For the Year Ended June 30, 2020

(in thousands of dollars)

	General Mortgage Revenue Bonds II 2012 A & B	General Mortgage Revenue Bonds II 2016 A	General Mortgage Revenue Bonds II 2018 A & B	General Mortgage Revenue Bonds II 2019 A & B	Total June 30, 2020
OPERATING REVENUES					
Mortgage and loan revenue	\$ 5,146	\$ 3,049	\$ 7,381	\$ 4,196	\$ 19,772
Investment interest	174	84	250	252	760
Net change in the fair value of investments	10	5	19	21	55
Net change of hedge termination	-	-	-	-	-
Total Investment Revenue	184	89	269	273	815
Grant revenue	-	-	-	-	-
Housing rental subsidies	-	-	-	-	-
Rental revenue	-	-	-	-	-
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-
Other revenue	-	-	-	-	-
Total Operating Revenues	5,330	3,138	7,650	4,469	20,587
OPERATING EXPENSES					
Interest	3,157	2,028	5,405	2,701	13,291
Mortgage and loan costs	1,758	318	680	387	3,143
Bond financing expenses	5	5	9	1,123	1,142
Provision for loan loss	(2,012)	(69)	(195)	1,487	(789)
Operations and administration	190	165	305	237	897
Rental housing operating expenses	-	-	-	-	-
Grant expense	-	-	-	-	-
Total Operating Expenses	3,098	2,447	6,204	5,935	17,684
Operating Income (Loss)	2,232	691	1,446	(1,466)	2,903
NON-OPERATING EXPENSES AND TRANSFERS					
Interfund receipts (payments) for operations	201	302	348	6,085	6,936
Change in Net Position	2,433	993	1,794	4,619	9,839
Net position at beginning of year	79,774	3,886	20,927	-	104,587
Net Position at End of Period	\$ 82,207	\$ 4,879	\$ 22,721	\$ 4,619	\$ 114,426

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

Schedule 14

(A Component Unit of the State of Alaska)

STATEMENT OF ACTIVITIES

MORTGAGE REVENUE BONDS

For the Year Ended June 30, 2020

(in thousands of dollars)

	Mortgage Revenue Bonds 2009 A-1, 2010 A & B	Mortgage Revenue Bonds 2009 A-2, 2011 A & B	Total June 30, 2020
OPERATING REVENUES			
Mortgage and loan revenue	\$ 1,535	\$ 4,862	\$ 6,397
Investment interest	74	225	299
Net change in the fair value of investments	(1)	8	7
Net change of hedge termination	-	-	-
Total Investment Revenue	<u>73</u>	<u>233</u>	<u>306</u>
Grant revenue	-	-	-
Housing rental subsidies	-	-	-
Rental revenue	-	-	-
Gain (Loss) on Disposal of Capital Assets	-	-	-
Other revenue	-	-	-
Total Operating Revenues	<u>1,608</u>	<u>5,095</u>	<u>6,703</u>
OPERATING EXPENSES			
Interest	1,332	2,331	3,663
Mortgage and loan costs	143	474	617
Bond financing expenses	6	12	18
Provision for loan loss	(1,106)	(597)	(1,703)
Operations and administration	45	282	327
Rental housing operating expenses	-	-	-
Grant expense	-	-	-
Total Operating Expenses	<u>420</u>	<u>2,502</u>	<u>2,922</u>
Operating Income (Loss)	<u>1,188</u>	<u>2,593</u>	<u>3,781</u>
NON-OPERATING EXPENSES AND TRANSFERS			
Contributions to State of Alaska or State agencies	-	-	-
Interfund receipts (payments) for operations	(12,958)	293	(12,665)
Change in Net Position	<u>(11,770)</u>	<u>2,886</u>	<u>(8,884)</u>
Net position at beginning of year	<u>11,770</u>	<u>48,008</u>	<u>59,778</u>
Net Position at End of Period	<u>\$ -</u>	<u>\$ 50,894</u>	<u>\$ 50,894</u>

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

Schedule 15

(A Component Unit of the State of Alaska)

STATEMENT OF ACTIVITIES

COLLATERALIZED VETERANS MORTGAGE BONDS

For the Year Ended June 30, 2020

(in thousands of dollars)

	Collateralized Bonds, 2016 1st & 2nd Series	Collateralized Bonds, 2019 1st & 2nd Series	Total June 30, 2020
OPERATING REVENUES			
Mortgage and loan revenue	\$ 2,124	\$ 2,403	\$ 4,527
Investment interest	151	366	517
Net change in the fair value of investments	6	(12)	(6)
Net change of hedge termination	-	-	-
Total Investment Revenue	<u>157</u>	<u>354</u>	<u>511</u>
Grant revenue	-	-	-
Housing rental subsidies	-	-	-
Rental revenue	-	-	-
Gain (Loss) on Disposal of Capital Assets	-	-	-
Other revenue	-	-	-
Total Operating Revenues	<u>2,281</u>	<u>2,757</u>	<u>5,038</u>
OPERATING EXPENSES			
Interest	1,160	1,826	2,986
Mortgage and loan costs	187	210	397
Bond financing expenses	2	2	4
Provision for loan loss	(90)	68	(22)
Operations and administration	69	67	136
Rental housing operating expenses	-	-	-
Grant expense	-	-	-
Total Operating Expenses	<u>1,328</u>	<u>2,173</u>	<u>3,501</u>
Operating Income (Loss)	953	584	1,537
NON-OPERATING EXPENSES AND TRANSFERS			
Interfund receipts (payments) for operations	(2,434)	4,802	2,368
Change in Net Position	(1,481)	5,386	3,905
Net position at beginning of year	16,654	12,675	29,329
Net Position at End of Period	<u>\$ 15,173</u>	<u>\$ 18,061</u>	<u>\$ 33,234</u>

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

Schedule 16

(A Component Unit of the State of Alaska)

STATEMENT OF ACTIVITIES

GOVERNMENTAL PURPOSE BONDS

For the Year Ended June 30, 2020

(in thousands of dollars)

	Governmental Purpose Bonds 1997 A	Governmental Purpose Bonds 2001 A & B	Total June 30, 2020
OPERATING REVENUES			
Mortgage and loan revenue	\$ 36	\$ 6,325	\$ 6,361
Investment interest	-	575	575
Net change in the fair value of investments	-	(35)	(35)
Net change of hedge termination	-	-	-
Total Investment Revenue	-	540	540
Grant revenue	-	-	-
Housing rental subsidies	-	-	-
Rental revenue	-	-	-
Gain (Loss) on Disposal of Capital Assets	-	-	-
Other revenue	(8)	187	179
Total Operating Revenues	28	7,052	7,080
OPERATING EXPENSES			
Interest	-	3,669	3,669
Mortgage and loan costs	-	577	577
Bond financing expenses	11	292	303
Provision for loan loss	-	(519)	(519)
Operations and administration	-	280	280
Rental housing operating expenses	-	-	-
Grant expense	-	-	-
Total Operating Expenses	11	4,299	4,310
Operating Income (Loss)	17	2,753	2,770
NON-OPERATING EXPENSES AND TRANSFERS			
Interfund receipts (payments) for operations	(15,599)	(277)	(15,876)
Change in Net Position	(15,582)	2,476	(13,106)
Net position at beginning of year	15,582	137,125	152,707
Net Position at End of Period	\$ -	\$ 139,601	\$ 139,601

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF ACTIVITIES**STATE CAPITAL PROJECT BONDS**

For the Year Ended June 30, 2020

(in thousands of dollars)

	State Capital Project Bonds 2002 A, B, C	State Capital Project Bonds 2011 A	State Capital Project Bonds II 2012 A & B	State Capital Project Bonds II 2013 A & B	State Capital Project Bonds II 2014 A, B, C & D
OPERATING REVENUES					
Mortgage and loan revenue	\$ 1,075	\$ 304	\$ 2,437	\$ 3,580	\$ 16,490
Investment interest	29	7	51	81	428
Net change in the fair value of investments	1	-	4	9	36
Net change of hedge termination	(177)	-	-	-	-
Total Investment Revenue	(147)	7	55	90	464
Grant revenue	-	-	-	-	-
Housing rental subsidies	-	-	-	-	-
Rental revenue	-	-	-	-	-
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-
Other revenue	-	-	-	-	-
Total Operating Revenues	928	311	2,492	3,670	16,954
OPERATING EXPENSES					
Interest	742	154	1,181	1,846	11,409
Mortgage and loan costs	84	14	131	177	1,262
Bond financing expenses	10	-	2	3	16
Provision for loan loss	(169)	(96)	(415)	(460)	(821)
Operations and administration	65	16	45	61	547
Rental housing operating expenses	-	-	-	-	-
Grant expense	-	-	-	-	-
Total Operating Expenses	732	88	944	1,627	12,413
Operating Income (Loss)	196	223	1,548	2,043	4,541
NON-OPERATING EXPENSES AND TRANSFERS					
Interfund receipts (payments) for operations	(3,828)	(959)	(5,186)	(5,632)	(14,929)
Change in Net Position	(3,632)	(736)	(3,638)	(3,589)	(10,388)
Net position at beginning of year	8,405	2,634	10,937	12,827	61,012
Net Position at End of Period	\$ 4,773	\$ 1,898	\$ 7,299	\$ 9,238	\$ 50,624

See accompanying notes to the financial statements.

State Capital Project Bonds II 2015 A, B & C	State Capital Project Bonds II 2017 A, B & C	State Capital Project Bonds II 2018 A & B	State Capital Project Bonds II 2019 A & B	Total June 30, 2020
\$ 12,527	\$ 18,891	\$ 5,970	\$ 8,488	\$ 69,762
380	1,355	159	411	2,901
33	21	5	17	126
-	-	-	-	(177)
413	1,376	164	428	2,850
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
12,940	20,267	6,134	8,916	72,612
7,723	8,157	3,059	4,064	38,335
894	770	487	655	4,474
12	118	33	503	697
(486)	(513)	(8)	2,173	(795)
464	284	154	226	1,862
-	-	-	-	-
-	-	-	-	-
8,607	8,816	3,725	7,621	44,573
4,333	11,451	2,409	1,295	28,039
(9,248)	(21,217)	(438)	22,705	(38,732)
(4,915)	(9,766)	1,971	24,000	(10,693)
43,071	65,161	20,159	-	224,206
\$ 38,156	\$ 55,395	\$ 22,130	\$ 24,000	\$ 213,513

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF ACTIVITIES

OTHER PROGRAM FUNDS

For the Year Ended June 30, 2020

(in thousands of dollars)

	Low Rent Program	Market Rate Rental Housing Program	Home Ownership Fund	Senior Housing Revolving Loan Fund	Other Funds or Programs Subtotal
OPERATING REVENUES					
Mortgage and loan revenue	\$ -	\$ -	\$ 265	\$ 1,147	\$ 1,412
Investment interest	23	22	25	76	146
Net change in the fair value of investments	-	-	-	4	4
Net change of hedge termination	-	-	-	-	-
Total Investment Revenue	23	22	25	80	150
Grant revenue	3,191	-	-	-	3,191
Housing rental subsidies	8,919	2,283	-	-	11,202
Rental revenue	8,794	2,395	-	-	11,189
Gain (Loss) on Disposal of Capital Assets	84	-	-	-	84
Other revenue	2	-	-	-	2
Total Operating Revenues	21,013	4,700	290	1,227	27,230
OPERATING EXPENSES					
Interest	-	-	-	-	-
Mortgage and loan costs	-	-	26	105	131
Bond financing expenses	-	-	-	-	-
Provision for loan loss	-	-	14	(15)	(1)
Operations and administration	12,470	3,064	13	44	15,591
Rental housing operating expenses	13,162	2,549	-	-	15,711
Grant expense	-	-	-	-	-
Total Operating Expenses	25,632	5,613	53	134	31,432
Operating Income (Loss)	(4,619)	(913)	237	1,093	(4,202)
NON-OPERATING EXPENSES AND TRANSFERS					
Interfund receipts (payments) for operations	2,657	637	13	60	3,367
Change in Net Position	(1,962)	(276)	250	1,153	(835)
Net position at beginning of year	68,325	28,100	12,683	33,316	142,424
Net Position at End of Period	\$ 66,363	\$ 27,824	\$ 12,933	\$ 34,469	\$ 141,589

See accompanying notes to the financial statements.

Energy Programs	Section 8 Voucher Programs	Other Grants	Grant Programs Subtotal	Alaska Corporation for Affordable Housing	Total June 30, 2020
\$ -	\$ -	\$ -	\$ -	\$ 138	\$ 1,550
1	6	-	7	12	165
-	-	-	-	-	4
-	-	-	-	-	-
1	6	-	7	12	169
6,756	41,549	13,349	61,654	-	64,845
-	-	-	-	-	11,202
-	-	-	-	229	11,418
-	-	-	-	-	84
(1)	21	663	683	41	726
6,756	41,576	14,012	62,344	420	89,994
-	-	-	-	-	-
-	-	-	-	-	131
-	-	-	-	-	-
-	-	37	37	(130)	(94)
2,327	5,678	3,236	11,241	333	27,165
-	17	-	17	3	15,731
6,460	36,048	21,287	63,795	-	63,795
8,787	41,743	24,560	75,090	206	106,728
(2,031)	(167)	(10,548)	(12,746)	214	(16,734)
2,178	381	9,161	11,720	1,664	16,751
147	214	(1,387)	(1,026)	1,878	17
2,680	857	7,498	11,035	22,215	175,674
\$ 2,827	\$ 1,071	\$ 6,111	\$ 10,009	\$ 24,093	\$ 175,691

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

COMBINED - ALL FUNDS

For the Year Ended June 30, 2020

(in thousands of dollars)

	Administrative Fund	Combined Home Mortgage Revenue Bonds	Combined General Mortgage Revenue Bonds	Combined Mortgage Revenue Bonds	Combined Collateralized Veterans Mortgage Bonds
CASH FLOWS					
Operating Activities					
Interest income on mortgages and loans	\$ 6,577	28,535	\$ 18,121	\$ 5,871	\$ 4,242
Principal receipts on mortgages and loans	9,550	138,468	76,150	24,798	33,470
Disbursements to fund mortgages and loans	(511,119)	-	-	-	-
Receipts (payments) for interfund loan transfers	396,594	(88,374)	(85,705)	(2,296)	(29,823)
Mortgage and loan proceeds receipts	735,191	-	-	-	-
Mortgage and loan proceeds paid to funds	(688,369)	-	-	-	-
Payroll-related disbursements	(21,809)	-	-	-	-
Payments for goods and services	(6,374)	-	-	-	-
Receipts for externally funded programs	-	-	-	-	-
Receipts for Federal HAP subsidies	-	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-	-
Interfund receipts (payments)	(7,715)	-	-	-	-
Grant payments to other agencies	(5)	-	-	-	-
Other operating cash receipts (payments)	24,618	-	-	-	-
Net Cash Receipts (Disbursements)	(62,861)	78,629	8,566	28,373	7,889
Non-Capital Financing Activities					
Proceeds from bond issuance	-	-	168,836	-	-
Principal paid on bonds	-	(10,700)	(47,845)	(114,305)	(12,545)
Payment of bond issuance costs	(590)	-	(725)	-	-
Interest paid on bonds	-	(17,922)	(14,054)	(3,921)	(3,488)
Proceeds from short-term debt issuance	656,727	-	-	-	-
Payment of short term debt	(591,571)	-	-	-	-
Transfers from (to) other funds	193,881	(1)	(83,196)	82,887	9,665
Net Cash Receipts (Disbursements)	258,447	(28,623)	23,016	(35,339)	(6,368)
Capital Financing Activities					
Acquisition of capital assets	(251)	-	-	-	-
Proceeds from the disposal of capital assets	1,359	-	-	-	-
Principal paid on capital notes	-	-	-	-	-
Interest paid on capital notes	-	-	-	-	-
Proceeds from direct financing leases	-	-	-	-	-
Net Cash Receipts (Disbursements)	1,108	-	-	-	-
Investing Activities					
Purchase of investments	(3,661,406)	(336,774)	(274,448)	(49,599)	(101,913)
Proceeds from maturity of investments	3,452,171	285,197	242,080	56,234	99,820
Interest received from investments	7,037	1,571	786	331	572
Net Cash Receipts (Disbursements)	(202,198)	(50,006)	(31,582)	6,966	(1,521)
Net Increase (decrease) in cash	(5,504)	-	-	-	-
Cash at beginning of year	33,542	-	-	-	-
Cash at end of period	\$ 28,038	\$ -	\$ -	\$ -	\$ -

Combined Governmental Purpose Bonds	Combined State Capital Project Bonds	Combined Other Programs	Total June 30, 2020
\$ 5,812	65,111	\$ 1,282	\$ 135,551
36,189	224,513	5,478	548,616
-	-	-	(511,119)
(20,209)	(163,574)	(6,613)	-
-	-	-	735,191
-	-	-	(688,369)
-	-	(15,199)	(37,008)
-	-	(15,058)	(21,432)
-	-	47,691	47,691
-	-	36,028	36,028
-	-	(35,211)	(35,211)
-	-	7,715	-
-	-	(30,050)	(30,055)
-	(10)	11,142	35,750
21,792	126,040	7,205	215,633
-	210,920	-	379,756
(20,945)	(42,330)	-	(248,670)
-	(448)	-	(1,763)
(3,157)	(49,435)	-	(91,977)
-	-	-	656,727
-	-	-	(591,571)
(14)	(203,222)	-	-
(24,116)	(84,515)	-	102,502
-	-	(2,180)	(2,431)
-	-	84	1,443
-	(6,020)	-	(6,020)
-	(1,222)	-	(1,222)
-	3,303	-	3,303
-	(3,939)	(2,096)	(4,927)
(163,208)	(554,625)	(6,915)	(5,148,888)
164,918	515,091	6,660	4,822,171
614	1,938	173	13,022
2,324	(37,596)	(82)	(313,695)
-	(10)	5,027	(487)
-	199	40,518	74,259
\$ -	\$ 189	\$ 45,545	\$ 73,772

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

COMBINED - ALL FUNDS

For the Year Ended June 30, 2020

(in thousands of dollars)

	Administrative Fund	Combined Home Mortgage Revenue Bonds	Combined General Mortgage Revenue Bonds	Combined Mortgage Revenue Bonds	Combined Collateralized Veterans Mortgage Bonds
RECONCILIATION					
Operating Income (Loss) to Net Cash					
Operating income (loss)	\$ 3,784	\$ 9,461	\$ 2,903	\$ 3,781	\$ 1,537
<i>Adjustments:</i>					
Depreciation expense	1,000	-	-	-	-
Provision for loan loss	(1,145)	(1,572)	(789)	(1,703)	(22)
Net change in the fair value of investments	(1,693)	(78)	(55)	(7)	6
Interfund receipts (payments) for operations	39,479	1,739	6,936	(12,665)	2,368
Interest received from investments	(7,037)	(1,571)	(786)	(331)	(572)
Interest paid on bonds and capital notes	-	17,922	14,054	3,921	3,488
<i>Change in assets, liabilities and deferred resources:</i>					
Net (increase) decrease in mortgages and loans	40,783	59,441	(88,198)	116,262	2,231
Net increase (decrease) in assets, liabilities, and deferred resources	(138,032)	(6,713)	74,501	(80,885)	(1,147)
Net Operating Cash Receipts (Disbursements)	\$ (62,861)	\$ 78,629	\$ 8,566	\$ 28,373	\$ 7,889

See accompanying notes to the financial statements.

Combined Governmental Purpose Bonds	Combined State Capital Project Bonds	Combined Other Programs	Total June 30, 2020
\$ 2,770	\$ 28,039	\$ (16,734)	\$ 35,541
-	-	5,333	6,333
(519)	(795)	(94)	(6,639)
35	(126)	(4)	(1,922)
(15,876)	(38,732)	16,751	-
(614)	(1,938)	(173)	(13,022)
3,157	49,435	-	91,977
35,127	(77,630)	(1,345)	86,671
(2,288)	167,787	3,471	16,694
\$ 21,792	\$ 126,040	\$ 7,205	\$ 215,633

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

ADMINISTRATIVE FUND

For the Year Ended June 30, 2020

(in thousands of dollars)

	Administrative Fund
CASH FLOWS	
Operating Activities	
Interest income on mortgages and loans	\$ 6,577
Principal receipts on mortgages and loans	9,550
Disbursements to fund mortgages and loans	(511,119)
Receipts (payments) for interfund loan transfers	396,594
Mortgage and loan proceeds receipts	735,191
Mortgage and loan proceeds paid to funds	(688,369)
Payroll-related disbursements	(21,809)
Payments for goods and services	(6,374)
Receipts for externally funded programs	-
Receipts for Federal HAP subsidies	-
Payments for Federal HAP subsidies	-
Interfund receipts (payments)	(7,715)
Grant payments to other agencies	(5)
Other operating cash receipts (payments)	24,618
Net Cash Receipts (Disbursements)	(62,861)
Non-Capital Financing Activities	
Proceeds from bond issuance	-
Principal paid on bonds	-
Payment of bond issuance costs	(590)
Interest paid on bonds	-
Proceeds from short-term debt issuance	656,727
Payment of short term debt	(591,571)
Transfers from (to) other funds	193,881
Net Cash Receipts (Disbursements)	258,447
Capital Financing Activities	
Acquisition of capital assets	(251)
Proceeds from the disposal of capital assets	1,359
Principal paid on capital notes	-
Interest paid on capital notes	-
Proceeds from direct financing leases	-
Net Cash Receipts (Disbursements)	1,108
Investing Activities	
Purchase of investments	(3,661,406)
Proceeds from maturity of investments	3,452,171
Interest received from investments	7,037
Net Cash Receipts (Disbursements)	(202,198)
Net Increase (decrease) in cash	(5,504)
Cash at beginning of year	33,542
Cash at end of period	\$ 28,038

	<u>Administrative Fund</u>
RECONCILIATION	
Operating Income (Loss) to Net Cash	
Operating income (loss)	\$ 3,784
<i>Adjustments:</i>	
Depreciation expense	1,000
Provision for loan loss	(1,145)
Net change in the fair value of investments	(1,693)
Interfund receipts (payments) for operations	39,479
Interest received from investments	(7,037)
Interest paid on bonds and capital notes	-
<i>Change in assets, liabilities and deferred resources:</i>	
Net (increase) decrease in mortgages and loans	40,783
Net increase (decrease) in assets, liabilities, and deferred resources	(138,032)
Net Operating Cash Receipts (Disbursements)	<u>\$ (62,861)</u>

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

HOME MORTGAGE REVENUE BONDS

For the Year Ended June 30, 2020

(in thousands of dollars)

	Home Mortgage Revenue Bonds 2002 A	Home Mortgage Revenue Bonds 2007 A	Home Mortgage Revenue Bonds 2007 B	Home Mortgage Revenue Bonds 2007 D	Home Mortgage Revenue Bonds 2009 A
CASH FLOWS					
Operating Activities					
Interest income on mortgages and loans	\$ 3,284	\$ 3,235	\$ 3,228	\$ 4,372	\$ 4,366
Principal receipts on mortgages and loans	14,303	16,007	16,339	18,910	24,431
Disbursements to fund mortgages and loans	-	-	-	-	-
Receipts (payments) for interfund loan transfers	(7,553)	(8,967)	(10,256)	(11,843)	(17,658)
Mortgage and loan proceeds receipts	-	-	-	-	-
Mortgage and loan proceeds paid to funds	-	-	-	-	-
Payroll-related disbursements	-	-	-	-	-
Payments for goods and services	-	-	-	-	-
Receipts for externally funded programs	-	-	-	-	-
Receipts for Federal HAP subsidies	-	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-	-
Interfund receipts (payments)	-	-	-	-	-
Grant payments to other agencies	-	-	-	-	-
Other operating cash receipts (payments)	-	-	-	-	-
Net Cash Receipts (Disbursements)	10,034	10,275	9,311	11,439	11,139
Non-Capital Financing Activities					
Proceeds from bond issuance	-	-	-	-	-
Principal paid on bonds	(1,750)	(1,765)	(1,765)	(2,095)	(1,110)
Payment of bond issuance costs	-	-	-	-	-
Interest paid on bonds	(962)	(2,577)	(2,575)	(3,022)	(2,929)
Proceeds from short-term debt issuance	-	-	-	-	-
Payment of short term debt	-	-	-	-	-
Transfers from (to) other funds	(5,437)	816	816	972	944
Net Cash Receipts (Disbursements)	(8,149)	(3,526)	(3,524)	(4,145)	(3,095)
Capital Financing Activities					
Acquisition of capital assets	-	-	-	-	-
Proceeds from the disposal of capital assets	-	-	-	-	-
Principal paid on capital notes	-	-	-	-	-
Interest paid on capital notes	-	-	-	-	-
Proceeds from direct financing leases	-	-	-	-	-
Net Cash Receipts (Disbursements)	-	-	-	-	-
Investing Activities					
Purchase of investments	(30,907)	(39,668)	(41,075)	(51,792)	(61,743)
Proceeds from maturity of investments	28,855	32,734	35,109	44,272	53,421
Interest received from investments	167	185	179	226	278
Net Cash Receipts (Disbursements)	(1,885)	(6,749)	(5,787)	(7,294)	(8,044)
Net Increase (decrease) in cash	-	-	-	-	-
Cash at beginning of year	-	-	-	-	-
Cash at end of period	\$ -	\$ -	\$ -	\$ -	\$ -

Home Mortgage Revenue Bonds 2009 B	Home Mortgage Revenue Bonds 2009 D	Total June 30, 2020
\$ 4,757	\$ 5,293	\$ 28,535
24,361	24,117	138,468
-	-	-
(16,468)	(15,629)	(88,374)
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
12,650	13,781	78,629
-	-	-
(1,110)	(1,105)	(10,700)
-	-	-
(2,928)	(2,929)	(17,922)
-	-	-
-	-	-
944	944	(1)
(3,094)	(3,090)	(28,623)
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
(56,825)	(54,764)	(336,774)
47,002	43,804	285,197
267	269	1,571
(9,556)	(10,691)	(50,006)
-	-	-
-	-	-
\$ -	\$ -	\$ -

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

HOME MORTGAGE REVENUE BONDS

For the Year Ended June 30, 2020

(in thousands of dollars)

	Home Mortgage Revenue Bonds 2002 A	Home Mortgage Revenue Bonds 2007 A	Home Mortgage Revenue Bonds 2007 B	Home Mortgage Revenue Bonds 2007 D	Home Mortgage Revenue Bonds 2009 A
RECONCILIATION					
Operating Income (Loss) to Net Cash					
Operating income (loss)	\$ 2,128	\$ 457	\$ 449	\$ 1,139	\$ 1,314
<i>Adjustments:</i>					
Depreciation expense	-	-	-	-	-
Provision for loan loss	(278)	(170)	(156)	(248)	(178)
Net change in the fair value of investments	(8)	(8)	(6)	(11)	(12)
Interfund receipts (payments) for operations	(5,552)	1,016	973	1,354	1,304
Interest received from investments	(167)	(185)	(179)	(226)	(278)
Interest paid on bonds and capital notes	962	2,577	2,575	3,022	2,929
<i>Change in assets, liabilities and deferred resources:</i>					
Net (increase) decrease in mortgages and loans	8,386	7,461	7,536	8,814	8,828
Net increase (decrease) in assets, liabilities, and deferred resources	4,563	(873)	(1,881)	(2,405)	(2,768)
Net Operating Cash Receipts (Disbursements)	\$ 10,034	\$ 10,275	\$ 9,311	\$ 11,439	\$ 11,139

See accompanying notes to the financial statements.

Home Mortgage Revenue Bonds 2009 B	Home Mortgage Revenue Bonds 2009 D	Total June 30, 2020
\$ 1,693	\$ 2,281	\$ 9,461
-	-	-
(213)	(329)	(1,572)
(17)	(16)	(78)
1,262	1,382	1,739
(267)	(269)	(1,571)
2,928	2,929	17,922
9,662	8,754	59,441
(2,398)	(951)	(6,713)
\$ 12,650	\$ 13,781	\$ 78,629

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

GENERAL MORTGAGE REVENUE BONDS

For the Year Ended June 30, 2020

(in thousands of dollars)

	General Mortgage Revenue Bonds II 2012 A & B	General Mortgage Revenue Bonds II 2016 A	General Mortgage Revenue Bonds II 2018 A & B	General Mortgage Revenue Bonds II 2019 A & B	Total June 30, 2020
CASH FLOWS					
Operating Activities					
Interest income on mortgages and loans	\$ 4,879	\$ 2,737	\$ 6,754	\$ 3,751	\$ 18,121
Principal receipts on mortgages and loans	29,646	7,267	22,854	16,383	76,150
Disbursements to fund mortgages and loans	-	-	-	-	-
Receipts (payments) for interfund loan transfers	-	(1,004)	(5,485)	(79,216)	(85,705)
Mortgage and loan proceeds receipts	-	-	-	-	-
Mortgage and loan proceeds paid to funds	-	-	-	-	-
Payroll-related disbursements	-	-	-	-	-
Payments for goods and services	-	-	-	-	-
Receipts for externally funded programs	-	-	-	-	-
Receipts for Federal HAP subsidies	-	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-	-
Interfund receipts (payments)	-	-	-	-	-
Grant payments to other agencies	-	-	-	-	-
Other operating cash receipts (payments)	-	-	-	-	-
Net Cash Receipts (Disbursements)	34,525	9,000	24,123	(59,082)	8,566
Non-Capital Financing Activities					
Proceeds from bond issuance	-	-	-	168,836	168,836
Principal paid on bonds	(28,610)	(6,090)	(10,185)	(2,960)	(47,845)
Payment of bond issuance costs	-	-	-	(725)	(725)
Interest paid on bonds	(2,884)	(2,207)	(6,129)	(2,834)	(14,054)
Proceeds from short-term debt issuance	-	-	-	-	-
Payment of short term debt	-	-	-	-	-
Transfers from (to) other funds	-	-	-	(83,196)	(83,196)
Net Cash Receipts (Disbursements)	(31,494)	(8,297)	(16,314)	79,121	23,016
Capital Financing Activities					
Acquisition of capital assets	-	-	-	-	-
Proceeds from the disposal of capital assets	-	-	-	-	-
Principal paid on capital notes	-	-	-	-	-
Interest paid on capital notes	-	-	-	-	-
Proceeds from direct financing leases	-	-	-	-	-
Net Cash Receipts (Disbursements)	-	-	-	-	-
Investing Activities					
Purchase of investments	(48,408)	(18,343)	(62,697)	(145,000)	(274,448)
Proceeds from maturity of investments	45,189	17,551	54,625	124,715	242,080
Interest received from investments	188	89	263	246	786
Net Cash Receipts (Disbursements)	(3,031)	(703)	(7,809)	(20,039)	(31,582)
Net Increase (decrease) in cash	-	-	-	-	-
Cash at beginning of year	-	-	-	-	-
Cash at end of period	\$ -	\$ -	\$ -	\$ -	\$ -

	General Mortgage Revenue Bonds II 2012 A & B	General Mortgage Revenue Bonds II 2016 A	General Mortgage Revenue Bonds II 2018 A & B	General Mortgage Revenue Bonds II 2019 A & B	Total June 30, 2020
RECONCILIATION					
Operating Income (Loss) to Net Cash					
Operating income (loss)	\$ 2,232	\$ 691	\$ 1,446	\$ (1,466)	\$ 2,903
<i>Adjustments:</i>					
Depreciation expense	-	-	-	-	-
Provision for loan loss	(2,012)	(69)	(195)	1,487	(789)
Net change in the fair value of investments	(10)	(5)	(19)	(21)	(55)
Interfund receipts (payments) for operations	201	302	348	6,085	6,936
Interest received from investments	(188)	(89)	(263)	(246)	(786)
Interest paid on bonds and capital notes	2,884	2,207	6,129	2,834	14,054
<i>Change in assets, liabilities and deferred resources:</i>					
Net (increase) decrease in mortgages and loans	32,878	6,840	19,341	(147,257)	(88,198)
Net increase (decrease) in assets, liabilities, and deferred resources	(1,460)	(877)	(2,664)	79,502	74,501
Net Operating Cash Receipts (Disbursements)	\$ 34,525	\$ 9,000	\$ 24,123	\$ (59,082)	\$ 8,566

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

MORTGAGE REVENUE BONDS

For the Year Ended June 30, 2020

(in thousands of dollars)

	Mortgage Revenue Bonds 2009 A-1, 2010 A & B	Mortgage Revenue Bonds 2009 A-2, 2011 A & B	Total June 30, 2020
CASH FLOWS			
Operating Activities			
Interest income on mortgages and loans	\$ 1,432	\$ 4,439	\$ 5,871
Principal receipts on mortgages and loans	4,836	19,962	24,798
Disbursements to fund mortgages and loans	-	-	-
Receipts (payments) for interfund loan transfers	(2,870)	574	(2,296)
Mortgage and loan proceeds receipts	-	-	-
Mortgage and loan proceeds paid to funds	-	-	-
Payroll-related disbursements	-	-	-
Payments for goods and services	-	-	-
Receipts for externally funded programs	-	-	-
Receipts for Federal HAP subsidies	-	-	-
Payments for Federal HAP subsidies	-	-	-
Interfund receipts (payments)	-	-	-
Grant payments to other agencies	-	-	-
Other operating cash receipts (payments)	-	-	-
Net Cash Receipts (Disbursements)	3,398	24,975	28,373
Non-Capital Financing Activities			
Proceeds from bond issuance	-	-	-
Principal paid on bonds	(90,895)	(23,410)	(114,305)
Payment of bond issuance costs	-	-	-
Interest paid on bonds	(1,525)	(2,396)	(3,921)
Proceeds from short-term debt issuance	-	-	-
Payment of short term debt	-	-	-
Transfers from (to) other funds	82,887	-	82,887
Net Cash Receipts (Disbursements)	(9,533)	(25,806)	(35,339)
Capital Financing Activities			
Acquisition of capital assets	-	-	-
Proceeds from the disposal of capital assets	-	-	-
Principal paid on capital notes	-	-	-
Interest paid on capital notes	-	-	-
Proceeds from direct financing leases	-	-	-
Net Cash Receipts (Disbursements)	-	-	-
Investing Activities			
Purchase of investments	(6,815)	(42,784)	(49,599)
Proceeds from maturity of investments	12,864	43,370	56,234
Interest received from investments	86	245	331
Net Cash Receipts (Disbursements)	6,135	831	6,966
Net Increase (decrease) in cash	-	-	-
Cash at beginning of year	-	-	-
Cash at end of period	\$ -	\$ -	\$ -

	Mortgage Revenue Bonds 2009 A-1, 2010 A & B	Mortgage Revenue Bonds 2009 A-2, 2011 A & B	Total June 30, 2020
RECONCILIATION			
Operating Income (Loss) to Net Cash			
Operating income (loss)	\$ 1,188	\$ 2,593	\$ 3,781
<i>Adjustments:</i>			
Depreciation expense	-	-	-
Provision for loan loss	(1,106)	(597)	(1,703)
Net change in the fair value of investments	1	(8)	(7)
Interfund receipts (payments) for operations	(12,958)	293	(12,665)
Interest received from investments	(86)	(245)	(331)
Interest paid on bonds and capital notes	1,525	2,396	3,921
<i>Change in assets, liabilities and deferred resources:</i>			
Net (increase) decrease in mortgages and loans	95,434	20,828	116,262
Net increase (decrease) in assets, liabilities, and deferred resources	(80,600)	(285)	(80,885)
Net Operating Cash Receipts (Disbursements)	\$ 3,398	\$ 24,975	\$ 28,373

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

COLLATERALIZED VETERANS MORTGAGE BONDS

For the Year Ended June 30, 2020

(in thousands of dollars)

	Collateralized Bonds, 2016 1st & 2nd Series	Collateralized Bonds, 2019 1st & 2nd Series	Total June 30, 2020
CASH FLOWS			
Operating Activities			
Interest income on mortgages and loans	\$ 1,986	\$ 2,256	\$ 4,242
Principal receipts on mortgages and loans	14,137	19,333	33,470
Disbursements to fund mortgages and loans	-	-	-
Receipts (payments) for interfund loan transfers	(6,532)	(23,291)	(29,823)
Mortgage and loan proceeds receipts	-	-	-
Mortgage and loan proceeds paid to funds	-	-	-
Payroll-related disbursements	-	-	-
Payments for goods and services	-	-	-
Receipts for externally funded programs	-	-	-
Receipts for Federal HAP subsidies	-	-	-
Payments for Federal HAP subsidies	-	-	-
Interfund receipts (payments)	-	-	-
Grant payments to other agencies	-	-	-
Other operating cash receipts (payments)	-	-	-
Net Cash Receipts (Disbursements)	9,591	(1,702)	7,889
Non-Capital Financing Activities			
Proceeds from bond issuance	-	-	-
Principal paid on bonds	(1,280)	(11,265)	(12,545)
Payment of bond issuance costs	-	-	-
Interest paid on bonds	(1,161)	(2,327)	(3,488)
Proceeds from short-term debt issuance	-	-	-
Payment of short term debt	-	-	-
Transfers from (to) other funds	(321)	9,986	9,665
Net Cash Receipts (Disbursements)	(2,762)	(3,606)	(6,368)
Capital Financing Activities			
Acquisition of capital assets	-	-	-
Proceeds from the disposal of capital assets	-	-	-
Principal paid on capital notes	-	-	-
Interest paid on capital notes	-	-	-
Proceeds from direct financing leases	-	-	-
Net Cash Receipts (Disbursements)	-	-	-
Investing Activities			
Purchase of investments	(36,555)	(65,358)	(101,913)
Proceeds from maturity of investments	29,565	70,255	99,820
Interest received from investments	161	411	572
Net Cash Receipts (Disbursements)	(6,829)	5,308	(1,521)
Net Increase (decrease) in cash	-	-	-
Cash at beginning of year	-	-	-
Cash at end of period	\$ -	\$ -	\$ -

	Collateralized Bonds, 2016 1st & 2nd Series	Collateralized Bonds, 2019 1st & 2nd Series	Total June 30, 2020
RECONCILIATION			
Operating Income (Loss) to Net Cash			
Operating income (loss)	\$ 953	\$ 584	\$ 1,537
<i>Adjustments:</i>			
Depreciation expense	-	-	-
Provision for loan loss	(90)	68	(22)
Net change in the fair value of investments	(6)	12	6
Interfund receipts (payments) for operations	(2,434)	4,802	2,368
Interest received from investments	(161)	(411)	(572)
Interest paid on bonds and capital notes	1,161	2,327	3,488
<i>Change in assets, liabilities and deferred resources:</i>			
Net (increase) decrease in mortgages and loans	8,917	(6,686)	2,231
Net increase (decrease) in assets, liabilities, and deferred resources	1,251	(2,398)	(1,147)
Net Operating Cash Receipts (Disbursements)	\$ 9,591	\$ (1,702)	\$ 7,889

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

GOVERNMENTAL PURPOSE BONDS

For the Year Ended June 30, 2020

(in thousands of dollars)

	Governmental Purpose Bonds 1997 A	Governmental Purpose Bonds 2001 A & B	Total June 30, 2020
CASH FLOWS			
Operating Activities			
Interest income on mortgages and loans	\$ -	\$ 5,812	\$ 5,812
Principal receipts on mortgages and loans	-	36,189	36,189
Disbursements to fund mortgages and loans	-	-	-
Receipts (payments) for interfund loan transfers	-	(20,209)	(20,209)
Mortgage and loan proceeds receipts	-	-	-
Mortgage and loan proceeds paid to funds	-	-	-
Payroll-related disbursements	-	-	-
Payments for goods and services	-	-	-
Receipts for externally funded programs	-	-	-
Receipts for Federal HAP subsidies	-	-	-
Payments for Federal HAP subsidies	-	-	-
Interfund receipts (payments)	-	-	-
Grant payments to other agencies	-	-	-
Other operating cash receipts (payments)	-	-	-
Net Cash Receipts (Disbursements)	-	21,792	21,792
Non-Capital Financing Activities			
Proceeds from bond issuance	-	-	-
Principal paid on bonds	(14,600)	(6,345)	(20,945)
Payment of bond issuance costs	-	-	-
Interest paid on bonds	(19)	(3,138)	(3,157)
Proceeds from short-term debt issuance	-	-	-
Payment of short term debt	-	-	-
Transfers from (to) other funds	(14)	-	(14)
Net Cash Receipts (Disbursements)	(14,633)	(9,483)	(24,116)
Capital Financing Activities			
Acquisition of capital assets	-	-	-
Proceeds from the disposal of capital assets	-	-	-
Principal paid on capital notes	-	-	-
Interest paid on capital notes	-	-	-
Proceeds from direct financing leases	-	-	-
Net Cash Receipts (Disbursements)	-	-	-
Investing Activities			
Purchase of investments	(13)	(163,195)	(163,208)
Proceeds from maturity of investments	14,636	150,282	164,918
Interest received from investments	10	604	614
Net Cash Receipts (Disbursements)	14,633	(12,309)	2,324
Net Increase (decrease) in cash	-	-	-
Cash at beginning of year	-	-	-
Cash at end of period	\$ -	\$ -	\$ -

	Governmental Purpose Bonds 1997 A	Governmental Purpose Bonds 2001 A & B	Total June 30, 2020
RECONCILIATION			
Operating Income (Loss) to Net Cash			
Operating income (loss)	\$ 17	\$ 2,753	\$ 2,770
<i>Adjustments:</i>			
Depreciation expense	-	-	-
Provision for loan loss	-	(519)	(519)
Net change in the fair value of investments	-	35	35
Interfund receipts (payments) for operations	(15,599)	(277)	(15,876)
Interest received from investments	(10)	(604)	(614)
Interest paid on bonds and capital notes	19	3,138	3,157
<i>Change in assets, liabilities and deferred resources:</i>			
Net (increase) decrease in mortgages and loans	15,363	19,764	35,127
Net increase (decrease) in assets, liabilities, and deferred resources	210	(2,498)	(2,288)
Net Operating Cash Receipts (Disbursements)	\$ -	\$ 21,792	\$ 21,792

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

STATE CAPITAL PROJECT BONDS

For the Year Ended June 30, 2020

(in thousands of dollars)

	State Capital Project Bonds 2002 A, B, C	State Capital Project Bonds 2011 A	State Capital Project Bonds II 2012 A & B	State Capital Project Bonds II 2013 A & B	State Capital Project Bonds II 2014 A, B, C & D
CASH FLOWS					
Operating Activities					
Interest income on mortgages and loans	\$ 997	\$ 286	\$ 2,260	\$ 3,360	\$ 15,294
Principal receipts on mortgages and loans	3,874	444	5,398	17,657	53,972
Disbursements to fund mortgages and loans	-	-	-	-	-
Receipts (payments) for interfund loan transfers	-	-	-	(6,994)	(31,145)
Mortgage and loan proceeds receipts	-	-	-	-	-
Mortgage and loan proceeds paid to funds	-	-	-	-	-
Payroll-related disbursements	-	-	-	-	-
Payments for goods and services	-	-	-	-	-
Receipts for externally funded programs	-	-	-	-	-
Receipts for Federal HAP subsidies	-	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-	-
Interfund receipts (payments)	-	-	-	-	-
Grant payments to other agencies	-	-	-	-	-
Other operating cash receipts (payments)	-	-	-	-	-
Net Cash Receipts (Disbursements)	4,871	730	7,658	14,023	38,121
Non-Capital Financing Activities					
Proceeds from bond issuance	-	-	-	-	-
Principal paid on bonds	(439)	(1,296)	(4,825)	(5,520)	(12,840)
Payment of bond issuance costs	-	-	-	-	-
Interest paid on bonds	(91)	(164)	(1,678)	(2,673)	(14,057)
Proceeds from short-term debt issuance	-	-	-	-	-
Payment of short term debt	-	-	-	-	-
Transfers from (to) other funds	2,334	930	-	(930)	(790)
Net Cash Receipts (Disbursements)	1,804	(530)	(6,503)	(9,123)	(27,687)
Capital Financing Activities					
Acquisition of capital assets	-	-	-	-	-
Proceeds from the disposal of capital assets	-	-	-	-	-
Principal paid on capital notes	(5,826)	(194)	-	-	-
Interest paid on capital notes	(1,197)	(25)	-	-	-
Proceeds from direct financing leases	-	-	-	-	-
Net Cash Receipts (Disbursements)	(7,023)	(219)	-	-	-
Investing Activities					
Purchase of investments	(10,933)	(1,989)	(11,842)	(24,723)	(105,953)
Proceeds from maturity of investments	11,245	2,000	10,633	19,740	95,085
Interest received from investments	36	8	54	83	434
Net Cash Receipts (Disbursements)	348	19	(1,155)	(4,900)	(10,434)
Net Increase (decrease) in cash	-	-	-	-	-
Cash at beginning of year	-	-	-	-	-
Cash at end of period	\$ -	\$ -	\$ -	\$ -	\$ -

State Capital Project Bonds II 2015 A, B & C	State Capital Project Bonds II 2017 A, B & C	State Capital Project Bonds II 2018 A & B	State Capital Project Bonds II 2019 A & B	Total June 30, 2020
\$ 11,683	\$ 18,031	\$ 5,519	\$ 7,681	\$ 65,111
42,343	28,407	21,912	50,506	224,513
-	-	-	-	-
(20,504)	(31,920)	(24,090)	(48,921)	(163,574)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	(10)	-	-	(10)
33,522	14,508	3,341	9,266	126,040
-	-	-	210,920	210,920
(11,115)	(4,250)	(1,115)	(930)	(42,330)
-	-	-	(448)	(448)
(10,728)	(11,783)	(3,402)	(4,859)	(49,435)
-	-	-	-	-
-	-	-	-	-
-	(34)	-	(204,732)	(203,222)
(21,843)	(16,067)	(4,517)	(49)	(84,515)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	(6,020)
-	-	-	-	(1,222)
-	3,303	-	-	3,303
-	3,303	-	-	(3,939)
(103,877)	(88,339)	(38,944)	(168,025)	(554,625)
91,809	86,216	39,958	158,405	515,091
389	369	162	403	1,938
(11,679)	(1,754)	1,176	(9,217)	(37,596)
-	(10)	-	-	(10)
-	199	-	-	199
\$ -	\$ 189	\$ -	\$ -	\$ 189

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

STATE CAPITAL PROJECT BONDS

For the Year Ended June 30, 2020

(in thousands of dollars)

	State Capital Project Bonds 2002 A, B, C	State Capital Project Bonds 2011 A	State Capital Project Bonds II 2012 A & B	State Capital Project Bonds II 2013 A & B	State Capital Project Bonds II 2014 A, B, C & D
RECONCILIATION					
Operating Income (Loss) to Net Cash					
Operating income (loss)	\$ 196	\$ 223	\$ 1,548	\$ 2,043	\$ 4,541
<i>Adjustments:</i>					
Depreciation expense	-	-	-	-	-
Provision for loan loss	(169)	(96)	(415)	(460)	(821)
Net change in the fair value of investments	(1)	-	(4)	(9)	(36)
Interfund receipts (payments) for operations	(3,828)	(959)	(5,186)	(5,632)	(14,929)
Interest received from investments	(36)	(8)	(54)	(83)	(434)
Interest paid on bonds and capital notes	91	164	1,678	2,673	14,057
<i>Change in assets, liabilities and deferred resources:</i>					
Net (increase) decrease in mortgages and loans	10,809	2,239	10,689	15,638	41,985
Net increase (decrease) in assets, liabilities, and deferred resources	(2,191)	(833)	(598)	(147)	(6,242)
Net Operating Cash Receipts (Disbursements)	\$ 4,871	\$ 730	\$ 7,658	\$ 14,023	\$ 38,121

See accompanying notes to the financial statements.

State Capital Project Bonds II 2015 A, B & C	State Capital Project Bonds II 2017 A, B & C	State Capital Project Bonds II 2018 A & B	State Capital Project Bonds II 2019 A & B	Total June 30, 2020
\$ 4,333	\$ 11,451	\$ 2,409	\$ 1,295	\$ 28,039
-	-	-	-	-
(486)	(513)	(8)	2,173	(795)
(33)	(21)	(5)	(17)	(126)
(9,248)	(21,217)	(438)	22,705	(38,732)
(389)	(369)	(162)	(403)	(1,938)
10,728	11,783	3,402	4,859	49,435
33,076	22,289	766	(215,121)	(77,630)
(4,459)	(8,895)	(2,623)	193,775	167,787
\$ 33,522	\$ 14,508	\$ 3,341	\$ 9,266	\$ 126,040

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

OTHER PROGRAM FUNDS

For the Year Ended June 30, 2020

(in thousands of dollars)

	Low Rent Program	Market Rate Rental Housing Program	Home Ownership Fund	Senior Housing Revolving Loan Fund	Other Funds or Programs Subtotal
CASH FLOWS					
Operating Activities					
Interest income on mortgages and loans	\$ -	\$ -	\$ 240	\$ 1,042	\$ 1,282
Principal receipts on mortgages and loans	-	-	623	4,855	5,478
Disbursements to fund mortgages and loans	-	-	-	-	-
Receipts (payments) for interfund loan transfers	-	-	(2,053)	(4,560)	(6,613)
Mortgage and loan proceeds receipts	-	-	-	-	-
Mortgage and loan proceeds paid to funds	-	-	-	-	-
Payroll-related disbursements	(8,079)	(1,650)	-	-	(9,729)
Payments for goods and services	(11,172)	(2,308)	-	-	(13,480)
Receipts for externally funded programs	11,562	2,344	-	-	13,906
Receipts for Federal HAP subsidies	-	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-	-
Interfund receipts (payments)	784	165	-	-	949
Grant payments to other agencies	-	-	-	-	-
Other operating cash receipts (payments)	8,486	2,347	-	-	10,833
Net Cash Receipts (Disbursements)	1,581	898	(1,190)	1,337	2,626
Non-Capital Financing Activities					
Proceeds from bond issuance	-	-	-	-	-
Principal paid on bonds	-	-	-	-	-
Payment of bond issuance costs	-	-	-	-	-
Interest paid on bonds	-	-	-	-	-
Proceeds from short-term debt issuance	-	-	-	-	-
Payment of short term debt	-	-	-	-	-
Transfers from (to) other funds	-	-	-	-	-
Net Cash Receipts (Disbursements)	-	-	-	-	-
Capital Financing Activities					
Acquisition of capital assets	(1,001)	(77)	-	-	(1,078)
Proceeds from the disposal of capital assets	84	-	-	-	84
Principal paid on capital notes	-	-	-	-	-
Interest paid on capital notes	-	-	-	-	-
Proceeds from direct financing leases	-	-	-	-	-
Net Cash Receipts (Disbursements)	(917)	(77)	-	-	(994)
Investing Activities					
Purchase of investments	-	-	(891)	(6,024)	(6,915)
Proceeds from maturity of investments	-	-	2,053	4,607	6,660
Interest received from investments	23	22	28	81	154
Net Cash Receipts (Disbursements)	23	22	1,190	(1,336)	(101)
Net Increase (decrease) in cash	687	843	-	1	1,531
Cash at beginning of year	14,643	12,936	-	-	27,579
Cash at end of period	\$ 15,330	\$ 13,779	\$ -	\$ 1	\$ 29,110

Energy Programs	Section 8 Voucher Programs	Other Grants	Grant Programs Subtotal	Alaska Corporation for Affordable Housing	Total June 30, 2020
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,282
-	-	-	-	-	5,478
-	-	-	-	-	-
-	-	-	-	-	(6,613)
-	-	-	-	-	-
-	-	-	-	-	-
(169)	(4,091)	(956)	(5,216)	(254)	(15,199)
(389)	(302)	(806)	(1,497)	(81)	(15,058)
6,466	5,569	21,750	33,785	-	47,691
-	36,028	-	36,028	-	36,028
-	(35,211)	-	(35,211)	-	(35,211)
370	1,864	2,710	4,944	1,822	7,715
(6,277)	(837)	(22,936)	(30,050)	-	(30,050)
(1)	-	238	237	72	11,142
-	3,020	-	3,020	1,559	7,205
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(29)	-	(29)	(1,073)	(2,180)
-	-	-	-	-	84
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(29)	-	(29)	(1,073)	(2,096)
-	-	-	-	-	(6,915)
-	-	-	-	-	6,660
1	6	-	7	12	173
1	6	-	7	12	(82)
1	2,997	-	2,998	498	5,027
977	4,257	3	5,237	7,702	40,518
\$ 978	\$ 7,254	\$ 3	\$ 8,235	\$ 8,200	\$ 45,545

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

OTHER PROGRAM FUNDS

For the Year Ended June 30, 2020

(in thousands of dollars)

	Low Rent Program	Market Rate Rental Housing Program	Home Ownership Fund	Senior Housing Revolving Loan Fund	Other Funds or Programs Subtotal
RECONCILIATION					
Operating Income (Loss) to Net Cash					
Operating income (loss)	\$ (4,619)	\$ (913)	\$ 237	\$ 1,093	\$ (4,202)
<i>Adjustments:</i>					
Depreciation expense	4,118	1,197	-	-	5,315
Provision for loan loss	-	-	14	(15)	(1)
Net change in the fair value of investments	-	-	-	(4)	(4)
Interfund receipts (payments) for operations	2,657	637	13	60	3,367
Interest received from investments	(23)	(22)	(28)	(81)	(154)
Interest paid on bonds and capital notes	-	-	-	-	-
<i>Change in assets, liabilities and deferred resources:</i>					
Net (increase) decrease in mortgages and loans	-	-	(1,368)	213	(1,155)
Net increase (decrease) in assets, liabilities, and deferred resources	(552)	(1)	(58)	71	(540)
Net Operating Cash Receipts (Disbursements)	\$ 1,581	\$ 898	\$ (1,190)	\$ 1,337	\$ 2,626

See accompanying notes to the financial statements.

Energy Programs	Section 8 Voucher Programs	Other Grants	Grant Programs Subtotal	Alaska Corporation for Affordable Housing	Total June 30, 2020
\$ (2,031)	\$ (167)	\$ (10,548)	\$ (12,746)	\$ 214	\$ (16,734)
-	18	-	18	-	5,333
-	-	37	37	(130)	(94)
-	-	-	-	-	(4)
2,178	381	9,161	11,720	1,664	16,751
(1)	(6)	-	(7)	(12)	(173)
-	-	-	-	-	-
-	-	36	36	(226)	(1,345)
(146)	2,794	1,314	3,962	49	3,471
\$ -	\$ 3,020	\$ -	\$ 3,020	\$ 1,559	\$ 7,205