



A Component Unit of the State of Alaska

Financial Statements
And Independent Auditor's Report

June 30, 2023

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Table of Contents

	FINANCIAL STATEMENTS	PAGE NUMBER
	Independent Auditor's Report.....	1 - 4
	Management's Discussion and Analysis [MD & A]	5 - 12
<u>EXHIBITS</u>		
A	Statement of Net Position.....	13 - 14
B	Statement of Revenues, Expenses and Changes in Net Position.....	15 - 16
C	Statement of Cash Flows.....	17 - 20
	Notes to the Financial Statements.....	21 - 51
	REQUIRED SUPPLEMENTARY INFORMATION	
	Schedule of AHFC'S Proportionate Share of the Net Pension Liability.....	52
	Schedule of AHFC'S Contributions to the Pension Plan.....	53
	Schedule of AHFC'S Proportionate Share of the Net OPEB Liability.....	54 - 55
	Schedule of AHFC'S Contributions to the OPEB Plan.....	56
	<u>SUPPLEMENTARY INFORMATION</u>	
	Combining Statements of Net Position	
1	All Funds.....	57 - 58
2	Administrative Fund.....	59 - 60
3	Home Mortgage Revenue Bonds.....	61 - 62
4	General Mortgage Revenue Bonds.....	63 - 64
5	Collateralized Veterans Mortgage Bonds.....	65
6	Governmental Purpose Bonds.....	66
7	State Capital Project Bonds.....	67 - 68
8	Other Program Funds.....	69 - 70
	Combining Statements of Revenues, Expenses and Changes in Net Position	
9	All Funds.....	71 - 72
10	Administrative Fund	73 - 74
11	Home Mortgage Revenue Bonds.....	75 - 76
12	General Mortgage Revenue Bonds.....	77 - 78
13	Collateralized Veterans Mortgage Bonds.....	79
14	Governmental Purpose Bonds.....	80
15	State Capital Project Bonds.....	81 - 82
16	Other Program Funds.....	83 - 84
	Combining Statements of Cash Flows	
17	All Funds.....	85 - 88
18	Administrative Fund	89 - 90
19	Home Mortgage Revenue Bonds.....	91 - 94
20	General Mortgage Revenue Bonds.....	95 - 98
21	Collateralized Veterans Mortgage Bonds.....	99 - 100
22	Governmental Purpose Bonds.....	101-102
23	State Capital Project Bonds.....	103-104
24	Other Program Funds.....	105-108
	Other Information.....	109

Table of Contents

This publication of Alaska Housing Finance Corporation. For comments or questions:

Website: <https://www.ahfc.us/investors/financials-history> or

E-Mail: rsmall@ahfc.us



Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities of each major fund, and the aggregate remaining fund information of the Alaska Housing Finance Corporation (the Corporation), a component unit of the State of Alaska, as of and for the years ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Alaska Housing Finance Corporation's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of each major fund, and the aggregate remaining fund information of the Alaska Housing Finance Corporation as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of the net pension liability, contributions to the pension plan, net OPEB liability, and contributions to the OPEB plan be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial

reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Alaska Housing Finance Corporation's basic financial statements. The combining statements of net position, combining statements of revenues, expenses, and changes in net position, and combining statements of cash flows are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 combining statements of net position, combining statements of revenues, expenses, and changes in net position, and combining statements of cash flows are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

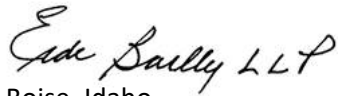
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the five-year comparative information but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2023, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

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

Boise, Idaho
September 29, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS

The 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 2023 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, 2023. This information is presented to assist the reader in identifying significant financial issues and to provide additional information regarding the activities of the Corporation. This information should be read in conjunction with the Independent Auditors' Report, audited financial statements and accompanying notes.

Basic Financial Statements

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

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

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

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

Major Funds

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

For fiscal year 2023, the Corporation reports the following major funds:

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

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

As of June 30, 2023, the Administrative Fund reported a net position of \$669.4 million, an increase of \$3.0 million from June 30, 2022. The increase in net position is largely due to operating income of \$19.0 million and internal transfers from the Mortgage and Bond Funds. The Administrative Fund transferred \$464.7 million to the Mortgage and Bond Funds, whereas \$479.7 million transferred from the Mortgage and Bond Funds, resulting in a net transfer into the Administrative Fund of \$15.0 million. Transfers for loan purchases totaled \$60.4 million less than in the previous year, and loans were warehoused in the Administrative Fund after the refunding of bonds. Unrestricted net position totaled \$546.9 million, or 81.7% of the total net position in the fund, and may be used for operations and to meet the continuing obligations of the Corporation.

The Grant Programs Fund includes resources provided to other agencies and individuals to develop and improve affordable housing units for lower income families and to assist in improving the energy efficiency of Alaskan homes, as well as tenant-based rental assistance programs for families in the private market that are administered by the Corporation under contract with the Department of Housing and Urban Development (HUD). These programs include the Energy Programs, the Section 8 Voucher Programs, and Other Grants.

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 Home Mortgage Revenue Bonds, General Mortgage Revenue Bonds II, Collateralized Veterans Mortgage Bonds, Governmental Purpose Bonds, and State Capital Project Bonds II.

As of June 30, 2023, the Mortgage and Bond Funds reported a net position of \$787.1 million, an increase of \$18.7 million from the previous year. Funds are transferred to the Administrative Fund to fund mortgage purchases, and there was \$60.4 million less transferred to the Administrative Fund in FY2023 for purchases than in FY2022. Loan payoffs decreased by 56.0% during the current fiscal year due to increase of interest rates compared to fiscal year 2022. During fiscal year 2023, the mortgage loan portfolio increased by 6.5% or \$199.0 million from fiscal year 2022. Approximately \$576.0 million, or 73.0%, of the fund's net position is restricted by bond resolutions.

The Other Funds and Programs include AHFC-owned housing for low-income families that is managed under contract with HUD as well as other programs that are not specifically grants or bond funds. These programs include the Low Rent Program, the Market Rate Rental Housing Program, the Home Ownership Fund and the Senior Housing Revolving Loan Fund. The fund had an operating loss of \$3.8 million in fiscal year 2023, \$3.1 million lower than fiscal year 2022 operating loss. In fiscal year 2023, the Administrative Fund transferred \$14.0 million to Other Funds and Programs.

The Alaska Corporation for Affordable Housing ("ACAH") is a non-profit public benefit corporation that develops and operates affordable housing for Alaskans, utilizing various funding sources. ACAH is reported as a major blended component unit for the benefit of users of the financial statements. ACAH's net position at June 30, 2023, was \$38.2 million. ACAH had an operating income of \$13.6 million in fiscal year 2023, and the Administrative Fund transferred \$0.1 million into ACAH. ACAH's change in net position is the product of rental income from both housing and non-housing properties and expenses include rental property expenses and payroll expenses.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

- The Corporation had operating income in fiscal year 2023 of \$36.8 million. The increase from fiscal year 2022 operating income of \$2.2 million, was the result of increased investment interest income, as well as a 5% increase in interest rates earned on the mortgage portfolio. The average interest rate on the mortgage portfolio was 4.2%, representing a 5.0% increase from the fiscal year 2022 average mortgage rate of 4.0%.
- The Corporation's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources as of June 30, 2023, by \$1.6 billion (net position), an increase over 2022 of \$28.8 million, of which 45.5% was unrestricted.
- During the fiscal year ended June 30, 2023, the investment portfolio earned approximately 4.0% overall, as compared to 0.3% for the fiscal year ended June 30, 2022, reflecting a significant increase in short-term interest rates.
- The Corporation's mortgage loan portfolio is one of its primary assets. During the fiscal year ended June 30, 2023, the mortgage loan portfolio increased by 6.5%. Loan purchases decreased by \$60.4 million in fiscal year 2023 but exceeded loan payoffs by \$318.5 million.

Bonds outstanding increased by 3.4%. The Corporation redeemed a total of \$112.2 million in bonds in fiscal year 2023. Of this total, scheduled bond redemptions totaled \$91.3 million and special redemptions totaled \$20.9 million. New bond issuances exceeded bond redemptions by over \$73.4 million.

- On July 7, 2022, the Corporation issued its \$97,700,000 State Capital Project Bonds II, 2022 Series B Social Bonds. Net proceeds of the bonds totaled approximately \$106.5 million, including a premium of \$9.0 million. Proceeds were used to reimburse the Corporation for certain capital expenditures previously incurred and to refund prior outstanding obligations. The 2022B bonds are tax-exempt, fixed rate, general obligations of the Corporation, paying interest each June 1 and December 1, with a final maturity of June 1, 2037.
- On December 22, 2022, the Corporation issued its \$87,965,000 General Mortgage Revenue Bonds II, 2022 Series C. Net proceeds of the bonds totaled approximately \$90.0 million, including a premium of \$2.5 million. Proceeds were used to redeem certain outstanding obligations of the Corporation, to purchase mortgages, and to pay costs of issuance. The bonds are tax-exempt, fixed rate, general obligations of the Corporation, paying interest each June 1 and December 1, with a final maturity of December 1, 2052.
- As of June 30, 2023, the weighted average interest rate on the mortgage and bond portfolios was 4.2% and 4.0%, respectively, yielding a net interest margin of 0.2%, a decrease of 69.0% from fiscal year 2022. This decrease was primarily due to higher average interest rates on unhedged variable rate bonds. However, the net cash impact of the lower interest margin was offset by corresponding rate increases on the Corporation's investments.
- The U.S. Department of the Treasury awarded the Corporation funding for rental and mortgage assistance for those affected by the COVID-19 pandemic. The funding came from the Consolidated Appropriations and The American Rescue Plan Acts of 2021. Funding received in fiscal year 2022 totaled \$169.6 million to assist Alaskans struggling to make rent or mortgage payments due to the coronavirus pandemic. Funding received in fiscal year 2023 totaled \$5.0 million funds from reallocation of rental assistance.
- In fiscal year 2023, the Corporation transferred \$13.0 million of its Moving to Work (MTW) reserves funds in HUD to ACAH to assist in funding a multifamily housing project known as the Fairbanks Affordable Housing Project. These funds were passed through Fairbanks Affordable Housing, LLC (FAH), in a form of a loan agreement. As a result of this loan to FAH, ACAH's Net Position increased by \$13.0 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CONDENSED STATEMENT OF NET POSITION

The following table presents condensed information about the financial position of the Corporation as of June 30, 2023 and 2022, and changes in balances during the fiscal year ended June 30, 2023 (in thousands):

Condensed Statement of Net Position

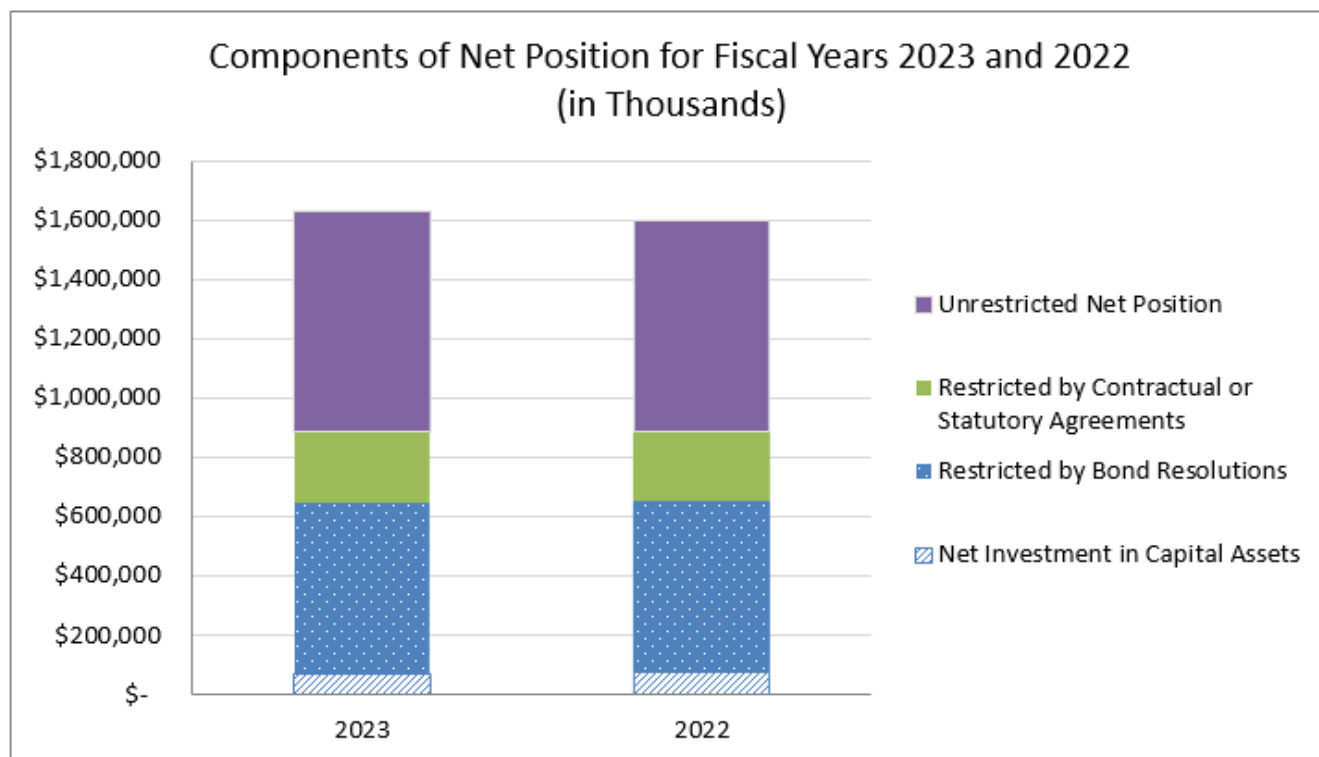
	2023	2022	Increase/(Decrease)	
Cash and investments	\$ 865,001	\$ 1,066,517	\$ (201,516)	-18.9%
Mortgage loans, notes and other loans, net	3,245,907	3,032,951	212,956	7.0%
Capital assets, net	71,542	75,158	(3,616)	-4.8%
Other assets	70,344	66,358	3,986	6.0%
Total Assets	4,252,794	4,240,984	11,810	0.3%
Deferred outflow of resources	71,553	111,512	(39,959)	-35.8%
Bonds and notes payable, net	2,347,283	2,277,492	69,791	3.1%
Short term debt	128,476	149,771	(21,295)	-14.2%
Accrued interest payable	7,339	6,013	1,326	22.1%
Derivatives	39,013	73,728	(34,715)	-47.1%
Pension and OPEB liabilities	35,286	28,727	6,559	22.8%
Other liabilities	115,331	173,955	(58,624)	-33.7%
Total liabilities	2,672,728	2,709,686	(36,958)	-1.4%
Deferred inflow of resources	23,369	43,349	(19,980)	-46.1%
Total net position	\$ 1,628,250	\$ 1,599,461	\$ 28,789	1.8%

The increase in total assets during fiscal year 2023 is primarily due to an increase in the mortgage portfolio, notes and other loans. The \$213.0 million increase in mortgage loans and notes from the prior year was mainly due to mortgage purchases exceeding mortgage pay-off by \$318.5 million compared to \$154.5 million in fiscal year 2022. HUD transfer of \$13.0 million MTW reserves to ACAH, which ACAH loaned to FAH, increased ACAH's notes receivable compared to fiscal year 2022. Due to rising interest rates, the fair value of the derivative portfolio decreased, which resulted in a decrease in deferred outflows.

Total liabilities decreased by \$37.0 million mainly due to a decrease in unearned income and short-term debt, offset by an increase in bonds payable. The major factor in the decrease of total liabilities was the decrease in unearned income of \$52.1 million as COVID-19 funds received in 2022 were utilized in 2023 to help Alaskans affected by the pandemic. Short-term debt (commercial paper) decreased by \$21.3 million. Based on actuarial valuation, pension, OPEB liability, and the related deferred inflows decreased by \$14.7 million. The Corporation issued new bonds totaling \$185.7 million, but bond redemptions totaled \$112.2 million. Bond issuances exceeded bond redemptions by \$73.4 million. Finally, the aggregate fair value of the Corporation's interest rate swap derivatives decreased by \$34.7 million. Derivative valuations are based on forward swap rates, which steadily decreased during fiscal year 2022, causing the associated liability to increase accordingly. But in fiscal year 2023, the Federal Reserve reversed direction and began increasing rates due to inflation, which caused the forward swap curve to increase sharply, and thus decreased the fair value of the derivatives.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following chart shows the various components of net position in fiscal years 2023 and 2022:



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, 2023 and 2022, and the variances from the prior fiscal year (in thousands):

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

	2023	2022	Increase/(Decrease)	
Mortgage and loan revenue	\$ 127,895	\$ 120,874	\$ 7,021	5.8%
Investment interest income	35,962	3,440	32,522	945.4%
Net change in fair value of investments	3,439	1,695	1,744	102.9%
Externally funded programs	156,657	283,006	(126,349)	-44.6%
Rental and other revenue	14,674	15,627	(953)	-6.1%
Total operating revenue	338,627	424,642	(86,015)	-20.3%
Interest expense	79,853	60,780	19,073	31.4%
Mortgage and loan costs	12,501	12,252	249	2.0%
Bond financing expenses	4,834	4,923	(89)	-1.8%
Operations and administration	49,414	48,911	503	1.0%
Rental housing and grant expenses	155,189	295,542	(140,353)	-47.5%
Total operating expense	301,791	422,408	(120,617)	-28.6%
Operating income(loss)	36,836	2,234	34,602	1548.9%
Contributions to the State of Alaska	(8,047)	(933)	(7,114)	
Change in net position	\$ 28,789	\$ 1,301	\$ 27,488	2112.8%

Total operating revenues decreased by \$86.0 million during fiscal year 2023, primarily due to decreased revenue from federal financial assistance of \$141.0 million. However, investment interest income increased by \$32.5 million.

Total operating expense decreased by \$120.6 million, mainly due to \$140.4 million decrease in rental housing and grant expenses. Federal grants related to COVID-19 have decreased in fiscal year 2023 compared to fiscal year 2022. Interest expense increased by \$19.0 million mainly due to higher interest rates on the Corporation's variable rate bonds.

In fiscal year 2023, the Corporation contributed \$8.0 million to the State of Alaska. See Footnote No.19 in the Notes to the Financial Statements for more details about the Transfer Plan.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The Corporation's capital assets include land, buildings, vehicles, office and computer equipment. Capital assets are presented in the financial statements at \$71.5 million (net of accumulated depreciation), a decrease of 4.8% from fiscal year 2022. The change in capital assets in any given year is immaterial to the overall operation of the Corporation as assets depreciate due to normal wear and tear.

As of June 30, 2023, the Corporation had \$2.3 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. There has been no change in the Corporation's ratings from previous years.

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

Significant debt activity during the year included the following:

- Issued \$185.7 million in new bonds;

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Redeemed bonds through both scheduled and special redemption provisions of their respective indentures of \$112.2 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 multifamily 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. Large federal deficits or changes in programs or funding levels could have a negative impact on externally funded program revenues.

CONTACTING THE CORPORATION'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Corporation's finances and to show the Corporation's accountability for the money it receives during the periods reported. For inquiries about this report or to request additional financial information please call (907) 330-8322 or email finance@ahfc.us.

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ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

COMBINED – ALL MAJOR PROGRAMS

As of June 30, 2023

(in thousands of dollars)

	Administrative Fund	Grant Programs	Mortgage and Bond Funds	Other Funds and Programs	Total Programs and Funds
Assets					
Current					
Cash	\$ 27,707	\$ 12,060	\$ 166	\$ 30,849	\$ 70,782
Investments	596,696	-	151,103	4,906	752,705
Lease receivable	-	-	2,536	83	2,619
Accrued interest receivable	6,792	-	9,682	121	16,595
Inter-fund due (to)/from	(82,900)	53,622	31,467	(2,077)	112
Mortgage loans, notes and other loans, net	9,026	33	87,022	1,356	97,437
Other assets	1,517	13,978	-	1,325	16,820
Intergovernmental receivable	98	11,131	-	909	12,138
Total current	558,936	90,824	281,976	37,472	969,208
Non current					
Investments	9,928	-	22,163	-	32,091
Lease receivable	-	-	12,820	-	12,820
Inter-fund due (to)/from	-	1,423	-	-	1,423
Mortgage loans, notes and other loans	247,113	967	2,813,723	43,855	3,105,658
Capital assets - non-depreciable	2,483	-	-	13,519	16,002
Capital assets - depreciable, net	11,002	169	-	39,629	50,800
Other assets	2,230	304	5,820	30	8,384
OPEB asset	14,102	-	-	-	14,102
Total non current	286,858	2,863	2,854,526	97,033	3,241,280
Total assets	845,794	93,687	3,136,502	134,505	4,210,488
Deferred Outflow Of Resources					
	7,437	-	64,116	-	71,553
Liabilities					
Current					
Bonds payable	-	-	100,555	-	100,555
Short term debt	128,476	-	-	-	128,476
Accrued interest payable	-	-	7,339	-	7,339
Other liabilities	16,637	92,740	849	1,202	111,428
Intergovernmental payable	-	-	166	396	562
Total current	145,113	92,740	108,909	1,598	348,360
Non current					
Bonds payable	-	-	2,246,728	-	2,246,728
Other liabilities	2,240	267	-	9	2,516
Derivative instrument - interest rate swaps	-	-	39,013	-	39,013
Pension liability	35,286	-	-	-	35,286
Total non current	37,526	267	2,285,741	9	2,323,543
Total liabilities	182,639	93,007	2,394,650	1,607	2,671,903
Deferred Inflow Of Resources					
	1,180	-	18,853	74	20,107
Net Position					
Net investment in capital assets	13,485	169	-	53,148	66,802
Restricted by bond resolutions	-	-	576,299	-	576,299
Restricted by contractual or statutory agreements	109,004	16,600	-	80,861	206,465
Unrestricted or (deficit)	546,923	(16,089)	210,816	(1,185)	740,465
Total net position	\$ 669,412	\$ 680	\$ 787,115	\$ 132,824	\$ 1,590,031

See accompanying notes to the financial statements.

Alaska Corporation for Affordable Housing	Total June 30, 2023
\$ 9,423	\$ 80,205
-	752,705
3,373	5,992
69	16,664
(112)	-
-	97,437
85	16,905
2	12,140
12,840	982,048
-	32,091
-	12,820
(1,423)	-
26,148	3,131,806
4,740	20,742
-	50,800
1	8,385
-	14,102
29,466	3,270,746
42,306	4,252,794
-	71,553
-	100,555
-	128,476
-	7,339
605	112,033
-	562
605	348,965
-	2,246,728
220	2,736
-	39,013
-	35,286
220	2,323,763
825	2,672,728
3,262	23,369
4,740	71,542
-	576,299
33,522	239,987
(43)	740,422
\$ 38,219	\$ 1,628,250

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

COMBINED – ALL MAJOR PROGRAMS

For the Year Ended June 30, 2023

(in thousands of dollars)

	Administrative Fund	Grant Programs	Mortgage and Bond Funds	Other Funds and Programs	Total Programs and Funds
Operating Revenues					
Mortgage and loan revenue	\$ 12,967	\$ -	\$ 113,327	\$ 1,459	\$ 127,753
Investment interest	20,158	7	15,193	600	35,958
Net change in the fair value of investments	2,864	-	294	-	3,158
Net change of hedge termination	-	-	281	-	281
Total investment revenue	23,022	7	15,768	600	39,397
Grant revenue	-	126,870	-	4,087	130,957
Housing rental subsidies	-	-	-	12,700	12,700
Rental revenue	9	-	-	11,500	11,509
Gain on disposal of capital assets	-	3	-	-	3
Other revenue	1,664	737	75	18	2,494
Total operating revenues	37,662	127,617	129,170	30,364	324,813
Operating expenses					
Interest	4,260	-	75,593	-	79,853
Mortgage and loan costs	2,915	-	9,440	146	12,501
Bond financing expenses	685	-	4,149	-	4,834
Provision for loan loss	(282)	35	1,822	54	1,629
Operations and administration	11,001	15,288	4,475	16,818	47,582
Rental housing operating expenses	-	25	-	17,147	17,172
Grant expense	6	138,008	-	-	138,014
Total operating expenses	18,585	153,356	95,479	34,165	301,585
Operating income (loss)	19,077	(25,739)	33,691	(3,801)	23,228
Non-operating expenses and transfers					
Contributions to State of Alaska or State agencies	(8,047)	-	-	-	(8,047)
Interfund receipts (payments) for operations	(7,974)	19,918	(14,980)	2,961	(75)
Change in net position	3,056	(5,821)	18,711	(840)	15,106
Net position at beginning of year	666,356	6,501	768,404	133,664	1,574,925
Net position at end of period	\$ 669,412	\$ 680	\$ 787,115	\$ 132,824	\$ 1,590,031

See accompanying notes to the financial statements.

Alaska Corporation for Affordable Housing	Total June 30, 2023
\$ 142	\$ 127,895
4	35,962
-	3,158
-	281
4	39,401
13,000	143,957
-	12,700
-	11,509
-	3
668	3,162
13,814	338,627
-	79,853
-	12,501
-	4,834
11	1,640
192	47,774
3	17,175
-	138,014
206	301,791
13,608	36,836
-	(8,047)
75	-
13,683	28,789
24,536	1,599,461
\$ 38,219	\$ 1,628,250

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

COMBINED – ALL MAJOR PROGRAMS

For the Year Ended June 30, 2023

(in thousands of dollars)

	Administrative Fund	Grant Programs	Mortgage and Bond Funds	Other Funds and Programs	Total Programs and Funds
Cash Flows					
Operating activities					
Interest income on mortgages and loans	\$ 8,751	\$ -	\$ 104,679	\$ 1,337	\$ 114,767
Principal receipts on mortgages and loans	15,940	-	287,026	4,854	307,820
Disbursements to fund mortgages and loans	(497,181)	-	-	-	(497,181)
Receipts (payments) for interfund loan transfers	389,596	-	(378,857)	(10,739)	-
Mortgage and loan proceeds receipts	414,480	-	-	-	414,480
Mortgage and loan proceeds paid to trust funds	(426,376)	-	-	-	(426,376)
Payroll-related disbursements	(23,138)	(5,630)	-	(9,746)	(38,514)
Payments for goods and services	(7,055)	(4,568)	-	(15,796)	(27,419)
Receipts from externally funded programs	-	24,807	-	15,739	40,546
Receipts from Federal HAP subsidies	-	30,092	-	-	30,092
Payments for Federal HAP subsidies	-	(34,427)	-	-	(34,427)
Interfund receipts (payments)	(92,134)	92,530	-	1,127	1,523
Grant payments to other agencies	-	(105,880)	-	-	(105,880)
Other operating cash receipts (payments)	5,731	429	17	10,821	16,998
Net cash receipts (disbursements)	(211,386)	(2,647)	12,865	(2,403)	(203,571)
Non-capital financing activities					
Proceeds from bond issuance	-	-	197,245	-	197,245
Principal paid on bonds	-	-	(108,947)	-	(108,947)
Payment of bond issuance costs	(578)	-	(741)	-	(1,319)
Interest paid on bonds	(253)	-	(82,400)	-	(82,653)
Proceeds from short-term debt issuance	559,836	-	-	-	559,836
Payment of short term debt	(585,138)	-	-	-	(585,138)
Contributions to State of Alaska or State agencies	(8,047)	-	-	-	(8,047)
Transfers from (to) other funds	97,543	-	(97,543)	-	-
Net cash receipts (disbursements)	63,363	-	(92,386)	-	(29,023)
Capital financing activities					
Acquisition of capital assets	(181)	(125)	-	(2,487)	(2,793)
Proceeds from the disposal of capital assets	3	3	-	-	6
Principal paid on capital notes	-	-	(3,278)	-	(3,278)
Interest paid on capital notes	-	-	(292)	-	(292)
Proceeds from direct financing leases	-	-	3,304	-	3,304
Net cash receipts (disbursements)	(178)	(122)	(3,570)	(2,487)	(6,357)
Investing activities					
Purchase of investments	(7,299,217)	-	(974,003)	(6,411)	(8,279,631)
Proceeds from maturity of investments	7,425,253	-	1,043,730	10,802	8,479,785
Interest received from investments	19,074	7	10,077	594	29,752
Net cash receipts (disbursements)	145,110	7	79,804	4,985	229,906
Net Increase (decrease) in cash	(3,091)	(2,762)	17	95	(5,741)
Cash at beginning of year	30,798	14,822	149	30,754	76,523
Cash at end of period	\$ 27,707	\$ 12,060	\$ 166	\$ 30,849	\$ 70,782

Alaska Corporation for Affordable Housing		Total June 30, 2023
\$	-	\$ 114,767
	-	307,820
	-	(497,181)
	-	-
	-	414,480
	-	(426,376)
	(118)	(38,632)
	(76)	(27,495)
	-	40,546
	-	30,092
	-	(34,427)
	(1,523)	-
	-	(105,880)
	2,927	19,925
	1,210	(202,361)
	-	197,245
	-	(108,947)
	-	(1,319)
	-	(82,653)
	-	559,836
	-	(585,138)
	-	(8,047)
	-	-
	-	(29,023)
	-	(2,793)
	-	6
	-	(3,278)
	-	(292)
	-	3,304
	-	(3,053)
	-	(8,279,631)
	-	8,479,785
	5	29,757
	5	229,911
	1,215	(4,526)
	8,208	84,731
\$	9,423	\$ 80,205

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

COMBINED – ALL MAJOR PROGRAMS

For the Year Ended June 30, 2023

(in thousands of dollars)

	Administrative Fund	Grant Programs	Mortgage and Bond Funds	Other Funds and Programs	Total Programs and Funds
Reconciliation					
Operating income (loss) to net cash					
Operating income (loss)	\$ 19,077	\$ (25,739)	\$ 33,691	\$ (3,801)	\$ 23,228
<i>Adjustments:</i>					
Depreciation expense	1,047	81	-	5,359	6,487
Provision for loan loss	(282)	35	1,822	54	1,629
Net change in the fair value of investments	(2,864)	-	(294)	-	(3,158)
Interfund receipts (payments) for operations	(7,974)	19,918	(14,980)	2,961	(75)
Interest received from investments	(19,074)	(7)	(10,077)	(594)	(29,752)
Interest paid on bonds and capital notes	253	-	82,692	-	82,945
<i>Change in assets, liabilities and deferred resources:</i>					
Net (increase) decrease in mortgages and loans	(10,149)	34	(182,533)	(5,304)	(197,952)
Net increase (decrease) in assets, liabilities, and deferred resources	(191,420)	3,031	102,544	(1,078)	(86,923)
Net operating cash receipts (disbursements)	\$ (211,386)	\$ (2,647)	\$ 12,865	\$ (2,403)	\$ (203,571)
Non-cash activities					
Deferred outflow of resources - derivatives	\$ -	\$ -	\$ 86,967	\$ -	\$ 86,967
Derivative instruments liability	-	-	108,443	-	108,443
Net change of hedge termination	-	-	762	-	762
Deferred outflow debt refunding	-	-	35,308	-	35,308
Total non-cash activities	\$ -	\$ -	\$ 231,480	\$ -	\$ 231,480

See accompanying notes to the financial statements.

Alaska Corporation for Affordable Housing		Total June 30, 2023	
\$ 13,608		\$ 36,836	
-		6,487	
11		1,640	
-		(3,158)	
75		-	
(5)		(29,757)	
-		82,945	
(13,131)		(211,083)	
652		(86,271)	
\$ 1,210		\$ (202,361)	
\$ -		\$ 86,967	
-		108,443	
-		762	
-		35,308	
\$ -		\$ 231,480	

NOTE DISCLOSURES INDEX

<u>Footnote Number</u>	<u>Description</u>	<u>Page Number</u>
1	Authorizing Legislation and Funding	22
2	Summary of Significant Accounting Policies	22
3	Cash and Investments	25
4	Interfund Receivable/Payable.....	30
5	Mortgage Loans, Notes and Other Loans	30
6	Insurance Agreements.....	31
7	Leases	31
8	Capital Assets	32
9	Deferred Outflows of Resources	33
10	Bonds Payable.....	33
11	Derivatives	37
12	Other Current Liabilities	40
13	Long Term Liabilities.....	40
14	Short Term Debt	40
15	Deferred Inflows of Resources	40
16	Transfers.....	41
17	Other Credit Arrangements.....	41
18	Yield Restriction and Arbitrage Rebate	42
19	State Authorizations and Commitments	42
20	Housing Grants and Subsidies Expenses	43
21	Pension and Post-Employment Healthcare Plans.....	44
22	Other Commitments and Contingencies.....	51
23	Risk Management.....	51
24	Subscription-based information technology arrangements	51

FOR THE TWELVE MONTHS ENDED JUNE 30, 2023

1 AUTHORIZING LEGISLATION AND FUNDING

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

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

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

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

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

Basis of Accounting

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

Basis of Presentation

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

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

Major Funds and Component Unit

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

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

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

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

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

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

Restricted Net Position

The restricted net position of the Administrative Fund consists of the Corporation's remaining commitments to the State (refer to Footnote No. 19 State Authorizations and Commitments for further details) and resources of the Affordable Housing Development Program. The remaining resources of the Administrative Fund are unrestricted.

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

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

Use of Estimates

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

Investments

All investments are stated at fair value.

Accrued Interest Receivable on Loans and Real Estate Owned

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

Loans and Allowances for Estimated Loan Losses

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

The Corporation provides for possible losses on loans on which foreclosure is anticipated. A potential loss is recorded when the net realizable value, or fair value, of the related collateral or security interest is estimated to be less than the

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

Real Estate Owned

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

Depreciation

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

Bonds

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

Deferred Debt Refunding Expenses

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

Pensions

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

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.

Leases

The standard requires the recognition of right-of-use assets and lease liabilities, and Lease Receivable and Deferred Inflow of Resources, for lease contracts with terms greater than 12 months. The Corporation as a Lessee records the Right of Use Assets and Lease Liability, and as a Lessor records Lease Receivable and Deferred Inflow of Resources, measured at present value of future lease payments and receipts respectively, discounted at Corporation's incremental borrowing rate of 5%. Finance lease costs are recognized in two components, interest expense and amortization expense. As payments are received over the term of the lease, lease revenues are recognized in two components, interest revenue on lease receivable and revenue from amortization of deferred inflow of resources. The adoption of GASB 87 effective July 1, 2021, eliminates the disclosure on direct financing lease previously adopted by the Corporation.

Subscription-Based Information Technology Arrangements

As of July 1, 2022, the Corporation adopted GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs). The implementation of this standard establishes that a SBITA results in a right to use subscription IT asset - an intangible asset - and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The Statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as outflows of resources based on the payment provisions of the contract. During fiscal year 2023, the Corporation does not have any subscription that match the criteria described in this statement.

Derivative Instruments-Interest Rate Swaps

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

Operating Revenues and Expenses

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

Income Taxes

The Corporation is exempt from federal and state income taxes.

3 CASH AND INVESTMENTS

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

	June 30, 2023
Restricted cash	\$ 61,244
Unrestricted cash	18,961
Carrying amount	80,205
Bank balance	\$ 80,495

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, 2023
Securities of U.S. Government agencies and corporations	\$ 3,500	\$ 9,928	\$ -	\$ -	\$ 13,428
Commercial paper & medium-term notes	597,128	-	-	-	597,128
Corporate Certificates of Deposit	16,502	-	-	-	16,502
Guaranteed Investment Contracts	-	10,000	12,163	-	22,163
Money market funds	134,042	-	-	-	134,042
Total not including GeFONSI	\$ 751,172	\$ 19,928	\$ 12,163	\$ -	\$ 783,263
GeFONSI pool					1,533
Total AHFC Investment Portfolio					\$ 784,796

Restricted Investments

A large portion of the Corporation's investments, \$286,876,400, is restricted by bond resolutions, contractual agreements, and statutory agreements, and the remainder, \$497,919,600, is unrestricted.

Realized Gains and Losses

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

Original Amount	June 30, 2023
Ending unrealized holding gain	\$ 5,644
Beginning unrealized holding gain	2,496
Net change in unrealized holding gain	3,148
Net realized gain (loss)	10
Net increase (decrease) in fair value	\$ 3,158

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 (MMF) rated at least "AAm" by S&P or "Aa-mf" by Moody's or "AAMmf" by Fitch;

- Banker's acceptances and negotiable certificates of deposit of any bank, the unsecured short-term obligations of which are rated at least "A-1" by S&P or "P-1" by Moody's or "F-1" by Fitch and which is incorporated under the laws of the United States of America or any state thereof and subject to supervision and examination by federal or state banking authorities, or which is a foreign bank with a branch or agency licensed under the laws of the United States of America or any state thereof and subject to supervision and examination by federal or state banking authorities, or which is a foreign bank having a long-term issuer rating of at least "AA" from S&P or "Aa2" from Moody's or "AA" from Fitch;
- Commercial paper, including asset-backed commercial paper, rated at least "A-1" by S&P or "P-1" by Moody's or "F1" by Fitch;
- Repurchase agreements ("repos") where: the counterparty is designated as a primary dealer by the Federal Reserve and has a long-term debt rating of at least "A" by S&P or "A" by Moody's or "A" by Fitch or a short-term rating of at least "A-1" by S&P or "P-1" by Moody's or "F-1" by Fitch; collateral is pledged at a minimum level of 102%, valued on a daily basis with a one-business-day cure period; the term of such repurchase agreement is one week or less; a third-party custodian acting as the Corporation's agent has possession of the collateral and holds such collateral in the Corporation's name; the agreement is evidenced by standard documents published by the Securities Industry and Financial Markets Association ("SIFMA"); and the securities to be repurchased are obligations backed by the full faith and credit of the United States or obligations of U.S. government-sponsored enterprises and federal agencies not backed by the full faith and credit of the United States or obligations of the World Bank rated at least "AA" by S&P or "Aa2" by Moody's or "AA" by Fitch if maturing in excess of one year or "A-1" by S&P or "P-1" by Moody's or "F1" by Fitch if maturing in one year or less;
- Guaranteed investment contracts with a financial institution having outstanding unsecured long-term obligations rated, or an investment agreement rating of, at least "AA" by S&P or "Aa2" by Moody's or "AA" by Fitch, or, if the term is one year or less, at least "A-1" by S&P or "P-1" by Moody's or "F-1" by Fitch;
- Fixed and floating-rate notes and bonds, other than commercial paper, issued by corporate or municipal obligors and rated at least "AA" by S&P or "Aa2" by Moody's or "AA" by Fitch if maturing in excess of one year, or at least "A-1" by S&P or "P-1" by Moody's or "F1" by Fitch if maturing, or with a provision for investor withdrawal or put at par, in one year or less;
- Asset-backed securities, other than asset-backed commercial paper, rated at least "AA+" by S&P or "Aa1" by Moody's or "AA+" by Fitch; and
- Investment pools managed by the State of Alaska, including the General Fund and Other Non-Segregated Investments ("GeFONSI") pool.

Credit Risk

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

The credit quality ratings of the Corporation's investments as of June 30, 2023, 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, Commercial paper, medium-term notes, Guaranteed Investment Contracts & Certificates of Deposit:	AA+	Aaa	\$ 10,928
	AA+	Aa3	12,163
	AA-	Aa2	10,000
	A-1+	A-1+	15,350
	A-1+	P-1	132,638
	A+	A1	799
	A	A2	464
	A-1	P-1	319,789
	A-1	P-2	14,989
	A-1	NA	11,049
	A-2	P-1	56,487
	A-2	P-2	33,926
	NA	P-2	30,637
Money market funds:	Aaa-mf	AAAmf	134,042
			<u>\$ 783,263</u>

Concentration Risk

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

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

Investment Holdings Greater than Five Percent of Total Portfolio

The following investment holdings, summarized by issuer, include both investments that are governed by the maximum concentration limits of the Corporation's Fiscal Policies and trusted investments which have no established concentration limits. As of June 30, 2023, 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	Investment Category
Invesco Ltd.	\$ 103,279	13.22%	MMF

Custodial Credit Risk

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

None of the Corporation's \$80,495,000 bank balance at June 30, 2023, was uninsured and uncollateralized.

Interest Rate Risk

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

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

Modified Duration

Modified duration estimates the sensitivity of an investment to interest rate changes. The following table shows the Corporation's trusted and non-trusted investments (in thousands, net of GeFONSI holdings) with their modified duration as of June 30, 2023, in thousands:

Issuer	Investment Fair Value	Modified Duration
Securities of U.S. Government agencies and corporations:		
Federal agency pass through securities	\$ 13,428	1.832
Certificate of Deposit	16,502	0.439
Commercial paper & medium-term notes:		
Commercial paper discounts	595,865	0.374
Medium-term notes	1,263	0.631
Guaranteed Investment Contracts	22,163	5.360
Money market funds	134,042	0.000
Portfolio modified duration	<u>\$ 783,263</u>	0.477

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 Annual Comprehensive Financial Report (ACFR) 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 was \$1,533,000 as of June 30, 2023.

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, 2023, 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		\$ -	\$ 14,466	\$ -	\$ 2,616	\$ 112
Grant Programs		68,088	-	-	-	1,423
Mortgage or Bond Programs		31,467	-	-	-	-
Other Funds or Programs		539	-	-	-	-
Total		\$ 100,094	\$ 14,466	\$ -	\$ 2,616	\$ 1,535
						\$ 118,711

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

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

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

5 MORTGAGE LOANS, NOTES AND OTHER LOANS

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

	June 30, 2023
Mortgage loans	\$ 2,802,245
Multifamily loans	392,042
Other notes receivable	75,783
	3,270,070
Less:	
Allowance for losses	(40,827)
Net Mortgages, Notes & Other	\$ 3,229,243

Of the \$3,270,070,000 mortgage loans, notes, and other loans, \$97,437,000 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 \$27,291,000. Included in the allowance for losses is \$1,143,000 for ACAH's notes receivable bringing ACAH's net notes receivable to \$26,148,000.

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

	June 30, 2023
Loans Delinquent 30 days or more	\$ 92,748
Foreclosures during reporting period	4,169
Loans in foreclosure process	8,304
<u>Mortgage-related commitments:</u>	
To purchase mortgage loans	\$ 152,125

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 LEASES

GASB 87

The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Lease Liability

As of June 30, 2023, Current Lease Liability of \$101,000 and Long term Lease Liability of \$1,314,000, total of \$1,415,000 Lease Liability, and Right-of-Use Asset of \$1,657,000, were recognized by the Corporation. The Corporation as a Lessee records the Right-of-Use Asset and Lease Liability at present value of future lease payments discounted at weighted-average discount rate based on the Corporation's incremental borrowing rate of 5% subject to reexamination on annual basis. The adoption of the new standard did not materially affect the Corporation's Statements of Operations or Statements of Cash Flows.

The Corporation leases certain office facilities and equipment for various terms under long-term, non-cancelable operating lease agreements. The leases expire at various dates through 2041 and provide for renewal options ranging from one year to five years. The Corporation included in the determination of the right-of-use asset and lease liabilities any renewal options when the options are reasonably certain to be exercised. The leases provide for increases in future minimum annual rental payments based on lease agreements subject to certain minimum increases. As of June 30, 2023, the Corporation recognized a total amount of lease assets of \$1,657,000 and its related accumulated amortization of \$261,000.

Remaining obligations associated with these leases are as follows (in thousands):

Date	Interest Due	Principal Due
6/30/2024	\$ 117	\$ 107
6/30/2025	85	78
6/30/2026	65	64
6/30/2027	59	67
6/30/2028	56	69
2029 and thereafter	\$ 386	\$ 1,030

Lease Receivable

The Corporation receives lease payments from leasing certain properties to a local charitable organization in the form of a monthly utility offset payment. The lease term commenced on April 1, 2009 through June 30, 2019. The Corporation opted to renew an additional 10 year period, which terminates this lease in March 2029. As of June 30, 2023, the Corporation recognized a Lease Receivable from this lease of \$83,000 measured at present value of future lease receivable expected to be received during the lease term discounted at 5% incremental borrowing rate.

ACAH receives lease payments from leasing various properties in Anchorage, Wasilla, and Fairbanks in the form of monthly and annual payments. The lease terms expire at various dates through 2078 and provide for renewal options of one year. As of June 30, 2023, ACAH recognized a Lease Receivable of \$3,373,000 measured at the present value of future lease receivable expected to be received during the lease term discounted at the 5% incremental borrowing rate.

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.

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.

As of June 30, 2023, the Corporation recognized valuation of Lease Receivable of \$15,356,000 measured based on discounted future lease at Corporation's incremental borrowing rate of 5%, subject to reexamination on annual basis. The following table lists the components of the Lease Receivable and shows the future minimum payments under the lease for the next five years and thereafter (in thousands):

Future Minimum Payments Due	
Twelve Months Ending June 30,	Parking Garage
2024	\$ 3,304
2025	3,304
2026	3,304
2027	3,304
Thereafter	3,301
Gross payments due	16,517
Less: Unearned revenue	(1,161)
Net Lease Receivable	<u>\$ 15,356</u>

8 CAPITAL ASSETS

Capital assets activity for the twelve months ended June 30, 2023, and a summary of balances is shown below (in thousands):

Issuer	June 30, 2022	Additions	Reductions	June 30, 2023
Non-Depreciable Capital Assets:				
Land	\$ 20,742	\$ -	\$ -	\$ 20,742
Construction in progress	63	1,855	1,918	-
Total Non-Depreciable	20,805	1,855	(1,918)	20,742
Depreciable Capital Assets:				
Buildings	243,570	1,918	-	245,488
Computers & Equipment	3,518	181	-	3,699
Vehicles	2,679	695	-	3,333
Less: Accumulated depreciation				
Buildings	(190,093)	(5,898)	-	(195,991)
Computers & Equipment	(3,131)	(215)	-	(3,346)
Vehicles	(2,190)	(234)	41	(2,383)
Total Depreciable, Net	54,353	(3,553)	-	50,800
Total Capital Assets, Net	\$ 75,158	\$ (1,698)	\$ (1,918)	\$ 71,542

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

Depreciation expense charged by the Corporation was \$6,347,000 for the twelve months ended June 30, 2023.

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 \$12,428,000 at June 30, 2023.

In 2017, the State exercised the option to purchase the Atwood Office Building and associated land, identified as Block 79, for \$1. The Atwood Office Building was leased to the State of Alaska as part of the Corporation's State Building Lease Program. 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, with a net book value of zero in the Other Non-Current Assets section of the financial statements, pending potential future transfers.

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, 2023, were interest rate swap derivatives of \$39,013,000, deferred debt refunding expense of \$25,103,000, pension deferred outflows of \$3,511,000, and other post-employment benefits deferred outflows of \$3,926,000, for a total of \$71,553,000.

10 BONDS PAYABLE

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

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

Bonds outstanding as of June 30, 2023, are shown on the next three pages (in thousands):

	Original Amount	June 30, 2023
Housing Bonds:		
<i>Home Mortgage Revenue Bonds, Tax-Exempt:</i>		
• 2002 Series A; Floating Rate*; 3.80% at June 30, 2023, due 2032-2036	\$ 170,000	\$ 26,260
Unamortized swap termination penalty		(967)
• 2007 Series A; Floating Rate*; 3.95% at June 30, 2023, due 2023-2041	75,000	63,360
• 2007 Series B; Floating Rate*; 4.00% at June 30, 2023, due 2023-2041	75,000	63,360
• 2007 Series D; Floating Rate*; 3.96% at June 30, 2023, due 2023-2041	89,370	75,480
• 2009 Series A; Floating Rate*; 3.96% at June 30, 2023, due 2023-2040	80,880	72,500
• 2009 Series B; Floating Rate*; 3.96% at June 30, 2023, due 2023-2040	80,880	72,500
• 2009 Series D; Floating Rate*; 3.95% at June 30, 2023, due 2023-2040	80,870	72,495
Total Home Mortgage Revenue Bonds	652,000	444,988
<i>Collateralized Bonds (Veterans Mortgage Program), Tax-Exempt:</i>		
• 2016 First and Second Series; 1.50% to 2.90%, due 2023-2037	50,000	26,035
• 2019 First and Second Series; 1.95% to 4.00%, due 2023-2048	60,000	15,310
Unamortized premium		448
Total Collateralized Bonds (Veterans Mortgage Program)	110,000	41,793

	Original Amount	June 30, 2023
General Mortgage Revenue Bonds II, Tax-Exempt:		
• 2016 Series A; 1.75%-3.50%, due 2023-2046	100,000	40,500
Unamortized premium		181
• 2018 Series A; 2.40%-4.00%, due 2023-2048	109,260	28,995
Unamortized premium		908
• 2018 Series B; 5.00%, due 2031	58,520	28,465
Unamortized premium		3,090
• 2019 Series A; 1.45%-3.75%, due 2023-2044	136,700	88,185
Unamortized premium		1,046
• 2019 Series B; 5.00%, due 2030-2033	24,985	19,985
Unamortized premium		3,475
• 2020 Series A; 0.55%-3.25%, due 2023-2044	135,170	109,975
Unamortized premium		2,993
• 2020 Series B; 2.00%-5.00%, due 2030-2035	74,675	74,675
Unamortized premium		10,283
• 2022 Series A; 0.35%-3.00%, due 2023-2051	39,065	36,380
Unamortized premium		1,021
• 2022 Series B; 1.65%-5.00%, due 2030-2036	83,730	83,730
Unamortized premium		13,828
• 2022 Series C; 2.55%-5.75%, due 2023-2052	87,965	87,650
Unamortized premium		2,487
Total General Mortgage Revenue Bonds II, Tax-Exempt	850,070	637,852
Governmental Purpose Bonds, Tax-Exempt:		
• 2001 Series A; Floating Rate*; 3.95% at June 30, 2023, due 2023-2030	76,580	28,640
Unamortized swap termination penalty		(1,790)
• 2001 Series B; Floating Rate*; 3.95% at June 30, 2023, due 2023-2030	93,590	34,995
Total Governmental Purpose Bonds	170,170	61,845
Total Housing Bonds	1,782,240	1,186,478

	Original Amount	June 30, 2023
Non-Housing Bonds:		
State Capital Project Bonds II, Tax-Exempt:		
• 2014 Series A; 4.00% to 5.00%, due 2023-2033	95,115	3,105
Unamortized premium		21
• 2014 Series B; 5.00%, due 2023-2029	29,285	2,140
Unamortized premium		28
• 2014 Series D; 5.00%, due 2023-2029	78,105	11,435
Unamortized premium		232
• 2015 Series A; 4.00% to 5.00%, due 2023-2030	111,535	16,635
Unamortized premium		505
• 2015 Series B; 3.38% to 5.00%, due 2023-2036	93,365	38,460
Unamortized discount		(101)
Unamortized premium		269
• 2015 Series C; 5.00%, due 2024-2035	55,620	8,395
Unamortized premium		275
• 2017 Series A; 4.00% to 5.00%, due 2023-2032	143,955	113,220
Unamortized premium		8,481
• 2017 Series C; 5.00%, due 2024-2032	43,855	43,855
Unamortized premium		3,291
• 2018 Series B; 3.13% to 5.00%, due 2023-2038	35,570	30,220
Unamortized discount		(53)
Unamortized premium		2,334
• 2019 Series B; 4.00% to 5.00%, due 2023-2039	60,000	53,140
Unamortized premium		6,618
• 2021 Series A; 3.00% to 5.00%, due 2023-2030	90,420	90,420
Unamortized premium		13,588
• 2022 Series B; 4.00% to 5.00%, due 2023-2037	97,700	92,695
Unamortized discount		(37)
Unamortized premium		7,654
Total State Capital Project Bonds II, Tax-Exempt	934,525	546,825
State Capital Project Bonds II, Taxable:		
• 2017 Series B; Floating Rate*; 5.15% at June 30, 2023, due 2047	150,000	90,000
• 2018 Series A; Floating Rate*; 5.13% at June 30, 2023, due 2031-2043	90,000	90,000
• 2019 Series A; Floating Rate*; 5.10% at June 30, 2023, due 2033-2044	140,000	140,000
• 2020 Series A; 0.85% to 2.18%, due 2023-2033	96,665	93,980
• 2022 Series A; Floating Rate*; 5.13% at June 30, 2023, due 2037-2052	200,000	200,000
Total State Capital Project Bonds II, Taxable	676,665	613,980
Total Non-Housing Bonds	1,611,190	1,160,805
Total Bonds Payable	\$ 3,393,430	\$ 2,347,283

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.

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	\$ 1,654,794	\$ 97,845	\$ -	\$ 1,752,639
Non-Housing	-	-	15,356	15,356
Total	\$ 1,654,794	\$ 97,845	\$ 15,356	\$ 1,767,995

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, 2023, the Corporation made special redemptions in the amount of \$20,955,000.

Bond Defeasances

There were no new bond defeasances in fiscal year 2023. A summary of all defeased debt from prior two fiscal years, as of June 30, 2023, follows (in thousands):

	Month Defeased	June 30, 2023
State Capital Project Bonds II, 2014 Series A	October 2020	\$ 35,200
State Capital Project Bonds II, 2014 Series A	June 2021	18,250
State Capital Project Bonds II, 2014 Series B	June 2021	13,860
State Capital Project Bonds II, 2014 Series D	June 2021	39,980
State Capital Project Bonds II, 2015 Series A	June 2021	23,200
State Capital Project Bonds II, 2015 Series B	June 2021	21,495
State Capital Project Bonds II, 2015 Series C	June 2021	31,045
State Capital Project Bonds II, 2015 Series A	December 2021	31,580
State Capital Project Bonds II, 2015 Series B	December 2021	8,450
		<u>\$ 223,060</u>

Debt Service Requirements**

For all bonds in the preceding schedules, excluding any defeased bonds, the Corporation's annual debt service requirements through 2028, and in five year increments thereafter to maturity, are shown below (in thousands):

Twelve Months Ending June 30	Housing Bond Debt Service		Non-Housing Bond Debt Service		Total Debt Service		
	Principal	Interest*	Principal	Interest*	Principal	Interest*	Total
2024	\$ 41,415	\$ 40,133	\$ 59,140	\$ 49,060	\$ 100,555	\$ 89,193	\$ 189,748
2025	42,950	38,925	58,345	46,169	101,295	85,094	186,389
2026	46,005	37,687	45,425	43,660	91,430	81,347	172,777
2027	47,055	36,331	48,075	41,564	95,130	77,895	173,025
2028	44,830	34,924	46,565	39,304	91,395	74,228	165,623
29-33	389,685	143,709	276,315	170,673	666,000	314,382	980,382
34-38	285,930	73,255	161,785	129,624	447,715	202,879	650,594
39-43	172,110	32,058	178,730	88,988	350,840	121,046	471,886
44-48	51,520	13,198	186,285	47,155	237,805	60,353	298,158
49-53	27,975	3,271	57,035	6,726	85,010	9,997	95,007
	<u>\$ 1,149,475</u>	<u>\$ 453,491</u>	<u>\$ 1,117,700</u>	<u>\$ 662,923</u>	<u>\$ 2,267,175</u>	<u>\$ 1,116,414</u>	<u>\$ 3,383,589</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, 2023.

** Also see Note 11 – Derivatives.

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.

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, 2023, follows (in thousands):

	Maximum Issue Amount	Balance as of June 30, 2023	Remaining Authority as of June 30, 2023
Revenue Bonds, 2023 (Brewsters MT View 21)	\$ 5,500	\$ 50	\$ 5,450
Revenue Bonds, 2023 (ACAH Fairbanks Project)	13,000	5,541	7,459
Revenue Bonds, 2021 (Little Dipper Project)	4,372	4,372	-
Revenue Bonds, 2020 (Old Mat Phase 1 Project)	3,800	1,771	2,029
Total	<u>\$ 26,672</u>	<u>\$ 11,734</u>	<u>\$ 14,938</u>

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, 2023, the Corporation had not posted any collateral and was not required to post any collateral.

Hedging Derivatives

The significant terms and credit ratings of the Corporation's hedging derivatives as of June 30, 2023, are shown below:

Related Bond Issue	Effective Date	Fixed Rate Paid	Variable Rate Received	Swap Termination Date	Counterparty Credit Rating ⁶
GP01B ¹	08/02/01	4.1127%	67% of 1M LIBOR ⁴	12/01/30	A+/Aa2
E021A ¹²	10/09/08	2.9800%	70% of 3M LIBOR ⁵	06/01/32	AA-/Aa2
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
SC19A ³	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 (I/II)

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

5. London Interbank Offered Rate 3 month

6. Standard & Poor's/Moody's

The change in fair value and ending balance of the hedging derivatives as of June 30, 2023, 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 Value		Change in Fair Value
			June 30, 2023	June 30, 2022	
GP01A	\$ -	\$ -	\$ -	\$ (731)	\$ 731
GP01B	34,995	36,777	(1,782)	(3,707)	1,925
E021A	26,260	26,395	(135)	(1,276)	1,141
E071A1	121,320	132,260	(10,940)	(18,802)	7,862
E071A2	80,880	88,159	(7,279)	(12,526)	5,247
E091A1	65,249	70,928	(5,679)	(10,009)	4,330
E091A2	65,249	70,928	(5,679)	(9,833)	4,154
E091A3	86,997	94,516	(7,519)	(13,040)	5,525
SC19A ³	140,000	135,085	4,915	(3,522)	8,437
	\$ 620,950	\$ 655,048	\$ (34,098)	\$ (73,446)	\$ 39,348

As of June 30, 2023, debt service requirements of the Corporation's outstanding variable-rate debt and net swap payments are displayed in the following schedule (in thousands). As interest rates vary, variable-rate bond interest payments and net swap payments will also vary.

Fiscal Year Ending June30	VRDO Principal	VRDO Interest	Swap Net Payments	Total Payments
2024	\$ 21,405	\$ 26,008	\$ (3,449)	\$ 44,044
2025	22,440	25,164	(3,421)	44,183
2026	23,495	24,295	(3,403)	44,387
2027	24,630	23,358	(3,383)	44,605
2028	25,820	22,415	(3,370)	44,865
2029-2033	271,075	70,645	(6,459)	335,261
2034-2038	134,850	34,514	(1,232)	168,132
2039-2043	97,235	6,998	(254)	103,979
	<u>\$ 620,950</u>	<u>\$ 233,477</u>	<u>\$ (24,971)</u>	<u>\$ 829,456</u>

Credit Risk

As of June 30, 2023, the Corporation was exposed to credit risk on its State Capital Project Bonds 2019 Series A, to the extent of the swap's fair value of \$4,915,000, due to the value turning positive because of the increase in interest rates. The Corporation was not exposed to a credit risk on the rest of the swaps because these swaps all have negative fair values, or fair values equal to the notional amount. 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 five separate counterparties. Approximately 34.3% of the total notional amount of the swaps is held with one counterparty rated "AA-/Aa2". Another 27.0% of the total notional amount of the swaps is held with another counterparty rated "A+/Aa1," and 22.5% of the total notional amount of the swaps is held with another counterparty rated "AA-/Aa2." Of the remaining swaps, the counterparties are rated "A+/Aa1" and "A+/Aa2", approximating 10.5% and 5.6% 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

The Corporation is exposed to basis risk when the variable payment received on an interest rate swap is based on an index that differs from the index on which the Corporation's variable-rate payment to its bondholders is based. In such instance, the float payment received from the swap counterparty may not fully offset the variable rate paid on the bonds.

As of June 30, 2023, the Corporation's interest rate swaps were based on the LIBOR index, while its variable rate bonds were based on SIFMA or some other non-LIBOR index.

The relative ratios among such indices have fluctuated since the Corporation's swap agreements became effective and will continue to do so in response to then-current market conditions.

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.

12 OTHER CURRENT LIABILITIES

Other Current Liabilities as of June 30, 2023, are composed of the accounts and balances as follows (in thousands):

Other Current Liabilities	June 30, 2023
Accounts Payable	\$ 7,424
Accrued Payroll	7,389
Lease Liability	101
Other Miscellaneous Liabilities	805
Service Fees Payables	915
Unearned Grant Revenue	95,399
Total	<u>\$ 112,033</u>

13 LONG TERM LIABILITIES

The activity for the twelve months ended June 30, 2023, is summarized in the following schedule (in thousands):

	June 30, 2022	Additions	Reductions	June 30, 2023	Due Within One Year
Total bonds and notes payable	\$ 2,277,492	\$ 197,246	\$ (127,455)	\$ 2,347,283	\$ 100,555
Net Pension liability	28,727	6,559	-	35,286	-
Compensated absences	3,214	2,677	(2,820)	3,071	1,870
Other liabilities	-	1,708	(72)	1,636	101
Total long-term liabilities	<u>\$ 2,309,433</u>	<u>\$ 208,190</u>	<u>\$ (130,347)</u>	<u>\$ 2,387,276</u>	<u>\$ 102,526</u>

14 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, 2023, was 1.25% and the highest, 5.30%.

Short term debt activity for the twelve months ended June 30, 2023, is summarized in the following schedule (in thousands):

	June 30, 2022	Additions	Reductions	June 30, 2023
Commercial paper	\$ 149,810	\$ 564,970	\$ (585,138)	\$ 129,642
Unamortized discount	(39)	(4,478)	3,351	(1,166)
Commercial paper, net	<u>\$ 149,771</u>	<u>\$ 560,492</u>	<u>\$ (581,787)</u>	<u>\$ 128,476</u>

15 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. At June 30, 2023, AHFC recognized combined total deferred inflows of \$23,369,000 as follows:

- Other Post-Employment Benefits ("OPEB")-related deferred inflows totaled \$1,180,000, consisting of the sum of a) the difference of actuarial benefit assumptions vs. actual benefit experience (\$203,000), b) the net effect of changes in actuarial assumptions (\$955,000) and c) changes in proportional contribution levels among participating employers (\$22,000).
- Lease-related deferred inflows totaled \$17,275,000, including one or more leases with local charitable organizations (\$74,000) and/or with the Corporation's affordable housing subsidiary, the Alaska Corporation for Affordable Housing (\$3,262,000), and Pacillo Garage (\$13,939,000).
- Derivatives-related deferred inflows totaled \$4,914,000.

16 TRANSFERS

Transfers for the twelve months ended June 30, 2023, 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	
Administrative Fund	\$ -	\$ -	\$ 479,694	\$ 10,738	\$ -	\$ 490,432
Grant Programs	19,918	-	-	-	-	19,918
Mortgage or Bond Programs	464,714	-	-	-	-	464,714
Other Funds or Programs	13,699	-	-	-	-	13,699
Alaska Corporation for Affordable Housing	75	-	-	-	-	75
Total	\$ 498,406	\$ -	\$ 479,694	\$ 10,738	\$ -	\$ 988,838

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.

17 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. In June 2022, the Corporation entered into a direct-pay letter of credit ("D-LOC") which guarantees the purchase of unremarketed tenders and the payment of regular debt service with respect to the Corporation's \$200 million State Capital Project Bonds II, 2022 Series A. Also in June 2022, the Corporation entered into a \$200 million standby LOC ("S-LOC") to further secure debt issued under the Corporation's State Capital Project Bonds II indenture and its Commercial Paper Notes program.

At June 30, 2023, the Corporation had the following available unused credit lines (in thousands):

	Credit Type	Counterparty Short-Term Ratings		Available Unused Lines of Credit
		S&P	Moody's	
2002 Series A Home Mortgage Revenue Bonds	SBPA	A-1+	P-1	\$ 26,260
2007 Series A, B, D Home Mortgage Revenue Bonds	SBPA	A-1+	P-1	202,200
2009 Series A Home Mortgage Revenue Bonds	SBPA	A-1	P-1	72,500
2009 Series B Home Mortgage Revenue Bonds	SBPA	A-1	P-1	72,500
2009 Series D Home Mortgage Revenue Bonds	SBPA	A-1+	P-1	72,495
2001 Series A & B Governmental Purpose Bonds	SBPA	A-1+	P-1	63,635
2022 State Capital Project Bonds II	D-LOC	A-1	P-1	200,000
State Capital Project Bonds II & Commercial Paper	S-LOC	A-1	P-1	200,000
Total				\$ 909,590

18 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. As of June 30, 2023, no rebate liability exists and no rebate payments are due to the Internal Revenue Service.

19 STATE AUTHORIZATIONS AND COMMITMENTS

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

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

The projected amounts stated in the legislative intent language were based on the Corporation's financial operating plan and represent the total amount of anticipated State transfers and capital expenditures rather than projected "net income". The following table shows the cumulative total of all dividends due and payable to the State since 1991, and the remaining commitment as of June 30, 2023, (in thousands).

	Dividend Due to State	Expenditures	Remaining Commitments
State General Fund Transfers	\$ 799,514	\$ (789,880)	\$ 9,634
State Capital Projects Debt Service	507,037	(503,292)	3,745
State of Alaska Capital Projects	294,915	(260,699)	34,216
AHFC Capital Projects	592,842	(541,762)	51,080
Total	\$ 2,194,308	\$ (2,095,633)	\$ 98,675

Transfer Plan with the State

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

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

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

The Twenty-Third Legislature in 2003 enacted SCS HB 256 (the "2003 Act") which added language to the Alaska Statutes to modify and incorporate the Transfer Plan. The Corporation and the State view the 2003 Act as an indefinite, sustainable continuation of the Transfer Plan. As approved and signed into law by the Governor and modified by the

Twenty-Fourth Legislature in 2006 with SB 236, the 2003 Transfer Plan calls for annual transfers that will not exceed the lesser of 75% of the adjusted change in net position for the fiscal year two years prior to the current fiscal year or \$103,000,000 less debt service on certain State Capital Project Bonds, less any legislative appropriation of the Corporation's unrestricted, unencumbered funds other than appropriations of the Corporation's operating budget.

20 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, 2023
Beneficiaries and Special Needs Housing	\$ 1,879
Competitive Grants for Public Housing	63
Continuum of Care Homeless Assistance	1,991
COVID-19 American Rescue Plan Act - Homeless Assistance	20,683
COVID-19 American Rescue Plan Act - Homeowner Assistance	34,728
COVID-19 American Rescue Plan Act - Rental Assistance	75
COVID-19 Consolidated Appropriation Act - Rental Assistance	6,922
COVID-19 American Rescue Plan Act	38
Domestic Violence	1,312
Discharge Incentive grant	292
Emergency Housing Vouchers (EHV)	555
Emergency Shelter Grant (ESG)	719
Energy Efficiency Monitoring Research	721
Energy Efficient Weatherization	501
Foster Youth to Independence	100
HOME Investment Partnership	7,366
Homeless Assistance Program (HAP)	8,272
Housing Choice Vouchers	29,392
Housing Choice Voucher - Mainstream	399
Housing Grants - Other Agencies	6
Housing Loan Program	1,440
Housing Opportunities for Persons with AIDS	584
Housing Trust Fund	6,293
Low Income Weatherization Assistance	3,282
Low Income Home Energy Assistance	2,169
Energy Residential Program	20
Neighborhood Stabilization Program	902
Non-Elderly Disabled (NED)	283
Parolees (TBRA)	269
Section 811 Rental Housing Assistance	495
Section 8 Rehabilitation	523
Senior Citizen Housing Development Grant	1,464
Supplemental Housing Grant	1,579
Veterans Affairs Supportive Housing	2,339
Victims of Human Trafficking	243
Youth (TBRA)	115
Total Housing Grants and Subsidies Expenses	\$ 138,014

A sum of \$13,000,000, from the Corporation's Moving to Work (MTW) Demonstration Program reserves in HUD, were transferred to ACAH to assist in funding the Fairbanks Affordable Housing Project, a multifamily housing project. ACAH advanced these funds to Fairbanks Affordable Housing, LLC in the form of a loan agreement, payable on earliest date or September 1, 2079. Interest and principal are payable at the interest rate of 3.14% annually.

In addition to grant payments made, the Corporation advanced grant funds of \$11,381,000, and committed to third parties a sum of \$67,621,000 in grant awards, as of June 30, 2023.

21 PENSION AND POST-EMPLOYMENT HEALTHCARE PLANS

Description of Plans

As of June 30, 2023, all regular employees of the Corporation who work more than fifteen hours per week participate in the Alaska Public Employees' Retirement System ("PERS"). PERS administers the State of Alaska Public Employees' Retirement System Defined Benefit Retirement Plan, which includes both pension and post-employment healthcare plans for all employees hired prior to July 1, 2006. The defined benefit plan was an agent multiple-employer, statewide plan until July 1, 2008, when Senate Bill 125 converted the plan to a multiple-employer cost-sharing plan.

PERS also administers the State of Alaska Public Employees' Retirement System Defined Contribution Retirement Plan, which includes both pension and post-employment healthcare plans for all employees hired on or after July 1, 2006.

PERS is administered by the State. Benefits and contributions provisions are established by Chapter 35 of Alaska Statute Title 39, and may be amended only by state legislature. Amendments do not affect existing employees.

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

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

Employee Benefits:

Employees hired prior to July 1, 1986, with five or more years of credited service are entitled to annual pension benefits beginning at normal retirement age 55 or early retirement age 50. The normal pension benefit is equal to 2% of the member's three-year highest average monthly compensation for the first ten years of service and for all service prior to July 1, 1986, 2¼% for the second ten years of service and 2½% for all remaining years of service. Employees with 30 or more years of credited service may retire at any age and receive a normal benefit. The plan pays the retiree medical plan premium and provides death and disability benefits.

Employees hired between July 1, 1986, and June 30, 1996, with five or more years of credited service are entitled to annual pension benefits beginning at normal retirement age 60 or early retirement age 55. The normal pension benefit is equal to 2% of the member's three-year highest average monthly compensation for the first ten years of service, 2¼% for the second ten years of service and 2½% for all remaining years of service. Employees with 30 or more years of credited service may retire at any age and receive a normal benefit. The plan does not pay the retiree medical plan premium for retirees under the age of 60 unless the retiree has 30 years of credited service. The employee may elect to pay the full premium cost for medical coverage.

Employees hired between July 1, 1996, and June 30, 2006, with five or more years of credited service are entitled to annual pension benefits beginning at normal retirement age 60 or early retirement age 55. The normal pension benefit is equal to 2% of the member's five-year highest average monthly compensation for the first ten years of service, 2¼% for the second ten years of service and 2½% for all remaining years of service. Employees with 30 or more years of credited service may retire at any age and receive a normal benefit. The plan does not pay the retiree medical plan premium for retirees with less than 10 years of service at age 60. The employee may elect to pay the full premium cost for medical coverage.

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

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

Funding Policy:

Under State law, covered employees are required to contribute 6.75% of their annual covered salary to the pension plan and are not required to contribute to the post-employment healthcare plan.

Under State law, the Corporation is required to contribute 22.00% of annual covered salary. For fiscal year 2023, 22.00% of covered salary is for the pension plan and 0% is for the post-employment healthcare plan.

Under AS39.35.255, the State funds 2.79%, the difference between the actuarial required contribution of 24.79% for fiscal year 2023 and the employer rate of 22.00%.

The Corporation's contributions to the Defined Benefit pension plan for the twelve months ended June 30, 2023, totaled \$1,740,000.

Pension Liability:

For the year ended June 30, 2023, the Corporation reported a liability for its proportionate share of net pension liability of \$35,286,000. This amount reflected State pension support provided to the Corporation of \$9,767,000. The total net pension liability associated with the Corporation was \$45,053,000.

The net pension liability for the June 30, 2022 measurement date, and the total pension liability used to calculate the new pension liability was determined by an actuarial valuation as of June 30, 2021, and rolled forward to June 30, 2022.

Pension Income:

For the year ended June 30, 2023, the Corporation recognized pension income of \$1,152,000 and revenue of \$604,000 for support provided by the State.

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

For the year ended June 30, 2023, the Corporation's deferred outflows of resources related to pension expense of \$3,511,000 were due to a change in proportion and difference between employer contributions \$1,009,000 and contributions to the pension plan subsequent to the measurement date of \$2,502,000. The Corporation's deferred inflows of resources related to pension is zero.

Contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending June 30, 2024. 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
2024	\$ 2,382	\$ -	\$ 2,382
2025	(307)	-	(307)
2026	(738)	-	(738)
2027	2,174	-	2,174
	<u>\$ 3,511</u>	<u>\$ -</u>	<u>\$ 3,511</u>

Pension Employer Contributions:

In 2023, the Corporation was credited with the following contributions to the PERS plan:

	Measurement Period Corporation FY22	Measurement Period Corporation FY21
Employer PERS contributions	\$ 2,918,000	\$ 2,781,000

Pension and OPEB Actuarial Assumptions:

The total pension and OPEB Liability for the fiscal year ending June 30, 2023, was determined by an actuarial valuation as of June 30, 2021, rolled forward to the measurement date of June 30, 2022. The valuation was prepared assuming an inflation rate of 2.50%. Salary increases were determined by grading by service to range from 6.75% to 2.85%. The investment rate of return was calculated at 7.25%, net of pension and OPEB plan investment expenses, based on an average inflation rate of 2.50% and a real return of 4.75%.

Mortality rates were based on the Pub-2010 General Employee table, amount-weighted, and projected with MP-2021 general improvement.

The long-term expected rate of return on pension and OPEB plans investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension and OPEB plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return, excluding the inflation component of 2.50%, for each major asset class included in the and OPEB plans' target asset allocation are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
Domestic Equity	6.51%
Global Equity (non-U.S.)	5.70%
Aggregate Bonds	0.31%
Opportunistic	0.00%
Real Assets	3.71%
Private Equity	9.61%
Cash Equivalents	(0.50)%

Pension Discount rate:

The discount rate used to measure the total pension liability was 7.25%. 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.

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

The following presents the Corporation's proportionate share of the net pension liability using the discount rate of 7.25% and what it would be if the discount was 1% lower (6.25%) or 1% higher (8.25%), (in thousands).

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Corporation's proportionate share of the net pension liability	\$ 47,502	\$ 35,286	\$ 24,985

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

Employee Benefits:

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

There is no retirement age set, however taxes and penalties may apply if withdrawn prior to age 59 ½. Retirement benefits are equal to the Defined Contribution account balance plus interest. The employee may direct the investment of the account if so desired. The account balance is 100% of the employee's contribution plus 25% of the Corporation's contribution after two years of service, 50% of the Corporation's contribution after three years of service, 75% of the Corporation's contribution after four years of service, and 100% of the Corporation's contribution after 5 years of service. The plan pays a portion of the retiree medical plan premium if the retiree retires directly from the plan and is eligible for Medicare. The portion of premium paid by the plan is determined by years of service.

Funding Policy:

Under State law, covered employees are required to contribute 8% of their annual covered salary to the pension plan and are not required to contribute to the post-employment healthcare plan. Employer contribution rates for the fiscal year 2023 are as follows:

	Other Tier IV
Pension Employer Contribution	5.00%
Occupational Death and Disability Benefits (ODD)	0.30%
Retiree Medical	1.10%
Total OPEB	1.40%
Total Contribution Rates	6.40%

Under State law, the Corporation is required to contribute 22% of annual covered salary. For fiscal year 2023, 6.40% of covered salary is split between 5.00% for the pension plan and 1.40% for the post-employment healthcare plan. Then, to offset additional individual post-employment healthcare cost, an annual flat dollar amount of \$2,237.04,

representing 3% of total annual covered compensation in the Plan for each full-time employee, and \$1.43 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, 2023, the Corporation paid additional contributions of \$1,707,000. All of the contributions were for the defined benefit pension as of June 30, 2023.

The contributions to the pension plan for the twelve months ended June 30, 2023, by the employees totaled \$1,096,000 and by the Corporation totaled \$664,000.

The contributions to Other Post-Employment Benefits (OPEB) plan by the Corporation for the twelve months ended June 30, 2023, totaled \$185,000.

The Corporation contributed \$431,000 to a Health Reimbursement Arrangement for the twelve months ended June 30, 2023.

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

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

The Corporation's contributions to the defined benefit post-employment healthcare plan for the twelve months ended June 30, 2023, were zero dollars, and for the years ended June 30, 2022, and June 30, 2021, totaled \$569,000 and \$706,000, respectively.

OPEB Employer Contribution Rate:

In 2023, the Corporation was credited with the following contributions to the OPEB plan:

	Measurement Period Corporation FY22	Measurement Period Corporation FY21
Employer contributions DB	\$ 585,000	\$ 727,000
Employer contributions DC RM	135,000	143,000
Employer contributions DC ODD	39,000	35,000
Nonemployer contributions (on-behalf)	-	-
Total Contributions	\$ 759,000	\$ 905,000

Changes in Benefit Assumptions Since the Prior Valuation of OPEB:

The actuarial assumptions used in the June 30, 2021 actuarial valuation, were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021. The new assumptions were adopted to better reflect expected future experience and are effective June 30, 2022:

1. For DC RM and PERS Alaska Retiree Healthcare Trust (ARHT) per capita claims costs were updated to reflect recent experience.
2. For all of the plans the amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from plan assets.

OPEB healthcare cost trend rates:

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

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

Key Elements of OPEB formula:

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

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

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

Post-employment healthcare benefits:

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

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

Starting in 2022, prior authorization will be required for certain special medications for all participants, while certain preventive benefits for pre-Medicare participants will now be covered by the plan.

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

For DC RM and DC ODD retirement eligibility: must retire from the plan and have 30 years of service or be eligible for Medicare and have 10 years of service. Once member becomes eligible for Medicare, the required contribution follows a set plan schedule. The plan's coverage is supplemental to Medicare, referred to in the industry as exclusion coordination. Medicare payment is deducted from the Medicare allowable expense and plan parameters are applied to the remaining amount. Starting in 2019, the prescription drug coverage will be through a Medicare Part D Employer Group Waiver Plan (EGWP) arrangement. The 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. Occupational Disability and Death benefit are 40% of salary at date of qualifying event. Medicare exclusion coordination applies to ODD benefits.

OPEB Asset:

For the year ended June 30, 2023, the total net OPEB Asset associated with the Corporation was \$14,102,000 and the total net OPEB Liability associated with the Corporation was zero.

For the year ended June 30, 2023, the Corporation reported an asset for its proportionate share of the net OPEB Asset ("NOA") that reflected an increase 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:

Corporation's proportionate share Net OPEB Asset:	2023
Corporation's proportionate share of NOA – DB	\$ 13,530,000
Corporation's proportionate share of NOA – DC RM	277,000
Corporation's proportionate share of NOA – DC ODD	295,000
Total Net OPEB Asset	\$ 14,102,000

The net OPEB asset was measured as of June 30, 2022, and the total OPEB asset used to calculate the new OPEB asset was determined by an actuarial valuation as of June 30, 2021, and rolled forward to June 30, 2022.

	June 30, 2021 Measurement Date Employer Proportion	June 30, 2022 Measurement Date Employer Proportion	Change
Corporation's proportionate share Net OPEB Asset:			
DB	0.78626%	0.68783%	(0.09843%)
DC RM	0.76797%	0.79810%	0.03013%
DC ODD	0.64746%	0.67357%	0.02611%

Changes in Benefit Provisions Since Prior Valuation of OPEB:

Starting in 2022, prior authorization will be required for certain specialty medications for all participants, and certain preventive benefits for pre-Medicare participants will now be covered by the plan. There have been no other changes in PERS DCR benefit provisions valued since the prior valuation.

OPEB Expense:

For the year ended June 30, 2023, the Corporation recognized a reduction of OPEB expense of \$3,575,000 and no support provided by the State.

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

For the year ended June 30, 2023, 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, 2023	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 2,708	\$ -
Difference between expected and actual experience	14	(203)
Difference between projected and actual investment earnings	817	-
Changes in assumptions	54	(955)
Changes in proportion and differences between employer contributions	333	(22)
Total Deferred Outflows and Deferred Inflows	\$ 3,926	\$ (1,180)

Deferred outflows of resources related to OPEB resulting from contributions of \$2,708,000 reported subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (in thousands):

Year Ended June 30:	Total
2024	\$ 2,118
2025	(330)
2026	(674)
2027	1,772
2028	(63)
Thereafter	(77)
	\$ (2,746)

OPEB Discount rate:

The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that the Corporation and non-employer State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability in accordance with the method prescribed by GASB Statement No. 74.

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

The following presents the Corporation's proportionate share of the net OPEB asset using the discount rate of 7.25% and what it would be if the discount was 1-percentage-point (6.25%) lower or 1-percentage-point higher (8.25%), (in thousands).

Corporation's proportionate share of the net OPEB Liability (asset):	Proportional Share	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
				\$
DB plan	0.68763%	\$ (8,038)	\$ (13,530)	(18,134)
DC RM plan	0.79810%	51	(277)	(527)
DC ODD plan	0.67357%	(278)	(295)	(309)

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 Liability (asset):	Proportional Share	1% Decrease	Current Discount Rate	1% Increase
DB plan	0.68763%	\$ (18,676)	\$ (13,530)	\$ (7,384)
DC RM plan	0.79810%	(562)	(277)	106
DC ODD plan	0.67357%	n/a	(295)	n/a

OPEB plan's fiduciary net position:

All information regarding the Plan's assets, deferred outflow/inflow of resources, liabilities and fiduciary net position can be found in the PERS financial statements that are available to the public on the SOA website: <http://doa.alaska.gov/drb/employer/resources/gasb.html#.YMPxY6hKg2x>.

Annual Post-employment Healthcare Cost:

For the year ended June 30, 2023, the Corporation recognized \$431,000 in DC OPEB costs. These amounts were recognized as expense.

22 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 \$200,000 per employee per year. The Corporation has provided for an estimate of the Incurred but Not Reported ("IBNR") liability in the amount of \$3,013,000 as of June 30, 2023.

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 \$49,900,000 Collateralized Bonds (Veterans Mortgage Program), 2023 First Series, on July 27, 2023. The First Series Bonds are tax-exempt general obligations of the Corporation having a final maturity of December 1, 2052, and paying interest each June 1 and December 1 at fixed rates ranging from 3.15% to 4.65%. Proceeds of the First Series Bonds will be used to finance qualified veterans mortgage loans. Principal and interest on the First Series Bonds is further secured by the unconditional guarantee of the State of Alaska.

The Corporation will deliver its \$99,995,000 State Capital Project Bonds II, 2023 Series A, on October 17, 2023. The Series A Bonds are tax-exempt general obligations of the Corporation having a final maturity of December 1, 2041, and paying interest each June 1 and December 1 at fixed rates ranging from 5.00% to 5.25%. Proceeds of the Series A Bonds will be used to refund certain outstanding obligations of the Corporation and for other authorized purposes.

23 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. For the Fiscal Year 2023 property deductible increased from \$100,000 to \$250,000, general liability insurance deductible increased from \$400,000 to \$500,000, cyber security coverage increased from \$5 million to \$6 million by the carriers' response to the market conditions. The settlements have not exceeded insurance coverage during the past three years.

24 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

In FY23, the Corporation adopted Statement No. 96, Subscription-Based Information Technology Arrangements. We have assessed all subscriptions as of year-end June 30, 2023. After reviewing the principles outlined in GASB 96, it was determined that the Corporation does not have any subscription that match the criteria described in this statement. As such, all subscriptions were determined by the Corporation to be immaterial for financial reporting, and all subscriptions were determined to be cancellable at any time by either party. Therefore, no assets or corresponding liabilities have been booked.

REQUIRED SUPPLEMENTARY INFORMATION

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

	2023	2022	2021	2020	2019
The Corporation's proportion of the net pension liability (asset)	0.692310%	0.783070%	0.629770%	0.656900%	0.714740%
The Corporation's proportionate share of the net pension liability (asset)	\$ 35,286	\$ 28,727	\$ 37,164	\$ 35,960	\$ 35,515
State's proportionate share of the net pension liability (asset) associated with the Corporation	9,767	3,891	15,376	14,276	10,284
Total	\$ 45,053	\$ 32,618	\$ 52,540	\$ 50,236	\$ 45,799
The Corporation's covered employee payroll	\$ 8,888	\$ 9,602	\$ 10,681	\$ 11,680	\$ 12,583
The Corporation's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	397.02%	299.18%	347.94%	307.88%	282.24%
Plan fiduciary net position as a percentage of the total pension liability	67.97%	76.46%	61.61%	63.42%	65.19%
	2018	2017	2016	2015	2014
The Corporation's proportion of the net pension liability (asset)	0.689820%	0.852380%	0.780600%	0.608214%	0.598696%
The Corporation's proportionate share of the net pension liability (asset)	\$ 35,660	\$ 47,645	\$ 37,859	\$ 28,368	\$ 31,440
State's proportionate share of the net pension liability (asset) associated with the Corporation	13,285	6,003	10,856	22,644	26,434
Total	\$ 48,945	\$ 53,648	\$ 48,715	\$ 51,012	\$ 57,874
The Corporation's covered employee payroll	\$ 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	258.10%	312.39%	232.06%	165.04%	176.48%
Plan fiduciary net position as a percentage of the total pension liability	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, 2023, the plan measurement date is June 30, 2022.

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

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

See accompanying independent auditor's report.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the Corporation's Contributions to the Pension Plan (in thousands):

	2023	2022	2021	2020	2019
Contractually required contributions	\$ 3,448	\$ 2,474	\$ 2,292	\$ 2,561	\$ 2,727
Contributions in relation to the contractually required contributions	3,448	2,474	2,292	2,561	2,727
Contribution deficiency (excess)	-	-	-	-	-
The Corporation's covered employee payroll	7,948	8,888	9,602	10,681	11,680
Contributions as a percentage of covered-employee payroll	43.38%	27.83%	23.87%	23.98%	23.35%
	2018	2017	2016	2015	2014
Contractually required contributions	\$ 2,932	\$ 2,679	\$ 2,475	\$ 2,403	\$ 2,128
Contributions in relation to the contractually required contributions	2,932	2,679	2,475	2,403	2,128
Contribution deficiency (excess)	-	-	-	-	-
The Corporation's covered employee payroll	12,583	13,817	15,252	16,314	17,189
Contributions as a percentage of covered-employee payroll	23.30%	19.39%	16.23%	14.73%	12.38%

This table reports the Corporation's pension contributions to PERS during fiscal year 2023. These contributions are reported as a deferred outflow of resources on the June 30, 2023 basic financial statements.

This pension table presents 10 years of information.

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

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

See accompanying independent auditor's report.

REQUIRED SUPPLEMENTARY INFORMATION

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

	2023	2022	2021	2020	2019
The Corporation's proportion of the net OPEB liability (asset) for Defined Benefit - Retiree Medical	0.68763%	0.78626%	0.62960%	0.65680%	0.71458%
The Corporation's proportion of the net OPEB liability (asset) for Defined Contribution Pension Plans - Retiree Medical Plan	0.79810%	0.76797%	0.74451%	0.69949%	0.71095%
The Corporation's proportion of the net OPEB liability (asset) for Defined Contribution Pension Plans - Occupational Death & Disability Plan	0.67357%	0.64746%	0.60268%	0.55609%	0.71095%
The Corporation's proportionate share of the net OPEB liability (asset)	\$ (14,102)	\$ (20,661)	\$ (2,963)	\$ 1,007	\$ 7,286
State's proportionate share of the net OPEB liability (asset) associated with the Corporation	(3,868)	(2,642)	(1,183)	388	2,12
Total	\$ (17,970)	\$ (23,303)	\$ (4,146)	\$ 1,395	\$ 9,415
The Corporation's covered employee payroll	\$ 21,649	\$ 21,489	\$ 20,850	\$ 20,890	\$ 20,629
The Corporation's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	(65.14%)	(96.15%)	(14.21%)	4.82%	35.32%
Defined Benefit - Retiree Medical Plan fiduciary net position as a percentage of the total OPEB liability	128.51%	135.54%	106.15%	98.13%	88.12%
Defined Contribution - Retiree Medical Plan fiduciary net position as a percentage of the total OPEB liability	120.08%	115.10%	95.23%	83.17%	88.71%
Defined Contribution - Occupational Death & Disability Plan fiduciary net position as a percentage of the total OPEB liability	348.80 %	374.22%	283.80%	297.43%	270.62%

Information in this table is presented based on the Plan measurement date. For June 30, 2023, the plan measurement date is June 30, 2022.

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

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

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

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

- Updated non-Medicare eligible dependent coverage premiums to reflect subsidy when the member is Medicare-eligible.

- Updated factors used to adjust the defined benefit plan costs to reflect adopted Defined Contribution Retiree Medical plan design.

See accompanying independent auditor's report.

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

	2018	2017
The Corporation's proportion of the net OPEB liability (asset) for Defined Benefit - Retiree Medical	0.68992%	0.85265%
The Corporation's proportion of the net OPEB liability (asset) for Defined Contribution Pension Plans - Retiree Medical Plan	0.70310%	0.66252%
The Corporation's proportion of the net OPEB liability (asset) for Defined Contribution Pension Plans - Occupational Death & Disability Plan	0.70310%	0.66252%
The Corporation's proportionate share of the net OPEB liability (asset)	\$ 5,765	\$ 9,752
State's proportionate share of the net OPEB liability (asset) associated with the Corporation	2,173	-
Total	<u>\$ 7,939</u>	<u>\$ 9,752</u>
The Corporation's covered employee payroll	\$ 21,133	\$ 21,629
The Corporation's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	27.28%	45.09%
Defined Benefit - Retiree Medical Plan fiduciary net position as a percentage of the total OPEB liability	89.68%	85.45%
Defined Contribution - Retiree Medical Plan fiduciary net position as a percentage of the total OPEB liability	93.98%	86.82%
Defined Contribution - Occupational Death & Disability Plan fiduciary net position as a percentage of the total OPEB liability	212.97%	245.29%

Information in this table is presented based on the Plan measurement date. For June 30, 2023, the plan measurement date is June 30, 2022.

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

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

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

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

- Updated non-Medicare eligible dependent coverage premiums to reflect subsidy when the member is Medicare-eligible.

- Updated factors used to adjust the defined benefit plan costs to reflect adopted Defined Contribution Retiree Medical plan design.

See accompanying independent auditor's report.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the Corporation's Contributions to the OPEB Plan (in thousands):

	2023	2022	2021	2020	2019
Contractually required contributions	\$ 623	\$ 1,609	\$ 1,712	\$ 1,520	\$ 1,434
Contributions in relation to the contractually required contributions	623	1,609	1,712	1,520	1,434
Contribution deficiency (excess)	-	-	-	-	-
The Corporation's covered employee payroll	21,649	21,489	20,850	20,890	20,775
Contributions as a percentage of covered-employee payroll	2.88%	7.49%	8.21%	7.28%	6.90%

	2018	2017
Contractually required contributions	\$ 1,287	\$ 1,689
Contributions in relation to the contractually required contributions	1,287	1,689
Contribution deficiency (excess)	-	-
The Corporation's covered employee payroll	20,629	21,133
Contributions as a percentage of covered-employee payroll	6.24%	7.99%

This table reports the Corporation's OPEB contributions to SOA during fiscal year 2023. These contributions are reported as a deferred outflow of resources on the June 30, 2023 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 period.

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

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

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

COMBINED - ALL FUNDS

As of June 30, 2023

(in thousands of dollars)

	Administrative Fund	Combined Home Mortgage Revenue Bonds	Combined General Mortgage Revenue Bonds	Combined Collateralized Veterans Mortgage Bonds	Combined Governmental Purpose Bonds
Assets					
Current					
Cash	\$ 27,707	\$ -	\$ -	\$ -	\$ -
Investments	596,696	35,301	15,586	5,286	18,841
Lease receivable	-	-	-	-	-
Accrued interest receivable	6,792	2,102	2,404	191	428
Inter-fund due (to)/from	(82,900)	7,264	9,185	1,202	1,994
Mortgage loans, notes and other loans	9,026	20,138	22,137	2,043	4,829
Other assets	1,517	-	-	-	-
Intergovernmental receivable	98	-	-	-	-
Total current	558,936	64,805	49,312	8,722	26,092
Non current					
Investments	9,928	10,000	12,163	-	-
Lease receivable	-	-	-	-	-
Inter-fund due (to)/from	-	-	-	-	-
Mortgage loans, notes and other loans	247,113	651,163	715,744	66,042	156,149
Capital assets - non-depreciable	2,483	-	-	-	-
Capital assets - depreciable, net	11,002	-	-	-	-
Other assets	2,230	-	-	-	905
OPEB asset	14,102	-	-	-	-
Total non current	286,858	661,163	727,907	66,042	157,054
Total assets	845,794	725,968	777,219	74,764	183,146
Deferred Outflow Of Resources	7,437	42,611	-	-	1,783
Liabilities					
Current					
Bonds payable	-	14,865	16,230	2,885	7,435
Short term debt	128,476	-	-	-	-
Accrued interest payable	-	1,243	1,685	94	199
Other liabilities	16,637	202	214	19	45
Intergovernmental payable	-	-	-	-	-
Total current	145,113	16,310	18,129	2,998	7,679
Non current					
Bonds payable	-	430,123	621,622	38,908	54,410
Other liabilities	2,240	-	-	-	-
Derivative instrument - interest rate swaps	-	37,231	-	-	1,782
Pension liability	35,286	-	-	-	-
Total non current	37,526	467,354	621,622	38,908	56,192
Total liabilities	182,639	483,664	639,751	41,906	63,871
Deferred Inflow Of Resources	1,180	-	-	-	-
Net Position					
Net investment in capital assets	13,485	-	-	-	-
Restricted by bond resolutions	-	284,915	137,468	32,858	121,058
Restricted by contractual or statutory agreements	109,004	-	-	-	-
Unrestricted or (deficit)	546,923	-	-	-	-
Total net position	\$ 669,412	\$ 284,915	\$ 137,468	\$ 32,858	\$ 121,058

Combined State Capital Project Bonds	Combined Other Programs	Total June 30, 2023
\$ 166	\$ 52,332	\$ 80,205
76,089	4,906	752,705
2,536	3,456	5,992
4,557	190	16,664
11,822	51,433	-
37,875	1,389	97,437
-	15,388	16,905
-	12,042	12,140
133,045	141,136	982,048
-	-	32,091
12,820	-	12,820
-	-	-
1,224,625	70,970	3,131,806
-	18,259	20,742
-	39,798	50,800
4,915	335	8,385
-	-	14,102
1,242,360	129,362	3,270,746
1,375,405	270,498	4,252,794
19,722	-	71,553
59,140	-	100,555
-	-	128,476
4,118	-	7,339
369	94,547	112,033
166	396	562
63,793	94,943	348,965
1,101,665	-	2,246,728
-	496	2,736
-	-	39,013
-	-	35,286
1,101,665	496	2,323,763
1,165,458	95,439	2,672,728
18,853	3,336	23,369
-	58,057	71,542
-	-	576,299
-	130,983	239,987
210,816	(17,317)	740,422
\$ 210,816	\$ 171,723	\$ 1,628,250

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION**ADMINISTRATIVE FUND**

As of June 30, 2023

(in thousands of dollars)

Schedule 2

	Administrative Fund
Assets	
Current	
Cash	\$ 27,707
Investments	596,696
Lease receivable	-
Accrued interest receivable	6,792
Inter-fund due (to)/from	(82,900)
Mortgage loans, notes and other loans	9,026
Other assets	1,517
Intergovernmental receivable	98
Total current	558,936
Non current	
Investments	9,928
Lease receivable	-
Inter-fund due (to)/from	-
Mortgage loans, notes and other loans	247,113
Capital assets - non-depreciable	2,483
Capital assets - depreciable, net	11,002
Other assets	2,230
OPEB asset	14,102
Total non current	286,858
Total assets	845,794
Deferred Outflow Of Resources	7,437
Liabilities	
Current	
Bonds payable	-
Short term debt	128,476
Accrued interest payable	-
Other liabilities	16,637
Intergovernmental payable	-
Total current	145,113
Non current	
Bonds payable	-
Other liabilities	2,240
Derivative instrument - interest rate swaps	-
Pension liability	35,286
Total non current	37,526
Total liabilities	182,639
Deferred Inflow Of Resources	1,180
Net Position	
Net investment in capital assets	13,485
Restricted by bond resolutions	-
Restricted by contractual or statutory agreements	109,004
Unrestricted or (deficit)	546,923
Total net position	\$ 669,412

See accompanying notes to the financial statements.

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ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION
HOME MORTGAGE REVENUE BONDS

As of June 30, 2023

(in thousands of dollars)

	Home Mortgage Revenue Bonds 2002 A	Home Mortgage Revenue Bonds 2007 A	Home Mortgage Revenue Bonds 2007 B	Home Mortgage Revenue Bonds 2007 D	Home Mortgage Revenue Bonds 2009 A
Assets					
Current					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	3,605	2,998	2,801	3,376	4,647
Lease receivable	-	-	-	-	-
Accrued interest receivable	185	203	182	274	267
Inter-fund due (to)/from	598	557	376	1,242	1,070
Mortgage loans, notes and other loans	1,838	2,044	1,941	2,745	3,239
Other assets	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-
Total current	6,226	5,802	5,300	7,637	9,223
Non current					
Investments	-	-	-	-	-
Lease receivable	-	-	-	-	-
Inter-fund due (to)/from	-	-	-	-	-
Mortgage loans, notes and other loans	59,443	66,101	62,766	88,760	104,726
Capital assets - non-depreciable	-	-	-	-	-
Capital assets - depreciable, net	-	-	-	-	-
Other assets	-	-	-	-	-
OPEB asset	-	-	-	-	-
Total non current	59,443	66,101	62,766	88,760	104,726
Total assets	65,669	71,903	68,066	96,397	113,949
Deferred Outflow Of Resources	135	6,648	6,647	7,938	7,105
Liabilities					
Current					
Bonds payable	-	2,145	2,145	2,555	2,670
Short term debt	-	-	-	-	-
Accrued interest payable	57	178	178	213	206
Other liabilities	19	22	19	29	30
Intergovernmental payable	-	-	-	-	-
Total current	76	2,345	2,342	2,797	2,906
Non current					
Bonds payable	25,293	61,215	61,215	72,925	69,830
Other liabilities	-	-	-	-	-
Derivative instrument - interest rate swaps	135	5,714	5,713	6,793	6,306
Pension liability	-	-	-	-	-
Total non current	25,428	66,929	66,928	79,718	76,136
Total liabilities	25,504	69,274	69,270	82,515	79,042
Deferred Inflow Of Resources	-	-	-	-	-
Net Position					
Net investment in capital assets	-	-	-	-	-
Restricted by bond resolutions	40,300	9,277	5,443	21,820	42,012
Restricted by contractual or statutory agreements	-	-	-	-	-
Unrestricted or (deficit)	-	-	-	-	-
Total net position	\$ 40,300	\$ 9,277	\$ 5,443	\$ 21,820	\$ 42,012

See accompanying notes to the financial statements.

Home Mortgage Revenue Bonds 2009 B	Home Mortgage Revenue Bonds 2009 D	Total June 30, 2023
\$ -	\$ -	\$ -
4,705	13,169	35,301
-	-	-
360	631	2,102
980	2,441	7,264
3,586	4,745	20,138
-	-	-
-	-	-
9,631	20,986	64,805
-	10,000	10,000
-	-	-
-	-	-
115,942	153,425	651,163
-	-	-
-	-	-
-	-	-
-	-	-
115,942	163,425	661,163
125,573	184,411	725,968
7,105	7,033	42,611
2,670	2,680	14,865
-	-	-
206	205	1,243
37	46	202
-	-	-
2,913	2,931	16,310
69,830	69,815	430,123
-	-	-
6,306	6,264	37,231
-	-	-
76,136	76,079	467,354
79,049	79,010	483,664
-	-	-
-	-	-
53,629	112,434	284,915
-	-	-
-	-	-
\$ 53,629	\$ 112,434	\$ 284,915

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

GENERAL MORTGAGE REVENUE BONDS

As of June 30, 2023

(in thousands of dollars)

	General Mortgage Revenue Bonds II 2016 A	General Mortgage Revenue Bonds II 2018 A & B	General Mortgage Revenue Bonds II 2019 A & B	General Mortgage Revenue Bonds II 2020 A & B	General Mortgage Revenue Bonds II 2022 A & B
Assets					
Current					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	578	2,016	2,425	8,340	1,682
Lease receivable	-	-	-	-	-
Accrued interest receivable	137	193	339	818	530
Inter-fund due (to)/from	703	699	1,405	3,780	2,100
Mortgage loans, notes and other loans	1,769	1,960	3,677	6,707	5,379
Other assets	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-
Total current	3,187	4,868	7,846	19,645	9,691
Non current					
Investments	-	-	-	12,163	-
Lease receivable	-	-	-	-	-
Inter-fund due (to)/from	-	-	-	-	-
Mortgage loans, notes and other loans	57,192	63,371	118,894	216,857	173,906
Capital assets - non-depreciable	-	-	-	-	-
Capital assets - depreciable, net	-	-	-	-	-
Other assets	-	-	-	-	-
OPEB asset	-	-	-	-	-
Total non current	57,192	63,371	118,894	229,020	173,906
Total assets	60,379	68,239	126,740	248,665	183,597
Deferred Outflow Of Resources	-	-	-	-	-
Liabilities					
Current					
Bonds payable	4,470	1,980	3,750	3,960	840
Short term debt	-	-	-	-	-
Accrued interest payable	86	205	265	431	351
Other liabilities	15	19	35	61	56
Intergovernmental payable	-	-	-	-	-
Total current	4,571	2,204	4,050	4,452	1,247
Non current					
Bonds payable	36,211	59,478	108,941	193,966	134,119
Other liabilities	-	-	-	-	-
Derivative instrument - interest rate swaps	-	-	-	-	-
Pension liability	-	-	-	-	-
Total non current	36,211	59,478	108,941	193,966	134,119
Total liabilities	40,782	61,682	112,991	198,418	135,366
Deferred Inflow Of Resources	-	-	-	-	-
Net Position					
Net investment in capital assets	-	-	-	-	-
Restricted by bond resolutions	19,597	6,557	13,749	50,247	48,231
Restricted by contractual or statutory agreements	-	-	-	-	-
Unrestricted or (deficit)	-	-	-	-	-
Total net position	\$ 19,597	\$ 6,557	\$ 13,749	\$ 50,247	\$ 48,231

See accompanying notes to the financial statements.

General Mortgage Revenue Bonds II 2022 C		Total June 30, 2023	
\$	-	\$	-
	545		15,586
	-		-
	387		2,404
	498		9,185
	2,645		22,137
	-		-
	-		-
	4,075		49,312
	-		12,163
	-		-
	-		-
	85,524		715,744
	-		-
	-		-
	-		-
	-		-
	85,524		727,907
	89,599		777,219
	-		-
	-		-
	1,230		16,230
	-		-
	347		1,685
	28		214
	-		-
	1,605		18,129
	88,907		621,622
	-		-
	-		-
	-		-
	88,907		621,622
	90,512		639,751
	-		-
	-		-
	-		-
	(913)		137,468
	-		-
	-		-
\$	(913)	\$	137,468

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION
COLLATERALIZED VETERANS MORTGAGE BONDS

As of June 30, 2023

(in thousands of dollars)

Schedule 5

	Collateralized Bonds, 2016 1st & 2nd Series	Collateralized Bonds, 2019 1st & 2nd Series	Total June 30, 2023
Assets			
Current			
Cash	\$ -	\$ -	\$ -
Investments	1,765	3,521	5,286
Lease receivable	-	-	-
Accrued interest receivable	83	108	191
Inter-fund due (to)/from	344	858	1,202
Mortgage loans, notes and other loans	886	1,157	2,043
Other assets	-	-	-
Intergovernmental receivable	-	-	-
Total current	3,078	5,644	8,722
Non current			
Investments	-	-	-
Lease receivable	-	-	-
Inter-fund due (to)/from	-	-	-
Mortgage loans, notes and other loans	28,639	37,403	66,042
Capital assets - non-depreciable	-	-	-
Capital assets - depreciable, net	-	-	-
Other assets	-	-	-
OPEB asset	-	-	-
Total non current	28,639	37,403	66,042
Total assets	31,717	43,047	74,764
Deferred Outflow Of Resources	-	-	-
Liabilities			
Current			
Bonds payable	2,045	840	2,885
Short term debt	-	-	-
Accrued interest payable	53	41	94
Other liabilities	8	11	19
Intergovernmental payable	-	-	-
Total current	2,106	892	2,998
Non current			
Bonds payable	23,990	14,918	38,908
Other liabilities	-	-	-
Derivative instrument - interest rate swaps	-	-	-
Pension liability	-	-	-
Total non current	23,990	14,918	38,908
Total liabilities	26,096	15,810	41,906
Deferred Inflow Of Resources	-	-	-
Net Position			
Net investment in capital assets	-	-	-
Restricted by bond resolutions	5,621	27,237	32,858
Restricted by contractual or statutory agreements	-	-	-
Unrestricted or (deficit)	-	-	-
Total net position	\$ 5,621	\$ 27,237	\$ 32,858

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION**GOVERNMENTAL PURPOSE BONDS**

As of June 30, 2023

(in thousands of dollars)

Schedule 6

	Governmental Purpose Bonds 2001 A & B
Assets	
Current	
Cash	\$ -
Investments	18,841
Lease receivable	-
Accrued interest receivable	428
Inter-fund due (to)/from	1,994
Mortgage loans, notes and other loans	4,829
Other assets	-
Intergovernmental receivable	-
Total current	26,092
Non current	
Investments	-
Lease receivable	-
Inter-fund due (to)/from	-
Mortgage loans, notes and other loans	156,149
Capital assets - non-depreciable	-
Capital assets - depreciable, net	-
Other assets	905
OPEB asset	-
Total non current	157,054
Total assets	183,146
Deferred Outflow Of Resources	1,783
Liabilities	
Current	
Bonds payable	7,435
Short term debt	-
Accrued interest payable	199
Other liabilities	45
Intergovernmental payable	-
Total current	7,679
Non current	
Bonds payable	54,410
Other liabilities	-
Derivative instrument - interest rate swaps	1,782
Pension liability	-
Total non current	56,192
Total liabilities	63,871
Deferred Inflow Of Resources	-
Net Position	
Net investment in capital assets	-
Restricted by bond resolutions	121,058
Restricted by contractual or statutory agreements	-
Unrestricted or (deficit)	-
Total net position	\$ 121,058

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

STATE CAPITAL PROJECT BONDS

As of June 30, 2023

(in thousands of dollars)

Schedule 7

	State Capital Project Bonds	State Capital Project Bonds II	Total June 30, 2023
Assets			
Current			
Cash	\$ -	\$ 166	\$ 166
Investments	-	76,089	76,089
Lease receivable	-	2,536	2,536
Accrued interest receivable	-	4,557	4,557
Inter-fund due (to)/from	-	11,822	11,822
Mortgage loans, notes and other loans	-	37,875	37,875
Other assets	-	-	-
Intergovernmental receivable	-	-	-
Total current	-	133,045	133,045
Non current			
Investments	-	-	-
Lease receivable	-	12,820	12,820
Inter-fund due (to)/from	-	-	-
Mortgage loans, notes and other loans	-	1,224,625	1,224,625
Capital assets - non-depreciable	-	-	-
Capital assets - depreciable, net	-	-	-
Other assets	-	4,915	4,915
OPEB asset	-	-	-
Total non current	-	1,242,360	1,242,360
Total assets	-	1,375,405	1,375,405
Deferred Outflow Of Resources	-	19,722	19,722
Liabilities			
Current			
Bonds payable	-	59,140	59,140
Short term debt	-	-	-
Accrued interest payable	-	4,118	4,118
Other liabilities	-	369	369
Intergovernmental payable	-	166	166
Total current	-	63,793	63,793
Non current			
Bonds payable	-	1,101,665	1,101,665
Other liabilities	-	-	-
Derivative instrument - interest rate swaps	-	-	-
Pension liability	-	-	-
Total non current	-	1,101,665	1,101,665
Total liabilities	-	1,165,458	1,165,458
Deferred Inflow Of Resources	-	18,853	18,853
Net Position			
Net investment in capital assets	-	-	-
Restricted by bond resolutions	-	-	-
Restricted by contractual or statutory agreements	-	-	-
Unrestricted or (deficit)	-	210,816	210,816
Total net position	\$ -	\$ 210,816	\$ 210,816

See accompanying notes to the financial statements.

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ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION
OTHER PROGRAM FUNDS

As of June 30, 2023

(in thousands of dollars)

	Low Rent Program	Market Rate Rental Housing Program	Home Ownership Fund	Senior Housing Revolving Loan Fund	Other Funds or Programs Subtotal
Assets					
Current					
Cash	\$ 17,552	\$ 13,297	\$ -	\$ -	\$ 30,849
Investments	-	-	1,235	3,671	4,906
Lease receivable	83	-	-	-	83
Accrued interest receivable	-	-	28	93	121
Inter-fund due (to)/from	(1,906)	(710)	51	488	(2,077)
Mortgage loans, notes and other loans	-	-	368	988	1,356
Other assets	1,175	150	-	-	1,325
Intergovernmental receivable	912	(3)	-	-	909
Total current	17,816	12,734	1,682	5,240	37,472
Non current					
Investments	-	-	-	-	-
Lease receivable	-	-	-	-	-
Inter-fund due (to)/from	-	-	-	-	-
Mortgage loans, notes and other loans	-	-	11,907	31,948	43,855
Capital assets - non-depreciable	12,389	1,130	-	-	13,519
Capital assets - depreciable, net	29,759	9,870	-	-	39,629
Other assets	22	8	-	-	30
OPEB asset	-	-	-	-	-
Total non current	42,170	11,008	11,907	31,948	97,033
Total assets	59,986	23,742	13,589	37,188	134,505
Deferred Outflow Of Resources	-	-	-	-	-
Liabilities					
Current					
Bonds payable	-	-	-	-	-
Short term debt	-	-	-	-	-
Accrued interest payable	-	-	-	-	-
Other liabilities	960	230	4	8	1,202
Intergovernmental payable	395	1	-	-	396
Total current	1,355	231	4	8	1,598
Non current					
Bonds payable	-	-	-	-	-
Other liabilities	6	3	-	-	9
Derivative instrument - interest rate swaps	-	-	-	-	-
Pension liability	-	-	-	-	-
Total non current	6	3	-	-	9
Total liabilities	1,361	234	4	8	1,607
Deferred Inflow Of Resources	74	-	-	-	74
Net Position					
Net investment in capital assets	42,148	11,000	-	-	53,148
Restricted by bond resolutions	-	-	-	-	-
Restricted by contractual or statutory agreements	17,386	12,710	13,585	37,180	80,861
Unrestricted or (deficit)	(983)	(202)	-	-	(1,185)
Total net position	\$ 58,551	\$ 23,508	\$ 13,585	\$ 37,180	\$ 132,824

See accompanying notes to the financial statements.

Energy Programs	Section 8 Voucher Programs	Other Grants	COVID-19 Grants	Grant Programs Subtotal	Alaska Corporation for Affordable Housing	Total June 30, 2023
\$ 768	\$ 6,630	\$ 3	\$ 4,659	\$ 12,060	\$ 9,423	\$ 52,332
-	-	-	-	-	-	4,906
-	-	-	-	-	3,373	3,456
-	-	-	-	-	69	190
(241)	(10,276)	(10,525)	74,664	53,622	(112)	51,433
-	-	33	-	33	-	1,389
643	659	4,721	7,955	13,978	85	15,388
1,545	30	9,370	186	11,131	2	12,042
2,715	(2,957)	3,602	87,464	90,824	12,840	141,136
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	1,423	-	1,423	(1,423)	-
-	-	967	-	967	26,148	70,970
-	-	-	-	-	4,740	18,259
-	169	-	-	169	-	39,798
-	304	-	-	304	1	335
-	-	-	-	-	-	-
-	473	2,390	-	2,863	29,466	129,362
2,715	(2,484)	5,992	87,464	93,687	42,306	270,498
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	3,385	53	89,302	92,740	605	94,547
-	-	-	-	-	-	396
-	3,385	53	89,302	92,740	605	94,943
-	-	-	-	-	-	-
-	267	-	-	267	220	496
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	267	-	-	267	220	496
-	3,652	53	89,302	93,007	825	95,439
-	-	-	-	-	3,262	3,336
-	169	-	-	169	4,740	58,057
-	-	-	-	-	-	-
4,386	4,589	7,608	17	16,600	33,522	130,983
(1,671)	(10,894)	(1,669)	(1,855)	(16,089)	(43)	(17,317)
\$ 2,715	\$ (6,136)	\$ 5,939	\$ (1,838)	\$ 680	\$ 38,219	\$ 171,723

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 June 30, 2023

(in thousands of dollars)

	Administrative Fund	Combined Home Mortgage Revenue Bonds	Combined General Mortgage Revenue Bonds	Combined Collateralized Veterans Mortgage Bonds	Combined Governmental Purpose Bonds
Operating Revenues					
Mortgage and loan revenue	\$ 12,967	\$ 24,811	\$ 24,694	\$ 2,514	\$ 5,148
Investment interest	20,158	1,785	2,490	243	857
Net change in the fair value of investments	2,864	135	24	10	54
Net change of hedge termination	-	-	-	-	-
Total investment revenue	23,022	1,920	2,514	253	911
Grant revenue	-	-	-	-	-
Housing rental subsidies	-	-	-	-	-
Rental revenue	9	-	-	-	-
Gain on disposal of capital assets	-	-	-	-	-
Other revenue	1,664	-	-	-	75
Total operating revenues	37,662	26,731	27,208	2,767	6,134
Operating expenses					
Interest	4,260	15,853	13,699	1,060	2,834
Mortgage and loan costs	2,915	2,542	2,519	240	567
Bond financing expenses	685	1,538	806	4	230
Provision for loan loss	(282)	(207)	689	(29)	(193)
Operations and administration	11,001	1,139	1,350	95	282
Rental housing operating expenses	-	-	-	-	-
Grant expense	6	-	-	-	-
Total operating expenses	18,585	20,865	19,063	1,370	3,720
Operating income (loss)	19,077	5,866	8,145	1,397	2,414
Non-operating expenses and transfers					
Contributions to State of Alaska or State agencies	(8,047)	-	-	-	-
Interfund receipts (payments) for operations	(7,974)	1,860	4,503	1,159	(25,047)
Change in net position	3,056	7,726	12,648	2,556	(22,633)
Net position at beginning of year	666,356	277,189	124,820	30,302	143,691
Net position at end of period	\$ 669,412	\$ 284,915	\$ 137,468	\$ 32,858	\$ 121,058

See accompanying notes to the financial statements.

Combined State Capital Project Bonds	Combined Other Programs	Total June 30, 2023
\$ 56,160	\$ 1,601	\$ 127,895
9,818	611	35,962
71	-	3,158
281	-	281
10,170	611	39,401
-	143,957	143,957
-	12,700	12,700
-	11,500	11,509
-	3	3
-	1,423	3,162
66,330	171,795	338,627
42,147	-	79,853
3,572	146	12,501
1,571	-	4,834
1,562	100	1,640
1,609	32,298	47,774
-	17,175	17,175
-	138,008	138,014
50,461	187,727	301,791
15,869	(15,932)	36,836
-	-	(8,047)
2,545	22,954	-
18,414	7,022	28,789
192,402	164,701	1,599,461
\$ 210,816	\$ 171,723	\$ 1,628,250

ALASKA HOUSING FINANCE CORPORATION

Schedule 10

(A Component Unit of the State of Alaska)

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

For the Year Ended June 30, 2023

(in thousands of dollars)

	Administrative Fund
Operating Revenues	
Mortgage and loan revenue	\$ 12,967
Investment interest	20,158
Net change in the fair value of investments	2,864
Net change of hedge termination	-
Total investment revenue	<u>23,022</u>
Grant revenue	-
Housing rental subsidies	-
Rental revenue	9
Gain on disposal of capital assets	-
Other revenue	1,664
Total operating revenues	<u>37,662</u>
Operating expenses	
Interest	4,260
Mortgage and loan costs	2,915
Bond financing expenses	685
Provision for loan loss	(282)
Operations and administration	11,001
Rental housing operating expenses	-
Grant expense	6
Total operating expenses	<u>18,585</u>
Operating income (loss)	<u>19,077</u>
Non-operating expenses and transfers	
Contributions to State of Alaska or State agencies	(8,047)
Interfund receipts (payments) for operations	(7,974)
Change in net position	3,056
Net position at beginning of year	<u>666,356</u>
Net position at end of period	<u>\$ 669,412</u>

See accompanying notes to the financial statements.

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ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
HOME MORTGAGE REVENUE BONDS

For the Year Ended June 30, 2023

(in thousands of dollars)

	Home Mortgage Revenue Bonds 2002 A	Home Mortgage Revenue Bonds 2007 A	Home Mortgage Revenue Bonds 2007 B	Home Mortgage Revenue Bonds 2007 D	Home Mortgage Revenue Bonds 2009 A
Operating Revenues					
Mortgage and loan revenue	\$ 2,566	\$ 2,591	\$ 2,477	\$ 3,372	\$ 3,747
Investment interest	129	145	122	183	197
Net change in the fair value of investments	14	13	11	12	17
Net change of hedge termination	-	-	-	-	-
Total investment revenue	143	158	133	195	214
Grant revenue	-	-	-	-	-
Housing rental subsidies	-	-	-	-	-
Rental revenue	-	-	-	-	-
Gain on disposal of capital assets	-	-	-	-	-
Other revenue	-	-	-	-	-
Total operating revenues	2,709	2,749	2,610	3,567	3,961
Operating expenses					
Interest	923	2,261	2,347	2,606	2,573
Mortgage and loan costs	265	265	246	352	390
Bond financing expenses	88	226	213	266	252
Provision for loan loss	(41)	(16)	(21)	(20)	(28)
Operations and administration	163	122	110	146	161
Rental housing operating expenses	-	-	-	-	-
Grant expense	-	-	-	-	-
Total operating expenses	1,398	2,858	2,895	3,350	3,348
Operating income (loss)	1,311	(109)	(285)	217	613
Non-operating expenses and transfers					
Contributions to State of Alaska or State agencies	-	-	-	-	-
Interfund receipts (payments) for operations	(403)	477	313	574	280
Change in net position	908	368	28	791	893
Net position at beginning of year	39,392	8,909	5,415	21,029	41,119
Net position at end of period	\$ 40,300	\$ 9,277	\$ 5,443	\$ 21,820	\$ 42,012

See accompanying notes to the financial statements.

Home Mortgage Revenue Bonds 2009 B	Home Mortgage Revenue Bonds 2009 D	Total June 30, 2023
\$ 4,167	\$ 5,891	\$ 24,811
206	803	1,785
19	49	135
-	-	-
225	852	1,920
-	-	-
-	-	-
-	-	-
-	-	-
4,392	6,743	26,731
2,573	2,570	15,853
423	601	2,542
252	241	1,538
(22)	(59)	(207)
175	262	1,139
-	-	-
-	-	-
3,401	3,615	20,865
991	3,128	5,866
-	-	-
583	36	1,860
1,574	3,164	7,726
52,055	109,270	277,189
\$ 53,629	\$ 112,434	\$ 284,915

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
GENERAL MORTGAGE REVENUE BONDS

For the Year Ended June 30, 2023

(in thousands of dollars)

	General Mortgage Revenue Bonds II 2016 A	General Mortgage Revenue Bonds II 2018 A & B	General Mortgage Revenue Bonds II 2019 A & B	General Mortgage Revenue Bonds II 2020 A & B	General Mortgage Revenue Bonds II 2022 A & B
Operating Revenues					
Mortgage and loan revenue	\$ 2,028	\$ 2,798	\$ 4,500	\$ 7,302	\$ 6,190
Investment interest	132	169	278	993	428
Net change in the fair value of investments	(1)	-	-	26	(1)
Net change of hedge termination	-	-	-	-	-
Total investment revenue	131	169	278	1,019	427
Grant revenue	-	-	-	-	-
Housing rental subsidies	-	-	-	-	-
Rental revenue	-	-	-	-	-
Gain on disposal of capital assets	-	-	-	-	-
Other revenue	-	-	-	-	-
Total operating revenues	2,159	2,967	4,778	8,321	6,617
Operating expenses					
Interest	1,010	1,979	2,618	3,361	2,589
Mortgage and loan costs	219	261	449	772	676
Bond financing expenses	3	4	8	14	62
Provision for loan loss	(45)	(78)	(30)	(59)	10
Operations and administration	131	156	263	427	268
Rental housing operating expenses	-	-	-	-	-
Grant expense	-	-	-	-	-
Total operating expenses	1,318	2,322	3,308	4,515	3,605
Operating income (loss)	841	645	1,470	3,806	3,012
Non-operating expenses and transfers					
Contributions to State of Alaska or State agencies	-	-	-	-	-
Interfund receipts (payments) for operations	(1,279)	(1,230)	(2,822)	12,290	(3,172)
Change in net position	(438)	(585)	(1,352)	16,096	(160)
Net position at beginning of year	20,035	7,142	15,101	34,151	48,391
Net position at end of period	\$ 19,597	\$ 6,557	\$ 13,749	\$ 50,247	\$ 48,231

See accompanying notes to the financial statements.

General Mortgage Revenue Bonds II 2022 C		Total June 30, 2023	
\$	1,876	\$	24,694
	490		2,490
	-		24
	-		-
	490		2,514
	-		-
	-		-
	-		-
	-		-
	2,366		27,208
	2,142		13,699
	142		2,519
	715		806
	891		689
	105		1,350
	-		-
	-		-
	3,995		19,063
	(1,629)		8,145
	-		-
	716		4,503
	(913)		12,648
	-		124,820
\$	(913)	\$	137,468

ALASKA HOUSING FINANCE CORPORATION
Schedule 13

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
COLLATERALIZED VETERANS MORTGAGE BONDS

For the Year Ended June 30, 2023

(in thousands of dollars)

	Collateralized Bonds, 2016 1st & 2nd Series	Collateralized Bonds, 2019 1st & 2nd Series	Total June 30, 2023
Operating Revenues			
Mortgage and loan revenue	\$ 1,000	\$ 1,514	\$ 2,514
Investment interest	80	163	243
Net change in the fair value of investments	-	10	10
Net change of hedge termination	-	-	-
Total investment revenue	80	173	253
Grant revenue	-	-	-
Housing rental subsidies	-	-	-
Rental revenue	-	-	-
Gain on disposal of capital assets	-	-	-
Other revenue	-	-	-
Total operating revenues	1,080	1,687	2,767
Operating expenses			
Interest	652	408	1,060
Mortgage and loan costs	93	147	240
Bond financing expenses	2	2	4
Provision for loan loss	(29)	-	(29)
Operations and administration	37	58	95
Rental housing operating expenses	-	-	-
Grant expense	-	-	-
Total operating expenses	755	615	1,370
Operating income (loss)	325	1,072	1,397
Non-operating expenses and transfers			
Contributions to State of Alaska or State agencies	-	-	-
Interfund receipts (payments) for operations	42	1,117	1,159
Change in net position	367	2,189	2,556
Net position at beginning of year	5,254	25,048	30,302
Net position at end of period	\$ 5,621	\$ 27,237	\$ 32,858

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

Schedule 14

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**GOVERNMENTAL PURPOSE BONDS**

For the Year Ended June 30, 2023

(in thousands of dollars)

	Governmental Purpose Bonds 2001 A & B
Operating Revenues	
Mortgage and loan revenue	\$ 5,148
Investment interest	857
Net change in the fair value of investments	54
Net change of hedge termination	-
Total investment revenue	<u>911</u>
Grant revenue	-
Housing rental subsidies	-
Rental revenue	-
Gain on disposal of capital assets	-
Other revenue	75
Total operating revenues	<u>6,134</u>
Operating expenses	
Interest	2,834
Mortgage and loan costs	567
Bond financing expenses	230
Provision for loan loss	(193)
Operations and administration	282
Rental housing operating expenses	-
Grant expense	-
Total operating expenses	<u>3,720</u>
Operating income (loss)	<u>2,414</u>
Non-operating expenses and transfers	
Contributions to State of Alaska or State agencies	-
Interfund receipts (payments) for operations	(25,047)
Change in net position	<u>(22,633)</u>
Net position at beginning of year	<u>143,691</u>
Net position at end of period	<u>\$ 121,058</u>

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION
Schedule 15

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
STATE CAPITAL PROJECT BONDS

For the Year Ended June 30, 2023

(in thousands of dollars)

	State Capital Project Bonds	State Capital Project Bonds II	Total June 30, 2023
Operating Revenues			
Mortgage and loan revenue	\$ 15	\$ 56,145	\$ 56,160
Investment interest	-	9,818	9,818
Net change in the fair value of investments	-	71	71
Net change of hedge termination	281	-	281
Total investment revenue	281	9,889	10,170
Grant revenue	-	-	-
Housing rental subsidies	-	-	-
Rental revenue	-	-	-
Gain on disposal of capital assets	-	-	-
Other revenue	-	-	-
Total operating revenues	296	66,034	66,330
Operating expenses			
Interest	241	41,906	42,147
Mortgage and loan costs	1	3,571	3,572
Bond financing expenses	-	1,571	1,571
Provision for loan loss	(49)	1,611	1,562
Operations and administration	1	1,608	1,609
Rental housing operating expenses	-	-	-
Grant expense	-	-	-
Total operating expenses	194	50,267	50,461
Operating income (loss)	102	15,767	15,869
Non-operating expenses and transfers			
Contributions to State of Alaska or State agencies	-	-	-
Interfund receipts (payments) for operations	(1,970)	4,515	2,545
Change in net position	(1,868)	20,282	18,414
Net position at beginning of year	1,868	190,534	192,402
Net position at end of period	\$ -	\$ 210,816	\$ 210,816

See accompanying notes to the financial statements.

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ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
OTHER PROGRAM FUNDS

For the Year Ended June 30, 2023

(in thousands of dollars)

	Low Rent Program	Market Rate Rental Housing Program	Home Ownership Fund	Senior Housing Revolving Loan Fund	Other Funds or Programs Subtotal
Operating Revenues					
Mortgage and loan revenue	\$ -	\$ -	\$ 239	\$ 1,220	\$ 1,459
Investment interest	233	199	45	123	600
Net change in the fair value of investments	-	-	-	-	-
Net change of hedge termination	-	-	-	-	-
Total investment revenue	233	199	45	123	600
Grant revenue	4,087	-	-	-	4,087
Housing rental subsidies	10,323	2,377	-	-	12,700
Rental revenue	9,047	2,453	-	-	11,500
Gain on disposal of capital assets	-	-	-	-	-
Other revenue	18	-	-	-	18
Total operating revenues	23,708	5,029	284	1,343	30,364
Operating expenses					
Interest	-	-	-	-	-
Mortgage and loan costs	-	-	29	117	146
Bond financing expenses	-	-	-	-	-
Provision for loan loss	-	-	17	37	54
Operations and administration	13,446	3,296	20	56	16,818
Rental housing operating expenses	14,137	3,010	-	-	17,147
Grant expense	-	-	-	-	-
Total operating expenses	27,583	6,306	66	210	34,165
Operating income (loss)	(3,875)	(1,277)	218	1,133	(3,801)
Non-operating expenses and transfers					
Contributions to State of Alaska or State agencies	-	-	-	-	-
Interfund receipts (payments) for operations	2,412	739	30	(220)	2,961
Change in net position	(1,463)	(538)	248	913	(840)
Net position at beginning of year	60,014	24,046	13,337	36,267	133,664
Net position at end of period	\$ 58,551	\$ 23,508	\$ 13,585	\$ 37,180	\$ 132,824

See accompanying notes to the financial statements.

Energy Programs	Section 8 Voucher Programs	Other Grants	COVID-19 Grants	Grant Programs Subtotal	Alaska Corporation for Affordable Housing	Total June 30, 2023
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 142	\$ 1,601
-	2	-	5	7	4	611
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	2	-	5	7	4	611
5,965	37,415	19,726	63,764	126,870	13,000	143,957
-	-	-	-	-	-	12,700
-	-	-	-	-	-	11,500
-	3	-	-	3	-	3
-	5	728	4	737	668	1,423
5,965	37,425	20,454	63,773	127,617	13,814	171,795
-	-	-	-	-	-	-
-	-	-	-	-	-	146
-	-	-	-	-	-	-
-	-	35	-	35	11	100
2,452	6,265	3,396	3,175	15,288	192	32,298
4	21	-	-	25	3	17,175
6,693	35,285	33,585	62,445	138,008	-	138,008
9,149	41,571	37,016	65,620	153,356	206	187,727
(3,184)	(4,146)	(16,562)	(1,847)	(25,739)	13,608	(15,932)
-	-	-	-	-	-	-
3,071	217	16,635	(5)	19,918	75	22,954
(113)	(3,929)	73	(1,852)	(5,821)	13,683	7,022
2,828	(2,207)	5,866	14	6,501	24,536	164,701
\$ 2,715	\$ (6,136)	\$ 5,939	\$ (1,838)	\$ 680	\$ 38,219	\$ 171,723

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

COMBINED - ALL FUNDS

For the Year Ended June 30, 2023

(in thousands of dollars)

	Administrative Fund	Combined Home Mortgage Revenue Bonds	Combined General Mortgage Revenue Bonds	Combined Collateralized Veterans Mortgage Bonds	Combined Governmental Purpose Bonds
Cash Flows					
Operating activities					
Interest income on mortgages and loans	\$ 8,751	\$ 22,756	\$ 22,279	\$ 2,362	\$ 4,637
Principal receipts on mortgages and loans	15,940	66,938	65,515	8,872	18,632
Disbursements to fund mortgages and loans	(497,181)	-	-	-	-
Receipts (payments) for interfund loan transfers	389,596	(43,712)	(135,329)	(5,331)	(24,995)
Mortgage and loan proceeds receipts	414,480	-	-	-	-
Mortgage and loan proceeds paid to trust funds	(426,376)	-	-	-	-
Payroll-related disbursements	(23,138)	-	-	-	-
Payments for goods and services	(7,055)	-	-	-	-
Receipts from externally funded programs	-	-	-	-	-
Receipts from Federal HAP subsidies	-	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-	-
Interfund receipts (payments)	(92,134)	-	-	-	-
Grant payments to other agencies	-	-	-	-	-
Other operating cash receipts (payments)	5,731	-	-	-	-
Net cash receipts (disbursements)	(211,386)	45,982	(47,535)	5,903	(1,726)
Non-capital financing activities					
Proceeds from bond issuance	-	-	90,501	-	-
Principal paid on bonds	-	(16,515)	(31,760)	(4,605)	(7,135)
Payment of bond issuance costs	(578)	-	(497)	-	-
Interest paid on bonds	(253)	(15,343)	(18,482)	(1,210)	(2,365)
Proceeds from short-term debt issuance	559,836	-	-	-	-
Payment of short term debt	(585,138)	-	-	-	-
Contributions to State of Alaska or State agencies	(8,047)	-	-	-	-
Transfers from (to) other funds	97,543	9,026	(4,221)	1,038	-
Net cash receipts (disbursements)	63,363	(22,832)	35,541	(4,777)	(9,500)
Capital financing activities					
Acquisition of capital assets	(181)	-	-	-	-
Proceeds from the disposal of capital assets	3	-	-	-	-
Principal paid on capital notes	-	-	-	-	-
Interest paid on capital notes	-	-	-	-	-
Proceeds from direct financing leases	-	-	-	-	-
Net cash receipts (disbursements)	(178)	-	-	-	-
Investing activities					
Purchase of investments	(7,299,217)	(140,800)	(142,394)	(17,608)	(52,104)
Proceeds from maturity of investments	7,425,253	116,066	152,318	16,250	62,490
Interest received from investments	19,074	1,584	2,070	232	840
Net cash receipts (disbursements)	145,110	(23,150)	11,994	(1,126)	11,226
Net Increase (decrease) in cash	(3,091)	-	-	-	-
Cash at beginning of year	30,798	-	-	-	-
Cash at end of period	\$ 27,707	\$ -	\$ -	\$ -	\$ -

Combined State Capital Project Bonds		Combined Other Programs	Total June 30, 2023
\$	52,645	\$ 1,337	\$ 114,767
	127,069	4,854	307,820
	-	-	(497,181)
	(169,490)	(10,739)	-
	-	-	414,480
	-	-	(426,376)
	-	(15,494)	(38,632)
	-	(20,440)	(27,495)
	-	40,546	40,546
	-	30,092	30,092
	-	(34,427)	(34,427)
	-	92,134	-
	-	(105,880)	(105,880)
	17	14,177	19,925
	10,241	(3,840)	(202,361)
	106,744	-	197,245
	(48,932)	-	(108,947)
	(244)	-	(1,319)
	(45,000)	-	(82,653)
	-	-	559,836
	-	-	(585,138)
	-	-	(8,047)
	(103,386)	-	-
	(90,818)	-	(29,023)
	-	(2,612)	(2,793)
	-	3	6
	(3,278)	-	(3,278)
	(292)	-	(292)
	3,304	-	3,304
	(266)	(2,609)	(3,053)
	(621,097)	(6,411)	(8,279,631)
	696,606	10,802	8,479,785
	5,351	606	29,757
	80,860	4,997	229,911
	17	(1,452)	(4,526)
	149	53,784	84,731
\$	166	\$ 52,332	\$ 80,205

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

COMBINED - ALL FUNDS

For the Year Ended June 30, 2023

(in thousands of dollars)

	Administrative Fund	Combined Home Mortgage Revenue Bonds	Combined General Mortgage Revenue Bonds	Combined Collateralized Veterans Mortgage Bonds	Combined Governmental Purpose Bonds
Reconciliation					
Operating income (loss) to net cash					
Operating income (loss)	\$ 19,077	\$ 5,866	\$ 8,145	\$ 1,397	\$ 2,414
<i>Adjustments:</i>					
Depreciation expense	1,047	-	-	-	-
Provision for loan loss	(282)	(207)	689	(29)	(193)
Net change in the fair value of investments	(2,864)	(135)	(24)	(10)	(54)
Interfund receipts (payments) for operations	(7,974)	1,860	4,503	1,159	(25,047)
Interest received from investments	(19,074)	(1,584)	(2,070)	(232)	(840)
Interest paid on bonds and capital notes	253	15,343	18,482	1,210	2,365
<i>Change in assets, liabilities and deferred resources:</i>					
Net (increase) decrease in mortgages and loans	(10,149)	20,528	(68,117)	2,883	19,078
Net increase (decrease) in assets, liabilities, and deferred resources	(191,420)	4,311	(9,143)	(475)	551
Net operating cash receipts (disbursements)	\$ (211,386)	\$ 45,982	\$ (47,535)	\$ 5,903	\$ (1,726)

See accompanying notes to the financial statements.

Combined State Capital Project Bonds		Combined Other Programs	Total June 30, 2023
\$	15,869	\$ (15,932)	\$ 36,836
	-	5,440	6,487
	1,562	100	1,640
	(71)	-	(3,158)
	2,545	22,954	-
	(5,351)	(606)	(29,757)
	45,292	-	82,945
	(156,905)	(18,401)	(211,083)
	107,300	2,605	(86,271)
\$	10,241	\$ (3,840)	\$ (202,361)

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS**ADMINISTRATIVE FUND**

For the Year Ended June 30, 2023

(in thousands of dollars)

	Administrative Fund
Cash Flows	
Operating activities	
Interest income on mortgages and loans	\$ 8,751
Principal receipts on mortgages and loans	15,940
Disbursements to fund mortgages and loans	(497,181)
Receipts (payments) for interfund loan transfers	389,596
Mortgage and loan proceeds receipts	414,480
Mortgage and loan proceeds paid to trust funds	(426,376)
Payroll-related disbursements	(23,138)
Payments for goods and services	(7,055)
Receipts from externally funded programs	-
Receipts from Federal HAP subsidies	-
Payments for Federal HAP subsidies	-
Interfund receipts (payments)	(92,134)
Grant payments to other agencies	-
Other operating cash receipts (payments)	5,731
Net cash receipts (disbursements)	(211,386)
Non-capital financing activities	
Proceeds from bond issuance	-
Principal paid on bonds	-
Payment of bond issuance costs	(578)
Interest paid on bonds	(253)
Proceeds from short-term debt issuance	559,836
Payment of short term debt	(585,138)
Contributions to State of Alaska or State agencies	(8,047)
Transfers from (to) other funds	97,543
Net cash receipts (disbursements)	63,363
Capital financing activities	
Acquisition of capital assets	(181)
Proceeds from the disposal of capital assets	3
Interest paid on capital notes	-
Net cash receipts (disbursements)	(178)
Investing activities	
Purchase of investments	(7,299,217)
Proceeds from maturity of investments	7,425,253
Interest received from investments	19,074
Net cash receipts (disbursements)	145,110
Net Increase (decrease) in cash	(3,091)
Cash at beginning of year	30,798
Cash at end of period	\$ 27,707

	Administrative Fund
Reconciliation	
Operating income (loss) to net cash	
Operating income (loss)	\$ 19,077
<i>Adjustments:</i>	
Depreciation expense	1,047
Provision for loan loss	(282)
Net change in the fair value of investments	(2,864)
Interfund receipts (payments) for operations	(7,974)
Interest received from investments	(19,074)
Interest paid on bonds and capital notes	253
<i>Change in assets, liabilities and deferred resources:</i>	
Net (increase) decrease in mortgages and loans	(10,149)
Net increase (decrease) in assets, liabilities, and deferred resources	(191,420)
Net operating cash receipts (disbursements)	\$ (211,386)

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS
HOME MORTGAGE REVENUE BONDS

For the Year Ended June 30, 2023

(in thousands of dollars)

	Home Mortgage Revenue Bonds 2002 A	Home Mortgage Revenue Bonds 2007 A	Home Mortgage Revenue Bonds 2007 B	Home Mortgage Revenue Bonds 2007 D	Home Mortgage Revenue Bonds 2009 A
Cash Flows					
Operating activities					
Interest income on mortgages and loans	\$ 2,354	\$ 2,364	\$ 2,295	\$ 3,087	\$ 3,425
Principal receipts on mortgages and loans	7,033	6,651	4,851	9,824	9,571
Disbursements to fund mortgages and loans	-	-	-	-	-
Receipts (payments) for interfund loan transfers	(2,758)	(4,386)	(2,597)	(7,674)	(6,400)
Mortgage and loan proceeds receipts	-	-	-	-	-
Mortgage and loan proceeds paid to trust funds	-	-	-	-	-
Payroll-related disbursements	-	-	-	-	-
Payments for goods and services	-	-	-	-	-
Receipts from externally funded programs	-	-	-	-	-
Receipts from Federal HAP subsidies	-	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-	-
Interfund receipts (payments)	-	-	-	-	-
Grant payments to other agencies	-	-	-	-	-
Other operating cash receipts (payments)	-	-	-	-	-
Net cash receipts (disbursements)	6,629	4,629	4,549	5,237	6,596
Non-capital financing activities					
Proceeds from bond issuance	-	-	-	-	-
Principal paid on bonds	(2,350)	(2,045)	(2,045)	(2,440)	(2,545)
Payment of bond issuance costs	-	-	-	-	-
Interest paid on bonds	(723)	(2,201)	(2,287)	(2,530)	(2,534)
Proceeds from short-term debt issuance	-	-	-	-	-
Payment of short term debt	-	-	-	-	-
Contributions to State of Alaska or State agencies	-	-	-	-	-
Transfers from (to) other funds	(675)	102	101	120	115
Net cash receipts (disbursements)	(3,748)	(4,144)	(4,231)	(4,850)	(4,964)
Capital financing activities					
Acquisition of capital assets	-	-	-	-	-
Principal paid on capital notes	-	-	-	-	-
Interest paid on capital notes	-	-	-	-	-
Net cash receipts (disbursements)	-	-	-	-	-
Investing activities					
Purchase of investments	(13,225)	(12,263)	(10,026)	(16,431)	(18,031)
Proceeds from maturity of investments	10,217	11,630	9,585	15,862	16,201
Interest received from investments	127	148	123	182	198
Net cash receipts (disbursements)	(2,881)	(485)	(318)	(387)	(1,632)
Net Increase (decrease) in cash	-	-	-	-	-
Cash at beginning of year	-	-	-	-	-
Cash at end of period	\$ -	\$ -	\$ -	\$ -	\$ -

Home Mortgage Revenue Bonds 2009 B	Home Mortgage Revenue Bonds 2009 D	Total June 30, 2023
\$ 3,837	\$ 5,394	\$ 22,756
11,029	17,979	66,938
-	-	-
(8,219)	(11,678)	(43,712)
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
6,647	11,695	45,982
-	-	-
(2,545)	(2,545)	(16,515)
-	-	-
(2,534)	(2,534)	(15,343)
-	-	-
-	-	-
-	-	-
112	9,151	9,026
(4,967)	4,072	(22,832)
-	-	-
-	-	-
-	-	-
-	-	-
(19,740)	(51,084)	(140,800)
17,851	34,720	116,066
209	597	1,584
(1,680)	(15,767)	(23,150)
-	-	-
-	-	-
\$ -	\$ -	\$ -

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS
HOME MORTGAGE REVENUE BONDS

For the Year Ended June 30, 2023

(in thousands of dollars)

	Home Mortgage Revenue Bonds 2002 A	Home Mortgage Revenue Bonds 2007 A	Home Mortgage Revenue Bonds 2007 B	Home Mortgage Revenue Bonds 2007 D	Home Mortgage Revenue Bonds 2009 A
Reconciliation					
Operating income (loss) to net cash					
Operating income (loss)	\$ 1,311	\$ (109)	\$ (285)	\$ 217	\$ 613
<i>Adjustments:</i>					
Depreciation expense	-	-	-	-	-
Provision for loan loss	(41)	(16)	(21)	(20)	(28)
Net change in the fair value of investments	(14)	(13)	(11)	(12)	(17)
Interfund receipts (payments) for operations	(403)	477	313	574	280
Interest received from investments	(127)	(148)	(123)	(182)	(198)
Interest paid on bonds and capital notes	723	2,201	2,287	2,530	2,534
<i>Change in assets, liabilities and deferred resources:</i>					
Net (increase) decrease in mortgages and loans	4,068	1,613	2,113	1,996	2,774
Net increase (decrease) in assets, liabilities, and deferred resources	1,112	624	276	134	638
Net operating cash receipts (disbursements)	\$ 6,629	\$ 4,629	\$ 4,549	\$ 5,237	\$ 6,596

See accompanying notes to the financial statements.

Home Mortgage Revenue Bonds 2009 B	Home Mortgage Revenue Bonds 2009 D	Total June 30, 2023
\$ 991	\$ 3,128	\$ 5,866
-	-	-
(22)	(59)	(207)
(19)	(49)	(135)
583	36	1,860
(209)	(597)	(1,584)
2,534	2,534	15,343
2,156	5,808	20,528
633	894	4,311
\$ 6,647	\$ 11,695	\$ 45,982

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS
GENERAL MORTGAGE REVENUE BONDS

For the Year Ended June 30, 2023

(in thousands of dollars)

	General Mortgage Revenue Bonds II 2016 A	General Mortgage Revenue Bonds II 2018 A & B	General Mortgage Revenue Bonds II 2019 A & B	General Mortgage Revenue Bonds II 2020 A & B	General Mortgage Revenue Bonds II 2022 A & B
Cash Flows					
Operating activities					
Interest income on mortgages and loans	\$ 1,847	\$ 2,606	\$ 4,120	\$ 6,647	\$ 5,566
Principal receipts on mortgages and loans	7,258	9,924	13,040	20,337	14,285
Disbursements to fund mortgages and loans	-	-	-	-	-
Receipts (payments) for interfund loan transfers	(3,097)	(1,077)	(9,987)	(15,775)	(15,513)
Mortgage and loan proceeds receipts	-	-	-	-	-
Mortgage and loan proceeds paid to trust funds	-	-	-	-	-
Payroll-related disbursements	-	-	-	-	-
Payments for goods and services	-	-	-	-	-
Receipts from externally funded programs	-	-	-	-	-
Receipts from Federal HAP subsidies	-	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-	-
Interfund receipts (payments)	-	-	-	-	-
Grant payments to other agencies	-	-	-	-	-
Other operating cash receipts (payments)	-	-	-	-	-
Net cash receipts (disbursements)	6,008	11,453	7,173	11,209	4,338
Non-capital financing activities					
Proceeds from bond issuance	-	-	-	-	-
Principal paid on bonds	(6,055)	(7,970)	(5,080)	(10,120)	(2,220)
Payment of bond issuance costs	-	-	-	-	-
Interest paid on bonds	(1,132)	(2,643)	(3,286)	(5,332)	(4,245)
Proceeds from short-term debt issuance	-	-	-	-	-
Payment of short term debt	-	-	-	-	-
Contributions to State of Alaska or State agencies	-	-	-	-	-
Transfers from (to) other funds	(3)	(9)	(5)	13,929	(8)
Net cash receipts (disbursements)	(7,190)	(10,622)	(8,371)	(1,523)	(6,473)
Capital financing activities					
Acquisition of capital assets	-	-	-	-	-
Principal paid on capital notes	-	-	-	-	-
Interest paid on capital notes	-	-	-	-	-
Net cash receipts (disbursements)	-	-	-	-	-
Investing activities					
Purchase of investments	(9,968)	(15,257)	(20,344)	(52,960)	(21,912)
Proceeds from maturity of investments	11,022	14,262	21,284	42,559	23,662
Interest received from investments	128	164	258	715	385
Net cash receipts (disbursements)	1,182	(831)	1,198	(9,686)	2,135
Net Increase (decrease) in cash	-	-	-	-	-
Cash at beginning of year	-	-	-	-	-
Cash at end of period	\$ -	\$ -	\$ -	\$ -	\$ -

General Mortgage Revenue Bonds II 2022 C	Total June 30, 2023
\$ 1,493	\$ 22,279
671	65,515
-	-
(89,880)	(135,329)
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
(87,716)	(47,535)
90,501	90,501
(315)	(31,760)
(497)	(497)
(1,844)	(18,482)
-	-
-	-
-	-
(18,125)	(4,221)
69,720	35,541
-	-
-	-
-	-
-	-
(21,953)	(142,394)
39,529	152,318
420	2,070
17,996	11,994
-	-
-	-
\$ -	\$ -

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS**GENERAL MORTGAGE REVENUE BONDS**

For the Year Ended June 30, 2023

(in thousands of dollars)

	General Mortgage Revenue Bonds II 2012 A & B	General Mortgage Revenue Bonds II 2016 A	General Mortgage Revenue Bonds II 2018 A & B	General Mortgage Revenue Bonds II 2019 A & B	General Mortgage Revenue Bonds II 2020 A & B
Reconciliation					
Operating income (loss) to net cash					
Operating income (loss)	\$ -	\$ 841	\$ 645	\$ 1,470	\$ 3,806
<i>Adjustments:</i>					
Depreciation expense	-	-	-	-	-
Provision for loan loss	-	(45)	(78)	(30)	(59)
Net change in the fair value of investments	-	1	-	-	(26)
Interfund receipts (payments) for operations	-	(1,279)	(1,230)	(2,822)	12,290
Interest received from investments	-	(128)	(164)	(258)	(715)
Interest paid on bonds and capital notes	-	1,132	2,643	3,286	5,332
<i>Change in assets, liabilities and deferred resources:</i>					
Net (increase) decrease in mortgages and loans	-	4,432	7,764	2,981	5,852
Net increase (decrease) in assets, liabilities, and deferred resources	-	1,054	1,873	2,546	(15,271)
Net operating cash receipts (disbursements)	\$ -	\$ 6,008	\$ 11,453	\$ 7,173	\$ 11,209

See accompanying notes to the financial statements.

General Mortgage Revenue Bonds II 2022 A & B	General Mortgage Revenue Bonds II 2022 C	Total June 30, 2023
\$ 3,012	\$ (1,629)	\$ 8,145
-	-	-
10	891	689
1	-	(24)
(3,172)	716	4,503
(385)	(420)	(2,070)
4,245	1,844	18,482
(977)	(88,169)	(68,117)
1,604	(949)	(9,143)
\$ 4,338	\$ (87,716)	\$ (47,535)

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS
COLLATERALIZED VETERANS MORTGAGE BONDS

For the Year Ended June 30, 2023

(in thousands of dollars)

	Collateralized Bonds, 2016 1st & 2nd Series	Collateralized Bonds, 2019 1st & 2nd Series	Total June 30, 2023
Cash Flows			
Operating activities			
Interest income on mortgages and loans	\$ 927	\$ 1,435	\$ 2,362
Principal receipts on mortgages and loans	3,962	4,910	8,872
Disbursements to fund mortgages and loans	-	-	-
Receipts (payments) for interfund loan transfers	(873)	(4,458)	(5,331)
Mortgage and loan proceeds receipts	-	-	-
Mortgage and loan proceeds paid to trust funds	-	-	-
Payroll-related disbursements	-	-	-
Payments for goods and services	-	-	-
Receipts from externally funded programs	-	-	-
Receipts from Federal HAP subsidies	-	-	-
Payments for Federal HAP subsidies	-	-	-
Interfund receipts (payments)	-	-	-
Grant payments to other agencies	-	-	-
Other operating cash receipts (payments)	-	-	-
Net cash receipts (disbursements)	4,016	1,887	5,903
Non-capital financing activities			
Proceeds from bond issuance	-	-	-
Principal paid on bonds	(2,015)	(2,590)	(4,605)
Payment of bond issuance costs	-	-	-
Interest paid on bonds	(654)	(556)	(1,210)
Proceeds from short-term debt issuance	-	-	-
Payment of short term debt	-	-	-
Contributions to State of Alaska or State agencies	-	-	-
Transfers from (to) other funds	(2)	1,040	1,038
Net cash receipts (disbursements)	(2,671)	(2,106)	(4,777)
Capital financing activities			
Acquisition of capital assets	-	-	-
Principal paid on capital notes	-	-	-
Interest paid on capital notes	-	-	-
Net cash receipts (disbursements)	-	-	-
Investing activities			
Purchase of investments	(4,975)	(12,633)	(17,608)
Proceeds from maturity of investments	3,556	12,694	16,250
Interest received from investments	74	158	232
Net cash receipts (disbursements)	(1,345)	219	(1,126)
Net Increase (decrease) in cash	-	-	-
Cash at beginning of year	-	-	-
Cash at end of period	\$ -	\$ -	\$ -

	Collateralized Bonds, 2016 1st & 2nd Series	Collateralized Bonds, 2019 1st & 2nd Series	Total June 30, 2023
Reconciliation			
Operating income (loss) to net cash			
Operating income (loss)	\$ 325	\$ 1,072	\$ 1,397
<i>Adjustments:</i>			
Depreciation expense	-	-	-
Provision for loan loss	(29)	-	(29)
Net change in the fair value of investments	-	(10)	(10)
Interfund receipts (payments) for operations	42	1,117	1,159
Interest received from investments	(74)	(158)	(232)
Interest paid on bonds and capital notes	654	556	1,210
<i>Change in assets, liabilities and deferred resources:</i>			
Net (increase) decrease in mortgages and loans	2,886	(3)	2,883
Net increase (decrease) in assets, liabilities, and deferred resources	212	(687)	(475)
Net operating cash receipts (disbursements)	\$ 4,016	\$ 1,887	\$ 5,903

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS**GOVERNMENTAL PURPOSE BONDS**

For the Year Ended June 30, 2023

(in thousands of dollars)

	Governmental Purpose Bonds 2001 A & B
Cash Flows	
Operating activities	
Interest income on mortgages and loans	\$ 4,637
Principal receipts on mortgages and loans	18,632
Disbursements to fund mortgages and loans	-
Receipts (payments) for interfund loan transfers	(24,995)
Mortgage and loan proceeds receipts	-
Mortgage and loan proceeds paid to trust funds	-
Payroll-related disbursements	-
Payments for goods and services	-
Receipts from externally funded programs	-
Receipts from Federal HAP subsidies	-
Payments for Federal HAP subsidies	-
Interfund receipts (payments)	-
Grant payments to other agencies	-
Other operating cash receipts (payments)	-
Net cash receipts (disbursements)	(1,726)
Non-capital financing activities	
Proceeds from bond issuance	-
Principal paid on bonds	(7,135)
Payment of bond issuance costs	-
Interest paid on bonds	(2,365)
Proceeds from short-term debt issuance	-
Payment of short term debt	-
Contributions to State of Alaska or State agencies	-
Transfers from (to) other funds	-
Net cash receipts (disbursements)	(9,500)
Capital financing activities	
Acquisition of capital assets	-
Principal paid on capital notes	-
Interest paid on capital notes	-
Net cash receipts (disbursements)	-
Investing activities	
Purchase of investments	(52,104)
Proceeds from maturity of investments	62,490
Interest received from investments	840
Net cash receipts (disbursements)	11,226
Net Increase (decrease) in cash	-
Cash at beginning of year	-
Cash at end of period	\$ -

	Governmental Purpose Bonds 2001 A & B
Reconciliation	
Operating income (loss) to net cash	
Operating income (loss)	\$ 2,414
<i>Adjustments:</i>	
Depreciation expense	-
Provision for loan loss	(193)
Net change in the fair value of investments	(54)
Interfund receipts (payments) for operations	(25,047)
Interest received from investments	(840)
Interest paid on bonds and capital notes	2,365
<i>Change in assets, liabilities and deferred resources:</i>	
Net (increase) decrease in mortgages and loans	19,078
Net increase (decrease) in assets, liabilities, and deferred resources	551
Net operating cash receipts (disbursements)	\$ (1,726)

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS
STATE CAPITAL PROJECT BONDS

For the Year Ended June 30, 2023

(in thousands of dollars)

	State Capital Project Bonds	State Capital Project Bonds II	Total June 30, 2023
Cash Flows			
Operating activities			
Interest income on mortgages and loans	\$ 24	\$ 52,621	\$ 52,645
Principal receipts on mortgages and loans	51	127,018	127,069
Disbursements to fund mortgages and loans	-	-	-
Receipts (payments) for interfund loan transfers	-	(169,490)	(169,490)
Mortgage and loan proceeds receipts	-	-	-
Mortgage and loan proceeds paid to trust funds	-	-	-
Payroll-related disbursements	-	-	-
Payments for goods and services	-	-	-
Receipts from externally funded programs	-	-	-
Receipts from Federal HAP subsidies	-	-	-
Payments for Federal HAP subsidies	-	-	-
Interfund receipts (payments)	-	-	-
Grant payments to other agencies	-	-	-
Other operating cash receipts (payments)	-	17	17
Net cash receipts (disbursements)	75	10,166	10,241
Non-capital financing activities			
Proceeds from bond issuance	-	106,744	106,744
Principal paid on bonds	(247)	(48,685)	(48,932)
Payment of bond issuance costs	-	(244)	(244)
Interest paid on bonds	(21)	(44,979)	(45,000)
Proceeds from short-term debt issuance	-	-	-
Payment of short term debt	-	-	-
Contributions to State of Alaska or State agencies	-	-	-
Transfers from (to) other funds	3,008	(106,394)	(103,386)
Net cash receipts (disbursements)	2,740	(93,558)	(90,818)
Capital financing activities			
Principal paid on capital notes	(3,278)	-	(3,278)
Interest paid on capital notes	(292)	-	(292)
Proceeds from direct financing leases	-	3,304	3,304
Net cash receipts (disbursements)	(3,570)	3,304	(266)
Investing activities			
Purchase of investments	(106)	(620,991)	(621,097)
Proceeds from maturity of investments	861	695,745	696,606
Interest received from investments	-	5,351	5,351
Net cash receipts (disbursements)	755	80,105	80,860
Net Increase (decrease) in cash	-	17	17
Cash at beginning of year	-	149	149
Cash at end of period	\$ -	\$ 166	\$ 166

ALASKA HOUSING FINANCE CORPORATION

Schedule 23

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS**STATE CAPITAL PROJECT BONDS**

For the Year Ended June 30, 2023

(in thousands of dollars)

	State Capital Project Bonds	State Capital Project Bonds II	Total June 30, 2023
Reconciliation			
Operating income (loss) to net cash			
Operating income (loss)	\$ 102	\$ 15,767	\$ 15,869
<i>Adjustments:</i>			
Depreciation expense	-	-	-
Provision for loan loss	(49)	1,611	1,562
Net change in the fair value of investments	-	(71)	(71)
Interfund receipts (payments) for operations	(1,970)	4,515	2,545
Interest received from investments	-	(5,351)	(5,351)
Interest paid on bonds and capital notes	313	44,979	45,292
<i>Change in assets, liabilities and deferred resources:</i>			
Net (increase) decrease in mortgages and loans	4,853	(161,758)	(156,905)
Net increase (decrease) in assets, liabilities, and deferred resources	(3,174)	110,474	107,300
Net operating cash receipts (disbursements)	\$ 75	\$ 10,166	\$ 10,241

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

OTHER PROGRAM FUNDS

For the Year Ended June 30, 2023

(in thousands of dollars)

	Low Rent Program	Market Rate Rental Housing Program	Home Ownership Fund	Senior Housing Revolving Loan Fund	Other Funds or Programs Subtotal
Cash Flows					
Operating activities					
Interest income on mortgages and loans	\$ -	\$ -	\$ 213	\$ 1,124	\$ 1,337
Principal receipts on mortgages and loans	-	-	1,070	3,784	4,854
Disbursements to fund mortgages and loans	-	-	-	-	-
Receipts (payments) for interfund loan transfers	-	-	(2,726)	(8,013)	(10,739)
Mortgage and loan proceeds receipts	-	-	-	-	-
Mortgage and loan proceeds paid to trust funds	-	-	-	-	-
Payroll-related disbursements	(7,895)	(1,851)	-	-	(9,746)
Payments for goods and services	(13,010)	(2,786)	-	-	(15,796)
Receipts from externally funded programs	13,347	2,392	-	-	15,739
Receipts from Federal HAP subsidies	-	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-	-
Interfund receipts (payments)	1,172	(45)	-	-	1,127
Grant payments to other agencies	-	-	-	-	-
Other operating cash receipts (payments)	8,411	2,410	-	-	10,821
Net cash receipts (disbursements)	2,025	120	(1,443)	(3,105)	(2,403)
Non-capital financing activities					
Proceeds from bond issuance	-	-	-	-	-
Principal paid on bonds	-	-	-	-	-
Payment of bond issuance costs	-	-	-	-	-
Interest paid on bonds	-	-	-	-	-
Proceeds from short-term debt issuance	-	-	-	-	-
Payment of short term debt	-	-	-	-	-
Contributions to State of Alaska or State agencies	-	-	-	-	-
Transfers from (to) other funds	-	-	-	-	-
Net cash receipts (disbursements)	-	-	-	-	-
Capital financing activities					
Acquisition of capital assets	(2,487)	-	-	-	(2,487)
Proceeds from the disposal of capital assets	-	-	-	-	-
Interest paid on capital notes	-	-	-	-	-
Net cash receipts (disbursements)	(2,487)	-	-	-	(2,487)
Investing activities					
Purchase of investments	-	-	(1,326)	(5,085)	(6,411)
Proceeds from maturity of investments	-	-	2,726	8,076	10,802
Interest received from investments	237	200	43	114	594
Net cash receipts (disbursements)	237	200	1,443	3,105	4,985
Net Increase (decrease) in cash	(225)	320	-	-	95
Cash at beginning of year	17,777	12,977	-	-	30,754
Cash at end of period	\$ 17,552	\$ 13,297	\$ -	\$ -	\$ 30,849

Energy Programs	Section 8 Voucher Programs	Other Grants	COVID-19 Grants	Grant Programs Subtotal	Alaska Corporation for Affordable Housing	Total June 30, 2023
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,337
-	-	-	-	-	-	4,854
-	-	-	-	-	-	-
-	-	-	-	-	-	(10,739)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(73)	(4,154)	(812)	(591)	(5,630)	(118)	(15,494)
(416)	(823)	(743)	(2,586)	(4,568)	(76)	(20,440)
4,840	7,346	12,621	-	24,807	-	40,546
-	30,092	-	-	30,092	-	30,092
-	(34,427)	-	-	(34,427)	-	(34,427)
2,185	4,188	23,959	62,198	92,530	(1,523)	92,134
(6,748)	(858)	(35,445)	(62,829)	(105,880)	-	(105,880)
-	5	420	4	429	2,927	14,177
(212)	1,369	-	(3,804)	(2,647)	1,210	(3,840)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	(125)	-	-	(125)	-	(2,612)
-	3	-	-	3	-	3
-	-	-	-	-	-	-
-	(122)	-	-	(122)	-	(2,609)
-	-	-	-	-	-	(6,411)
-	-	-	-	-	-	10,802
-	2	-	5	7	5	606
-	2	-	5	7	5	4,997
(212)	1,249	-	(3,799)	(2,762)	1,215	(1,452)
980	5,381	3	8,458	14,822	8,208	53,784
\$ 768	\$ 6,630	\$ 3	\$ 4,659	\$ 12,060	\$ 9,423	\$ 52,332

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

OTHER PROGRAM FUNDS

For the Year Ended June 30, 2023

(in thousands of dollars)

	Low Rent Program	Market Rate Rental Housing Program	Home Ownership Fund	Senior Housing Revolving Loan Fund	Other Funds or Programs Subtotal
Reconciliation					
Operating income (loss) to net cash					
Operating income (loss)	\$ (3,875)	\$ (1,277)	\$ 218	\$ 1,133	\$ (3,801)
<i>Adjustments:</i>					
Depreciation expense	4,176	1,183	-	-	5,359
Provision for loan loss	-	-	17	37	54
Net change in the fair value of investments	-	-	-	-	-
Interfund receipts (payments) for operations	2,412	739	30	(220)	2,961
Interest received from investments	(237)	(200)	(43)	(114)	(594)
Interest paid on bonds and capital notes	-	-	-	-	-
<i>Change in assets, liabilities and deferred resources:</i>					
Net (increase) decrease in mortgages and loans	-	-	(1,634)	(3,670)	(5,304)
Net increase (decrease) in assets, liabilities, and deferred resources	(451)	(325)	(31)	(271)	(1,078)
Net operating cash receipts (disbursements)	\$ 2,025	\$ 120	\$ (1,443)	\$ (3,105)	\$ (2,403)

See accompanying notes to the financial statements.

Energy Programs	Section 8 Voucher Programs	Other Grants	COVID-19 Grants	Grant Programs Subtotal	Alaska Corporation for Affordable Housing	Total June 30, 2023
\$ (3,184)	\$ (4,146)	\$ (16,562)	\$ (1,847)	\$ (25,739)	\$ 13,608	\$ (15,932)
-	81	-	-	81	-	5,440
-	-	35	-	35	11	100
-	-	-	-	-	-	-
3,071	217	16,635	(5)	19,918	75	22,954
-	(2)	-	(5)	(7)	(5)	(606)
-	-	-	-	-	-	-
-	-	34	-	34	(13,131)	(18,401)
(99)	5,219	(142)	(1,947)	3,031	652	2,605
\$ (212)	\$ 1,369	\$ -	\$ (3,804)	\$ (2,647)	\$ 1,210	\$ (3,840)

Other Information

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

	2023	2022	2021	2020	2019
Assets					
Cash	\$ 80,205	\$ 84,731	\$ 108,769	\$ 73,772	\$ 74,259
Investments	784,796	981,786	1,033,065	871,387	562,671
Accrued interest receivable	16,664	14,791	14,850	16,183	15,831
Mortgage loans, notes and other loans	3,229,243	3,018,160	2,995,561	3,256,290	3,342,961
Net investment in direct financing lease	-	-	20,287	22,468	24,780
Capital assets, net	71,542	75,158	81,177	87,061	94,036
Other assets	70,344	66,358	38,510	21,455	21,255
Total Assets	4,252,794	4,240,984	4,292,219	4,348,616	4,135,793
Deferred Outflow of Resources	71,553	111,512	210,255	261,327	186,739
Liabilities					
Bonds and notes payable	2,347,283	2,277,492	2,366,206	2,572,813	2,461,125
Short term debt	128,476	149,771	130,697	115,366	49,469
Accrued interest payable	7,339	6,013	6,681	7,257	8,388
Other liabilities	150,617	202,682	211,197	70,401	70,059
Derivative instrument - interest rate swaps	39,013	73,728	168,250	234,281	158,349
Total Liabilities	2,672,728	2,709,686	2,883,031	3,000,118	2,747,390
Deferred Inflow of Resources	23,369	43,349	3,512	2,861	3,719
Total Net Position	\$ 1,628,250	\$ 1,599,461	\$ 1,615,931	\$ 1,606,964	\$ 1,571,423
Operating Revenues					
Mortgage and loans revenue	\$ 127,895	\$ 120,874	\$ 132,258	\$ 147,068	\$ 146,042
Investment interest	35,962	3,440	5,669	13,031	17,404
Net change in fair value of investments	3,158	820	(2,158)	1,922	(838)
Net change of hedge termination	281	875	579	(177)	(278)
Total Investment Revenue	39,401	5,135	4,090	14,776	16,288
Externally funded programs	156,657	283,006	154,023	76,113	77,143
Rental	11,509	11,280	11,219	11,512	11,926
Other	3,165	4,347	4,490	1,607	4,634
Total Operating Revenues	338,627	424,642	306,080	251,076	256,033
Operating Expenses					
Interest	79,853	60,780	70,987	81,137	76,831
Mortgage and loan costs	12,501	11,767	11,342	14,763	12,034
Operations and administration	47,774	48,911	50,360	40,958	44,781
Financing expenses	4,834	4,923	6,033	5,163	6,054
Provision for loan loss	1,640	485	(2,761)	(6,639)	(5,740)
Housing grants and subsidies	138,014	276,268	143,129	63,800	72,198
Rental housing operating expenses	17,175	19,274	17,012	16,353	15,042
Total Operating Expenses	301,791	422,408	296,102	215,535	221,200
Operating Income (Loss)	36,836	2,234	9,978	35,541	34,833
Non-Operating & Special Item					
Contribution to State or State agency	(8,047)	(933)	(1,011)	-	(2,106)
Change in Net Position	\$ 28,789	\$ 1,301	\$ 8,967	\$ 35,541	\$ 32,727