



a component unit of the State of Alaska

Financial Statements

And Independent Auditor's Report

June 30, 2019

**With Summarized Financial Information for
June 30, 2018**

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



Tel: 907-278-8878
Fax: 907-278-5779
www.bdo.com

3601 C Street, Suite 600
Anchorage, AK 99503

Independent Auditor's Report

Board of Directors
Alaska Housing Finance Corporation
Anchorage, Alaska

Report on the Financial Statements

We have audited the accompanying statements of net position, revenues, expenses and change in net position and cash flows of each major fund of the Alaska Housing Finance Corporation (Corporation), a component unit of the State of Alaska, as of and for the year ended June 30, 2019, 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 of 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the 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, 2019, and the respective changes in financial position and cash flows thereof for the year 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 management's discussion and analysis on pages 3 through 9 and the schedules of net pension liability, and pension contributions on pages 49 and 52 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 opinions on the financial statements that collectively comprise the Alaska Housing Finance Corporation's basic financial statements. The accompanying supplementary 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 information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 basic 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 supplementary 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 October 1, 2019 on our consideration of the Alaska Housing Finance 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 effectiveness of 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 Alaska Housing Finance Corporation's internal control over financial reporting and compliance.

BDO USA, LLP

Anchorage, Alaska
October 1, 2019

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 2019 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, 2019. 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.

For fiscal year 2019, the Corporation reports the following major funds:

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2019, the Administrative Fund reported a net position of \$513.7 million, a decrease of \$36.1 million from June 30, 2018. The decrease in net position is the net result of internal transfers out to other funds of \$40.5 million, net operating income of \$6.5 million and the contribution to the State of Alaska of \$2.1 million. Transfers were made from the Administrative Fund to the Grant Programs in the amount of \$16.7 million; the Mortgage or Bond Funds of \$259.6 million; and to Other Funds or Programs of \$4.6 million. The \$259.6 million transferred from the Administrative Fund to the Mortgage or Bond Funds was used to fund mortgage loans and includes bond proceeds from two new bond issuances. See Financial Highlights for more on the 2019 bond issuances. Approximately \$19.5 million, or 3.8%, of the Administrative Fund's net position is invested in capital assets; \$92.8 million, or 18.1% of the total net position, is restricted by contractual or statutory agreements; and \$401.3 million, or 78.1%, is unrestricted, and may be used for operations and to meet the continuing obligations of the Corporation.

The *Grant Programs* include 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, 2019, the net position for these three programs combined was \$11.0 million, a decrease of \$2.5 million from June 30, 2018.

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, 2019, the Mortgage and Bond Funds reported a net position of \$882.1 million, an increase of \$73.8 million from the prior year. Net operating income was \$51.4 million, the primary reason for the increase in net position. Net transfers in from the Administrative Fund of \$16.0 million also contributed to the increase in net position. In fiscal year 2018, the net operating income was \$41.3 million. In 2019, the mortgage loan portfolio increased by \$203.0 million and in 2018, the increase was \$302.5 million. Approximately \$657.9 million, or 74.6%, of the fund's net position is restricted by bond resolutions, an increase from the \$611.2 million and 75.6% in 2018. Unrestricted net position increased by \$27.1 million in fiscal year 2019.

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. Between fiscal year 2019 and fiscal year 2018, operating results were very close, and net position decreased by \$2.7 million. Overall, the fund had an operating loss of \$4.8 million compared to a loss of \$3.6 million in 2018, and received transfers from the Administrative Fund of \$2.1 million.

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, 2019, was \$22.2 million, a \$214,000 increase from June 30, 2018. ACAH had an operating income of \$214,000 for fiscal year 2019. The net income is the product of rental income on both housing and non-housing properties.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

- Operating income for the Corporation for fiscal year 2019 was \$34.8 million, an increase of \$1.3 million over fiscal year 2018. Operating income in the Administrative Fund and the Mortgage and Bond Fund offset operating losses in the Grant 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, 2019, by \$1.57 billion (net position), an increase of \$32.7 million over 2018.
- During the fiscal year ended June 30, 2019, the investment portfolio earned approximately 2.58% overall, as compared to 1.25% for the fiscal year ended June 30, 2018, reflecting the rise in short-term interest rates during fiscal year 2019.
- The Corporation's mortgage loan portfolio is one of its primary assets. During the fiscal year ended June 30, 2019, the mortgage loan portfolio increased by 6.4%, and the bond portfolio used to finance the loans increased by 6.1%.
- On August 28, 2018, the Corporation issued \$167,780,000 in General Mortgage Revenue Bonds II, 2018 Series A and Series B. Net proceeds of the bonds totaled \$174,408,000, including a premium of \$7,218,000. Proceeds were used to fund mortgage purchases, refund certain obligations of the Corporation, and pay costs of issuance. The bonds are tax-exempt general obligations of the Corporation and bear interest at fixed rates between 1.65% and 5.0%, payable on each June 1 and December 1 with a final maturity of December 1, 2048.
- On March 21, 2019, the Corporation issued \$60,000,000 in Collateralized Bonds (Veterans Mortgage Program), First and Second Series. Total proceeds of \$60,402,000, including premium in the amount of \$881,000 less underwriter's discount of \$479,000, and will be used to fund mortgage purchases. The bonds are tax-exempt and bear interest at fixed rates between 1.60% and 4.00%, payable on each June 1 and December 1, with a final maturity of December 1, 2049. Principal and interest on the bonds are unconditionally guaranteed by the State of Alaska.
- As of June 30, 2019, the weighted average interest rate on the mortgage portfolio was 4.54% and the weighted average interest rate on the bond portfolio was 3.73%, yielding a net interest margin of 0.81%, a slight decrease from 0.89% in fiscal year 2018.

CONDENSED STATEMENT OF NET POSITION

The following table presents condensed information about the financial position of the Corporation as of June 30, 2019 and 2018, and changes in the balances during the fiscal year ended June 30, 2019 (in thousands):

MANAGEMENT'S DISCUSSION AND ANALYSIS

Condensed Statement of Net Position

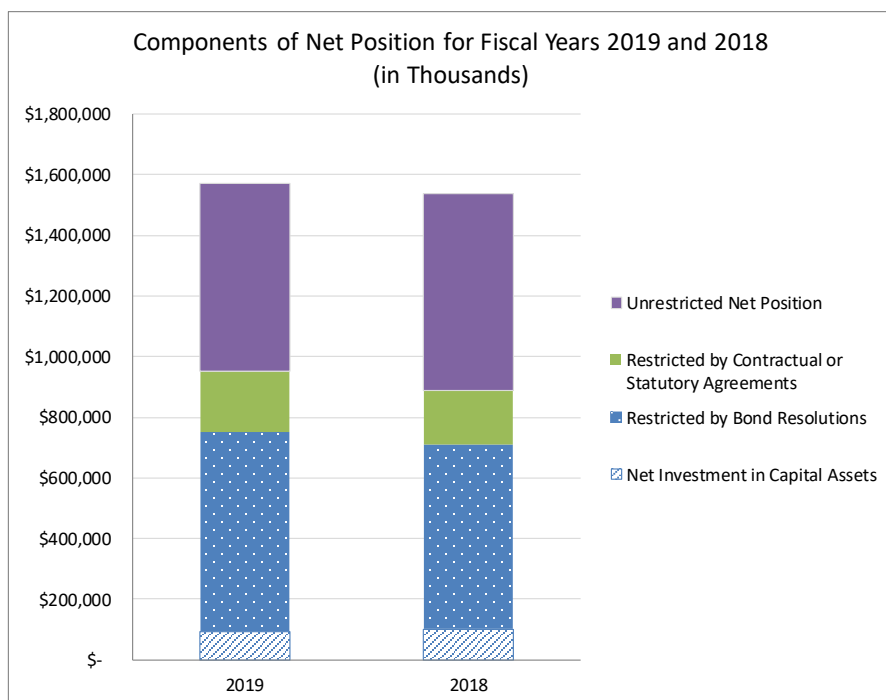
	2019	2018	Increase/(Decrease)	
Cash and investments	\$ 636,930	\$ 665,742	\$ (28,812)	-4.3%
Mortgage loans, notes and other loans, net	3,358,792	3,132,437	226,355	7.2%
Capital assets, net	94,036	100,472	(6,436)	-6.4%
Other assets	46,035	69,802	(23,767)	-34.0%
Total Assets	4,135,793	3,968,453	167,340	4.2%
Deferred outflow of resources	186,739	133,107	53,632	40.3%
Bonds and notes payable, net	2,461,125	2,328,487	132,638	5.7%
Short term debt	49,469	53,269	(3,800)	-7.1%
Accrued interest payable	8,388	9,984	(1,596)	-16.0%
Derivatives	158,349	104,674	53,675	51.3%
Pension and OPEB liabilities	42,801	41,425	1,376	3.3%
Other liabilities	27,258	17,443	9,815	56.3%
Total liabilities	2,747,390	2,555,282	192,108	7.5%
Deferred inflow of resources	3,719	7,582	(3,863)	-50.9%
Total net position	\$ 1,571,423	\$ 1,538,696	\$ 32,727	2.1%

The increase in total assets during FY 2019 can be attributed primarily to an increase in mortgage loans resulting from competitive mortgage rates, expanded loan parameters and increased outreach to our industry partners. The increase in mortgage loans was made possible by the additional capital from the increase in the bond portfolio.

Total liabilities increased by \$192.1 million. See the description of new bond issuances in fiscal year 2019 in the Financial Highlights section of this report. Total net pension and other post-employment benefit (OPEB) liability as of June 30, 2019 increased by \$1.4 million in 2019. The pension and OPEB liabilities were determined by actuarial valuation. Short-term debt decreased by \$3.8 million. The major factor in the increase of total liabilities was the increase in bonds payable. The derivative liability also increased significantly. Derivative valuations are based on the forward swap rates, which were steadily increasing during fiscal year 2018, causing the derivative liability to decrease in 2018. In fiscal year 2019, the Federal Reserve reversed direction and began cutting rates due to global volatility, which caused the forward swap curve to decrease sharply, and thus increased the fair value of the derivatives.

The chart on the next page shows the various components of net position in fiscal years 2019 and 2018.

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, 2019 and 2018, and the variances from the prior fiscal year (in thousands):

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

	2019	2018	Increase/(Decrease)	
Mortgage and loan revenue	\$ 146,042	\$ 135,055	\$ 10,987	8.1%
Investment interest income	17,404	6,273	11,131	177.4%
Net change in fair value of investments	(1,116)	3,727	(4,843)	-129.9%
Externally funded programs	77,143	86,844	(9,701)	-11.2%
Rental and other revenue	16,560	14,381	2,179	15.2%
Total operating revenue	256,033	246,280	9,753	4.0%
Interest expense	76,831	71,246	5,585	7.8%
Mortgage and loan costs	6,294	6,892	(598)	-8.7%
Bond financing expenses	6,054	5,027	1,027	20.4%
Operations and administration	44,781	46,127	(1,346)	-2.9%
Rental housing and grant expenses	87,240	83,405	3,835	4.6%
Total operating expense	221,200	212,697	8,503	4.0%
Operating income(loss)	34,833	33,583	1,250	3.7%
Contributions to the State of Alaska	(2,106)	(125)	(1,981)	1584.8%
Cumulative effect of accounting change	-	(8,390)	8,390	
Change in net position	\$ 32,727	\$ 25,068	\$ 18,632	132.2%

MANAGEMENT'S DISCUSSION AND ANALYSIS

Total operating revenues increased by \$9.8 million, or 4.0%, during fiscal year 2019 due primarily to increases in mortgage and loan revenue and investment interest revenue.

Total increase in operating expenses in fiscal year 2019 was \$8.5 million, or 4.0%. Increases in interest expense and rental housing and grant expenses offset decreases in mortgage and loan costs as well as administrative expenses.

As shown in the table on the preceding page, the net effect of changes in operating revenues and expenses was very similar in fiscal years 2019 and 2018. The change in operating income from 2018 to 2019 was \$1.3 million.

In fiscal year 2019, the Corporation sent cash contributions to the State of Alaska of \$2.1 million compared to those of fiscal year 2018 of \$125,000. See Footnote No. 18 for more details about the Transfer Plan.

DEBT ADMINISTRATION

As of June 30, 2019, the Corporation had \$2.4 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	Fitch Ratings	Moody's Investors Service	Standard & Poor's
Long Term	AA+	Aa2	AA+
Short Term	F1+	P-1	A-1+

Significant debt activity during the year included the following:

- Issued \$227.8 million of bonds;
- Redeemed bonds through special redemption provisions of their respective indentures in the amount of \$24.4 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.

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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.

ALASKA HOUSING FINANCE CORPORATION
(A Component Unit of the State of Alaska)
STATEMENT OF NET POSITION
As of 06/30/2019
(in thousands of dollars)

	Administrative Fund	Grant Programs	Mortgage and Bond Funds	Other Funds and Programs	Total Programs and Funds
ASSETS					
Current					
Cash	\$ 33,542	\$ 5,237	\$ 199	\$ 27,579	\$ 66,557
Investments	378,372	-	180,333	3,966	562,671
Accrued interest receivable	4,405	-	11,286	115	15,806
Inter-fund due (to)/from	(28,675)	(7,832)	38,462	(1,871)	84
Mortgage loans, notes and other loans	6,794	64	88,844	1,235	96,937
Net investment in direct financing lease	-	-	2,312	-	2,312
Other assets	3,817	4,968	-	1,038	9,823
Intergovernmental receivable	201	6,728	-	623	7,552
Total Current	398,456	9,165	321,436	32,685	761,742
Non Current					
Investments	-	-	-	-	-
Inter-fund due (to)/from	-	1,423	-	-	1,423
Mortgage loans, notes and other loans	205,307	1,087	2,986,759	40,336	3,233,489
Net investment in direct financing lease	-	-	22,468	-	22,468
Capital assets - non-depreciable	2,917	-	-	13,644	16,561
Capital assets - depreciable, net	16,613	39	-	57,156	73,808
Other assets	3,218	-	550	-	3,768
Total Non Current	228,055	2,549	3,009,777	111,136	3,351,517
Total Assets	626,511	11,714	3,331,213	143,821	4,113,259
DEFERRED OUTFLOW OF RESOURCES					
	6,971	-	179,768	-	186,739
LIABILITIES					
Current					
Bonds payable	-	-	83,225	-	83,225
Short term debt	49,469	-	-	-	49,469
Accrued interest payable	-	-	8,388	-	8,388
Other liabilities	21,797	679	823	940	24,239
Intergovernmental payable	-	-	199	457	656
Total Current	71,266	679	92,635	1,397	165,977
Non Current					
Bonds payable	-	-	2,377,900	-	2,377,900
Other liabilities	2,044	-	-	-	2,044
Derivative instrument - interest rate swaps	-	-	158,349	-	158,349
Net Pension & OPEB liabilities	42,801	-	-	-	42,801
Total Non Current	44,845	-	2,536,249	-	2,581,094
Total Liabilities	116,111	679	2,628,884	1,397	2,747,071
DEFERRED INFLOW OF RESOURCES					
	3,719	-	-	-	3,719
NET POSITION					
Net investment in capital assets	19,530	39	-	70,800	90,369
Restricted by bond resolutions	-	-	657,891	-	657,891
Restricted by contractual or statutory agreements	92,838	15,567	-	72,329	180,734
Unrestricted or (deficit)	401,284	(4,571)	224,206	(705)	620,214
Total Net Position	\$ 513,652	\$ 11,035	\$ 882,097	\$ 142,424	\$ 1,549,208

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION
(A Component Unit of the State of Alaska)
STATEMENT OF NET POSITION
As of 06/30/2019
(in thousands of dollars)

Exhibit A

	Alaska Corporation for Affordable Housing	Total June 30, 2019
ASSETS		
Current		
Cash	\$ 7,702	\$ 74,259
Investments	-	562,671
Accrued interest receivable	25	15,831
Inter-fund due (to)/from	(84)	-
Mortgage loans, notes and other loans	-	96,937
Net investment in direct financing lease	-	2,312
Other assets	111	9,934
Intergovernmental receivable	-	7,552
Total Current	7,754	769,496
Non Current		
Investments	-	-
Inter-fund due (to)/from	(1,423)	-
Mortgage loans, notes and other loans	12,535	3,246,024
Net investment in direct financing lease	-	22,468
Capital assets - non-depreciable	3,667	20,228
Capital assets - depreciable, net	-	73,808
Other assets	1	3,769
Total Non Current	14,780	3,366,297
Total Assets	22,534	4,135,793
DEFERRED OUTFLOW OF RESOURCES		
	-	186,739
LIABILITIES		
Current		
Bonds payable	-	83,225
Short term debt	-	49,469
Accrued interest payable	-	8,388
Other liabilities	5	24,244
Intergovernmental payable	-	656
Total Current	5	165,982
Non Current		
Bonds payable	-	2,377,900
Other liabilities	314	2,358
Derivative instrument - interest rate swaps	-	158,349
Net Pension & OPEB liabilities	-	42,801
Total Non Current	314	2,581,408
Total Liabilities	319	2,747,390
DEFERRED INFLOW OF RESOURCES		
	-	3,719
NET POSITION		
Net investment in capital assets	3,667	94,036
Restricted by bond resolutions	-	657,891
Restricted by contractual or statutory agreements	18,586	199,320
Unrestricted or (deficit)	(38)	620,176
Total Net Position	\$ 22,215	\$ 1,571,423

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

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

For the Year Ended 06/30/2019

(in thousands of dollars)

	Administrative Fund	Grant Programs	Mortgage and Bond Funds	Other Funds and Programs
OPERATING REVENUES				
Mortgage and loan revenue	\$ 9,236	\$ -	\$ 135,185	\$ 1,484
Investment interest	11,005	7	6,263	119
Net change in the fair value of investments	(785)	-	(53)	-
Net change of hedge termination	-	-	(278)	-
Total Investment Revenue	10,220	7	5,932	119
Grant revenue	-	64,351	-	600
Housing rental subsidies	-	-	-	12,192
Rental revenue	490	-	-	11,177
Other revenue	3,069	1,270	102	120
Total Operating Revenues	23,015	65,628	141,219	25,692
OPERATING EXPENSES				
Interest	962	-	75,869	-
Mortgage and loan costs	1,280	-	10,616	138
Bond financing expenses	979	-	5,075	-
Provision for loan loss	630	61	(6,404)	(37)
Operations and administration	12,105	11,846	4,665	15,910
Rental housing operating expenses	536	-	-	14,506
Grant expense	-	72,198	-	-
Total Operating Expenses	16,492	84,105	89,821	30,517
Operating Income (Loss)	6,523	(18,477)	51,398	(4,825)
NON-OPERATING EXPENSES AND TRANSFERS				
Contributions to the State of Alaska or other State agencies	(2,106)	-	-	-
Transfers - Internal	(40,528)	16,005	22,403	2,120
Change in Net Position	(36,111)	(2,472)	73,801	(2,705)
Net position at beginning of year	549,763	13,507	808,296	145,129
Net Position at End of Period	\$ 513,652	\$ 11,035	\$ 882,097	\$ 142,424

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION**Exhibit B**

(A Component Unit of the State of Alaska)

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

For the Year Ended 06/30/2019

(in thousands of dollars)

	Total Programs and Funds	Alaska Corporation for Affordable Housing	Total June 30, 2019
OPERATING REVENUES			
Mortgage and loan revenue	\$ 145,905	\$ 137	\$ 146,042
Investment interest	17,394	10	17,404
Net change in the fair value of investments	(838)	-	(838)
Net change of hedge termination	(278)	-	(278)
Total Investment Revenue	16,278	10	16,288
Grant revenue	64,951	-	64,951
Housing rental subsidies	12,192	-	12,192
Rental revenue	11,667	259	11,926
Other revenue	4,561	73	4,634
Total Operating Revenues	255,554	479	256,033
OPERATING EXPENSES			
Interest	76,831	-	76,831
Mortgage and loan costs	12,034	-	12,034
Bond financing expenses	6,054	-	6,054
Provision for loan loss	(5,750)	10	(5,740)
Operations and administration	44,526	255	44,781
Rental housing operating expenses	15,042	-	15,042
Grant expense	72,198	-	72,198
Total Operating Expenses	220,935	265	221,200
Operating Income (Loss)	34,619	214	34,833
NON-OPERATING EXPENSES AND TRANSFERS			
Contributions to the State of Alaska or other State agencies	(2,106)	-	(2,106)
Transfers - Internal	-	-	-
Change in Net Position	32,513	214	32,727
Net position at beginning of year	1,516,695	22,001	1,538,696
Net Position at End of Period	\$ 1,549,208	\$ 22,215	\$ 1,571,423

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

For Year Ended June 30, 2019

(in thousands of dollars)

	Administrative Fund	Grant Programs	Mortgage and Bond Funds	Other Funds and Programs
Cash flows from operating activities:				
Interest income on mortgages and loans	\$ 5,224	\$ -	\$ 124,947	\$ 1,362
Principal payments received on mortgages and loans	8,139	-	273,523	3,883
Disbursements to fund mortgages and loans	(513,097)	-	-	-
Receipt (payment) for loan transfers between funds	237,275	-	(234,806)	(2,469)
Mortgage and loan proceeds	432,531	-	-	-
Payment of mortgage and loan proceeds to funds	(421,005)	-	-	-
Payments to employees and other payroll disbursements	(24,869)	(5,054)	-	(9,409)
Payments for goods and services	(32,219)	(2,175)	-	(17,358)
Cash received for externally funded programs	-	37,999	-	13,279
Cash received for Federal HAP subsidies	-	36,199	-	-
Payments for Federal HAP subsidies	-	(35,876)	-	-
Interfund receipts (payments)	234	134	-	(757)
Grant payments to other agencies	-	(32,974)	-	-
Other operating cash receipts	53,541	1,342	199	22,563
Other operating cash payments	(20,319)	(114)	(878)	(7,026)
Net cash provided by (used for) operating activities	(274,565)	(519)	162,985	4,068
Cash flows from noncapital financing activities:				
Proceeds from the issuance of bonds	-	-	236,407	-
Principal paid on bonds	-	-	(84,793)	-
Payment of bond issuance costs	(50)	-	(1,598)	-
Interest paid	-	-	(84,011)	-
Proceeds from issuance of short term debt	710,680	-	-	-
Payment of short term debt	(715,443)	-	-	-
Contributions to the State of Alaska or other State agencies	(2,106)	-	-	-
Transfers (to) from other funds	153,144	-	(153,144)	-
Other cash payments	(47)	-	-	-
Net cash provided by (used for) noncapital financing activities	146,178	-	(87,139)	-
Cash flows from capital financing activities:				
Acquisition of capital assets	(7)	(41)	-	(303)
Proceeds from the disposal of capital assets	-	-	-	116
Principal paid on capital notes	-	-	(5,807)	-
Interest paid on capital notes	-	-	(1,390)	-
Proceeds from direct financing leases	-	-	3,303	-
Net cash provided by (used for) capital financing activities	(7)	(41)	(3,894)	(187)
Cash flows from investing activities:				
Purchase of investments	(2,634,927)	-	(939,034)	(5,568)
Proceeds from maturity of investments	2,756,369	-	862,151	2,730
Interest received from investments	10,592	6	4,969	108
Net cash provided by (used for) investing activities	132,034	6	(71,914)	(2,730)
Net Increase (decrease) in cash	3,640	(554)	38	1,151
Cash at the beginning of year	29,902	5,791	161	26,428
Cash at the end of period	\$ 33,542	\$ 5,237	\$ 199	\$ 27,579
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	\$ 6,523	\$ (18,477)	\$ 51,398	\$ (4,825)
<i>Adjustments:</i>				
Depreciation expense	1,084	16	-	5,640
Provision for loan losses	630	61	(6,404)	(37)
Net change in the fair value of investments	(785)	-	(53)	-
Transfers between funds for operating activity	(40,528)	16,005	22,403	2,120
Interest received from investments	(10,592)	(6)	(4,969)	(108)
Interest paid	-	-	84,011	-
<i>Changes in assets, liabilities and deferred resources:</i>				
Net (increase) decrease in mortgages and loans	(38,093)	50	(256,949)	2,690
Net increase (decrease) in assets, liabilities, and deferred resources	(192,804)	1,832	273,548	(1,412)
Net cash provided by (used for) operating activities	\$ (274,565)	\$ (519)	\$ 162,985	\$ 4,068
Noncash investing, capital and financing activities:				
Deferred outflow of resources-derivatives	-	-	39,292	-
Derivative instruments liability	-	-	40,148	-
Net change of hedge termination	-	-	7,318	-
Deferred Outflow Debt Refunding	-	-	25,618	-

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

For Year Ended June 30, 2019

(in thousands of dollars)

Exhibit C

	Total Programs and Funds	Alaska Corporation for Affordable Housing	Total June 30, 2019
Cash flows from operating activities:			
Interest income on mortgages and loans	\$ 131,533	\$ -	\$ 131,533
Principal payments received on mortgages and loans	285,545	-	285,545
Disbursements to fund mortgages and loans	(513,097)	-	(513,097)
Receipt (payment) for loan transfers between funds	-	-	-
Mortgage and loan proceeds	432,531	-	432,531
Payment of mortgage and loan proceeds to funds	(421,005)	-	(421,005)
Payments to employees and other payroll disbursements	(39,332)	(167)	(39,499)
Payments for goods and services	(51,752)	64	(51,688)
Cash received for externally funded programs	51,278	-	51,278
Cash received for Federal HAP subsidies	36,199	-	36,199
Payments for Federal HAP subsidies	(35,876)	-	(35,876)
Interfund receipts (payments)	(389)	389	-
Grant payments to other agencies	(32,974)	-	(32,974)
Other operating cash receipts	77,645	107	77,752
Other operating cash payments	(28,337)	(24)	(28,361)
Net cash provided by (used for) operating activities	(108,031)	369	(107,662)
Cash flows from noncapital financing activities:			
Proceeds from the issuance of bonds	236,407	-	236,407
Principal paid on bonds	(84,793)	-	(84,793)
Payment of bond issuance costs	(1,648)	-	(1,648)
Interest paid	(84,011)	-	(84,011)
Proceeds from issuance of short term debt	710,680	-	710,680
Payment of short term debt	(715,443)	-	(715,443)
Contributions to the State of Alaska or other State agencies	(2,106)	-	(2,106)
Transfers (to) from other funds	-	-	-
Other cash payments	(47)	-	(47)
Net cash provided by (used for) noncapital financing activities	59,039	-	59,039
Cash flows from capital financing activities:			
Acquisition of capital assets	(351)	-	(351)
Proceeds from the disposal of capital assets	116	-	116
Principal paid on capital notes	(5,807)	-	(5,807)
Interest paid on capital notes	(1,390)	-	(1,390)
Proceeds from direct financing leases	3,303	-	3,303
Net cash provided by (used for) capital financing activities	(4,129)	-	(4,129)
Cash flows from investing activities:			
Purchase of investments	(3,579,529)	-	(3,579,529)
Proceeds from maturity of investments	3,621,250	-	3,621,250
Interest received from investments	15,675	6	15,681
Net cash provided by (used for) investing activities	57,396	6	57,402
Net Increase (decrease) in cash	4,275	375	4,650
Cash at the beginning of year	62,282	7,327	69,609
Cash at the end of period	\$ 66,557	\$ 7,702	\$ 74,259
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities			
Operating income (loss)	\$ 34,619	\$ 214	\$ 34,833
<i>Adjustments:</i>			
Depreciation expense	6,740	-	6,740
Provision for loan losses	(5,750)	10	(5,740)
Net change in the fair value of investments	(838)	-	(838)
Transfers between funds for operating activity	-	-	-
Interest received from investments	(15,675)	(6)	(15,681)
Interest paid	84,011	-	84,011
<i>Changes in assets, liabilities and deferred resources:</i>			
Net (increase) decrease in mortgages and loans	(292,302)	(101)	(292,403)
Net increase (decrease) in assets, liabilities, and deferred resources	81,164	252	81,416
Net cash provided by (used for) operating activities	\$ (108,031)	\$ 369	\$ (107,662)
Noncash investing, capital and financing activities:			
Deferred outflow of resources-derivatives	39,292	-	39,292
Derivative instruments liability	40,148	-	40,148
Net change of hedge termination	7,318	-	7,318
Deferred Outflow Debt Refunding	25,618	-	25,618

See accompanying independent auditor's report.

NOTE DISCLOSURES
TO THE FINANCIAL STATEMENTS

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NOTE DISCLOSURES
TO THE FINANCIAL STATEMENTS

FOR THE TWELVE MONTHS ENDED JUNE 30, 2019

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 subsidiaries 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 subsidiary issues annual audited financial statements. Copies may be found at the following links, or please contact AHFC to obtain a copy. The subsidiaries 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 subsidiaries of AHFC are not closely related, nor financially integrated with AHFC. There is no financial accountability for the other subsidiaries 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 subsidiaries 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.

NOTE DISCLOSURES
TO THE FINANCIAL STATEMENTS

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, except for nonparticipating investment agreements, which are stated at cost.

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.

NOTE DISCLOSURES
TO THE FINANCIAL STATEMENTS

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.

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

NOTE DISCLOSURES
TO THE FINANCIAL STATEMENTS

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):

	June 30, 2019
Restricted cash	\$ 51,882
Unrestricted cash	\$ 22,377
Carrying amount	\$ 74,259
Bank balance	\$ 74,623

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.

	Investment Maturities (In Years)					
	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years	June 30, 2019	
Securities of U.S. Government agencies and corporations	\$ 3,504	\$ -	\$ -	\$ -	\$ 3,504	
Commercial paper & medium-term notes	32,429	-	-	-	32,429	
Corporate Certificate of Deposit	6,521	-	-	-	6,521	
Money market funds	518,748	-	-	-	518,748	
Total not including GeFONSI	\$ 561,202	\$ -	\$ -	\$ -	\$ 561,202	
GeFONSI pool					1,469	
Total AHFC Investment Portfolio					\$ 562,671	

Restricted Investments

A large portion of the Corporation's investments, \$184,372,000, is restricted by bond resolutions, contractual agreements, and statutory agreements, and the remainder, \$378,299,000, 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

NOTE DISCLOSURES
TO THE FINANCIAL STATEMENTS

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, 2019
Ending unrealized holding gain	\$ 1,511
Beginning unrealized holding gain	2,395
Net change in unrealized holding gain	(884)
Net realized gain (loss)	46
Net increase (decrease) in fair value	\$ (838)

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;

NOTE DISCLOSURES
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- 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, 2019, 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	Investment Fair Value
Securities of U.S. Government agencies and corporations:	AA+	Aaa	\$ 3,504
Commercial paper, medium-term notes and Certificates of Deposit:	AA	A1	2
	AA-	Aa3	1,016
	AA-	P-1	251
	A+	A2	255
	A+	Aa2	651
	A+	Aa3	751
	A+	P-1	801
	A	P-1	1,001
	A	A1	250
	A	A2	751
	A-1+	P-1	1,250
	A-1	P-1	31,471
	NANR	P-1	500
			38,950
Money market funds:	AAAm	Aaa	343,748
	AAAm	WR	175,000
			518,748
			<u>\$ 561,202</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>

NOTE DISCLOSURES
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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, 2019, 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
Goldman Sachs	\$ 249,498	44.34%
Federated Investors	175,000	31.10%
Morgan Stanley	94,500	16.79%
China National Petroleum Corporation	28,820	5.12%

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. The Corporation has not established a formal custodial credit risk policy for its investments.

Of the Corporation's \$74,623,000 bank balance at June 30, 2019, cash deposits in the amount of \$350,000 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. 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, 2019:

NOTE DISCLOSURES
TO THE FINANCIAL STATEMENTS

	Investment Fair Value	Modified Duration
Securities of U.S. Government agencies and corporations:		
Federal agency pass through securities	\$ 3,504	0.006
Certificate of deposit	6,521	0.549
Commercial paper & medium-term notes:		
Commercial paper discounts	29,971	0.063
Medium-term notes	2,458	0.427
Money market funds	518,748	0.000
Portfolio modified duration	<u>\$ 561,202</u>	0.012

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 \$1,469,000.

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, 2019, is shown below (in thousands):

		Due From					
Due To		Administrative Fund	Grant Programs	Mortgage or Bond Programs	Other Funds or Programs	Alaska Corporation for Affordable Housing	Total
	Administrative Fund	\$ -	\$ 9,211	\$ -	\$ 2,229	\$ 84	\$ 11,524
	Grant Programs	1,379	-	-	-	1,423	2,802
	Mortgage or Bond Programs	38,462	-	-	-	-	38,462
	Other Funds or Programs	358	-	-	-	-	358
	Alaska Corporation for Affordable Housing	-	-	-	-	-	-
	Total	\$ 40,199	\$ 9,211	\$ -	\$ 2,229	\$ 1,507	\$ 53,145

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.

NOTE DISCLOSURES
TO THE FINANCIAL STATEMENTS

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, 2019
Mortgage loans	\$ 2,846,647
Multifamily loans	467,034
Other notes receivable	77,727
	<u>3,391,408</u>
Less:	
Allowance for losses	(48,447)
Net Mortgages, Notes & other	<u>\$ 3,342,961</u>

Of the \$3,391,408,000 mortgage loans, notes, and other loans, \$96,937,000 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 \$13,775,000. Included in the allowance for losses is \$1,240,000 for ACAH's notes receivable bringing ACAH's net notes receivable to \$12,535,000.

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

	June 30, 2019
<u>Loans Delinquent 30 days or more</u>	\$ 108,150
Foreclosures during reporting period	7,307
Loans in foreclosure process	9,817
<u>Mortgage-related commitments:</u>	
To purchase mortgage loans	\$ 117,352

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

NOTE DISCLOSURES
TO THE FINANCIAL STATEMENTS

and thereafter (in thousands):

Future Minimum Payments Due	
Year Ending June 30,	Parking Garage
2020	\$ 3,304
2021	3,304
2022	3,304
2023	3,304
2024	3,304
Thereafter	13,211
Gross payments due	29,731
Less: Unearned revenue	(4,951)
Net investment in direct financing lease	<u>\$ 24,780</u>

8 CAPITAL ASSETS

Capital assets activity for the twelve months ended June 30, 2019, and a summary of balances is shown below (in thousands):

	June 30, 2018	Additions	Reductions	June 30, 2019
Non-Depreciable Capital Assets:				
Land	\$ 20,247	\$ -	\$ (19)	\$ 20,228
Total Non-Depreciable	20,247	-	(19)	20,228
Depreciable Capital Assets:				
Buildings	246,086	-	(12)	246,074
Computers & Equipment	2,691	109	(54)	2,746
Vehicles	2,264	214	(83)	2,395
Less: Accumulated depreciation				
Buildings	(166,663)	(6,370)	12	(173,021)
Computers & Equipment	(2,291)	(209)	54	(2,446)
Vehicles	(1,862)	(161)	83	(1,940)
Total Depreciable, Net	80,225	(6,417)	-	73,808
Total Capital Assets, Net	\$ 100,472	\$ (6,417)	\$ (19)	\$ 94,036

The above capital assets include \$3,667,000 of land and land improvements that belong to ACAH.

Depreciation expense charged by the Corporation was \$6,740,000 for the twelve months ended June 30, 2019.

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 \$9,549,000 at June 30, 2019.

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, 2019, were interest rate swap derivatives of \$156,790,000, deferred debt refunding expense of \$22,978,000, pension deferred outflows of \$4,149,000, and other post employment benefits deferred outflows of \$2,822,000 for a total of \$186,739,000.

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.

NOTE DISCLOSURES
TO THE FINANCIAL STATEMENTS

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, 2019, are shown on the next three pages (in thousands):

	Original Amount	June 30, 2019
Housing Bonds:		
<i>Mortgage Revenue Bonds, Tax-Exempt:</i>		
• 2009 Series A-1; 3.07%, due 2027-2041	\$ 64,350	\$ 38,880
• 2009 Series A-2; 2.32%, due 2026-2041	128,750	68,250
• 2010 Series A; 3.00%-4.00%, due 2019-2027	43,130	23,030
Unamortized discount		(85)
• 2010 Series B; 0.00% to 0.000%, due 2019-2040	35,680	28,985
• 2011 Series B; 3.10% to 4.05%, due 2019-2026	71,360	31,560
Total Mortgage Revenue Bonds	343,270	190,620
<i>Home Mortgage Revenue Bonds, Tax-Exempt:</i>		
• 2002 Series A; Floating Rate*; 1.95% at June 30, 2019, due 2032	170,000	34,265
Unamortized swap termination penalty		(1,821)
• 2007 Series A; Floating Rate*; 1.88% at June 30, 2019, due 2019-2041	75,000	70,965
• 2007 Series B; Floating Rate*; 1.88% at June 30, 2019, due 2019-2041	75,000	70,965
• 2007 Series D; Floating Rate*; 1.85% at June 30, 2019, due 2019-2041	89,370	84,535
• 2009 Series A; Floating Rate*; 1.85% at June 30, 2019, due 2020-2040	80,880	80,880
• 2009 Series B; Floating Rate*; 1.85% at June 30, 2019, due 2020-2040	80,880	80,880
• 2009 Series D; Floating Rate*; 1.85% at June 30, 2019, due 2020-2040	80,870	80,870
Total Home Mortgage Revenue Bonds	652,000	501,539
<i>Collateralized Bonds (Veterans Mortgage Program), Tax-Exempt:</i>		
• 2016 First and Second Series; 1.05% to 3.20%, due 2019-2046	50,000	46,840
• 2019 First and Second Series; 1.60% to 4.00%, due 2020-2049	60,000	60,000
• Unamortized premium		871
Total Collateralized Bonds (Veterans Mortgage Program)	110,000	107,711
<i>General Mortgage Revenue Bonds II, Tax-Exempt:</i>		
• 2012 Series A; 2.25%-4.25%, due 2019-2040	145,890	93,350
Unamortized discount		(431)
• 2016 Series A; 0.95%-3.50%, due 2019-2046	100,000	87,995
Unamortized premium		741
• 2018 Series A; 1.65%-4.00%, due 2019-2048	109,260	106,485
Unamortized premium		2,171
• 2018 Series B; 3.45%-5.00%, due 2031-2035	58,520	58,520
Unamortized premium		4,555
Total General Mortgage Revenue Bonds II, Tax-Exempt	413,670	353,386

NOTE DISCLOSURES
TO THE FINANCIAL STATEMENTS

	Original Amount	June 30, 2019
Housing Bonds (cont.)		
Governmental Purpose Bonds, Tax-Exempt:		
• 1997 Series A; Floating Rate*, monthly payments, 1.85% at June 30, 2019, due 2027	33,000	14,600
• 2001 Series A; Floating Rate*; 1.85% at June 30, 2019, due 2019-2030	76,580	40,760
Unamortized swap termination penalty		(3,902)
• 2001 Series B; Floating Rate*; 1.85% at June 30, 2019, due 2019-2030	93,590	49,810
Total Governmental Purpose Bonds	203,170	101,268
Total Housing Bonds	1,722,110	1,254,524
Non-Housing Bonds:		
State Capital Project Bonds, Tax-Exempt:		
• 2002 Series C; Floating Rate*; 1.85% at June 30, 2019, due 2019-2022	60,250	23,155
• 2011 Series A; 5.00%, due 2019- 2020	105,185	4,530
Unamortized premium		38
Total State Capital Project Bonds, Tax-Exempt	165,435	27,723
State Capital Project Bonds II, Tax-Exempt:		
• 2012 Series A; 3.25% to 5.00%, due 2019-2032	99,360	40,145
Unamortized discount		(84)
Unamortized premium		1,630
• 2013 Series A; 4.00% to 5.00%, due 2019-2032	86,765	60,635
Unamortized premium		3,088
• 2014 Series A; 4.00% to 5.00%, due 2019-2033	95,115	79,350
Unamortized discount		(49)
Unamortized premium		3,678
• 2014 Series B; 5.00%, due 2019-2029	29,285	23,575
Unamortized premium		1,937
• 2014 Series D; 5.00%, due 2019-2029	78,105	77,710
Unamortized premium		7,447
• 2015 Series A; 3.00% to 5.00%, due 2019-2030	111,535	97,740
Unamortized premium		9,512
• 2015 Series B; 3.00% to 5.00%, due 2019-2036	93,365	88,130
Unamortized discount		(180)
Unamortized premium		4,738
• 2015 Series C; 5.00%, due 2020-2035	55,620	46,360
Unamortized premium		5,362
• 2017 Series A; 4.00% to 5.00%, due 2019-2032	143,955	139,785
Unamortized premium		18,580
• 2017 Series C; 5.00%, due 2024-2032	43,855	43,855
Unamortized premium		7,006
• 2018 Series B; 3.125% to 5.00%, due 2019-2038	35,570	35,030
Unamortized discount		(76)
Unamortized premium		3,974
Total State Capital Project Bonds II, Tax-Exempt	872,530	798,878

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TO THE FINANCIAL STATEMENTS

	Original Amount	June 30, 2019
Non-Housing Bonds (cont.):		
State Capital Project Bonds II, Taxable:		
• 2017 Series B; Floating Rate*; 2.38% at June 30, 2019, due 2047	150,000	150,000
• 2018 Series A; Floating Rate*; 2.39% at June 30, 2019, due 2031-2043	90,000	90,000
Total State Capital Project Bonds II, Taxable	240,000	240,000
Total Non-Housing Bonds	1,277,965	1,066,601
Direct Placement Bonds, Taxable:		
• 2014 Series C; Indexed Floating Rate**, 2.94% at June 30, 2019, due 2029	140,000	140,000
Total Direct Placement Bonds, Taxable	140,000	140,000
Total Bonds Payable	\$ 3,140,075	\$ 2,461,125

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	\$ 1,747,998	\$ 155,467	\$ -	\$ 1,903,465
Non-Housing	-	-	24,780	24,780
Direct Placement	-	-	-	-
Total	\$ 1,747,998	\$ 155,467	\$ 24,780	\$ 1,928,245

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, 2019, the Corporation made special revenue redemptions in the amount of \$24,400,000.

Advance Refundings

There were no advance refundings in fiscal year 2019. A summary of all defeased debt from prior fiscal years as of June 30, 2019, follows (in thousands):

NOTE DISCLOSURES
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	Date Defeased	June 30, 2019
State Capital Project Bonds, 2011 Series A	September 2017	\$ 63,705
State Capital Project Bonds, 2012 Series A	December 2017	29,795
State Capital Project Bonds, 2013 Series A	December 2017	16,345
		<u>\$ 109,845</u>

Debt Service Requirements**

For all bonds in the preceding schedules, the Corporation's debt service requirements through 2024 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
2020	\$ 35,805	\$ 43,106	\$ 78,911	\$ 47,420	\$ 41,363	\$ 88,783
2021	41,000	41,625	82,625	53,995	38,987	92,982
2022	42,540	40,363	82,903	55,885	36,375	92,260
2023	45,710	38,994	84,704	51,360	33,603	84,963
2024	45,365	37,547	82,912	54,940	31,006	85,946
2025-2029	270,860	163,204	434,064	290,235	113,392	403,627
2030-2034	342,160	111,326	453,486	204,575	51,433	256,008
2035-2039	256,620	56,664	313,284	56,430	26,518	82,948
2040-2044	130,895	16,863	147,758	35,160	20,025	55,185
2045-2049	39,830	4,122	43,952	150,000	12,495	162,495
2050-2054	1,640	32	1,672	-	-	-
	<u>\$ 1,252,425</u>	<u>\$ 553,846</u>	<u>\$ 1,806,271</u>	<u>\$ 1,000,000</u>	<u>\$ 405,197</u>	<u>\$ 1,405,197</u>

Year Ended June 30,	Direct Placement Debt Service			Total Debt Service		
	Principal	Interest*	Total	Principal	Interest*	Total
2020	\$ -	\$ 4,586	\$ 4,586	\$ 83,225	\$ 89,055	\$ 172,280
2021	-	4,573	4,573	94,995	85,185	180,180
2022	-	4,573	4,573	98,425	81,312	179,737
2023	-	4,573	4,573	97,070	77,171	174,241
2024	-	4,586	4,586	100,305	73,139	173,444
2025-2029	-	22,880	22,880	561,095	299,476	860,571
2030-2034	140,000	2,293	142,293	686,735	165,052	851,787
2035-2039	-	-	-	313,050	83,181	396,231
2040-2044	-	-	-	166,055	36,888	202,943
2045-2049	-	-	-	189,830	16,617	206,447
2050-2054	-	-	-	1,640	32	1,672
	<u>\$ 140,000</u>	<u>\$ 48,064</u>	<u>\$ 188,064</u>	<u>\$ 2,392,425</u>	<u>\$ 1,007,108</u>	<u>\$ 3,399,533</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, 2019.

** Also see Note 11 – Derivatives

NOTE DISCLOSURES
TO THE FINANCIAL STATEMENTS

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, 2019, follows (in thousands):

	Maximum Issue Amount	Balance as of June 30, 2019	Remaining Authority as of June 30, 2019
Revenue Bonds, 2018 (Hampstead Heath Apartments)	\$ 7,600	\$ 3,485	\$ 4,115
Revenue Bonds, 2018 (Marina Karina Project)	4,400	3,423	977

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, 2019, the Corporation had not posted any collateral and was not required to post any collateral.

NOTE DISCLOSURES
TO THE FINANCIAL STATEMENTS

Hedging Derivatives

The significant terms and credit ratings of the Corporation's hedging derivatives as of June 30, 2019, 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

2. Home Mortgage Revenue Bonds

3. State Capital Project Bonds

4. London Interbank Offered Rate ("LIBOR") 1 month

5. London Interbank Offered Rate 3 month

6. Securities Industry and Financial Markets Municipal Swap Index

7. Standard & Poor's/Moody's

The change in fair value and ending balance of the hedging derivatives as of June 30, 2019, 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, 2019	June 30, 2018	
GP01A	\$ 40,760	\$ 43,823	\$ (3,063)	\$ (1,577)	\$ (1,486)
GP01B	49,810	58,586	(8,776)	(7,526)	(1,250)
E021A1	34,265	38,109	(3,844)	(2,439)	(1,405)
SC02C	23,155	24,214	(1,059)	(1,342)	283
E071AB	135,879	171,629	(35,750)	(26,448)	(9,302)
E071AD	90,586	114,231	(23,645)	(17,373)	(6,272)
E091A	72,789	91,927	(19,138)	(14,372)	(4,766)
E091B	72,789	91,643	(18,854)	(13,997)	(4,857)
E091ABD	97,052	121,925	(24,873)	(18,321)	(6,552)
SC14C	140,000	157,789	(17,789)	-	(17,789)
Total	\$757,085	\$ 913,876	\$ (156,791)	\$ (103,395)	\$ (53,396)

As of June 30, 2019, 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.

NOTE DISCLOSURES
TO THE FINANCIAL STATEMENTS

Fiscal Year Ending June 30	VRDO Principal	VRDO Interest	Swap Net Payment	Total Payments
2020	\$ 23,310	\$ 15,425	\$ 13,589	\$ 52,324
2021	27,780	14,958	13,080	55,818
2022	29,230	14,439	12,510	56,179
2023	27,175	13,891	11,911	52,977
2024	24,750	13,417	11,407	49,574
2025-2029	142,290	59,701	49,271	251,262
2030-2034	274,840	27,797	29,737	332,374
2035-2039	141,660	13,655	15,538	170,853
2040-2044	66,050	1,618	1,834	69,502
	<u>\$ 757,085</u>	<u>\$ 174,901</u>	<u>\$ 158,877</u>	<u>\$ 1,090,863</u>

Credit Risk

As of June 30, 2019, 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 32.1% of the total notional amount of the swaps is held with one counterparty rated "AA-/Aa2". Another 27.8% of the total notional amount of the swaps is held with another counterparty rated "A+/Aa1" and 18.5% of the total notional amount of the swaps is held with another counterparty rated "AA-/Aa2." Of the remaining swaps, one counterparty is rated "A+/Aa1", "AA/Aa3", and "BBB+/A3", approximating 9.6%, 6.6%, and 5.4% 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, 2019, SIFMA was 1.90% and 1-month LIBOR was 2.40%, resulting in a SIFMA/LIBOR ratio of 79.2%. The 3-month LIBOR was 2.32%, resulting in a SIFMA/LIBOR ratio of 81.9%. 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.

NOTE DISCLOSURES
TO THE FINANCIAL STATEMENTS

The significant terms and credit ratings of the Corporation's investment derivative as of June 30, 2019, are shown below:

Related Bond Issue	Effective Date	Fixed Rate Paid	Variable Rate Received	Swap Termination Date	Counterparty Credit Rating
SC02B	12/05/02	3.7700%	70% of 1M LIBOR	07/01/24	A+/Aa1

The change in fair value of the investment derivatives as of June 30, 2019, 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, 2019	June 30, 2018	
SC02B	\$ 14,555	\$ 16,113	\$ (1,558)	\$ (1,280)	\$ (278)

Credit Risk

As of June 30, 2019, 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, 2019, is summarized in the following schedule (in thousands):

	June 30, 2018	Additions	Reductions	June 30, 2019	Due Within One Year
Total bonds and notes payable	\$ 2,328,487	\$ 235,880	\$ (103,242)	\$ 2,461,125	\$ 83,225
Net Pension liability	35,660	-	(145)	35,515	-
Net OPEB liability	5,765	1,559	(38)	7,286	-
Compensated absences	4,263	2,721	(2,667)	4,317	2,273
Other liabilities	-	362	(362)	-	-
Total long-term liabilities	\$ 2,374,175	\$ 240,522	\$ (106,454)	\$ 2,508,243	\$ 85,498

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, 2019, was 2.12% and the highest, 2.70%.

Short term debt activity for the twelve months ended June 30, 2019, is summarized in the following schedule (in thousands):

	June 30, 2018	Additions	Reductions	June 30, 2019
Commercial paper	\$ 53,377	\$ 711,616	\$ (715,443)	\$ 49,550
Unamortized discount	(108)	(942)	969	(81)
Commercial paper, net	\$ 53,269	\$ 710,674	\$ (714,474)	\$ 49,469

NOTE DISCLOSURES
TO THE FINANCIAL STATEMENTS

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, 2019, totaling \$891,000, represent the difference between projected and actual investment earnings in the State of Alaska's PERS Defined Benefit Retirement Plan. AHFC's OPEB deferred inflows of resources at June 30, 2019, represent \$828,000 difference between expected and actual experience, \$1,572,000 difference between projected and actual investment earnings, and \$428,000 changes in proportion and differences between employer contributions in the OPEB plan, combined total of \$2,828,000.

15 TRANSFERS

Transfers for the twelve months ended June 30, 2019, 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	\$ -	\$ 678	\$ 237,181	\$ 2,467	\$ 110	\$240,436
Grant Programs	16,683	-	-	-	-	16,683
Mortgage or Bond Programs	259,584	-	-	-	-	259,584
Other Funds or Programs	4,587	-	-	-	-	4,587
Alaska Corporation for Affordable Housing	110	-	-	-	-	110
Total	\$ 280,964	\$ 678	\$ 237,181	\$ 2,467	\$ 110	\$521,400

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, 2019, 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	A+	Aa1	\$ 34,265
2007 Series A, B, D Home Mortgage Revenue Bonds	SBPA	AA+	Aaa	226,465
2009 Series A Home Mortgage Revenue Bonds	SBPA	A+	Aa1	80,880
2009 Series B Home Mortgage Revenue Bonds	SBPA	A+	Aa1	80,880
2009 Series D Home Mortgage Revenue Bonds	SBPA	AA+	Aaa	80,870
2001 Series A & B Governmental Purpose Bonds	SBPA	AA+	Aaa	90,570
State Capital Project Bonds (I & II) & Commercial Paper	RCA	A	A1	300,000
Total				<u>\$ 893,930</u>

NOTE DISCLOSURES
TO THE FINANCIAL STATEMENTS

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 \$1,341,000, but rebate liability as of June 30, 2019, was \$799,000, resulting in \$542,000 due to the Corporation. Total for both bond issues as follows: prior payments totaled \$1,369,000, but rebate liability as of June 30, 2019, was \$819,000, resulting in \$550,000 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". Following are the details of AHFC's dividend to the State as of June 30, 2019, (in thousands):

	Dividend Due to State		Expenditures	Remaining Commitments
State General Fund Transfers	\$	794,648	\$ (788,948)	\$ 5,700
State Capital Projects Debt Service		470,877	(458,877)	12,000
State of Alaska Capital Projects		255,761	(251,641)	4,120
AHFC Capital Projects		534,787	(483,339)	51,448
Total	\$	2,056,073	\$ (1,982,805)	\$ 73,268

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.

NOTE DISCLOSURES
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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, 2019
AMHTA Scholarships	\$ 6
Beneficiaries and Special Needs Housing	1,816
Continuum of Care Homeless Assistance	2,085
Domestic Violence	1,460
Discharge Incentive grant	190
Drug Elimination	49
Emergency Shelter Grant (ESG)	217
Energy Efficiency Monitoring Research	949
Energy Efficient Home Program	168
HOME Investment Partnership	3,919
Homeless Assistance Program	7,328
Housing Choice Vouchers	32,096
Housing Loan Program	1,794
Housing Opportunities for Persons with AIDS	610
Housing Trust Fund	2,519
Low Income Weatherization Assistance	7,264
Low Income Home Energy Assistance	990
Non-Elderly Disabled (NED)	227
Parolees (TBRA)	421
Section 811 Rental Housing Assistance	32
Section 8 Rehabilitation	489
Senior Citizen Housing Development Grant	2,441
Supplemental Housing Grant	3,170
Technical Assistance Grant	2
Veterans Affairs Supportive Housing	1,833
Youth (TBRA)	123
Total Housing Grants and Subsidies Expenses	\$ 72,198

In addition to grant payments made, the Corporation had advanced grant funds of \$4,531,000 and committed to third parties a sum of \$31,278,000 in grant awards as of June 30, 2019.

20 PENSION AND POST-EMPLOYMENT HEALTHCARE PLANS

Description of Plans

As of June 30, 2019, 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.

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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 2019, 16.17% of covered salary is for the pension plan and 5.83% is for the post-employment healthcare plan.

Under AS39.35.255, the State funds 5.58%, the difference between the actuarial required contribution of 27.58% for fiscal year 2019 and the employer rate of 22.00%.

The Corporation's contributions to the defined benefit post-employment healthcare plan for the twelve months ended June 30, 2019, totaled \$676,000, and for the years ended June 30, 2018, and June 30, 2017, totaled \$613,000 and \$973,000, respectively.

Pension Liabilities:

At June 30, 2019, the Corporation reported a liability for its proportionate share to the net pension liability of \$35,515,000. This amount reflected State pension support provided to the Corporation of \$10,284,000. The total net pension liability associated with the Corporation was \$45,799,000.

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the new pension liability was determined by an actuarial valuation as of June 30, 2017 and rolled forward to June 30, 2018.

Pension Expense:

For the year ended June 30, 2019, the Corporation recognized pension expense of \$81,000 and revenue of \$1,189,000 for support provided by the State.

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

As of June 30, 2019, the Corporation's deferred outflows of resources related to pension expense of \$4,148,000 were due to a change in its proportionate share of contributions to the pension plan of \$637,000, a difference between projected and actual investment earnings of \$784,000 and contributions to the pension plan subsequent to the measurement date of \$2,727,000. The Corporation's deferred inflows of resources related to pension of \$891,000 were due to a difference between expected and actual experience.

NOTE DISCLOSURES
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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
2020	\$ 3,693	\$ (222)	\$ 3,471
2021	652	(223)	429
2022	(385)	(223)	(608)
2023	188	(223)	(35)
	<u>\$ 4,148</u>	<u>\$ (891)</u>	<u>\$ 3,257</u>

Pension Actuarial Assumptions:

The total pension liability for the fiscal year ending June 30, 2019, was determined by an actuarial valuation as of June 30, 2017, rolled forward to the measurement date of June 30, 2018. The valuation was prepared assuming an inflation rate of 3.12%. Salary increases were determined by grading by age and service to range from 4.34% to 8.55%. The investment rate of return was calculated at 8.00%, net of pension plan investment expenses, based on an average inflation rate of 3.12% and a real rate of return of 4.88%.

Mortality rates were based on the RP-2000 table, 2000 Base Year projected to 2018 with Projection scale BB.

The actuarial assumptions used in the June 30, 2017 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2009, to June 30, 2013.

The long-term expected rate of return on pension plan 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 plan investment expense and inflation) are developed for each major asset class. These rates 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 for each major asset class included in the pension plan's target asset allocation as of June 30, 2018, are summarized in the following table (note that the rates shown below exclude the inflation component):

Asset Class	Long-term Expected Real Rate of Return
Domestic Equity	8.90 %
Global Equity (non-U.S.)	7.85 %
Fixed Income	1.25 %
Opportunistic	4.76 %
Real Assets	6.20 %
Absolute Return	4.76 %
Private Equity	12.08 %
Cash Equivalents	0.66 %

Pension Discount rate:

The discount rate used to measure the total pension liability was 8%. 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 8% and what it would be if the discount was 1% lower (7%) or 1% higher (9%), (in thousands).

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	1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
Corporation's proportionate share of the net pension liability	\$ 47,031	\$ 35,515	\$ 25,774

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 year ended June 30, 2019, were as follows:

	Other Tier IV
Retiree medical plan	0.94%
Occupational death and disability benefits	0.26%
Total Contribution Rates	1.20%

Under State law the Corporation is required to contribute 22% of annual covered salary. For fiscal year 2019, 6.20% of covered salary is split between 5.26% for the pension plan and 0.94% for the post-employment healthcare plan. Then, to offset additional individual post-employment healthcare cost, an annual flat dollar amount of \$2,102.88, representing 3% of total annual covered compensation in the Plan for each full-time employee, and \$1.35 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, 2019, the Corporation paid additional contributions of \$1,012,000. These contributions equal \$744,000 for the defined benefit pension as of June 30, 2019, and \$268,000 for the defined benefit post-employment healthcare plans as of June 30, 2019.

The contributions to the pension plan for the twelve months ended June 30, 2019, by the employees totaled \$728,000 and by the Corporation totaled \$424,000.

The Corporation contributed \$381,000 to a Health Reimbursement Arrangement for the twelve months ended June 30, 2019.

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

OPEB Employer Contribution Rate:

In 2019, the Corporation was credited with the following contributions to the OPEB plan:

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	Measurement Period FY18	Measurement Period FY17
Employer contributions DB	\$ 894,000	\$ 1,261,000
Employer contributions DC RM	83,000	86,000
Employer contributions DC ODD	13,000	12,000
Nonemployer contributions (on-behalf)	-	-
Total Contributions	\$ 990,000	\$ 1,359,000

Changes in Benefit Provisions Since the Prior Valuation of OPEB:

There have been no changes in the benefit provisions effective since the prior valuation for the Defined Benefit OPEB plan.

OPEB healthcare cost trend rates:

Healthcare Reform legislation passed on March 23, 2010. There is no change due to this legislation, because the State plan is retiree-only. Actuaries determined the impact to be approximately \$50.8 million of the projected June 30, 2017 healthcare actuarial accrued liability for the defined benefit plans due to cost plan excise tax (Cadillac tax).

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.

	Medical Pre-65	Medical Post-65	Prescription Drugs	RDS/ Employer Group Waiver Program (EGWP)
FY18	8.0%	5.5%	9.0%	6.5%
FY19	7.5%	5.5%	8.5%	6.2%
FY20	7.0%	5.4%	8.0%	6.0%
FY21	6.5%	5.4%	7.5%	5.7%
FY22	6.3%	5.4%	7.1%	5.5%
FY23	6.1%	5.4%	6.8%	5.4%
FY24	5.9%	5.4%	6.4%	5.2%
FY25	5.8%	5.4%	6.1%	5.0%
FY26	5.6%	5.4%	5.7%	4.8%
FY27-FY40	5.4%	5.4%	5.4%	4.7%
FY41	5.2%	5.2%	5.2%	4.6%
FY42	5.1%	5.1%	5.1%	4.5%
FY43	5.0%	5.0%	5.0%	4.5%
FY44	4.8%	4.8%	4.8%	4.4%
FY45	4.7%	4.7%	4.7%	4.3%
FY46	4.5%	4.5%	4.5%	4.2%
FY47	4.4%	4.4%	4.4%	4.2%
FY48	4.3%	4.3%	4.3%	4.1%
FY49	4.1%	4.1%	4.1%	4.0%
FY50+	4.0%	4.0%	4.0%	4.0%

Key Elements of OPEB formula:

Liabilities and contributions shown in the report are computed using the Entry Age Normal Actuarial Cost Method. Any funding surpluses or unfunded accrued liability are amortized over a closed 25-year period (established June 30, 2014) as a level percentage of payroll amount. State statutes allow the contribution rate to be determined on payroll for all members, defined benefit and defined contribution member payroll combined. State statutes allow the contribution rate to be determined on the payroll for all members, defined benefit and defined contribution member payroll combined.

Projected pension and postemployment healthcare benefits were determined for all active members. Cost factors designed to produce annual costs as a level dollar amount 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

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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 and disabled members currently 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. Under this method, experience gains or losses, i.e., decreases or increases in accrued liabilities attributable to deviations in experience from the actuarial assumptions, adjust the unfunded actuarial accrued liability.

Post-employment healthcare benefits:

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 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, and any disabled member, 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 1.56% and 2.24% respectively, is valued for the annual automatic Post-Retirement Pension Adjustment (PRPA).

OPEB Liabilities:

At June 30, 2019, the total net OPEB liability associated with the Corporation was \$7,286,000.

At June 30, 2019, 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>2019</u>
Corporation's proportionate share of NOL – DB	\$	7,334,000
Corporation's proportionate share of NOL – DC RM		90,000
State's proportionate share of the NOL associated with the Corporation		-
Total Net OPEB Liabilities	\$	<u>7,424,000</u>
 <u>Corporation's proportionate share Net OPEB Assets:</u>		 <u>2019</u>
Corporation's proportionate share of NOA – DC ODD	\$	138,000
Total Net OPEB Assets	\$	<u>138,000</u>

The net OPEB liability was measured as of June 30, 2018, and the total pension liability used to calculate the new pension liability was determined by an actuarial valuation as of June 30, 2017, and rolled forward to June 30, 2018. The Corporation's proportion of the net OPEB liabilities were based on a projection of the Corporation's long-term share of contributions to the OPEB plans relative to the projected contributions of all participating entities, actuarially determined.

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	June 30, 2017 Measurement Date Employer Proportion	June 30, 2018 Measurement Date Employer Proportion	Change
Corporation's proportionate share Net OPEB Liabilities:			
DB	0.68990%	0.71458%	0.02468%
DC RM	0.70310%	0.71095%	0.00785%
DC ODD	0.70310%	0.71095%	0.00785%

Changes in Benefit Provisions Since Prior Valuation of OPEB:

For Defined Contribution Retiree Medical OPEB ("DC RM") and Defined Contribution - Occupational Death & Disability ("DC ODD") plans there were the following updates: the health care cost trend assumption was updated as shown above to reflect anticipated increases in costs based on recent survey data. Healthcare claim costs are updated annually. Minor updates were made to the factors used to adjust the DB plan costs to reflect DCR plan design differences. For the Defined Benefit (DB) plan healthcare cost trend assumption was updated to reflect anticipated increases in costs based on recent survey data. Healthcare claim costs are updated annually.

OPEB Expense:

For the year ended June 30, 2019, the Corporation recognized OPEB expense of \$450,000 and no support provided by the State.

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

At June 30, 2019, 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, 2019	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 1,351	\$ -
Difference between expected and actual experience	-	(828)
Difference between projected and actual investment earnings	-	(1,572)
Changes in assumptions	1,154	-
Changes in proportion and difference between employer contributions	317	(428)
Total Deferred Inflows	\$ 2,822	\$ (2,828)

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
2020	\$ 799
2021	(252)
2022	(514)
2023	(35)
2024	(1)
Thereafter	(3)
	\$ (6)

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OPEB Actuarial Assumptions:

The total OPEB liability for the year ended June 30, 2019, was determined by an actuarial valuation as of June 30, 2017, rolled forward to the measurement date of June 30, 2018. The actuarial assumptions used in the June 30, 2017, actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2009, to June 30, 2013, resulting in changes in actuarial assumptions adopted by the Alaska Retirement Management Board to better reflect expected future experience.

Actuarial cost method	Entry age normal; level percentage of payroll.
Inflation	3.12%
Salary increases	Graded by age and service, from 8.55% to 4.34% for all others
Allocation Methodology	For PERS ARHT, allocation percentages are applied to OPEB amounts and are based on the ratio of the present value of projected future contributions for AHFC to the total present value of projected future contributions to the Plan for the FY2019-FY2039. For PERS DB RM and DB ODD allocation percentages are applied to amounts presented in the schedule of the OPEB amounts by employer and are based on the ratio of contributions made for AHFC to total contributions made to the Plan during FY19.
Investment Return / Discount Rate	8.00%, net of OPEB plan investment expenses. This is based on an average inflation rate of 3.12% and a real rate of return of 4.88%.
Mortality	Pre-termination – Based on the 2010-2013 actual mortality experience, 60% of male and 65% of female post-termination rates. Deaths are assumed to be occupational 50% of the time for others. Post-termination – 96% of all rates of the RP-2000 table, 2000 base year projected to 2018 with projection scale BB.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These rates 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 for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2018, are summarized in the following table (note that the rates shown below exclude the inflation component):

Asset Class	Long-term Expected Real Rate of Return
Domestic Equity	8.90 %
Global Equity (non-U.S.)	7.85 %
Fixed Income	1.25 %
Opportunistic	4.76 %
Real Assets	6.20 %
Absolute Return	4.76 %
Private Equity	12.08 %
Cash Equivalents	0.66 %

OPEB Discount rate:

The discount rate used to ensure the total OPEB liability was 8%. 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.

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Sensitivity of the Corporation's proportionate share of the net OPEB 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 8% and what it would be if the discount was 1-percentage-point (7%) lower or 1-percentage-point higher (9%), (in thousands).

Corporation's proportionate share of the net OPEB liabilities (assets):	Proportional Share	Current Discount Rate		
		1% Decrease (7%)	8% (8%)	1% Increase (9%)
DB plan	0.71458	\$ 14,847	\$ 7,334	\$ 1,036
DC RM plan	0.71095	270	90	(50)
DC ODD plan	0.71095	(130)	(138)	(145)

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	Current Discount Rate		
		1% Decrease	8% (8%)	1% Increase
DB plan	0.71458	\$ 142	\$ 7,334	\$ 15,996
DC RM plan	0.71095	\$ (77)	\$ 90	\$ 314
DC ODD plan	0.71095	n/a	\$ (138)	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: alaska.gov/drb/employer/resources/gasb.html

Healthcare cost trend rates:

Healthcare Reform legislation passed on March 23, 2010 included several provisions with potential implications for the State of Alaska Retiree Health Plan liability. Buck evaluated impacts of these provisions, however, for all three plans, none of the impacts have been included except for the high cost plan excise taxes (Cadillac tax). In addition, for DC RM and DC ODD plans Patient Centered Outcomes Research Institute fee impact has been included in the valuation results as part of administrative fee. The adopted DC RM and DC ODD plans do not place lifetime limits on benefits, but restrict dependent child coverage to age 26.

The 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.

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	Medical Pre-65	Medical Post-65	Prescription Drugs	RDS/ Employer Group Waiver Program (EGWP)
FY18	8.0%	5.5%	9.0%	6.5%
FY19	7.5%	5.5%	8.5%	6.2%
FY20	7.0%	5.4%	8.0%	6.0%
FY21	6.5%	5.4%	7.5%	5.7%
FY22	6.3%	5.4%	7.1%	5.5%
FY23	6.1%	5.4%	6.8%	5.4%
FY24	5.9%	5.4%	6.4%	5.2%
FY25	5.8%	5.4%	6.1%	5.0%
FY26	5.6%	5.4%	5.7%	4.8%
FY27-FY40	5.4%	5.4%	5.4%	4.7%
FY41	5.2%	5.2%	5.2%	4.6%
FY42	5.1%	5.1%	5.1%	4.5%
FY43	5.0%	5.0%	5.0%	4.5%
FY44	4.8%	4.8%	4.8%	4.4%
FY45	4.7%	4.7%	4.7%	4.3%
FY46	4.5%	4.5%	4.5%	4.2%
FY47	4.4%	4.4%	4.4%	4.2%
FY48	4.3%	4.3%	4.3%	4.1%
FY49	4.1%	4.1%	4.1%	4.0%
FY50+	4.0%	4.0%	4.0%	4.0%

Key Elements of OPEB formula:

Liabilities and contributions shown in the report are computed using the Entry Age Normal Actuarial Cost Method. Any funding surpluses or unfunded accrued liability is amortized over 25 years as a level percentage of expected payroll. State statutes allow the contribution rate to be determined on the payroll for all members, defined benefit and defined contribution member payroll combined.

Cost factors designed to produce annual costs as a constant percentage of each member's expected compensation in each year for retiree medical benefits, from the assumed entry age to the last age with a future benefit 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 plans 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 beneficiaries and disability members currently 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. Under this method, experience gains or losses in accrued liabilities attributable to deviations in experience from the actuarial assumptions, adjust the unfunded actuarial accrued liability.

Post-employment healthcare benefits:

Member must retire directly from the plan to be eligible for retiree medical coverage. Normal retirement eligibility is the earlier of a) 30 years of service or b) Medicare eligible and 10 years of service. No subsidized retiree medical benefits are provided until normal retirement eligibility. The member's and any covered dependent premium is 100% until the member is Medicare eligible. Upon the member's Medicare-eligibility, the required contribution will follow the service based schedule. Members who are receiving disability benefits or survivors who are receiving monthly survivor benefits

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are not eligible until the member meets, or would have met if he/she had lived, the normal retirement eligibility requirements. The medical plan's coverage is supplementary to Medicare. Medicare payment is deducted from the Medicare allowable expense and plan parameters are applied to that amount. Starting in 2019, the prescription drug coverage is a Medicare Part D Employer Group Waiver Plan (EGWP) arrangement. The premium for Medicare-eligible retirees will be based on the member's years of service. The premium for dependents who are not eligible for Medicare aligns with the member's subsidy. While a member is not Medicare-eligible, premiums are 100% of the estimated cost. Members have a separate defined contribution HRA account that can be used to pay for premiums or other medical expenses. Coverage will continue for surviving spouses of covered retired members.

Annual Postemployment Healthcare Cost

In 2019, the Corporation recognized \$381,000 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 \$4,008,000 as of June 30, 2019.

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, 2019, 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 delivered its \$200,000,000 State Capital Project Bonds II, 2019 Series A and B, on July 11, 2019. The Series A Bonds are \$140,000,000 federally taxable general obligations of the Corporation maturing December 1, 2044, with interest payable each June 1 and December 1 at variable rates. The Series B Bonds are \$60,000,000 tax-exempt general obligations of the Corporation with a final maturity of December 1, 2039. Interest on the Series B Bonds is payable each June 1 and December 1 at fixed rates ranging from 3.00% to 5.00%. Proceeds of the 2019 Bonds were and will be used to refund certain outstanding obligations of the Corporation, to finance additional authorized activities of the Corporation, and to pay costs of issuance of the Bonds.

The Corporation anticipates issuing up to \$225,000,000 of its tax-exempt General Mortgage Revenue Bonds II, 2019 Series A and B, in or around October 2019. As preliminarily structured, interest on the Series A and B Bonds would be payable each June 1 and December 1 at fixed rates, and proceeds of the Series A and B Bonds will be used to finance mortgage loans, to refund certain outstanding obligations of the Corporation, to finance additional authorized activities of the Corporation, and to pay certain costs of issuance of the Bonds.

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.

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23 SUPPLEMENTARY FIVE YEAR FINANCIAL INFORMATION

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

	June 30,				
	2019	2018	2017	2016	2015
Assets					
Cash	\$ 74,259	\$ 69,609	\$ 66,343	\$ 70,104	\$ 50,348
Investments	562,671	596,133	618,544	615,588	816,244
Accrued interest receivable	15,831	14,115	12,771	12,325	11,606
Mortgage loans, notes and other loans	3,342,961	3,132,437	2,910,332	2,817,494	2,662,893
Net investment in direct financing lease	24,780	27,003	29,142	34,555	39,732
Capital assets, net	94,036	100,472	106,762	109,821	116,057
Other assets	21,255	28,684	23,171	35,746	47,982
Total Assets	4,135,793	3,968,453	3,767,065	3,695,633	3,744,862
Deferred Outflow of Resources	186,739	133,107	172,676	234,921	171,440
Liabilities					
Bonds and notes payable	2,461,125	2,328,487	2,124,637	2,083,582	2,201,527
Short term debt	49,469	53,269	82,526	71,589	16,899
Accrued interest payable	8,388	9,984	9,622	9,628	9,397
Other liabilities	70,059	58,868	63,894	55,009	49,522
Derivative instrument - interest rate swaps	158,349	104,674	144,903	210,543	150,199
Total Liabilities	2,747,390	2,555,282	2,425,582	2,430,351	2,427,544
Deferred Inflow of Resources	3,719	7,582	531	670	3,277
Total Net Position	\$ 1,571,423	\$ 1,538,696	\$ 1,513,628	\$ 1,499,533	\$ 1,485,481
Operating Revenues					
Mortgage and loans revenue	\$ 146,042	\$ 135,055	\$ 130,538	\$ 128,942	\$ 126,140
Investment interest	17,404	6,273	4,727	3,595	4,388
Net change in fair value of investments	(838)	2,967	1,899	2,754	1,627
Net change of hedge termination	(278)	760	1,028	(552)	11
Total Investment Revenue	16,288	10,000	7,654	5,797	6,026
Externally funded programs	77,143	86,844	96,081	123,782	146,236
Rental	11,926	11,305	11,155	10,707	9,342
Other	4,634	3,076	4,051	4,952	2,355
Total Operating Revenues	256,033	246,280	249,479	274,180	290,099
Operating Expenses					
Interest	76,831	71,246	69,890	70,357	75,349
Mortgage and loan costs	12,034	11,452	10,843	10,836	11,327
Operations and administration	44,781	46,127	56,867	58,373	53,287
Financing expenses	6,054	5,027	4,512	3,556	5,064
Provision for loan loss	(5,740)	(4,560)	(5,584)	(5,831)	(5,741)
Housing grants and subsidies	72,198	68,314	84,310	107,054	125,222
Rental housing operating expenses	15,042	15,091	14,296	15,634	17,086
Total Operating Expenses	221,200	212,697	235,134	259,979	281,594
Operating Income (Loss)	34,833	33,583	14,345	14,201	8,505
Non-Operating & Special Item					
Contribution to State or State agency	(2,106)	(125)	(250)	(149)	(3,825)
Change in Net Position	\$ 32,727	\$ 33,458	\$ 14,095	\$ 14,052	\$ 4,680

NOTE DISCLOSURES
TO THE FINANCIAL STATEMENTS

REQUIRED SUPPLEMENTARY INFORMATION

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

	2019	2018	2017	2016	2015	2014
The Corporation's proportion of the net pension liability (asset)	0.714740%	0.689820%	0.852380%	0.780600%	0.608214%	0.598696%
The Corporation's proportionate share of the net pension liability (asset)	\$ 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	10,284	13,285	6,003	10,856	22,644	26,434
Total	<u>\$ 45,799</u>	<u>\$ 48,945</u>	<u>\$ 53,648</u>	<u>\$ 48,715</u>	<u>\$ 51,012</u>	<u>\$ 57,874</u>
The Corporation's covered employee payroll	\$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	282.24%	258.10%	312.39%	232.06%	165.04%	176.48%
Plan fiduciary net position as a percentage of the total pension liability	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, 2019, the plan measurement date is June 30, 2018.

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.

NOTE DISCLOSURES
TO THE FINANCIAL STATEMENTS

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the Corporation's Contributions (in thousands)

	2019	2018	2017	2016	2015	2014
Contractually required contributions	\$ 2,727	\$ 2,932	\$ 2,679	\$ 2,475	\$ 2,403	\$ 2,128
Contributions in relation to the contractually required contributions	2,727	2,932	2,679	2,475	2,403	2,128
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
The Corporation's covered employee payroll	11,680	12,583	13,817	15,252	16,314	17,189
Contributions as a percentage of covered-employee payroll	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 2019. These contributions are reported as a deferred outflow of resources on the June 30, 2019 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.

NOTE DISCLOSURES
TO THE FINANCIAL STATEMENTS

REQUIRED SUPPLEMENTARY INFORMATION

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

	2019	2018	2017
The Corporation's proportion of the net OPEB liability (asset) for Defined Benefit - Retiree Medical	0.71458000%	0.68992000%	0.85265000%
The Corporation's proportion of the net OPEB liability (asset) for Defined Contribution Pension Plans (Retiree Medical Plan and Occupational Death & Disability Plans)	0.71095000%	0.70310000%	0.66252000%
The Corporation's proportionate share of the net OPEB liability (asset)	\$ 7,286	\$ 5,765	\$ 9,752
State's proportionate share of the net OPEB liability (asset) associated with the Corporation	2,129	2,173	-
Total	<u>\$ 9,415</u>	<u>\$ 7,939</u>	<u>\$ 9,752</u>
The Corporation's covered employee payroll	\$ 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	35.32%	27.28%	45.09%
Defined Benefit - Retiree Medical Plan fiduciary net position as a percentage of the total OPEB liability	88.12%	89.68%	85.45%
Defined Contribution - Retiree Medical Plan fiduciary net position as a percentage of the total OPEB liability	88.71%	93.98%	86.82%
Defined Contribution - Occupational Death & Disability Plan fiduciary net position as a percentage of the total OPEB liability	270.62%	212.97%	245.29%

Information in this table is presented based on the Plan measurement date. For June 30, 2019, the plan measurement date is June 30, 2018.

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.

NOTE DISCLOSURES
TO THE FINANCIAL STATEMENTS

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the Corporation's Contributions (in thousands)

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

This table reports the Corporation's OPEB contributions to SOA during fiscal year 2019. These contributions are reported as a deferred outflow of resources on the June 30, 2019 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 06/30/2019
(in thousands of dollars)

	Administrative Fund	Combined Mortgage Revenue Bonds	Combined Home Mortgage Revenue Bonds	Combined Veterans Mortgage Program Bonds
ASSETS				
Current				
Cash	\$ 33,542	\$ -	\$ -	\$ -
Investments	378,372	17,533	55,482	28,428
Accrued interest receivable	4,405	767	2,704	437
Inter-fund due (to)/from	(28,675)	2,543	10,674	2,019
Mortgage loans, notes and other loans	6,794	6,264	21,241	3,205
Net investment in direct financing lease	-	-	-	-
Other assets	3,817	-	-	-
Intergovernmental receivable	201	-	-	-
Total Current	398,456	27,107	90,101	34,089
Non Current				
Investments	-	-	-	-
Inter-fund due (to)/from	-	-	-	-
Mortgage loans, notes and other loans	205,307	223,865	717,882	103,628
Net investment in direct financing lease	-	-	-	-
Capital assets - non-depreciable	2,917	-	-	-
Capital assets - depreciable, net	16,613	-	-	-
Other assets	3,218	-	-	-
Total Non Current	228,055	223,865	717,882	103,628
Total Assets	626,511	250,972	807,983	137,717
DEFERRED OUTFLOW OF RESOURCES				
	6,971	-	132,891	-
LIABILITIES				
Current				
Bonds payable	-	8,590	8,950	1,920
Short term debt	49,469	-	-	-
Accrued interest payable	-	505	1,509	643
Other liabilities	21,797	69	231	34
Intergovernmental payable	-	-	-	-
Total Current	71,266	9,164	10,690	2,597
Non Current				
Bonds payable	-	182,030	492,589	105,791
Other liabilities	2,044	-	-	-
Derivative instrument - interest rate swaps	-	-	126,105	-
Net Pension & OPEB liabilities	42,801	-	-	-
Total Non Current	44,845	182,030	618,694	105,791
Total Liabilities	116,111	191,194	629,384	108,388
DEFERRED INFLOW OF RESOURCES				
	3,719	-	-	-
NET POSITION				
Net investment in capital assets	19,530	-	-	-
Restricted by bond resolutions	-	59,778	311,490	29,329
Restricted by contractual or statutory agreements	92,838	-	-	-
Unrestricted or (deficit)	401,284	-	-	-
Total Net Position	\$ 513,652	\$ 59,778	\$ 311,490	\$ 29,329

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 06/30/2019
(in thousands of dollars)

Schedule 1

	Combined Other Housing Bonds	Combined Non-Housing Bonds	Combined Other Programs	Combined Total
ASSETS				
Current				
Cash	\$ -	\$ 199	\$ 40,518	\$ 74,259
Investments	54,018	24,872	3,966	562,671
Accrued interest receivable	1,989	5,389	140	15,831
Inter-fund due (to)/from	6,959	16,267	(9,787)	-
Mortgage loans, notes and other loans	19,086	39,048	1,299	96,937
Net investment in direct financing lease	-	2,312	-	2,312
Other assets	-	-	6,117	9,934
Intergovernmental receivable	-	-	7,351	7,552
Total Current	82,052	88,087	49,604	769,496
Non Current				
Investments	-	-	-	-
Inter-fund due (to)/from	-	-	-	-
Mortgage loans, notes and other loans	629,714	1,311,670	53,958	3,246,024
Net investment in direct financing lease	-	22,468	-	22,468
Capital assets - non-depreciable	-	-	17,311	20,228
Capital assets - depreciable, net	-	-	57,195	73,808
Other assets	550	-	1	3,769
Total Non Current	630,264	1,334,138	128,465	3,366,297
Total Assets	712,316	1,422,225	178,069	4,135,793
DEFERRED OUTFLOW OF RESOURCES				
	12,927	33,950	-	186,739
LIABILITIES				
Current				
Bonds payable	16,345	47,420	-	83,225
Short term debt	-	-	-	49,469
Accrued interest payable	1,300	4,431	-	8,388
Other liabilities	157	332	1,624	24,244
Intergovernmental payable	-	199	457	656
Total Current	17,802	52,382	2,081	165,982
Non Current				
Bonds payable	438,309	1,159,181	-	2,377,900
Other liabilities	-	-	314	2,358
Derivative instrument - interest rate swaps	11,838	20,406	-	158,349
Net Pension & OPEB liabilities	-	-	-	42,801
Total Non Current	450,147	1,179,587	314	2,581,408
Total Liabilities	467,949	1,231,969	2,395	2,747,390
DEFERRED INFLOW OF RESOURCES				
	-	-	-	3,719
NET POSITION				
Net investment in capital assets	-	-	74,506	94,036
Restricted by bond resolutions	257,294	-	-	657,891
Restricted by contractual or statutory agreements	-	-	106,482	199,320
Unrestricted or (deficit)	-	224,206	(5,314)	620,176
Total Net Position	\$ 257,294	\$ 224,206	\$ 175,674	\$ 1,571,423

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION
(A Component Unit of the State of Alaska)
STATEMENT OF NET POSITION
ADMINISTRATIVE FUND
As of 06/30/2019
(in thousands of dollars)

Schedule 2

	Administrative Fund
ASSETS	
Current	
Cash	\$ 33,542
Investments	378,372
Accrued interest receivable	4,405
Inter-fund due (to)/from	(28,675)
Mortgage loans, notes and other loans	6,794
Net investment in direct financing lease	-
Other assets	3,817
Intergovernmental receivable	201
Total Current	398,456
Non Current	
Investments	-
Inter-fund due (to)/from	-
Mortgage loans, notes and other loans	205,307
Net investment in direct financing lease	-
Capital assets - non-depreciable	2,917
Capital assets - depreciable, net	16,613
Other assets	3,218
Total Non Current	228,055
Total Assets	626,511
DEFERRED OUTFLOW OF RESOURCES	6,971
LIABILITIES	
Current	
Bonds payable	-
Short term debt	49,469
Accrued interest payable	-
Other liabilities	21,797
Intergovernmental payable	-
Total Current	71,266
Non Current	
Bonds payable	-
Other liabilities	2,044
Derivative instrument - interest rate swaps	-
Net Pension & OPEB liabilities	42,801
Total Non Current	44,845
Total Liabilities	116,111
DEFERRED INFLOW OF RESOURCES	3,719
NET POSITION	
Net investment in capital assets	19,530
Restricted by bond resolutions	-
Restricted by contractual or statutory agreements	92,838
Unrestricted or (deficit)	401,284
Total Net Position	\$ 513,652

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION

Schedule 3

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

FIRST TIME HOMEBUYERS PROGRAM

MORTGAGE REVENUE BONDS

As of 06/30/2019

(in thousands of dollars)

	Bonds 2009 A-1 2010 A, B	Bonds 2009 A-2 2011 A, B	Mortgage Revenue Bonds Combined Total
ASSETS			
Current			
Cash	\$ -	\$ -	\$ -
Investments	6,048	11,485	17,533
Accrued interest receivable	338	429	767
Inter-fund due (to)/from	1,067	1,476	2,543
Mortgage loans, notes and other loans	2,594	3,670	6,264
Net investment in direct financing lease	-	-	-
Other assets	-	-	-
Intergovernmental receivable	-	-	-
Total Current	10,047	17,060	27,107
Non Current			
Investments	-	-	-
Inter-fund due (to)/from	-	-	-
Mortgage loans, notes and other loans	92,840	131,025	223,865
Net investment in direct financing lease	-	-	-
Capital assets - non-depreciable	-	-	-
Capital assets - depreciable, net	-	-	-
Other assets	-	-	-
Total Non Current	92,840	131,025	223,865
Total Assets	102,887	148,085	250,972
DEFERRED OUTFLOW OF RESOURCES			
	-	-	-
LIABILITIES			
Current			
Bonds payable	3,510	5,080	8,590
Short term debt	-	-	-
Accrued interest payable	277	228	505
Other liabilities	30	39	69
Intergovernmental payable	-	-	-
Total Current	3,817	5,347	9,164
Non Current			
Bonds payable	87,300	94,730	182,030
Other liabilities	-	-	-
Derivative instrument - interest rate swaps	-	-	-
Net Pension & OPEB liabilities	-	-	-
Total Non Current	87,300	94,730	182,030
Total Liabilities	91,117	100,077	191,194
DEFERRED INFLOW OF RESOURCES			
	-	-	-
NET POSITION			
Net investment in capital assets	-	-	-
Restricted by bond resolutions	11,770	48,008	59,778
Restricted by contractual or statutory agreements	-	-	-
Unrestricted or (deficit)	-	-	-
Total Net Position	\$ 11,770	\$ 48,008	\$ 59,778

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION
(A Component Unit of the State of Alaska)
STATEMENT OF NET POSITION
FIRST TIME HOMEBUYERS PROGRAM HOME
MORTGAGE REVENUE BONDS
As of 06/30/2019
(in thousands of dollars)

	Bonds 2002 A,B	Bonds 2007 A	Bonds 2007 B	Bonds 2007 D	Bonds 2009 A
ASSETS					
Current					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	7,456	6,022	5,718	8,242	9,774
Accrued interest receivable	319	292	296	395	469
Inter-fund due (to)/from	802	1,999	1,239	1,828	1,323
Mortgage loans, notes and other loans	2,130	2,391	2,350	3,090	3,544
Net investment in direct financing lease	-	-	-	-	-
Other assets	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-
Total Current	10,707	10,704	9,603	13,555	15,110
Non Current					
Investments	-	-	-	-	-
Inter-fund due (to)/from	-	-	-	-	-
Mortgage loans, notes and other loans	75,048	80,355	78,532	105,000	117,415
Net investment in direct financing lease	-	-	-	-	-
Capital assets - non-depreciable	-	-	-	-	-
Capital assets - depreciable, net	-	-	-	-	-
Other assets	-	-	-	-	-
Total Non Current	75,048	80,355	78,532	105,000	117,415
Total Assets	85,755	91,059	88,135	118,555	132,525
DEFERRED OUTFLOW OF RESOURCES					
	3,844	19,874	19,861	23,540	22,193
LIABILITIES					
Current					
Bonds payable	-	1,765	1,765	2,095	1,110
Short term debt	-	-	-	-	-
Accrued interest payable	88	213	213	256	246
Other liabilities	27	27	25	33	39
Intergovernmental payable	-	-	-	-	-
Total Current	115	2,005	2,003	2,384	1,395
Non Current					
Bonds payable	32,444	69,200	69,200	82,440	79,770
Other liabilities	-	-	-	-	-
Derivative instrument - interest rate swaps	3,844	18,671	18,658	22,066	21,212
Net Pension & OPEB liabilities	-	-	-	-	-
Total Non Current	36,288	87,871	87,858	104,506	100,982
Total Liabilities	36,403	89,876	89,861	106,890	102,377
DEFERRED INFLOW OF RESOURCES					
	-	-	-	-	-
NET POSITION					
Net investment in capital assets	-	-	-	-	-
Restricted by bond resolutions	53,196	21,057	18,135	35,205	52,341
Restricted by contractual or statutory agreements	-	-	-	-	-
Unrestricted or (deficit)	-	-	-	-	-
Total Net Position	\$ 53,196	\$ 21,057	\$ 18,135	\$ 35,205	\$ 52,341

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION
(A Component Unit of the State of Alaska)
STATEMENT OF NET POSITION
FIRST TIME HOMEBUYERS PROGRAM HOME
MORTGAGE REVENUE BONDS
As of 06/30/2019
(in thousands of dollars)

Schedule 4

	Bonds 2009 B	Bonds 2009 D	Home Mortgage Revenue Bonds Combined Total
ASSETS			
Current			
Cash	\$ -	\$ -	\$ -
Investments	8,827	9,443	55,482
Accrued interest receivable	449	484	2,704
Inter-fund due (to)/from	1,082	2,401	10,674
Mortgage loans, notes and other loans	3,836	3,900	21,241
Net investment in direct financing lease	-	-	-
Other assets	-	-	-
Intergovernmental receivable	-	-	-
Total Current	14,194	16,228	90,101
Non Current			
Investments	-	-	-
Inter-fund due (to)/from	-	-	-
Mortgage loans, notes and other loans	127,713	133,819	717,882
Net investment in direct financing lease	-	-	-
Capital assets - non-depreciable	-	-	-
Capital assets - depreciable, net	-	-	-
Other assets	-	-	-
Total Non Current	127,713	133,819	717,882
Total Assets	141,907	150,047	807,983
DEFERRED OUTFLOW OF RESOURCES	21,909	21,670	132,891
LIABILITIES			
Current			
Bonds payable	1,110	1,105	8,950
Short term debt	-	-	-
Accrued interest payable	246	247	1,509
Other liabilities	39	41	231
Intergovernmental payable	-	-	-
Total Current	1,395	1,393	10,690
Non Current			
Bonds payable	79,770	79,765	492,589
Other liabilities	-	-	-
Derivative instrument - interest rate swaps	20,928	20,726	126,105
Net Pension & OPEB liabilities	-	-	-
Total Non Current	100,698	100,491	618,694
Total Liabilities	102,093	101,884	629,384
DEFERRED INFLOW OF RESOURCES	-	-	-
NET POSITION			
Net investment in capital assets	-	-	-
Restricted by bond resolutions	61,723	69,833	311,490
Restricted by contractual or statutory agreements	-	-	-
Unrestricted or (deficit)	-	-	-
Total Net Position	\$ 61,723	\$ 69,833	\$ 311,490

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

Schedule 5

STATEMENT OF NET POSITION
VETERANS MORTGAGE PROGRAM
BONDS - STATE GUARANTEED

As of 06/30/2019

(in thousands of dollars)

	Collateralized Bonds 2016 First & Second Series	Collateralized Bonds 2019 First & Second Series	Veterans Mortgage Program Bonds Combined Total
ASSETS			
Current			
Cash	\$ -	\$ -	\$ -
Investments	4,899	23,529	28,428
Accrued interest receivable	209	228	437
Inter-fund due (to)/from	1,494	525	2,019
Mortgage loans, notes and other loans	1,710	1,495	3,205
Net investment in direct financing lease	-	-	-
Other assets	-	-	-
Intergovernmental receivable	-	-	-
Total Current	8,312	25,777	34,089
Non Current			
Investments	-	-	-
Inter-fund due (to)/from	-	-	-
Mortgage loans, notes and other loans	55,297	48,331	103,628
Net investment in direct financing lease	-	-	-
Capital assets - non-depreciable	-	-	-
Capital assets - depreciable, net	-	-	-
Other assets	-	-	-
Total Non Current	55,297	48,331	103,628
Total Assets	63,609	74,108	137,717
DEFERRED OUTFLOW OF RESOURCES			
	-	-	-
LIABILITIES			
Current			
Bonds payable	1,280	640	1,920
Short term debt	-	-	-
Accrued interest payable	97	546	643
Other liabilities	18	16	34
Intergovernmental payable	-	-	-
Total Current	1,395	1,202	2,597
Non Current			
Bonds payable	45,560	60,231	105,791
Other liabilities	-	-	-
Derivative instrument - interest rate swaps	-	-	-
Net Pension & OPEB liabilities	-	-	-
Total Non Current	45,560	60,231	105,791
Total Liabilities	46,955	61,433	108,388
DEFERRED INFLOW OF RESOURCES			
	-	-	-
NET POSITION			
Net investment in capital assets	-	-	-
Restricted by bond resolutions	16,654	12,675	29,329
Restricted by contractual or statutory agreements	-	-	-
Unrestricted or (deficit)	-	-	-
Total Net Position	\$ 16,654	\$ 12,675	\$ 29,329

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION
(A Component Unit of the State of Alaska)
STATEMENT OF NET POSITION
OTHER HOUSING BONDS
As of 06/30/2019
(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	Governmental Purpose Bonds 1997 A
ASSETS				
Current				
Cash	\$ -	\$ -	\$ -	\$ -
Investments	10,168	2,692	8,427	14,623
Accrued interest receivable	408	243	581	207
Inter-fund due (to)/from	1,405	586	1,698	-
Mortgage loans, notes and other loans	4,726	2,679	5,476	461
Net investment in direct financing lease	-	-	-	-
Other assets	-	-	-	-
Intergovernmental receivable	-	-	-	-
Total Current	16,707	6,200	16,182	15,291
Non Current				
Investments	-	-	-	-
Inter-fund due (to)/from	-	-	-	-
Mortgage loans, notes and other loans	155,217	86,633	177,042	14,902
Net investment in direct financing lease	-	-	-	-
Capital assets - non-depreciable	-	-	-	-
Capital assets - depreciable, net	-	-	-	-
Other assets	-	-	-	8
Total Non Current	155,217	86,633	177,042	14,910
Total Assets	171,924	92,833	193,224	30,201
DEFERRED OUTFLOW OF RESOURCES				
	1,089	-	-	-
LIABILITIES				
Current				
Bonds payable	4,060	4,190	1,750	-
Short term debt	-	-	-	-
Accrued interest payable	285	186	515	19
Other liabilities	35	25	51	-
Intergovernmental payable	-	-	-	-
Total Current	4,380	4,401	2,316	19
Non Current				
Bonds payable	88,859	84,546	169,981	14,600
Other liabilities	-	-	-	-
Derivative instrument - interest rate swaps	-	-	-	-
Net Pension & OPEB liabilities	-	-	-	-
Total Non Current	88,859	84,546	169,981	14,600
Total Liabilities	93,239	88,947	172,297	14,619
DEFERRED INFLOW OF RESOURCES				
	-	-	-	-
NET POSITION				
Net investment in capital assets	-	-	-	-
Restricted by bond resolutions	79,774	3,886	20,927	15,582
Restricted by contractual or statutory agreements	-	-	-	-
Unrestricted or (deficit)	-	-	-	-
Total Net Position	\$ 79,774	\$ 3,886	\$ 20,927	\$ 15,582

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION
(A Component Unit of the State of Alaska)
STATEMENT OF NET POSITION
OTHER HOUSING BONDS
As of 06/30/2019
(in thousands of dollars)

Schedule 6

	Governmental Purpose Bonds 2001 A & B	Other Housing Bonds Combined Total
ASSETS		
Current		
Cash	\$ -	\$ -
Investments	18,108	54,018
Accrued interest receivable	550	1,989
Inter-fund due (to)/from	3,270	6,959
Mortgage loans, notes and other loans	5,744	19,086
Net investment in direct financing lease	-	-
Other assets	-	-
Intergovernmental receivable	-	-
Total Current	27,672	82,052
Non Current		
Investments	-	-
Inter-fund due (to)/from	-	-
Mortgage loans, notes and other loans	195,920	629,714
Net investment in direct financing lease	-	-
Capital assets - non-depreciable	-	-
Capital assets - depreciable, net	-	-
Other assets	542	550
Total Non Current	196,462	630,264
Total Assets	224,134	712,316
DEFERRED OUTFLOW OF RESOURCES		
	11,838	12,927
LIABILITIES		
Current		
Bonds payable	6,345	16,345
Short term debt	-	-
Accrued interest payable	295	1,300
Other liabilities	46	157
Intergovernmental payable	-	-
Total Current	6,686	17,802
Non Current		
Bonds payable	80,323	438,309
Other liabilities	-	-
Derivative instrument - interest rate swaps	11,838	11,838
Net Pension & OPEB liabilities	-	-
Total Non Current	92,161	450,147
Total Liabilities	98,847	467,949
DEFERRED INFLOW OF RESOURCES		
	-	-
NET POSITION		
Net investment in capital assets	-	-
Restricted by bond resolutions	137,125	257,294
Restricted by contractual or statutory agreements	-	-
Unrestricted or (deficit)	-	-
Total Net Position	\$ 137,125	\$ 257,294

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION
(A Component Unit of the State of Alaska)
STATEMENT OF NET POSITION
NON-HOUSING BONDS
As of 06/30/2019
(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
ASSETS				
Current				
Cash	\$ -	\$ -	\$ -	\$ -
Investments	4,178	421	1,378	1,212
Accrued interest receivable	187	33	210	302
Inter-fund due (to)/from	310	58	457	913
Mortgage loans, notes and other loans	817	131	1,227	1,941
Net investment in direct financing lease	-	-	-	-
Other assets	-	-	-	-
Intergovernmental receivable	-	-	-	-
Total Current	5,492	643	3,272	4,368
Non Current				
Investments	-	-	-	-
Inter-fund due (to)/from	-	-	-	-
Mortgage loans, notes and other loans	28,324	6,581	49,511	72,425
Net investment in direct financing lease	-	-	-	-
Capital assets - non-depreciable	-	-	-	-
Capital assets - depreciable, net	-	-	-	-
Other assets	-	-	-	-
Total Non Current	28,324	6,581	49,511	72,425
Total Assets	33,816	7,224	52,783	76,793
DEFERRED OUTFLOW OF RESOURCES				
	1,059	-	-	-
LIABILITIES				
Current				
Bonds payable	6,265	1,490	4,825	5,520
Short term debt	-	-	-	-
Accrued interest payable	684	19	145	229
Other liabilities	14	2	11	14
Intergovernmental payable	-	-	-	-
Total Current	6,963	1,511	4,981	5,763
Non Current				
Bonds payable	16,890	3,079	36,865	58,203
Other liabilities	-	-	-	-
Derivative instrument - interest rate swaps	2,617	-	-	-
Net Pension & OPEB liabilities	-	-	-	-
Total Non Current	19,507	3,079	36,865	58,203
Total Liabilities	26,470	4,590	41,846	63,966
DEFERRED INFLOW OF RESOURCES				
	-	-	-	-
NET POSITION				
Net investment in capital assets	-	-	-	-
Restricted by bond resolutions	-	-	-	-
Restricted by contractual or statutory agreements	-	-	-	-
Unrestricted or (deficit)	8,405	2,634	10,937	12,827
Total Net Position	\$ 8,405	\$ 2,634	\$ 10,937	\$ 12,827

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION
(A Component Unit of the State of Alaska)
STATEMENT OF NET POSITION
NON-HOUSING BONDS
As of 06/30/2019
(in thousands of dollars)

	State Capital Project Bonds II 2014 A & B	State Capital Project Bonds II 2014 C & D	State Capital Project Bonds II 2015 A	State Capital Project Bonds II 2015 B	State Capital Project Bonds II 2015 C
ASSETS					
Current					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	1,684	3,891	2,246	1,587	1,260
Accrued interest receivable	596	862	460	437	287
Inter-fund due (to)/from	1,751	2,711	2,103	1,330	1,856
Mortgage loans, notes and other loans	3,476	7,674	3,354	3,101	1,635
Net investment in direct financing lease	-	-	-	-	-
Other assets	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-
Total Current	7,507	15,138	8,163	6,455	5,038
Non Current					
Investments	-	-	-	-	-
Inter-fund due (to)/from	-	-	-	-	-
Mortgage loans, notes and other loans	121,313	251,905	112,587	100,759	53,091
Net investment in direct financing lease	-	-	-	-	-
Capital assets - non-depreciable	-	-	-	-	-
Capital assets - depreciable, net	-	-	-	-	-
Other assets	-	-	-	-	-
Total Non Current	121,313	251,905	112,587	100,759	53,091
Total Assets	128,820	267,043	120,750	107,214	58,129
DEFERRED OUTFLOW OF RESOURCES					
	-	17,789	4,103	3,990	1,526
LIABILITIES					
Current					
Bonds payable	7,030	5,810	5,025	3,160	2,930
Short term debt	-	-	-	-	-
Accrued interest payable	425	667	374	330	193
Other liabilities	38	72	36	30	17
Intergovernmental payable	-	-	-	-	-
Total Current	7,493	6,549	5,435	3,520	3,140
Non Current					
Bonds payable	101,462	219,347	102,227	89,527	48,792
Other liabilities	-	-	-	-	-
Derivative instrument - interest rate swaps	-	17,789	-	-	-
Net Pension & OPEB liabilities	-	-	-	-	-
Total Non Current	101,462	237,136	102,227	89,527	48,792
Total Liabilities	108,955	243,685	107,662	93,047	51,932
DEFERRED INFLOW OF RESOURCES					
	-	-	-	-	-
NET POSITION					
Net investment in capital assets	-	-	-	-	-
Restricted by bond resolutions	-	-	-	-	-
Restricted by contractual or statutory agreements	-	-	-	-	-
Unrestricted or (deficit)	19,865	41,147	17,191	18,157	7,723
Total Net Position	\$ 19,865	\$ 41,147	\$ 17,191	\$ 18,157	\$ 7,723

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION
(A Component Unit of the State of Alaska)
STATEMENT OF NET POSITION
NON-HOUSING BONDS
As of 06/30/2019
(in thousands of dollars)

Schedule 7

	State Capital Project Bonds II 2017 A	State Capital Project Bonds II 2017 B	State Capital Project Bonds II 2017 C	State Capital Project Bonds II 2018 A & B	Non-Housing Bonds Combined Total
ASSETS					
Current					
Cash	\$ 199	\$ -	\$ -	\$ -	\$ 199
Investments	901	2,756	744	2,614	24,872
Accrued interest receivable	810	541	211	453	5,389
Inter-fund due (to)/from	886	1,622	383	1,887	16,267
Mortgage loans, notes and other loans	4,373	5,307	1,677	4,335	39,048
Net investment in direct financing lease	2,312	-	-	-	2,312
Other assets	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-
Total Current	9,481	10,226	3,015	9,289	88,087
Non Current					
Investments	-	-	-	-	-
Inter-fund due (to)/from	-	-	-	-	-
Mortgage loans, notes and other loans	141,406	179,394	54,220	140,154	1,311,670
Net investment in direct financing lease	22,468	-	-	-	22,468
Capital assets - non-depreciable	-	-	-	-	-
Capital assets - depreciable, net	-	-	-	-	-
Other assets	-	-	-	-	-
Total Non Current	163,874	179,394	54,220	140,154	1,334,138
Total Assets	173,355	189,620	57,235	149,443	1,422,225
DEFERRED OUTFLOW OF RESOURCES					
	5,331	-	152	-	33,950
LIABILITIES					
Current					
Bonds payable	4,250	-	-	1,115	47,420
Short term debt	-	-	-	-	-
Accrued interest payable	564	298	183	320	4,431
Other liabilities	2	50	10	36	332
Intergovernmental payable	199	-	-	-	199
Total Current	5,015	348	193	1,471	52,382
Non Current					
Bonds payable	154,115	150,000	50,861	127,813	1,159,181
Other liabilities	-	-	-	-	-
Derivative instrument - interest rate swaps	-	-	-	-	20,406
Net Pension & OPEB liabilities	-	-	-	-	-
Total Non Current	154,115	150,000	50,861	127,813	1,179,587
Total Liabilities	159,130	150,348	51,054	129,284	1,231,969
DEFERRED INFLOW OF RESOURCES					
	-	-	-	-	-
NET POSITION					
Net investment in capital assets	-	-	-	-	-
Restricted by bond resolutions	-	-	-	-	-
Restricted by contractual or statutory agreements	-	-	-	-	-
Unrestricted or (deficit)	19,556	39,272	6,333	20,159	224,206
Total Net Position	\$ 19,556	\$ 39,272	\$ 6,333	\$ 20,159	\$ 224,206

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION
(A Component Unit of the State of Alaska)
STATEMENT OF NET POSITION
OTHER PROGRAM FUNDS
As of 06/30/2019
(in thousands of dollars)

	Energy Programs	Section 8 Voucher Programs	Other Grants	Grant Programs Subtotal	Low Rent Program
ASSETS					
Current					
Cash	\$ 977	\$ 4,257	\$ 3	\$ 5,237	\$ 14,643
Investments	-	-	-	-	-
Accrued interest receivable	-	-	-	-	-
Inter-fund due (to)/from	(1,250)	(3,990)	(2,592)	(7,832)	(1,797)
Mortgage loans, notes and other loans	-	-	64	64	-
Net investment in direct financing lease	-	-	-	-	-
Other assets	464	439	4,065	4,968	945
Intergovernmental receivable	2,552	131	4,045	6,728	619
Total Current	2,743	837	5,585	9,165	14,410
Non Current					
Investments	-	-	-	-	-
Inter-fund due (to)/from	-	-	1,423	1,423	-
Mortgage loans, notes and other loans	-	-	1,087	1,087	-
Net investment in direct financing lease	-	-	-	-	-
Capital assets - non-depreciable	-	-	-	-	12,514
Capital assets - depreciable, net	-	39	-	39	42,573
Other assets	-	-	-	-	-
Total Non Current	-	39	2,510	2,549	55,087
Total Assets	2,743	876	8,095	11,714	69,497
DEFERRED OUTFLOW OF RESOURCES					
	-	-	-	-	-
LIABILITIES					
Current					
Bonds payable	-	-	-	-	-
Short term debt	-	-	-	-	-
Accrued interest payable	-	-	-	-	-
Other liabilities	63	19	597	679	715
Intergovernmental payable	-	-	-	-	457
Total Current	63	19	597	679	1,172
Non Current					
Bonds payable	-	-	-	-	-
Other liabilities	-	-	-	-	-
Derivative instrument - interest rate swaps	-	-	-	-	-
Net Pension & OPEB liabilities	-	-	-	-	-
Total Non Current	-	-	-	-	-
Total Liabilities	63	19	597	679	1,172
DEFERRED INFLOW OF RESOURCES					
	-	-	-	-	-
NET POSITION					
Net investment in capital assets	-	39	-	39	55,087
Restricted by bond resolutions	-	-	-	-	-
Restricted by contractual or statutory agreements	4,183	2,786	8,598	15,567	13,943
Unrestricted or (deficit)	(1,503)	(1,968)	(1,100)	(4,571)	(705)
Total Net Position	\$ 2,680	\$ 857	\$ 7,498	\$ 11,035	\$ 68,325

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION
(A Component Unit of the State of Alaska)
STATEMENT OF NET POSITION
OTHER PROGRAM FUNDS
As of 06/30/2019
(in thousands of dollars)

Schedule 8

	Market Rate Rental Housing Program	Home Ownership Fund	Senior Housing Revolving Loan Fund	Other Funds or Programs Subtotal	Alaska Corporation for Affordable Housing	Other Program Funds Combined Total
ASSETS						
Current						
Cash	\$ 12,936	\$ -	\$ -	\$ 27,579	\$ 7,702	\$ 40,518
Investments	-	1,456	2,510	3,966	-	3,966
Accrued interest receivable	-	26	89	115	25	140
Inter-fund due (to)/from	(431)	48	309	(1,871)	(84)	(9,787)
Mortgage loans, notes and other loans	-	335	900	1,235	-	1,299
Net investment in direct financing lease	-	-	-	-	-	-
Other assets	93	-	-	1,038	111	6,117
Intergovernmental receivable	4	-	-	623	-	7,351
Total Current	12,602	1,865	3,808	32,685	7,754	49,604
Non Current						
Investments	-	-	-	-	-	-
Inter-fund due (to)/from	-	-	-	-	(1,423)	-
Mortgage loans, notes and other loans	-	10,820	29,516	40,336	12,535	53,958
Net investment in direct financing lease	-	-	-	-	-	-
Capital assets - non-depreciable	1,130	-	-	13,644	3,667	17,311
Capital assets - depreciable, net	14,583	-	-	57,156	-	57,195
Other assets	-	-	-	-	1	1
Total Non Current	15,713	10,820	29,516	111,136	14,780	128,465
Total Assets	28,315	12,685	33,324	143,821	22,534	178,069
DEFERRED OUTFLOW OF RESOURCES						
	-	-	-	-	-	-
LIABILITIES						
Current						
Bonds payable	-	-	-	-	-	-
Short term debt	-	-	-	-	-	-
Accrued interest payable	-	-	-	-	-	-
Other liabilities	215	2	8	940	5	1,624
Intergovernmental payable	-	-	-	457	-	457
Total Current	215	2	8	1,397	5	2,081
Non Current						
Bonds payable	-	-	-	-	-	-
Other liabilities	-	-	-	-	314	314
Derivative instrument - interest rate swaps	-	-	-	-	-	-
Net Pension & OPEB liabilities	-	-	-	-	-	-
Total Non Current	-	-	-	-	314	314
Total Liabilities	215	2	8	1,397	319	2,395
DEFERRED INFLOW OF RESOURCES						
	-	-	-	-	-	-
NET POSITION						
Net investment in capital assets	15,713	-	-	70,800	3,667	74,506
Restricted by bond resolutions	-	-	-	-	-	-
Restricted by contractual or statutory agreements	12,387	12,683	33,316	72,329	18,586	106,482
Unrestricted or (deficit)	-	-	-	(705)	(38)	(5,314)
Total Net Position	\$ 28,100	\$ 12,683	\$ 33,316	\$ 142,424	\$ 22,215	\$ 175,674

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION
(A Component Unit of the State of Alaska)
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
COMBINED - ALL FUNDS
For the Year Ended 06/30/2019
(in thousands of dollars)

	Administrative Fund	Combined Mortgage Revenue Bonds	Combined Home Mortgage Revenue Bonds	Combined Veterans Mortgage Program Bonds
OPERATING REVENUES				
Mortgage and loan revenue	\$ 9,236	\$ 9,875	\$ 32,687	\$ 3,104
Investment interest	11,005	538	1,480	278
Net change in the fair value of investments	(785)	(5)	-	2
Net change of hedge termination	-	-	-	-
Total Investment Revenue	10,220	533	1,480	280
Grant revenue	-	-	-	-
Housing rental subsidies	-	-	-	-
Rental revenue	490	-	-	-
Other revenue	3,069	-	-	-
Total Operating Revenues	23,015	10,408	34,167	3,384
OPERATING EXPENSES				
Interest	962	6,374	18,114	1,709
Mortgage and loan costs	1,280	945	3,014	272
Bond financing expenses	979	28	2,566	738
Provision for loan loss	630	(1,534)	(2,214)	457
Operations and administration	12,105	506	1,331	105
Rental housing operating expenses	536	-	-	-
Grant expense	-	-	-	-
Total Operating Expenses	16,492	6,319	22,811	3,281
Operating Income (Loss)	6,523	4,089	11,356	103
NON-OPERATING EXPENSES AND TRANSFERS				
Contributions to the State of Alaska or other State agencies	(2,106)	-	-	-
Transfers - Internal	(40,528)	(1,739)	3,015	12,883
Change in Net Position	(36,111)	2,350	14,371	12,986
Net position at beginning of year	549,763	57,428	297,119	16,343
Net Position at End of Period	\$ 513,652	\$ 59,778	\$ 311,490	\$ 29,329

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION
(A Component Unit of the State of Alaska)
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
COMBINED - ALL FUNDS
For the Year Ended 06/30/2019
(in thousands of dollars)

Schedule 9

	Combined Other Housing Bonds	Combined Non-Housing Bonds	Combined Other Programs	Combined Total
OPERATING REVENUES				
Mortgage and loan revenue	\$ 22,864	\$ 66,655	\$ 1,621	\$ 146,042
Investment interest	1,344	2,623	136	17,404
Net change in the fair value of investments	(15)	(35)	-	(838)
Net change of hedge termination	-	(278)	-	(278)
Total Investment Revenue	1,329	2,310	136	16,288
Grant revenue	-	-	64,951	64,951
Housing rental subsidies	-	-	12,192	12,192
Rental revenue	-	-	11,436	11,926
Other revenue	102	-	1,463	4,634
Total Operating Revenues	24,295	68,965	91,799	256,033
OPERATING EXPENSES				
Interest	14,402	35,270	0	76,831
Mortgage and loan costs	2,052	4,333	138	12,034
Bond financing expenses	1,268	475	0	6,054
Provision for loan loss	26	(3,139)	34	(5,740)
Operations and administration	965	1,758	28,011	44,781
Rental housing operating expenses	-	-	14,506	15,042
Grant expense	-	-	72,198	72,198
Total Operating Expenses	18,713	38,697	114,887	221,200
Operating Income (Loss)	5,582	30,268	(23,088)	34,833
NON-OPERATING EXPENSES AND TRANSFERS				
Contributions to the State of Alaska or other State agencies	-	-	-	(2,106)
Transfers - Internal	11,365	(3,121)	18,125	-
Change in Net Position	16,947	27,147	(4,963)	32,727
Net position at beginning of year	240,347	197,059	180,637	1,538,696
Net Position at End of Period	\$ 257,294	\$ 224,206	\$ 175,674	\$ 1,571,423

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION
(A Component Unit of the State of Alaska)
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
ADMINISTRATIVE FUNDS
For the Year Ended 06/30/2019
(in thousands of dollars)

Schedule 10

	<u>Administrative Fund</u>
OPERATING REVENUES	
Mortgage and loan revenue	\$ 9,236
Investment interest	11,005
Net change in the fair value of investments	(785)
Net change of hedge termination	-
Total Investment Revenue	<u>10,220</u>
Grant revenue	-
Housing rental subsidies	-
Rental revenue	490
Other revenue	3,069
Total Operating Revenues	<u>23,015</u>
OPERATING EXPENSES	
Interest	962
Mortgage and loan costs	1,280
Bond financing expenses	979
Provision for loan loss	630
Operations and administration	12,105
Rental housing operating expenses	536
Grant expense	-
Total Operating Expenses	<u>16,492</u>
Operating Income (Loss)	<u>6,523</u>
NON-OPERATING EXPENSES AND TRANSFERS	
Contributions to the State of Alaska or other State agency	(2,106)
Transfers - Internal	<u>(40,528)</u>
Change in Net Position	(36,111)
Net position at beginning of year	549,763
Net Position at End of Period	<u>\$ 513,652</u>

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION
Schedule 11

(A Component Unit of the State of Alaska)

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

 FIRST TIME HOMEBUYERS PROGRAM MORTGAGE
REVENUE BONDS

For the Year Ended 06/30/2019

(in thousands of dollars)

	Bonds 2009 A-1 2010 A, B	Bonds 2009 A-2 2011 A, B	Mortgage Revenue Bonds Combined Total
OPERATING REVENUES			
Mortgage and loan revenue	\$ 4,327	\$ 5,548	\$ 9,875
Investment interest	227	311	538
Net change in the fair value of investments	(3)	(2)	(5)
Net change of hedge termination	-	-	-
Total Investment Revenue	224	309	533
Grant revenue	-	-	-
Housing rental subsidies	-	-	-
Rental revenue	-	-	-
Other revenue	-	-	-
Total Operating Revenues	4,551	5,857	10,408
OPERATING EXPENSES			
Interest	3,466	2,908	6,374
Mortgage and loan costs	405	540	945
Bond financing expenses	12	16	28
Provision for loan loss	(619)	(915)	(1,534)
Operations and administration	206	300	506
Rental housing operating expenses	-	-	-
Grant expense	-	-	-
Total Operating Expenses	3,470	2,849	6,319
Operating Income (Loss)	1,081	3,008	4,089
NON-OPERATING EXPENSES AND TRANSFERS			
Contributions to the State of Alaska or other State agency	-	-	-
Transfers - Internal	(715)	(1,024)	(1,739)
Change in Net Position	366	1,984	2,350
Net position at beginning of year	11,404	46,024	57,428
Net Position at End of Period	\$ 11,770	\$ 48,008	\$ 59,778

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION
(A Component Unit of the State of Alaska)
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
FIRST TIME HOMEBUYERS PROGRAM HOME
MORTGAGE REVENUE BONDS
For the Year Ended 06/30/2019
(in thousands of dollars)

	Bonds 2002 A,B	Bonds 2007 A	Bonds 2007 B	Bonds 2007 D
OPERATING REVENUES				
Mortgage and loan revenue	\$ 3,934	\$ 3,778	\$ 3,731	\$ 4,924
Investment interest	286	149	152	229
Net change in the fair value of investments	(2)	-	-	1
Net change of hedge termination	-	-	-	-
Total Investment Revenue	284	149	152	230
Grant revenue	-	-	-	-
Housing rental subsidies	-	-	-	-
Rental revenue	-	-	-	-
Other revenue	-	-	-	-
Total Operating Revenues	4,218	3,927	3,883	5,154
OPERATING EXPENSES				
Interest	1,226	2,587	2,586	3,070
Mortgage and loan costs	367	372	347	443
Bond financing expenses	186	303	303	391
Provision for loan loss	(432)	(237)	(195)	(362)
Operations and administration	212	162	145	192
Rental housing operating expenses	-	-	-	-
Grant expense	-	-	-	-
Total Operating Expenses	1,559	3,187	3,186	3,734
Operating Income (Loss)	2,659	740	697	1,420
NON-OPERATING EXPENSES AND TRANSFERS				
Contributions to the State of Alaska or other State agencies	-	-	-	-
Transfers - Internal	(4,374)	1,029	1,023	1,439
Change in Net Position	(1,715)	1,769	1,720	2,859
Net position at beginning of year	54,911	19,288	16,415	32,346
Net Position at End of Period	\$ 53,196	\$ 21,057	\$ 18,135	\$ 35,205

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION
(A Component Unit of the State of Alaska)
**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION**
FIRST TIME HOMEBUYERS PROGRAM HOME
MORTGAGE REVENUE BONDS
For the Year Ended 06/30/2019
(in thousands of dollars)

Schedule 12

	Bonds 2009 A	Bonds 2009 B	Bonds 2009 D	Home Mortgage Revenue Bonds Combined Total
OPERATING REVENUES				
Mortgage and loan revenue	\$ 5,018	\$ 5,388	\$ 5,914	\$ 32,687
Investment interest	210	219	235	1,480
Net change in the fair value of investments	-	-	1	-
Net change of hedge termination	-	-	-	-
Total Investment Revenue	210	219	236	1,480
Grant revenue	-	-	-	-
Housing rental subsidies	-	-	-	-
Rental revenue	-	-	-	-
Other revenue	-	-	-	-
Total Operating Revenues	5,228	5,607	6,150	34,167
OPERATING EXPENSES				
Interest	2,812	3,003	2,830	18,114
Mortgage and loan costs	455	492	538	3,014
Bond financing expenses	501	396	486	2,566
Provision for loan loss	(222)	(253)	(513)	(2,214)
Operations and administration	189	205	226	1,331
Rental housing operating expenses	-	-	-	-
Grant expense	-	-	-	-
Total Operating Expenses	3,735	3,843	3,567	22,811
Operating Income (Loss)	1,493	1,764	2,583	11,356
NON-OPERATING EXPENSES AND TRANSFERS				
Contributions to the State of Alaska or other State agencies	-	-	-	-
Transfers - Internal	1,399	1,044	1,455	3,015
Change in Net Position	2,892	2,808	4,038	14,371
Net position at beginning of year	49,449	58,915	65,795	297,119
Net Position at End of Period	\$ 52,341	\$ 61,723	\$ 69,833	\$ 311,490

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION
(A Component Unit of the State of Alaska)
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
VETERANS MORTGAGE PROGRAM BONDS - STATE
GUARANTEED
For the Year Ended 06/30/2019
(in thousands of dollars)

Schedule 13

	Collateralized Bonds 2016 First & Second Series	Collateralized Bonds 2019 First & Second Series	Veterans Mortgage Program Bonds Combined Total
OPERATING REVENUES			
Mortgage and loan revenue	\$ 2,447	\$ 657	\$ 3,104
Investment interest	113	165	278
Net change in the fair value of investments	(1)	3	2
Net change of hedge termination	-	-	-
Total Investment Revenue	112	168	280
Grant revenue	-	-	-
Housing rental subsidies	-	-	-
Rental revenue	-	-	-
Other revenue	-	-	-
Total Operating Revenues	2,559	825	3,384
OPERATING EXPENSES			
Interest	1,173	536	1,709
Mortgage and loan costs	216	56	272
Bond financing expenses	4	734	738
Provision for loan loss	(46)	503	457
Operations and administration	76	29	105
Rental housing operating expenses	-	-	-
Grant expense	-	-	-
Total Operating Expenses	1,423	1,858	3,281
Operating Income (Loss)	1,136	(1,033)	103
NON-OPERATING EXPENSES AND TRANSFERS			
Contributions to the State of Alaska or other State agencies	-	-	-
Transfers - Internal	(825)	13,708	12,883
Change in Net Position	311	12,675	12,986
Net position at beginning of year	16,343	-	16,343
Net Position at End of Period	\$ 16,654	\$ 12,675	\$ 29,329

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION
(A Component Unit of the State of Alaska)
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
OTHER HOUSING BONDS
For the Year Ended 06/30/2019
(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
OPERATING REVENUES			
Mortgage and loan revenue	\$ 5,892	\$ 3,289	\$ 6,297
Investment interest	255	128	370
Net change in the fair value of investments	(1)	(2)	(5)
Net change of hedge termination	-	-	-
Total Investment Revenue	254	126	365
Grant revenue	-	-	-
Housing rental subsidies	-	-	-
Rental revenue	-	-	-
Other revenue	-	-	-
Total Operating Revenues	6,146	3,415	6,662
OPERATING EXPENSES			
Interest	3,513	2,114	4,769
Mortgage and loan costs	498	345	585
Bond financing expenses	7	6	1,133
Provision for loan loss	(1,039)	(52)	1,844
Operations and administration	208	167	300
Rental housing operating expenses	-	-	-
Grant expense	-	-	-
Total Operating Expenses	3,187	2,580	8,631
Operating Income (Loss)	2,959	835	(1,969)
NON-OPERATING EXPENSES AND TRANSFERS			
Contributions to the State of Alaska or other State agency	-	-	-
Transfers - Internal	(17,976)	174	22,896
Change in Net Position	(15,017)	1,009	20,927
Net position at beginning of year	94,791	2,877	-
Net Position at End of Period	\$ 79,774	\$ 3,886	\$ 20,927

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION
(A Component Unit of the State of Alaska)
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
OTHER HOUSING BONDS
For the Year Ended 06/30/2019
(in thousands of dollars)

Schedule 14

	Governmental Purpose Bonds 1997 A	Governmental Purpose Bonds 2001 A & B	Other Housing Bonds Combined Total
OPERATING REVENUES			
Mortgage and loan revenue	\$ 578	\$ 6,808	\$ 22,864
Investment interest	86	505	1,344
Net change in the fair value of investments	(1)	(6)	(15)
Net change of hedge termination	-	-	-
Total Investment Revenue	85	499	1,329
Grant revenue	-	-	-
Housing rental subsidies	-	-	-
Rental revenue	-	-	-
Other revenue	2	100	102
Total Operating Revenues	665	7,407	24,295
OPERATING EXPENSES			
Interest	221	3,785	14,402
Mortgage and loan costs	-	624	2,052
Bond financing expenses	23	99	1,268
Provision for loan loss	-	(727)	26
Operations and administration	-	290	965
Rental housing operating expenses	-	-	-
Grant expense	-	-	-
Total Operating Expenses	244	4,071	18,713
Operating Income (Loss)	421	3,336	5,582
NON-OPERATING EXPENSES AND TRANSFERS			
Contributions to the State of Alaska or other State agency	-	-	-
Transfers - Internal	6,179	92	11,365
Change in Net Position	6,600	3,428	16,947
Net position at beginning of year	8,982	133,697	240,347
Net Position at End of Period	\$ 15,582	\$ 137,125	\$ 257,294

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION
(A Component Unit of the State of Alaska)
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
NON-HOUSING BONDS
For the Year Ended 06/30/2019
(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
OPERATING REVENUES				
Mortgage and loan revenue	\$ 1,531	\$ 413	\$ 2,864	\$ 4,067
Investment interest	96	14	64	79
Net change in the fair value of investments	1	-	-	-
Net change of hedge termination	(278)	-	-	-
Total Investment Revenue	(181)	14	64	79
Grant revenue	-	-	-	-
Housing rental subsidies	-	-	-	-
Rental revenue	-	-	-	-
Other revenue	-	-	-	-
Total Operating Revenues	1,350	427	2,928	4,146
OPERATING EXPENSES				
Interest	1,321	216	1,277	1,922
Mortgage and loan costs	128	22	167	212
Bond financing expenses	22	-	2	3
Provision for loan loss	(179)	(151)	(657)	(632)
Operations and administration	80	22	54	70
Rental housing operating expenses	-	-	-	-
Grant expense	-	-	-	-
Total Operating Expenses	1,372	109	843	1,575
Operating Income (Loss)	(22)	318	2,085	2,571
NON-OPERATING EXPENSES AND TRANSFERS				
Contributions to the State of Alaska or other State agencies	-	-	-	-
Transfers - Internal	566	825	(39)	(1,378)
Change in Net Position	544	1,143	2,046	1,193
Net position at beginning of year	7,861	1,491	8,891	11,634
Net Position at End of Period	\$ 8,405	\$ 2,634	\$ 10,937	\$ 12,827

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION
(A Component Unit of the State of Alaska)
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
NON-HOUSING BONDS
For the Year Ended 06/30/2019
(in thousands of dollars)

	State Capital Project Bonds II 2014 A & B	State Capital Project Bonds II 2014 C & D	State Capital Project Bonds II 2015 A	State Capital Project Bonds II 2015 B
OPERATING REVENUES				
Mortgage and loan revenue	\$ 6,584	\$ 11,334	\$ 5,741	\$ 5,297
Investment interest	157	202	115	110
Net change in the fair value of investments	1	-	-	1
Net change of hedge termination	-	-	-	-
Total Investment Revenue	158	202	115	111
Grant revenue	-	-	-	-
Housing rental subsidies	-	-	-	-
Rental revenue	-	-	-	-
Other revenue	-	-	-	-
Total Operating Revenues	6,742	11,536	5,856	5,408
OPERATING EXPENSES				
Interest	3,964	6,344	3,027	3,214
Mortgage and loan costs	445	978	454	378
Bond financing expenses	6	90	5	5
Provision for loan loss	(604)	(254)	(311)	(72)
Operations and administration	175	405	207	183
Rental housing operating expenses	-	-	-	-
Grant expense	-	-	-	-
Total Operating Expenses	3,986	7,563	3,382	3,708
Operating Income (Loss)	2,756	3,973	2,474	1,700
NON-OPERATING EXPENSES AND TRANSFERS				
Contributions to the State of Alaska or other State agencies	-	-	-	-
Transfers - Internal	116	(1,332)	69	(394)
Change in Net Position	2,872	2,641	2,543	1,306
Net position at beginning of year	16,993	38,506	14,648	16,851
Net Position at End of Period	\$ 19,865	\$ 41,147	\$ 17,191	\$ 18,157

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION
(A Component Unit of the State of Alaska)
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
NON-HOUSING BONDS
For the Year Ended 06/30/2019
(in thousands of dollars)

	State Capital Project Bonds II 2015 C	State Capital Project Bonds II 2017 A	State Capital Project Bonds II 2017 B	State Capital Project Bonds II 2017 C
OPERATING REVENUES				
Mortgage and loan revenue	\$ 2,965	\$ 9,667	\$ 7,404	\$ 2,989
Investment interest	87	1,166	113	48
Net change in the fair value of investments	1	-	-	-
Net change of hedge termination	-	-	-	-
Total Investment Revenue	88	1,166	113	48
Grant revenue	-	-	-	-
Housing rental subsidies	-	-	-	-
Rental revenue	-	-	-	-
Other revenue	-	-	-	-
Total Operating Revenues	3,053	10,833	7,517	3,037
OPERATING EXPENSES				
Interest	1,639	4,319	3,457	1,281
Mortgage and loan costs	197	16	702	151
Bond financing expenses	3	7	121	3
Provision for loan loss	(61)	84	(478)	19
Operations and administration	112	6	246	53
Rental housing operating expenses	-	-	-	-
Grant expense	-	-	-	-
Total Operating Expenses	1,890	4,432	4,048	1,507
Operating Income (Loss)	1,163	6,401	3,469	1,530
NON-OPERATING EXPENSES AND TRANSFERS				
Contributions to the State of Alaska or other State agencies	-	-	-	-
Transfers - Internal	29	1,054	(65)	1,434
Change in Net Position	1,192	7,455	3,404	2,964
Net position at beginning of year	6,531	12,101	35,868	3,369
Net Position at End of Period	\$ 7,723	\$ 19,556	\$ 39,272	\$ 6,333

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION
(A Component Unit of the State of Alaska)
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
NON-HOUSING BONDS
For the Year Ended 06/30/2019
(in thousands of dollars)

Schedule 15

	State Capital Project Bonds II 2018 A & B	Non-Housing Bonds Combined Total
OPERATING REVENUES		
Mortgage and loan revenue	\$ 5,799	\$ 66,655
Investment interest	372	2,623
Net change in the fair value of investments	(39)	(35)
Net change of hedge termination	-	(278)
Total Investment Revenue	333	2,310
Grant revenue	-	-
Housing rental subsidies	-	-
Rental revenue	-	-
Other revenue	-	-
Total Operating Revenues	6,132	68,965
OPERATING EXPENSES		
Interest	3,289	35,270
Mortgage and loan costs	483	4,333
Bond financing expenses	208	475
Provision for loan loss	157	(3,139)
Operations and administration	145	1,758
Rental housing operating expenses	-	-
Grant expense	-	-
Total Operating Expenses	4,282	38,697
Operating Income (Loss)	1,850	30,268
NON-OPERATING EXPENSES AND TRANSFERS		
Contributions to the State of Alaska or other State agencies	-	-
Transfers - Internal	(4,006)	(3,121)
Change in Net Position	(2,156)	27,147
Net position at beginning of year	22,315	197,059
Net Position at End of Period	\$ 20,159	\$ 224,206

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION
(A Component Unit of the State of Alaska)
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
OTHER PROGRAM FUNDS
For the Year Ended 06/30/2019
(in thousands of dollars)

	Energy Programs	Section 8 Voucher Programs	Other Grants	Grant Programs Subtotal
OPERATING REVENUES				
Mortgage and loan revenue	\$ -	\$ -	\$ -	\$ -
Investment interest	1	6	-	7
Net change in the fair value of investments	-	-	-	-
Net change of hedge termination	-	-	-	-
Total Investment Revenue	1	6	-	7
Grant revenue	9,165	41,454	13,732	64,351
Housing rental subsidies	-	-	-	-
Rental revenue	-	-	-	-
Other revenue	1	10	1,259	1,270
Total Operating Revenues	9,167	41,470	14,991	65,628
OPERATING EXPENSES				
Interest	-	-	-	-
Mortgage and loan costs	-	-	-	-
Bond financing expenses	-	-	-	-
Provision for loan loss	-	-	61	61
Operations and administration	2,751	5,719	3,376	11,846
Rental housing operating expenses	-	-	-	-
Grant expense	9,371	36,649	26,178	72,198
Total Operating Expenses	12,122	42,368	29,615	84,105
Operating Income (Loss)	(2,955)	(898)	(14,624)	(18,477)
NON-OPERATING EXPENSES AND TRANSFERS				
Contributions to the State of Alaska or other State agency	-	-	-	-
Transfers - Internal	3,508	169	12,328	16,005
Change in Net Position	553	(729)	(2,296)	(2,472)
Net position at beginning of year	2,127	1,586	9,794	13,507
Net Position at End of Period	\$ 2,680	\$ 857	\$ 7,498	\$ 11,035

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION
(A Component Unit of the State of Alaska)
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
OTHER PROGRAM FUNDS
For the Year Ended 06/30/2019
(in thousands of dollars)

	Low Rent Program	Market Rate Rental Housing Program	Home Ownership Fund	Senior Housing Revolving Loan Fund
OPERATING REVENUES				
Mortgage and loan revenue	\$ -	\$ -	\$ 285	\$ 1,199
Investment interest	25	23	25	46
Net change in the fair value of investments	-	-	-	-
Net change of hedge termination	-	-	-	-
Total Investment Revenue	25	23	25	46
Grant revenue	600	-	-	-
Housing rental subsidies	9,943	2,249	-	-
Rental revenue	8,821	2,356	-	-
Other revenue	120	-	-	-
Total Operating Revenues	19,509	4,628	310	1,245
OPERATING EXPENSES				
Interest	-	-	-	-
Mortgage and loan costs	-	-	27	111
Bond financing expenses	-	-	-	-
Provision for loan loss	-	-	(12)	(25)
Operations and administration	12,761	3,095	13	41
Rental housing operating expenses	12,243	2,263	-	-
Grant expense	-	-	-	-
Total Operating Expenses	25,004	5,358	28	127
Operating Income (Loss)	(5,495)	(730)	282	1,118
NON-OPERATING EXPENSES AND TRANSFERS				
Contributions to the State of Alaska or other State agency	-	-	-	-
Transfers - Internal	1,891	161	14	54
Change in Net Position	(3,604)	(569)	296	1,172
Net position at beginning of year	71,929	28,669	12,387	32,144
Net Position at End of Period	\$ 68,325	\$ 28,100	\$ 12,683	\$ 33,316

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION
(A Component Unit of the State of Alaska)
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
OTHER PROGRAM FUNDS
For the Year Ended 06/30/2019
(in thousands of dollars)

Schedule 16

	Other Funds or Programs Subtotal	Alaska Corporation for Affordable Housing	Other Program Funds Combined Total
OPERATING REVENUES			
Mortgage and loan revenue	\$ 1,484	\$ 137	\$ 1,621
Investment interest	119	10	136
Net change in the fair value of investments	-	-	-
Net change of hedge termination	-	-	-
Total Investment Revenue	119	10	136
Grant revenue	600	-	64,951
Housing rental subsidies	12,192	-	12,192
Rental revenue	11,177	259	11,436
Other revenue	120	73	1,463
Total Operating Revenues	25,692	479	91,799
OPERATING EXPENSES			
Interest	-	-	-
Mortgage and loan costs	138	-	138
Bond financing expenses	-	-	-
Provision for loan loss	(37)	10	34
Operations and administration	15,910	255	28,011
Rental housing operating expenses	14,506	-	14,506
Grant expense	-	-	72,198
Total Operating Expenses	30,517	265	114,887
Operating Income (Loss)	(4,825)	214	(23,088)
NON-OPERATING EXPENSES AND TRANSFERS			
Contributions to the State of Alaska or other State agency	-	-	-
Transfers - Internal	2,120	-	18,125
Change in Net Position	(2,705)	214	(4,963)
Net position at beginning of year	145,129	22,001	180,637
Net Position at End of Period	\$ 142,424	\$ 22,215	\$ 175,674

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

COMBINED - ALL FUNDS

For Year Ended June 30, 2019

(in thousands of dollars)

	Administrative Fund	Combined Mortgage Revenue Bonds	Combined Home Mortgage Revenue Bonds	Combined Veterans Mortgage Program Bonds
<u>Cash flows from operating activities:</u>				
Interest income on mortgages and loans	\$ 5,224	\$ 9,061	\$ 30,079	\$ 2,785
Principal payments received on mortgages and loans	8,139	29,788	78,188	7,825
Disbursements to fund mortgages and loans	(513,097)	-	-	-
Receipt (payment) for loan transfers between funds	237,275	(7,476)	(47,367)	(43,239)
Mortgage and loan proceeds	432,531	-	-	-
Payment of mortgage and loan proceeds to funds	(421,005)	-	-	-
Payments to employees and other payroll disbursements	(24,869)	-	-	-
Payments for goods and services	(32,219)	-	-	-
Cash received for externally funded programs	-	-	-	-
Cash received for Federal HAP subsidies	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-
Interfund receipts (payments)	234	-	-	-
Grant payments to other agencies	-	-	-	-
Other operating cash receipts	53,541	-	-	-
Other operating cash payments	(20,319)	-	(717)	-
Net cash provided by (used for) operating activities	(274,565)	31,373	60,183	(32,629)
<u>Cash flows from noncapital financing activities:</u>				
Proceeds from the issuance of bonds	-	-	-	60,880
Principal paid on bonds	-	(17,775)	(7,035)	(1,280)
Payment to defease bonds	-	-	-	-
Payment of bond issuance costs	(50)	-	-	(479)
Interest paid	-	(6,396)	(16,703)	(1,174)
Proceeds from issuance of short term debt	710,680	-	-	-
Payment of short term debt	(715,443)	-	-	-
Contributions to the State of Alaska or other State agencies	(2,106)	-	-	-
Transfers (to) from other funds	153,144	(2,493)	(1,182)	871
Other cash payments	(47)	-	-	-
Net cash provided by (used for) noncapital financing activities	146,178	(26,664)	(24,920)	58,818
<u>Cash flows from capital financing activities:</u>				
Acquisition of capital assets	(7)	-	-	-
Proceeds from the disposal of capital assets	-	-	-	-
Proceeds from the issuance of capital notes	-	-	-	-
Principal paid on capital notes	-	-	-	-
Payment of bond issuance costs	-	-	-	-
Interest paid on capital notes	-	-	-	-
Proceeds from direct financing leases	-	-	-	-
Other cash payments	-	-	-	-
Net cash provided by (used for) capital financing activities	(7)	-	-	-
<u>Cash flows from investing activities:</u>				
Purchase of investments	(2,634,927)	(74,130)	(194,743)	(38,651)
Proceeds from maturity of investments	2,756,369	68,897	158,054	12,243
Interest received from investments	10,592	524	1,426	219
Net cash provided by (used for) investing activities	132,034	(4,709)	(35,263)	(26,189)
Net Increase (decrease) in cash	3,640	-	-	-
Cash at the beginning of year	29,902	-	-	-
Cash at the end of period	\$ 33,542	\$ -	\$ -	\$ -
<u>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</u>				
Operating income (loss)	\$ 6,523	\$ 4,089	\$ 11,356	\$ 103
<i>Adjustments:</i>				
Depreciation expense	1,084	-	-	-
Provision for loan losses	630	(1,534)	(2,214)	457
Net change in the fair value of investments	(785)	(5)	-	2
Transfers between funds for operating activity	(40,528)	(1,739)	3,015	12,883
Interest received from investments	(10,592)	(524)	(1,426)	(219)
Interest paid	-	6,396	16,703	1,174
<i>Changes in assets, liabilities and deferred resources:</i>				
Net (increase) decrease in mortgages and loans	(38,093)	19,812	26,761	(45,315)
Net increase (decrease) in assets, liabilities and deferred resources	(192,804)	4,878	5,988	(1,714)
Net cash provided by (used for) operating activities	\$ (274,565)	\$ 31,373	\$ 60,183	\$ (32,629)

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

COMBINED - ALL FUNDS

For Year Ended June 30, 2019

(in thousands of dollars)

Schedule 17

	Combined Other Housing Bonds	Combined Non-Housing Bonds	Combined Other Programs	Combined Total
Cash flows from operating activities:				
Interest income on mortgages and loans	\$ 21,911	\$ 61,111	\$ 1,362	\$ 131,533
Principal payments received on mortgages and loans	52,702	105,020	3,883	285,545
Disbursements to fund mortgages and loans	-	-	-	(513,097)
Receipt (payment) for loan transfers between funds	(47,360)	(89,364)	(2,469)	-
Mortgage and loan proceeds	-	-	-	432,531
Payment of mortgage and loan proceeds to funds	-	-	-	(421,005)
Payments to employees and other payroll disbursements	-	-	(14,630)	(39,499)
Payments for goods and services	-	-	(19,469)	(51,688)
Cash received for externally funded programs	-	-	51,278	51,278
Cash received for Federal HAP subsidies	-	-	36,199	36,199
Payments for Federal HAP subsidies	-	-	(35,876)	(35,876)
Interfund receipts (payments)	-	-	(234)	-
Grant payments to other agencies	-	-	(32,974)	(32,974)
Other operating cash receipts	-	199	24,012	77,752
Other operating cash payments	-	(161)	(7,164)	(28,361)
Net cash provided by (used for) operating activities	27,253	76,805	3,918	(107,662)
Cash flows from noncapital financing activities:				
Proceeds from the issuance of bonds	175,527	-	-	236,407
Principal paid on bonds	(28,550)	(30,153)	-	(84,793)
Payment to defease bonds	-	-	-	-
Payment of bond issuance costs	(1,119)	-	-	(1,648)
Interest paid	(13,965)	(45,773)	-	(84,011)
Proceeds from issuance of short term debt	-	-	-	710,680
Payment of short term debt	-	-	-	(715,443)
Contributions to the State of Alaska or other State agencies	-	-	-	(2,106)
Transfers (to) from other funds	(136,270)	(14,070)	-	-
Other cash payments	-	-	-	(47)
Net cash provided by (used for) noncapital financing activities	(4,377)	(89,996)	-	59,039
Cash flows from capital financing activities:				
Acquisition of capital assets	-	-	(344)	(351)
Proceeds from the disposal of capital assets	-	-	116	116
Proceeds from the issuance of capital notes	-	-	-	-
Principal paid on capital notes	-	(5,807)	-	(5,807)
Payment of bond issuance costs	-	-	-	-
Interest paid on capital notes	-	(1,390)	-	(1,390)
Proceeds from direct financing leases	-	3,303	-	3,303
Other cash payments	-	-	-	-
Net cash provided by (used for) capital financing activities	-	(3,894)	(228)	(4,129)
Cash flows from investing activities:				
Purchase of investments	(342,359)	(289,151)	(5,568)	(3,579,529)
Proceeds from maturity of investments	318,177	304,780	2,730	3,621,250
Interest received from investments	1,306	1,494	120	15,681
Net cash provided by (used for) investing activities	(22,876)	17,123	(2,718)	57,402
Net Increase (decrease) in cash	-	38	972	4,650
Cash at the beginning of year	-	161	39,546	69,609
Cash at the end of period	\$ -	\$ 199	\$ 40,518	\$ 74,259
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	\$ 5,582	\$ 30,268	\$ (23,088)	\$ 34,833
<i>Adjustments:</i>				
Depreciation expense	-	-	5,656	6,740
Provision for loan losses	26	(3,139)	34	(5,740)
Net change in the fair value of investments	(15)	(35)	-	(838)
Transfers between funds for operating activity	11,365	(3,121)	18,125	-
Interest received from investments	(1,306)	(1,494)	(120)	(15,681)
Interest paid	13,965	45,773	-	84,011
<i>Changes in assets, liabilities and deferred resources:</i>				
Net (increase) decrease in mortgages and loans	(138,161)	(120,046)	2,639	(292,403)
Net increase (decrease) in assets, liabilities and deferred resources	135,797	128,599	672	81,416
Net cash provided by (used for) operating activities	\$ 27,253	\$ 76,805	\$ 3,918	\$ (107,662)

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION**Schedule 18**

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS**ADMINISTRATIVE FUND**

For Year Ended June 30, 2019

(in thousands of dollars)

	Administrative Fund
<u>Cash flows from operating activities:</u>	
Interest income on mortgages and loans	\$ 5,224
Principal payments received on mortgages and loans	8,139
Disbursements to fund mortgages and loans	(513,097)
Receipt (payment) for loan transfers between funds	237,275
Mortgage and loan proceeds	432,531
Payment of mortgage and loan proceeds to funds	(421,005)
Payments to employees and other payroll disbursements	(24,869)
Payments for goods and services	(32,219)
Cash received for externally funded programs	-
Cash received for Federal HAP subsidies	-
Payments for Federal HAP subsidies	-
Interfund receipts (payments)	234
Grant payments to other agencies	-
Other operating cash receipts	53,541
Other operating cash payments	(20,319)
Net cash provided by (used for) operating activities	(274,565)
<u>Cash flows from noncapital financing activities:</u>	
Proceeds from the issuance of bonds	-
Principal paid on bonds	-
Payment of bond issuance costs	(50)
Interest paid	-
Proceeds from issuance of short term debt	710,680
Payment of short term debt	(715,443)
Contributions to the State of Alaska or other State agencies	(2,106)
Transfers (to) from other funds	153,144
Other cash payments	(47)
Net cash provided by (used for) noncapital financing activities	146,178
<u>Cash flows from capital financing activities:</u>	
Acquisition of capital assets	(7)
Proceeds from the disposal of capital assets	-
Principal paid on capital notes	-
Interest paid on capital notes	-
Proceeds from direct financing leases	-
Net cash provided by (used for) capital financing activities	(7)
<u>Cash flows from investing activities:</u>	
Purchase of investments	(2,634,927)
Proceeds from maturity of investments	2,756,369
Interest received from investments	10,592
Net cash provided by (used for) investing activities	132,034
Net Increase (decrease) in cash	3,640
Cash at the beginning of year	29,902
Cash at the end of period	\$ 33,542
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities	
Operating Income (Loss)	6,523
<i>Adjustments:</i>	
Depreciation	1,084
Net change in the fair value of investments	(785)
Provision for loan loss	630
Transfers - Internal	(40,528)
Interest received from investments	(10,592)
Interest paid	-
<i>Changes in assets, liabilities and deferred resources:</i>	
Net (increase) decrease in mortgages and loans	(38,093)
Net increase (decrease) in assets, liabilities and deferred resources	(192,804)
Net cash provided by (used for) operating activities	\$ (274,565)

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION
Schedule 19

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

FIRST TIME HOMEBUYERS PROGRAM

MORTGAGE REVENUE BONDS

For Year Ended June 30, 2019

(in thousands of dollars)

	Bonds 2009 A-1 2010 A, B	Bonds 2009 A-2 2011 A, B	Mortgage Revenue Bonds Combined Total
Cash flows from operating activities:			
Interest income on mortgages and loans	\$ 3,979	\$ 5,082	\$ 9,061
Principal payments received on mortgages and loans	11,406	18,382	29,788
Disbursements to fund mortgages and loans	-	-	-
Receipt (payment) for loan transfers between funds	(4,451)	(3,025)	(7,476)
Mortgage and loan proceeds	-	-	-
Payment of mortgage and loan proceeds to funds	-	-	-
Payments to employees and other payroll disbursements	-	-	-
Payments for goods and services	-	-	-
Cash received for externally funded programs	-	-	-
Cash received for Federal HAP subsidies	-	-	-
Payments for Federal HAP subsidies	-	-	-
Interfund receipts (payments)	-	-	-
Grant payments to other agencies	-	-	-
Other operating cash receipts	-	-	-
Other operating cash payments	-	-	-
Net cash provided by (used for) operating activities	10,934	20,439	31,373
Cash flows from noncapital financing activities:			
Proceeds from the issuance of bonds	-	-	-
Principal paid on bonds	(5,930)	(11,845)	(17,775)
Payment of bond issuance costs	-	-	-
Interest paid	(3,461)	(2,935)	(6,396)
Proceeds from issuance of short term debt	-	-	-
Payment of short term debt	-	-	-
Contributions to the State of Alaska or other State agencies	-	-	-
Transfers (to) from other funds	(1,140)	(1,353)	(2,493)
Net cash provided by (used for) noncapital financing activities	(10,531)	(16,133)	(26,664)
Cash flows from 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 provided by (used for) capital financing activities	-	-	-
Cash flows from investing activities:			
Purchase of investments	(29,343)	(44,787)	(74,130)
Proceeds from maturity of investments	28,717	40,180	68,897
Interest received from investments	223	301	524
Net cash provided by (used for) investing activities	(403)	(4,306)	(4,709)
Net Increase (decrease) in cash	-	-	-
Cash at the beginning of year	-	-	-
Cash at the end of period	\$ -	\$ -	\$ -
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities			
Operating income (loss)	1,081	3,008	\$ 4,089
<i>Adjustments:</i>			
Depreciation	-	-	-
Provision for loan loss	(619)	(915)	(1,534)
Net change in the fair value of investments	(3)	(2)	(5)
Transfers - Internal	(715)	(1,024)	(1,739)
Interest received from investments	(223)	(301)	(524)
Interest paid	3,461	2,935	6,396
<i>Changes in assets, liabilities and deferred resources:</i>			
Net (increase) decrease in mortgages and loans	5,794	14,018	19,812
Net increase (decrease) in assets, liabilities and deferred resources	2,158	2,720	4,878
Net cash provided by (used for) operating activities	\$ 10,934	\$ 20,439	\$ 31,373

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

FIRST TIME HOMEBUYERS PROGRAM

HOME MORTGAGE REVENUE BONDS

For Year Ended June 30, 2019

(in thousands of dollars)

	Bonds 2002 A,B	Bonds 2007 A	Bonds 2007 B	Bonds 2007 D
<u>Cash flows from operating activities:</u>				
Interest income on mortgages and loans	\$ 3,640	\$ 3,443	\$ 3,452	\$ 4,554
Principal payments received on mortgages and loans	10,833	7,609	8,412	14,241
Disbursements to fund mortgages and loans	-	-	-	-
Receipt (payment) for loan transfers between funds	(4,906)	(3,307)	(4,457)	(8,868)
Mortgage and loan proceeds	-	-	-	-
Payment of mortgage and loan proceeds to funds	-	-	-	-
Payments to employees and other payroll disbursements	-	-	-	-
Payments for goods and services	-	-	-	-
Cash received for externally funded programs	-	-	-	-
Cash received for Federal HAP subsidies	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-
Interfund receipts (payments)	-	-	-	-
Grant payments to other agencies	-	-	-	-
Other operating cash receipts	-	-	-	-
Other operating cash payments	(717)	-	-	-
Net cash provided by (used for) operating activities	8,850	7,745	7,407	9,927
<u>Cash flows from noncapital financing activities:</u>				
Proceeds from the issuance of bonds	-	-	-	-
Principal paid on bonds	(1,675)	(1,680)	(1,680)	(2,000)
Payment of bond issuance costs	-	-	-	-
Interest paid	(266)	(2,508)	(2,509)	(2,973)
Proceeds from issuance of short term debt	-	-	-	-
Payment of short term debt	-	-	-	-
Contributions to the State of Alaska or other State agencies	-	-	-	-
Transfers (to) from other funds	(4,799)	541	543	796
Other cash payments	-	-	-	-
Net cash provided by (used for) noncapital financing activities	(6,740)	(3,647)	(3,646)	(4,177)
<u>Cash flows from capital financing activities:</u>				
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 provided by (used for) capital financing activities	-	-	-	-
<u>Cash flows from investing activities:</u>				
Purchase of investments	(30,844)	(20,016)	(21,257)	(32,119)
Proceeds from maturity of investments	28,454	15,777	17,348	26,149
Interest received from investments	280	141	148	220
Net cash provided by (used for) investing activities	(2,110)	(4,098)	(3,761)	(5,750)
Net Increase (decrease) in cash	-	-	-	-
Cash at the beginning of year	-	-	-	-
Cash at the end of period	\$ -	\$ -	\$ -	\$ -
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	\$ 2,659	\$ 740	\$ 697	\$ 1,420
<u>Adjustments:</u>				
Depreciation	-	-	-	-
Provision for loan loss	(432)	(237)	(195)	(362)
Net change in the fair value of investments	(2)	-	-	1
Transfers - Internal	(4,374)	1,029	1,023	1,439
Interest received from investments	(280)	(141)	(148)	(220)
Interest paid	266	2,508	2,509	2,973
<u>Changes in assets, liabilities and deferred resources:</u>				
Net (increase) decrease in mortgages and loans	4,509	4,699	3,471	4,379
Net increase (decrease) in assets, liabilities and deferred resources	6,504	(853)	50	297
Net cash provided by (used for) operating activities	\$ 8,850	\$ 7,745	\$ 7,407	\$ 9,927

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION
Schedule 20

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

FIRST TIME HOMEBUYERS PROGRAM

HOME MORTGAGE REVENUE BONDS

For Year Ended June 30, 2019

(in thousands of dollars)

	Bonds 2009 A	Bonds 2009 B	Bonds 2009 D	Home Mortgage Revenue Bonds Combined Total
<u>Cash flows from operating activities:</u>				
Interest income on mortgages and loans	\$ 4,603	\$ 4,955	\$ 5,432	\$ 30,079
Principal payments received on mortgages and loans	12,310	11,929	12,854	78,188
Disbursements to fund mortgages and loans	-	-	-	-
Receipt (payment) for loan transfers between funds	(7,642)	(8,436)	(9,751)	(47,367)
Mortgage and loan proceeds	-	-	-	-
Payment of mortgage and loan proceeds to funds	-	-	-	-
Payments to employees and other payroll disbursements	-	-	-	-
Payments for goods and services	-	-	-	-
Cash received for externally funded programs	-	-	-	-
Cash received for Federal HAP subsidies	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-
Interfund receipts (payments)	-	-	-	-
Grant payments to other agencies	-	-	-	-
Other operating cash receipts	-	-	-	-
Other operating cash payments	-	-	-	(717)
Net cash provided by (used for) operating activities	9,271	8,448	8,535	60,183
<u>Cash flows from noncapital financing activities:</u>				
Proceeds from the issuance of bonds	-	-	-	-
Principal paid on bonds	-	-	-	(7,035)
Payment of bond issuance costs	-	-	-	-
Interest paid	(2,808)	(2,808)	(2,831)	(16,703)
Proceeds from issuance of short term debt	-	-	-	-
Payment of short term debt	-	-	-	-
Contributions to the State of Alaska or other State agencies	-	-	-	-
Transfers (to) from other funds	665	389	683	(1,182)
Other cash payments	-	-	-	-
Net cash provided by (used for) noncapital financing activities	(2,143)	(2,419)	(2,148)	(24,920)
<u>Cash flows from capital financing activities:</u>				
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 provided by (used for) capital financing activities	-	-	-	-
<u>Cash flows from investing activities:</u>				
Purchase of investments	(28,228)	(30,229)	(32,050)	(194,743)
Proceeds from maturity of investments	20,900	23,987	25,439	158,054
Interest received from investments	200	213	224	1,426
Net cash provided by (used for) investing activities	(7,128)	(6,029)	(6,387)	(35,263)
Net Increase (decrease) in cash	-	-	-	-
Cash at the beginning of year	-	-	-	-
Cash at the end of period	\$ -	\$ -	\$ -	\$ -
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	\$ 1,493	\$ 1,764	\$ 2,583	\$ 11,356
<i>Adjustments:</i>				
Depreciation	-	-	-	-
Provision for loan loss	(222)	(253)	(513)	(2,214)
Net change in the fair value of investments	-	-	1	-
Transfers - Internal	1,399	1,044	1,455	3,015
Interest received from investments	(200)	(213)	(224)	(1,426)
Interest paid	2,808	2,808	2,831	16,703
<i>Changes in assets, liabilities and deferred resources:</i>				
Net (increase) decrease in mortgages and loans	4,385	2,241	3,077	26,761
Net increase (decrease) in assets, liabilities and deferred resources	(392)	1,057	(675)	5,988
Net cash provided by (used for) operating activities	\$ 9,271	\$ 8,448	\$ 8,535	\$ 60,183

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

Schedule 21
STATEMENT OF CASH FLOWS

VETERANS MORTGAGE PROGRAM BONDS - STATE GUARANTEED

For Year Ended June 30, 2019

(in thousands of dollars)

	Collateralized Bonds 2016 First & Second Series	Collateralized Bonds 2019 First & Second Series	Collateralized Bonds 2016 & 2019 First & Second Series
<u>Cash flows from operating activities:</u>			
Interest income on mortgages and loans	\$ 2,231	\$ 554	\$ 2,785
Principal payments received on mortgages and loans	6,800	1,025	7,825
Disbursements to fund mortgages and loans	-	-	-
Receipt (payment) for loan transfers between funds	(2,973)	(40,266)	(43,239)
Mortgage and loan proceeds	-	-	-
Payment of mortgage and loan proceeds to funds	-	-	-
Payments to employees and other payroll disbursements	-	-	-
Payments for goods and services	-	-	-
Cash received for externally funded programs	-	-	-
Cash received for Federal HAP subsidies	-	-	-
Payments for Federal HAP subsidies	-	-	-
Interfund receipts (payments)	-	-	-
Grant payments to other agencies	-	-	-
Other operating cash receipts	-	-	-
Other operating cash payments	-	-	-
Net cash provided by (used for) operating activities	6,058	(38,687)	(32,629)
<u>Cash flows from noncapital financing activities:</u>			
Proceeds from the issuance of bonds	-	60,880	60,880
Principal paid on bonds	(1,280)	-	(1,280)
Payment of bond issuance costs	-	(479)	(479)
Interest paid	(1,174)	-	(1,174)
Proceeds from issuance of short term debt	-	-	-
Payment of short term debt	-	-	-
Contributions to the State of Alaska or other State agencies	-	-	-
Transfers (to) from other funds	(721)	1,592	871
Other cash payments	-	-	-
Net cash provided by (used for) noncapital financing activities	(3,175)	61,993	58,818
<u>Cash flows from capital financing activities:</u>			
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 provided by (used for) capital financing activities	-	-	-
<u>Cash flows from investing activities:</u>			
Purchase of investments	(15,124)	(23,527)	(38,651)
Proceeds from maturity of investments	12,139	104	12,243
Interest received from investments	102	117	219
Net cash provided by (used for) investing activities	(2,883)	(23,306)	(26,189)
Net Increase (decrease) in cash	-	-	-
Cash at the beginning of year	-	-	-
Cash at the end of period	\$ -	\$ -	\$ -
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities			
Operating income (loss)	\$ 1,136	\$ (1,033)	\$ 103
Adjustments:			
Depreciation	-	-	-
Provision for loan loss	(46)	503	457
Net change in the fair value of investments	(1)	3	2
Transfers - Internal	(825)	13,708	12,883
Interest received from investments	(102)	(117)	(219)
Interest paid	1,174	-	1,174
Changes in assets, liabilities and deferred resources:			
Net (increase) decrease in mortgages and loans	4,511	(49,826)	(45,315)
Net increase (decrease) in assets, liabilities and deferred resources	211	(1,925)	(1,714)
Net cash provided by (used for) operating activities	\$ 6,058	\$ (38,687)	\$ (32,629)

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

OTHER HOUSING BONDS

For Year Ended June 30, 2019

(in thousands of dollars)

Schedule 22

	General Mortgage Revenue Bonds II 2012 A & B	General Mortgage Revenue Bonds II 2016 A	General Mortgage Revenue Bonds II 2018 A & B	Governmental Purpose Bonds 1997 A	Governmental Purpose Bonds 2001 A-D	Other Housing Bonds Combined Total
Cash flows from operating activities:						
Interest income on mortgages and loans	\$ 6,396	\$ 2,971	\$ 5,660	\$ 601	\$ 6,283	\$ 21,911
Principal payments received on mortgages and loans	11,982	5,961	8,559	3,988	22,212	52,702
Disbursements to fund mortgages and loans	-	-	-	-	-	-
Receipt (payment) for loan transfers between funds	(5,272)	(900)	(28,117)	-	(13,071)	(47,360)
Mortgage and loan proceeds	-	-	-	-	-	-
Payment of mortgage and loan proceeds to funds	-	-	-	-	-	-
Payments to employees and other payroll disbursements	-	-	-	-	-	-
Payments for goods and services	-	-	-	-	-	-
Cash received for externally funded programs	-	-	-	-	-	-
Cash received for Federal HAP subsidies	-	-	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-	-	-
Interfund receipts (payments)	-	-	-	-	-	-
Grant payments to other agencies	-	-	-	-	-	-
Other operating cash receipts	-	-	-	-	-	-
Other operating cash payments	-	-	-	-	-	-
Net cash provided by (used for) operating activities	13,106	8,032	(13,898)	4,589	15,424	27,253
Cash flows from noncapital financing activities:						
Proceeds from the issuance of bonds	-	-	175,527	-	-	175,527
Principal paid on bonds	(13,755)	(5,920)	(2,775)	-	(6,100)	(28,550)
Payment of bond issuance costs	-	-	(1,119)	-	-	(1,119)
Interest paid	(3,530)	(2,307)	(4,745)	(216)	(3,167)	(13,965)
Proceeds from issuance of short term debt	-	-	-	-	-	-
Payment of short term debt	-	-	-	-	-	-
Contributions to the State of Alaska or other State agencies	-	-	-	-	-	-
Transfers (to) from other funds	11	-	(144,910)	8,629	-	(136,270)
Other cash payments	-	-	-	-	-	-
Net cash provided by (used for) noncapital financing activities	(17,274)	(8,227)	21,978	8,413	(9,267)	(4,377)
Cash flows from 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 provided by (used for) capital financing activities	-	-	-	-	-	-
Cash flows from investing activities:						
Purchase of investments	(29,204)	(16,667)	(205,452)	(18,791)	(72,245)	(342,359)
Proceeds from maturity of investments	33,116	16,738	197,020	5,712	65,591	318,177
Interest received from investments	256	124	352	77	497	1,306
Net cash provided by (used for) investing activities	4,168	195	(8,080)	(13,002)	(6,157)	(22,876)
Net Increase (decrease) in cash	-	-	-	-	-	-
Cash at the beginning of year	-	-	-	-	-	-
Cash at the end of period	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities						
Operating income (loss)	\$ 2,959	\$ 835	\$ (1,969)	\$ 421	\$ 3,336	\$ 5,582
Adjustments:						
Depreciation	-	-	-	-	-	-
Provision for loan loss	(1,039)	(52)	1,844	-	(727)	26
Net change in the fair value of investments	(1)	(2)	(5)	(1)	(6)	(15)
Transfers - Internal	(17,976)	174	22,896	6,179	92	11,365
Interest received from investments	(256)	(124)	(352)	(77)	(497)	(1,306)
Interest paid	3,530	2,307	4,745	216	3,167	13,965
Changes in assets, liabilities and deferred resources:						
Net (increase) decrease in mortgages and loans	23,895	5,162	(182,518)	6,462	8,838	(138,161)
Net increase (decrease) in assets, liabilities and deferred resources	1,994	(268)	141,461	(8,611)	1,221	135,797
Net cash provided by (used for) operating activities	\$ 13,106	\$ 8,032	\$ (13,898)	\$ 4,589	\$ 15,424	\$ 27,253

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

NON-HOUSING BONDS

For Year Ended June 30, 2019

(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	State Capital Project Bonds II 2014 C & D
Cash flows from operating activities:						
Interest income on mortgages and loans	\$ 1,435	\$ 400	\$ 2,723	\$ 3,922	\$ 5,846	\$ 9,332
Principal payments received on mortgages and loans	6,184	609	4,639	4,279	11,990	21,674
Disbursements to fund mortgages and loans	-	-	-	-	-	-
Receipt (payment) for loan transfers between funds	-	-	-	(950)	(6,678)	(22,887)
Mortgage and loan proceeds	-	-	-	-	-	-
Payment of mortgage and loan proceeds to funds	-	-	-	-	-	-
Payments to employees and other payroll disbursements	-	-	-	-	-	-
Payments for goods and services	-	-	-	-	-	-
Cash received for externally funded programs	-	-	-	-	-	-
Cash received for Federal HAP subsidies	-	-	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-	-	-
Interfund receipts (payments)	-	-	-	-	-	-
Grant payments to other agencies	-	-	-	-	-	-
Other operating cash receipts	-	-	-	-	-	-
Other operating cash payments	-	-	-	-	-	-
Net cash provided by (used for) operating activities	7,619	1,009	7,362	7,251	11,158	8,119
Cash flows from noncapital financing activities:						
Proceeds from the issuance of bonds	-	-	-	-	-	-
Principal paid on bonds	(420)	(1,483)	(4,620)	(3,505)	(6,695)	(120)
Payment of bond issuance costs	-	-	-	-	-	-
Interest paid	(102)	(234)	(1,887)	(2,875)	(5,356)	(7,872)
Proceeds from issuance of short term debt	-	-	-	-	-	-
Payment of short term debt	-	-	-	-	-	-
Contributions to the State of Alaska or other State agencies	-	-	-	-	-	-
Transfers (to) from other funds	(3,794)	804	-	(804)	(2,660)	668
Other cash payments	-	-	-	-	-	-
Net cash provided by (used for) noncapital financing activities	(4,316)	(913)	(6,507)	(7,184)	(14,711)	(7,324)
Cash flows from capital financing activities:						
Acquisition of capital assets	-	-	-	-	-	-
Proceeds from the disposal of capital assets	-	-	-	-	-	-
Principal paid on capital notes	(5,585)	(222)	-	-	-	-
Interest paid on capital notes	(1,355)	(35)	-	-	-	-
Proceeds from direct financing leases	-	-	-	-	-	-
Net cash provided by (used for) capital financing activities	(6,940)	(257)	-	-	-	-
Cash flows from investing activities:						
Purchase of investments	(12,438)	(3,447)	(7,882)	(8,594)	(18,216)	(40,777)
Proceeds from maturity of investments	15,983	3,593	6,965	8,451	21,620	39,799
Interest received from investments	92	15	62	76	149	183
Net cash provided by (used for) investing activities	3,637	161	(855)	(67)	3,553	(795)
Net Increase (decrease) in cash	-	-	-	-	-	-
Cash at the beginning of year	-	-	-	-	-	-
Cash at the end of period	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities						
Operating income (loss)	\$ (22)	\$ 318	\$ 2,085	\$ 2,571	\$ 2,756	\$ 3,973
<i>Adjustments:</i>						
Depreciation	-	-	-	-	-	-
Provision for loan loss	(179)	(151)	(657)	(632)	(604)	(254)
Net change in the fair value of investments	1	-	-	-	1	-
Transfers - Internal	566	825	(39)	(1,378)	116	(1,332)
Interest received from investments	(92)	(15)	(62)	(76)	(149)	(183)
Interest paid	102	234	1,887	2,875	5,356	7,872
<i>Changes in assets, liabilities and deferred resources:</i>						
Net (increase) decrease in mortgages and loans	5,925	(141,656)	4,163	2,872	7,301	9,046
Net increase (decrease) in assets, liabilities and deferred resources	1,318	141,454	(15)	1,019	(3,619)	(11,003)
Net cash provided by (used for) operating activities	\$ 7,619	\$ 1,009	\$ 7,362	\$ 7,251	\$ 11,158	\$ 8,119

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

NON-HOUSING BONDS

For Year Ended June 30, 2019

(in thousands of dollars)

Schedule 23

	State Capital Project Bonds II 2015 A	State Capital Project Bonds II 2015 B	State Capital Project Bonds II 2015 C	State Capital Project Bonds II 2017 A	State Capital Project Bonds II 2017 B	State Capital Project Bonds II 2017 C	State Capital Project Bonds II 2018 A & B	Non-Housing Bonds Combined Total
Cash flows from operating activities:								
Interest income on mortgages and loans	\$ 5,389	\$ 4,963	\$ 2,780	\$ 9,659	\$ 6,786	\$ 2,570	\$ 5,306	\$ 61,111
Principal payments received on mortgages and loans	12,649	10,416	5,947	1,156	13,751	4,047	7,679	105,020
Disbursements to fund mortgages and loans	-	-	-	-	-	-	-	-
Receipt (payment) for loan transfers between funds	(7,644)	(6,884)	(2,430)	(4,449)	(14,140)	(3,866)	(19,436)	(89,364)
Mortgage and loan proceeds	-	-	-	-	-	-	-	-
Payment of mortgage and loan proceeds to funds	-	-	-	-	-	-	-	-
Payments to employees and other payroll disbursements	-	-	-	-	-	-	-	-
Payments for goods and services	-	-	-	-	-	-	-	-
Cash received for externally funded programs	-	-	-	-	-	-	-	-
Cash received for Federal HAP subsidies	-	-	-	-	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-	-	-	-	-
Interfund receipts (payments)	-	-	-	-	-	-	-	-
Grant payments to other agencies	-	-	-	-	-	-	-	-
Other operating cash receipts	-	-	-	199	-	-	-	199
Other operating cash payments	-	-	-	(161)	-	-	-	(161)
Net cash provided by (used for) operating activities	10,394	8,495	6,297	6,404	6,397	2,751	(6,451)	76,805
Cash flows from noncapital financing activities:								
Proceeds from the issuance of bonds	-	-	-	-	-	-	-	-
Principal paid on bonds	(3,790)	(3,015)	(2,795)	(3,170)	-	-	(540)	(30,153)
Payment of bond issuance costs	-	-	-	-	-	-	-	-
Interest paid	(4,590)	(4,110)	(2,457)	(6,877)	(3,395)	(2,192)	(3,826)	(45,773)
Proceeds from issuance of short term debt	-	-	-	-	-	-	-	-
Payment of short term debt	-	-	-	-	-	-	-	-
Contributions to the State of Alaska or other State agencies	-	-	-	-	-	-	-	-
Transfers (to) from other funds	-	-	-	1,015	(510)	789	(9,578)	(14,070)
Other cash payments	-	-	-	-	-	-	-	-
Net cash provided by (used for) noncapital financing activities	(8,380)	(7,125)	(5,252)	(9,032)	(3,905)	(1,403)	(13,944)	(89,996)
Cash flows from capital financing activities:								
Acquisition of capital assets	-	-	-	-	-	-	-	-
Proceeds from the disposal of capital assets	-	-	-	-	-	-	-	-
Principal paid on capital notes	-	-	-	-	-	-	-	(5,807)
Interest paid on capital notes	-	-	-	-	-	-	-	(1,390)
Proceeds from direct financing leases	-	-	-	3,303	-	-	-	3,303
Net cash provided by (used for) capital financing activities	-	-	-	3,303	-	-	-	(3,894)
Cash flows from investing activities:								
Purchase of investments	(17,323)	(15,592)	(15,937)	(14,217)	(18,694)	(12,894)	(103,140)	(289,151)
Proceeds from maturity of investments	15,200	14,114	14,810	13,496	16,093	11,498	123,158	304,780
Interest received from investments	109	108	82	84	109	48	377	1,494
Net cash provided by (used for) investing activities	(2,014)	(1,370)	(1,045)	(637)	(2,492)	(1,348)	20,395	17,123
Net Increase (decrease) in cash	-	-	-	38	-	-	-	38
Cash at the beginning of year	-	-	-	161	-	-	-	161
Cash at the end of period	\$ -	\$ -	\$ -	\$ 199	\$ -	\$ -	\$ -	\$ 199
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities								
Operating income (loss)	\$ 2,474	\$ 1,700	\$ 1,163	\$ 6,401	\$ 3,469	\$ 1,530	\$ 1,850	\$ 30,268
<i>Adjustments:</i>								
Depreciation	-	-	-	-	-	-	-	-
Provision for loan loss	(311)	(72)	(61)	84	(478)	19	157	(3,139)
Net change in the fair value of investments	-	1	1	-	-	-	(39)	(35)
Transfers - Internal	69	(394)	29	1,054	(65)	1,434	(4,006)	(3,121)
Interest received from investments	(109)	(108)	(82)	(84)	(109)	(48)	(377)	(1,494)
Interest paid	4,590	4,110	2,457	6,877	3,395	2,192	3,826	45,773
<i>Changes in assets, liabilities and deferred resources:</i>								
Net (increase) decrease in mortgages and loans	5,232	4,047	4,653	(3,197)	(1,047)	(1,866)	(15,519)	(120,046)
Net increase (decrease) in assets, liabilities and deferred resources	(1,551)	(789)	(1,863)	(4,731)	1,232	(510)	7,657	128,599
Net cash provided by (used for) operating activities	\$ 10,394	\$ 8,495	\$ 6,297	\$ 6,404	\$ 6,397	\$ 2,751	\$ (6,451)	\$ 76,805

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

OTHER PROGRAM FUNDS

For Year Ended June 30, 2019

(in thousands of dollars)

	Energy Programs	Section 8 Voucher Programs	Other Grants	Grant Programs Subtotal
<u>Cash flows from operating activities:</u>				
Interest income on mortgages and loans	\$ -	\$ -	\$ -	\$ -
Principal payments received on mortgages and loans	-	-	-	-
Disbursements to fund mortgages and loans	-	-	-	-
Receipt (payment) for loan transfers between funds	-	-	-	-
Mortgage and loan proceeds	-	-	-	-
Payment of mortgage and loan proceeds to funds	-	-	-	-
Payments to employees and other payroll disbursements	(357)	(3,877)	(820)	(5,054)
Payments for goods and services	(820)	(351)	(1,004)	(2,175)
Cash received for externally funded programs	13,529	5,263	19,207	37,999
Cash received for Federal HAP subsidies	-	36,199	-	36,199
Payments for Federal HAP subsidies	-	(35,876)	-	(35,876)
Interfund receipts (payments)	(7,189)	(1,085)	8,408	134
Grant payments to other agencies	(5,161)	(773)	(27,040)	(32,974)
Other operating cash receipts	-	35	1,307	1,342
Other operating cash payments	-	(56)	(58)	(114)
Net cash provided by (used for) operating activities	2	(521)	-	(519)
<u>Cash flows from noncapital financing activities:</u>				
Proceeds from the issuance of bonds	-	-	-	-
Principal paid on bonds	-	-	-	-
Payment to defease bonds	-	-	-	-
Payment of bond issuance costs	-	-	-	-
Interest paid	-	-	-	-
Proceeds from issuance of short term debt	-	-	-	-
Payment of short term debt	-	-	-	-
Contributions to the State of Alaska or other State agencies	-	-	-	-
Transfers (to) from other funds	-	-	-	-
Other cash payments	-	-	-	-
Net cash provided by (used for) noncapital financing activities	-	-	-	-
<u>Cash flows from capital financing activities:</u>				
Acquisition of capital assets	-	(41)	-	(41)
Proceeds from the disposal of capital assets	-	-	-	-
Principal paid on capital notes	-	-	-	-
Interest paid on capital notes	-	-	-	-
Proceeds from direct financing leases	-	-	-	-
Net cash provided by (used for) capital financing activities	-	(41)	-	(41)
<u>Cash flows from investing activities:</u>				
Purchase of investments	-	-	-	-
Proceeds from maturity of investments	-	-	-	-
Interest received from investments	-	6	-	6
Net cash provided by (used for) investing activities	-	6	-	6
Net Increase (decrease) in cash	2	(556)	-	(554)
Cash at the beginning of year	975	4,813	3	5,791
Cash at the end of period	\$ 977	\$ 4,257	\$ 3	\$ 5,237
Reconciliation of operating income (loss) to net cash provided by (used for)				
operating activities				
Operating Income (Loss)	\$ (2,955)	\$ (898)	\$ (14,624)	\$ (18,477)
<i>Adjustments:</i>				
Depreciation expense	-	16	-	16
Provision for loan loss	-	-	61	61
Net change in the fair value of investments	-	-	-	-
Transfers between funds for operating activity	3,508	169	12,328	16,005
Interest received from investments	-	(6)	-	(6)
Interest paid	-	-	-	-
<i>Changes in assets, liabilities and deferred resources:</i>				
Net (increase) decrease in mortgages and loans	-	-	50	50
Net increase (decrease) in assets, liabilities and deferred resources	(551)	198	2,185	1,832
Net cash provided by (used for) operating activities	\$ 2	\$ (521)	\$ -	\$ (519)

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

OTHER PROGRAM FUNDS

For Year Ended June 30, 2019

(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
<u>Cash flows from operating activities:</u>					
Interest income on mortgages and loans	\$ -	\$ -	\$ 259	\$ 1,103	\$ 1,362
Principal payments received on mortgages and loans	-	-	910	2,973	3,883
Disbursements to fund mortgages and loans	-	-	-	-	-
Receipt (payment) for loan transfers between funds	-	-	261	(2,730)	(2,469)
Mortgage and loan proceeds	-	-	-	-	-
Payment of mortgage and loan proceeds to funds	-	-	-	-	-
Payments to employees and other payroll disbursements	(7,719)	(1,690)	-	-	(9,409)
Payments for goods and services	(14,465)	(2,893)	-	-	(17,358)
Cash received for externally funded programs	11,030	2,249	-	-	13,279
Cash received for Federal HAP subsidies	-	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-	-
Interfund receipts (payments)	1,668	(2,425)	-	-	(757)
Grant payments to other agencies	-	-	-	-	-
Other operating cash receipts	17,225	5,338	-	-	22,563
Other operating cash payments	(6,993)	(33)	-	-	(7,026)
Net cash provided by (used for) operating activities	746	546	1,430	1,346	4,068
<u>Cash flows from noncapital financing activities:</u>					
Proceeds from the issuance of bonds	-	-	-	-	-
Principal paid on bonds	-	-	-	-	-
Payment to defease bonds	-	-	-	-	-
Payment of bond issuance costs	-	-	-	-	-
Interest paid	-	-	-	-	-
Proceeds from issuance of short term debt	-	-	-	-	-
Payment of short term debt	-	-	-	-	-
Contributions to the State of Alaska or other State agencies	-	-	-	-	-
Transfers (to) from other funds	-	-	-	-	-
Other cash payments	-	-	-	-	-
Net cash provided by (used for) noncapital financing activities	-	-	-	-	-
<u>Cash flows from capital financing activities:</u>					
Acquisition of capital assets	(256)	(47)	-	-	(303)
Proceeds from the disposal of capital assets	116	-	-	-	116
Principal paid on capital notes	-	-	-	-	-
Interest paid on capital notes	-	-	-	-	-
Proceeds from direct financing leases	-	-	-	-	-
Net cash provided by (used for) capital financing activities	(140)	(47)	-	-	(187)
<u>Cash flows from investing activities:</u>					
Purchase of investments	-	-	(1,451)	(4,117)	(5,568)
Proceeds from maturity of investments	-	-	-	2,730	2,730
Interest received from investments	24	22	21	41	108
Net cash provided by (used for) investing activities	24	22	(1,430)	(1,346)	(2,730)
Net Increase (decrease) in cash	630	521	-	-	1,151
Cash at the beginning of year	14,013	12,415	-	-	26,428
Cash at the end of period	\$ 14,643	\$ 12,936	\$ -	\$ -	\$ 27,579
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities					
Operating Income (Loss)	\$ (5,495)	\$ (730)	\$ 282	\$ 1,118	\$ (4,825)
<i>Adjustments:</i>					
Depreciation expense	4,424	1,216	-	-	5,640
Provision for loan loss	-	-	(12)	(25)	(37)
Net change in the fair value of investments	-	-	-	-	-
Transfers between funds for operating activity	1,891	161	14	54	2,120
Interest received from investments	(24)	(22)	(21)	(41)	(108)
Interest paid	-	-	-	-	-
<i>Changes in assets, liabilities and deferred resources:</i>					
Net (increase) decrease in mortgages and loans	-	-	1,141	1,549	2,690
Net increase (decrease) in assets, liabilities and deferred resources	(50)	(79)	26	(1,309)	(1,412)
Net cash provided by (used for) operating activities	\$ 746	\$ 546	\$ 1,430	\$ 1,346	\$ 4,068

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

OTHER PROGRAM FUNDS

For Year Ended June 30, 2019

(in thousands of dollars)

Schedule 24

	Alaska Corporation for Affordable Housing	Other Program Funds Combined Total
<u>Cash flows from operating activities:</u>		
Interest income on mortgages and loans	\$ -	\$ 1,362
Principal payments received on mortgages and loans	-	3,883
Disbursements to fund mortgages and loans	-	-
Receipt (payment) for loan transfers between funds	-	(2,469)
Mortgage and loan proceeds	-	-
Payment of mortgage and loan proceeds to funds	-	-
Payments to employees and other payroll disbursements	(167)	(14,630)
Payments for goods and services	64	(19,469)
Cash received for externally funded programs	-	51,278
Cash received for Federal HAP subsidies	-	36,199
Payments for Federal HAP subsidies	-	(35,876)
Interfund receipts (payments)	389	(234)
Grant payments to other agencies	-	(32,974)
Other operating cash receipts	107	24,012
Other operating cash payments	(24)	(7,164)
Net cash provided by (used for) operating activities	369	3,918
<u>Cash flows from noncapital financing activities:</u>		
Proceeds from the issuance of bonds	-	-
Principal paid on bonds	-	-
Payment to defease bonds	-	-
Payment of bond issuance costs	-	-
Interest paid	-	-
Proceeds from issuance of short term debt	-	-
Payment of short term debt	-	-
Contributions to the State of Alaska or other State agencies	-	-
Transfers (to) from other funds	-	-
Other cash payments	-	-
Net cash provided by (used for) noncapital financing activities	-	-
<u>Cash flows from capital financing activities:</u>		
Acquisition of capital assets	-	(344)
Proceeds from the disposal of capital assets	-	116
Principal paid on capital notes	-	-
Interest paid on capital notes	-	-
Proceeds from direct financing leases	-	-
Net cash provided by (used for) capital financing activities	-	(228)
<u>Cash flows from investing activities:</u>		
Purchase of investments	-	(5,568)
Proceeds from maturity of investments	-	2,730
Interest received from investments	6	120
Net cash provided by (used for) investing activities	6	(2,718)
Net Increase (decrease) in cash	375	972
Cash at the beginning of year	7,327	39,546
Cash at the end of period	\$ 7,702	\$ 40,518
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities		
Operating Income (Loss)	\$ 214	\$ (23,088)
<i>Adjustments:</i>		
Depreciation expense	-	5,656
Provision for loan loss	10	34
Net change in the fair value of investments	-	-
Transfers between funds for operating activity	-	18,125
Interest received from investments	(6)	(120)
Interest paid	-	-
<i>Changes in assets, liabilities and deferred resources:</i>		
Net (increase) decrease in mortgages and loans	(101)	2,639
Net increase (decrease) in assets, liabilities and deferred resources	252	672
Net cash provided by (used for) operating activities	\$ 369	\$ 3,918

See accompanying independent auditor's report.