



Alaska Corporation for Affordable Housing

(A component unit of Alaska Housing Finance Corporation)

Financial Statements

And Independent Auditor's Report

June 30, 2022

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Independent Auditor's Report

To the Board of Directors
Alaska Corporation for Affordable Housing
Anchorage, Alaska

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alaska Corporation for Affordable Housing (the Corporation), a component unit of Alaska Housing Finance Corporation, which comprise the statement of net position as of and for the year ended June 30, 2022, and the related statements of revenues, expenses and changes in net position, and cash flows, for the years then ended, and the notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of June 30, 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities of the Audit of the Financial Statements section of our report. We are required to be independent of Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Correction of Error

As discussed in Note 5 to the financial statements, the Corporation incorrectly valued capital assets transferred from Alaska Housing Finance Corporation. This resulted in an overstatement of assets, and overstatement of net investment in capital assets as of June 30, 2021. Accordingly, amounts reported for those items have been restated in the 2021 financial statements now presented, to correct the error. Our opinion is not modified with respect to this matter.

Responsibilities of Management 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities of the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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.

The image shows a handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Boise, Idaho
October 18, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements of Alaska Corporation for Affordable Housing (the Corporation) have been prepared in accordance with generally accepted accounting principles and contains the Independent Auditor's Report, the Management's Discussion and Analysis and the basic financial statements. All amounts within the financial statements, unless otherwise indicated, are rounded to the dollar.

The management's discussion and analysis is an overview and analysis of the financial activities of the Corporation for the twelve months ended June 30, 2022. This information should be read in conjunction with the Independent Auditor's Report, and basic financial statements immediately following this section.

The basic financial statements include the Statement of Net Position (Exhibit A), the Statement of Revenues, Expenses and Changes in Net Position (Exhibit B), the Statement of Cash Flows (Exhibit C), and Notes to Financial Statements. These statements provide both long-term and short-term information about the Corporation's overall financial condition with the notes providing more detailed information. These statements are prepared using the accrual basis of accounting; revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

The Statement of Net Position presents the assets, liabilities and net position of the Corporation, giving the financial statement reader a snapshot of the fiscal condition of the Corporation at the end of the fiscal year.

The Statement of Revenues, Expenses and Changes in Net Position measures the operations over the past operating period.

The Statement of Cash Flows provides information about the sources and uses of the Corporation's cash.

FINANCIAL HIGHLIGHTS

- At the end of fiscal year 2022, the Corporation had total assets of \$29,559,235 and total liabilities of \$1,670,727.
- For the twelve months ended June 30, 2022, the Corporation had an operating loss of \$168,966.
- Other income decreased by \$444,034. This decrease was due to a reduction in the amount of payroll costs that were reimbursed by Alaska Housing Finance Corporation (AHFC). During the prior fiscal year AHFC reimbursed payroll costs from fiscal years 2017 to 2021. During this fiscal year, AHFC's reimbursement was only for Fiscal year 2021 fourth quarter and Fiscal year 2022 first and second quarter payroll costs.
- Operation and administration expenses increased by \$220,103. This increase is related to costs associated with the planning of a future housing development in Fairbanks.
- Cash held by the Corporation decreased by \$452,814. This decrease is related to the operating loss for the fiscal year and was caused by increased costs associated with planning for a future housing development in Fairbanks.
- As of June 30, 2022 AHFC owed the Corporation \$35,716. In prior years at year end the Corporation reported owing funds to AHFC for reimbursement of costs paid on their behalf. This fiscal year, the Corporation paid much more of its own costs and the calculation of shared services was adjusted. These two changes resulted in a receivable from AHFC as of year end.
- Government Accounting Standards Board (GASB) Statement 87 was effective beginning fiscal year 2022. The Statement increases the usefulness of governments' financial statements by requiring reporting of certain lease liabilities that currently are not reported, and enhances the comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model. As a result of the adoption of this new standard, Other Assets increased by \$3,389,558 due to the recognition of a Lease Receivable of \$3,413,059. Deferred Inflow of Resources increased by \$3,353,391.
- Construction notes receivable increased by \$128,885 due to capitalization of accrued interest. Unpaid interest is capitalized annually.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- In 2014 AHFC allocated funds for affordable housing development directly related to projects the Corporation was working on at that time. Certain payroll costs accrued by the Corporation are funded as part of the allocation. During the current fiscal year, AHFC reimbursed the Corporation for \$161,030 of payroll costs.

Condensed Statement of Net Position

The following table presents information about the financial position of the Corporation as of June 30, 2022, and 2021, and changes in the balances thereof during the fiscal year ended June 30, 2022.

	2022	<i>Restated</i> 2021	Increase (Decrease)
Cash	\$ 8,207,671	\$ 8,660,485	\$ (452,814)
Construction notes receivable	13,017,385	12,888,500	128,885
Capital assets	4,740,487	4,740,487	-
Other assets	3,593,692	204,134	3,389,558
Total assets	29,559,235	26,493,606	3,065,629
Due to AHFC	-	96,717	(96,717)
Note Payable to AHFC	1,423,153	1,423,153	-
Other liabilities	247,574	269,653	(22,079)
Total liabilities	1,670,727	1,789,523	(118,796)
Deferred inflow of resources	3,353,391	-	3,353,391
Total net position	\$ 24,535,117	\$ 24,704,083	\$ (168,966)

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

The following table presents a comparison of condensed information for the fiscal years ended June 30, 2022, and 2021, and the change between those fiscal years.

	2022	2021	Increase (Decrease)
Lease income	\$ 102,530	\$ 199,308	\$ (96,778)
Fee Income	38,368	38,368	-
Interest	169,802	149,514	20,288
Other revenue	174,431	618,465	(444,034)
Total revenue	485,131	1,005,655	(520,524)
Operations and administration	642,890	422,787	220,103
Provision for loan loss	11,207	11,097	110
Total expenses	654,097	433,884	220,213
Operating income (loss)	(168,966)	571,771	(740,737)
Capital contributions	-	-	-
Change in net position	\$ (168,966)	\$ 571,771	\$ (740,737)

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS

The Corporation's capital assets include land, presented in the financial statements at a restated amount of \$4,740,487. In 2015, AHFC transferred land and building to the Corporation, representing AHFC's contributed capital. The Corporation recognized these capital assets at their fair values. However, GASB Section 1400, paragraph 702-9 codification requires the Corporation to recognize these capital assets at AHFC's carrying value of zero. As a result, a prior period adjustment of \$2,165,826 was made during the year restating the beginning balance of the Corporation's Net Position.

ECONOMIC FACTORS

There has been a decline in federal public housing operational dollars as result of congressional focus on national debt reduction along with the tightening of state capital and operating budgets. The challenge facing all public housing authorities is to serve as many people as possible facing the decline in funding. The Corporation will be able to access tax-exempt bonds, low income housing tax credits, foundation funding and other sources previously unavailable to AHFC.

The public housing stock is aging and its renovation and replacement needs are part of the future considerations for the Corporation. Other projects similar to Ridgeline Terrace and Susitna Square will be considered based on funding and land availability.

CONTACT ACAH'S FINANCIAL MANAGEMENT

For inquiries about this report or additional financial information, call (907) 330-8322 or email finance@ahfc.us.

ALASKA CORPORATION FOR AFFORDABLE HOUSING
(A Component Unit of Alaska Housing Finance Corporation)
STATEMENT OF NET POSITION
As of June 30, 2022
(in dollars)

Exhibit A

ASSETS	
Cash	\$ 7,964,696
Limited partnership cash in escrow	242,975
Accounts receivable	67,903
Leases receivable	3,413,059
Accrued interest receivable	67,983
Due from AHFC	35,716
Prepaid insurance	2,508
Construction notes receivable, net	13,017,385
Capital assets - non-depreciable	4,740,487
Other assets	6,523
Total Assets	<u>29,559,235</u>
 LIABILITIES	
Security deposit	4,600
Developer fee payable	242,974
Note payable to AHFC	1,423,153
Total Liabilities	<u>1,670,727</u>
DEFERRED INFLOW OF RESOURCES	<u>3,353,391</u>
 NET POSITION	
Investment in capital assets, net of depreciation	4,740,487
Unrestricted	19,794,630
Total Net Position	<u>\$ 24,535,117</u>

See accompanying notes to the financial statements.

ALASKA CORPORATION FOR AFFORDABLE HOUSING
(A Component Unit of Alaska Housing Finance Corporation)
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the year ended June 30, 2022
(in dollars)

Exhibit B

OPERATING REVENUES

Lease income	\$	102,530
Developer fee income		38,368
Investment interest income		144,885
Lease interest income		24,917
Other income		174,431
Total Operating Revenues		<u>485,131</u>

OPERATING EXPENSES

Operations and administration	642,890
Provision for loan loss	11,207
Total Operating Expenses	<u>654,097</u>

Operating Income (Loss) (168,966)

Change in Net Position (168,966)

Net position at beginning of year	26,869,909
Cumulative effect of restatement	(2,165,826)
Revised net position at beginning of the year	<u>24,704,083</u>

Net Position at End of Period \$ 24,535,117

See accompanying notes to the financial statements.

ALASKA CORPORATION FOR AFFORDABLE HOUSING
(A Component Unit of Alaska Housing Finance Corporation)
STATEMENT OF CASH FLOWS
For the year ended June 30, 2022
(in dollars)

Exhibit C

CASH FLOWS FROM OPERATING ACTIVITIES	
Rental income	\$ 144,812
Other operating receipts	18,001
Other operating disbursements	(461,431)
Payments from AHFC	161,030
Net cash provided by (used for) operating activities	<u>(137,588)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Payments to AHFC	(314,108)
Net cash provided by (used for) noncapital financing activities	<u>(314,108)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Developer fees received	23,968
Developer fees paid	(23,968)
Deposits/Interest received for escrow accounts	263
Net cash provided by (used for) capital financing activities	<u>263</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment interest	4,119
Purchases of land	(5,500)
Net cash provided by (used for) investing activities	<u>(1,381)</u>
Net Increase (decrease) in cash	(452,814)
Cash at the beginning of year	8,660,485
Cash at the end of period	<u>\$ 8,207,671</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities	
Operating income (loss)	\$ (168,966)
<i>Adjustments:</i>	
Escrow interest received	(4,119)
Mortgage interest earned	(140,766)
Decrease in lease receivable	42,862
Decrease in deferred inflows	(102,530)
Increase in accounts receivable	(14,400)
Decrease in rent receivable	80,007
Increase in prepaid insurance	(217)
Increase in due to AHFC	181,676
Decrease in developer fee payable	(23,968)
Increase in tenant security deposit	4,600
Increase in allowance for loan loss	11,207
Increase in unearned revenue	(2,974)
Net cash provided by (used for) operating activities	<u>\$ (137,588)</u>

See accompanying notes to the financial statements.

NOTE DISCLOSURES INDEX

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Notes to Financial Statements

FOR THE TWELVE MONTHS ENDED JUNE 30, 2022

1 ALASKA CORPORATION FOR AFFORDABLE HOUSING

The Alaska Corporation for Affordable Housing (the "Corporation") is a non-profit corporation. It was incorporated on February 1, 2012, under the Alaska Nonprofit Corporation Act (AS 10.20) and provisions of the Alaska Statutes creating the Alaska Housing Finance Corporation (AS 18.56), as amended. The Corporation is a subsidiary of Alaska Housing Finance Corporation ("AHFC") in accordance with the Legislature's intent. The Corporation was formed to develop, manage and operate affordable housing and provide supportive and related services to support the mission of AHFC. AHFC's statutes do not provide AHFC with the power to undertake certain types of housing or to participate in some financing and ownership structures. The Corporation's mission is to undertake the types of affordable housing and services that are not open to AHFC directly, but which support AHFC's mission of providing affordable housing and services to individuals and groups in need.

The Corporation is legally independent and separate from AHFC, but there is financial accountability between the Corporation and AHFC. AHFC has operational responsibility of the Corporation and there is the potential for a financial benefit and/or burden between AHFC and the Corporation. The Corporation's purpose is to benefit and support AHFC in providing affordable housing to Alaskans. The Board of Directors of the Corporation and AHFC are one and the same.

The Corporation is presented as a blended component unit in AHFC's financial statements.

The Corporation is a government instrumentality of the State of Alaska (the "State") but has legal existence independent of and separate from the State.

ANC MV Limited Liability Company (the "LLC") was created and recorded with the State of Alaska on January 23, 2014. The LLC's purpose is to facilitate the financing and development of the Ridgeline Terrace and Susitna Square projects and provide security against lawsuits and other business related liabilities. The LLC is legally independent and separate from the Corporation. The Corporation owns 99.99% of the LLC's membership interest and has the ability to impose its will on the LLC.

The Corporation has financial accountability for the LLC. Accordingly, the LLC is considered a component unit of the Corporation. The LLC's first year of operation ended December 31, 2014. The Corporation does not consider the component unit's financial data material enough to disclose in its financial statements at this time. Additional financial information about the LLC can be obtained by contacting the Cook Inlet Housing Authority.

The LLC is the general partner in the ANC MV Phase 1 Limited Partnership with a .01% ownership interest.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Accounting

The Corporation is engaged in business-type activities that utilize a proprietary enterprise fund.

The financial statements are reported using the *economic resources measurement focus* and *full accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Operating Revenue and Expenses

The Corporation's operating revenues are generated by services associated with the construction, financing and management of affordable housing projects. The operating expenses of the Corporation are the direct costs of providing those services. All other transactions not meeting the definition of operating revenues and expenses are reported as non-operating or contributions of capital.

Notes to Financial Statements

Net Position

The Corporation's net position represents the difference between assets and liabilities. The investment in capital assets of the Corporation equals its capital assets less accumulated depreciation. The unrestricted net position balance represents the Corporation's financial resources that are used for the specific purpose established when it was incorporated.

3 CASH

Cash consists of demand deposits and escrow accounts for developer fees to be paid pursuant to the Development Services Fee Escrow Agreement dated October 22, 2014. As of June 30, 2022, the Corporation's bank balance of \$8,207,671 included cash deposits in the amount of \$7,957,671 that were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Corporation's name. A summary of the Corporation's cash is shown below.

	June 30, 2022
Unrestricted cash	\$ 7,964,696
Developer fee escrow accounts	242,975
Carrying amount	<u>\$ 8,207,671</u>
Bank balance	<u>\$ 8,207,671</u>

4 LEASES

As of July 1, 2021, the Corporation adopted GASB Statement No. 87, Leases. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The Corporation receives lease payments from leasing various properties in Anchorage, Wasilla, and Fairbanks in the form of monthly and annual payments. The lease terms expire at various dates through 2078 and provide for renewal options of one year. As a result of the adoption of the new lease accounting guidance, the Corporation recognized on July 1, 2021, the beginning of the adoption period, no cumulative effect adjustment to net position. As of June 30, 2022, the Corporation recognized a Lease Receivable of \$3,413,059 measured at the present value of future lease receivable expected to be received during the lease term discounted at the 5% incremental borrowing rate.

Lease receivable

For year-end June 30, 2022	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Lessor leases				
Building	\$ -	\$ 3,311,958	\$ (26,109)	\$ 3,285,849
Land	-	143,963	(16,753)	127,210
Total		<u>\$ 3,455,921</u>	<u>\$ (42,862)</u>	<u>\$ 3,413,059</u>

5 CAPITAL ASSETS

Restatement

During fiscal year 2015, the Corporation received land and building as capital contributions from AHFC. These capital assets were recorded at fair values of \$1,458,114 for Land, \$969,468 for the Building, and \$261,756 for Accumulated Depreciation. Section 1400, paragraph 702-9 of GASB codification requires that an asset transferred within a financial reporting entity continue to be reported at the transferor's carrying value. AHFC, the transferor, carried these capital assets at zero value. Therefore, the Corporation should report the transferred capital assets at their retained carrying value of zero.

Notes to Financial Statements

As a result of following GASB codification of reporting these capital assets at their carrying values at the time of transfer, the Corporation recognized on July 1, 2021, prior period adjustment to Net Position of \$2,165,826 as noted in the table below.

	June 30, 2022
Net position at beginning of year	\$ 26,869,909
Cumulative effect of restatement	<u>(2,165,826)</u>
Revised net position at beginning of year	<u><u>\$ 24,704,083</u></u>

Capital asset activity and a summary of balances for the twelve months ended June 30, 2022, are shown below:

	<i>Restated</i> June 30, 2021	Additions	Reductions	June 30, 2022
Non-Depreciable Capital Assets:				
Land	\$ 4,740,487	\$ -	\$ -	\$ 4,740,487
Total Non-Depreciable Capital Assets	<u>\$ 4,740,487</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,740,487</u>

The cost of land includes demolition and survey costs incurred to prepare the land for the start of construction.

6 NOTES RECEIVABLE

As of June 30, 2022, the Corporation had two construction notes receivable outstanding. Funds were loaned to the ANC MV Phase 1 Limited Partnership for the construction of two Low Income Housing Tax Credit properties, Ridgeline Terrace and Susitna Square, both located in Anchorage, Alaska.

Both notes mature on October 22, 2044. Interest began accruing at 1.00% per annum on the completion date of each project, which was February 1, 2016, for Ridgeline Terrace, and October 1, 2015, for Susitna Square. Interest and principal are due on both notes to the extent of available cash flow of the projects. The notes are secured by Leasehold Deeds of Trust and an Assignment of Leases and Rents of the projects. No principal is due on these notes within the next year. A summary of the balances is shown below. Allowance for loan loss is calculated as 8% of the construction loan balance.

	Ridgeline Terrace	Susitna Square	Total
Construction Loans	\$ 11,440,959	\$ 2,708,373	\$ 14,149,332
Less: Allowance for loan loss	<u>(915,277)</u>	<u>(216,670)</u>	<u>(1,131,947)</u>
Net Construction loans receivable	<u>\$ 10,525,682</u>	<u>\$ 2,491,703</u>	<u>\$ 13,017,385</u>

7 LONG TERM LIABILITIES

The Corporation's note payable to AHFC is repayable over a thirty-year period beginning after project operations have begun. The note has no required minimum payment and is non-interest bearing. The note was established through a reimbursable grant agreement with AHFC, whereby eligible expenses incurred by the Corporation were reimbursed by AHFC with federal funds. The amount of the repayment of the note payable is based upon ACAH's annual cash flows. There was no payment made towards the note for the year ended June 30, 2022. There was no change in the note's principal balance of \$1,423,153 during the 12 months ended June 30, 2022.

Notes to Financial Statements

Other liabilities include developer fees in the amount of \$242,974 to be paid to various third parties involved in the development of the Ridgeline Terrace and Susitna Square housing developments, based on available cash flow as calculated in accordance with the Development Services Agreement dated October 22, 2014. No developer fees were paid during the year ended June 30, 2022, due to the developments not meeting certain benchmarks required by the Developer Agreements.

8 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. As of June 30, 2022, the Corporation recognized Deferred Inflow of Resources from Crossroads Counseling and Training of \$253,441, Interior Alaska Center for Non-Violent Living of \$25,562, Peak Auto of \$125,099, and \$2,949,289 from Loussac Place Limited Partnership. These amounts represent the equivalent value of lease receivable present value reduced by payments received during the year. The total deferred inflows of resources is \$3,353,391.

9 OTHER INCOME

In 2014 Alaska Housing Finance Corporation allocated funds for affordable housing development directly related to projects the Corporation was working on at that time. Certain payroll costs accrued by the Corporation are funded as part of the allocation. During the current fiscal year, Alaska Housing Finance Corporation reimbursed the Corporation for \$161,030 of payroll costs. Continuing forward, Alaska Housing Finance Corporation will continue to reimburse the Corporation for payroll costs out of this initial allocation. \$13,401 of Other income is comprised of consulting work The Corporation performed on behalf of AHFC which brings total Other income to \$174,431 for the year ended June 30, 2022.

10 RELATED PARTY TRANSACTIONS

The Corporation is a subsidiary of AHFC and utilizes its administrative and support services under a shared services memorandum agreement. AHFC's Chief Executive Officer, Deputy Executive Officer, and Director of Public Housing serve as ACAH's President and Vice Presidents, respectively. As of June 30, 2022, AHFC owed \$35,716 to Corporation due to overpayments related to Shared Services throughout the year. During the year ended June 30, 2022, \$503,106 was incurred for utilities as well as shared services expenses and \$139,784 was incurred for payroll expenses.

11 SUBSEQUENT EVENTS

On July 29, 2022 the Corporation purchased a plot of land in Fairbanks for a total cost of \$403,167 as a site for a future low income housing development. On August 9, 2022 the Corporation received \$13,000,000 from the Department of Housing and Urban Development to assist in financing the construction of the development.