



A Component Unit of the State of Alaska

Financial Statements

And Independent Auditor's Report

June 30, 2026

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This publication of Alaska Housing Finance Corporation. For comments or questions:
Website: <https://www.ahfc.us/investors/financials-history> or
E-Mail: finance@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 and each major fund 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, 2026, and the related notes to the financial statements, which collectively comprise the 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 Alaska Housing Finance Corporation as of June 30, 2026, and the changes in financial position and its cash flows for the year 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* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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.

Emphasis of Matter

As discussed in Note 2 to the financial statements, as of July 1, 2025, the Corporation adopted new accounting guidance associated with Governmental Accounting Standards Board (GASB) Statement No. 103, *Financial Reporting Model Improvements*. Our opinions are not modified with respect to this matter.

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, schedule of AHFC's proportionate share of the net pension liability, contributions to the pension plan, proportionate share of the net OPEB liability, and contributions to the OPEB plan (required supplementary information) 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 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 (supplementary information) 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 GAAS. In our opinion, the supplementary information 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 30, 2026, 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.

Eide Bailly LLP

Boise, Idaho
September 30, 2026

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 2026 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 presents a comparative overview of the Corporation's financial position and results of operations as of and for the fiscal years ended June 30, 2026 and 2025. It highlights significant events and provides additional detail 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

This section includes 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 using the accrual basis of accounting and economic resources measurement focus for all of the Corporation's operations, grouped by program or function.

The *Statement of Net Position (Exhibit A)* helps answer the question: "How is the Corporation's financial health at the end of the year?" It 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. Net position is presented as restricted when the use of assets is subject to external limits or rules such as bond resolutions, legal agreements, or statutes. Otherwise, assets are characterized as unrestricted.

The *Statement of Revenues, Expenses, and Changes in Net Position (Exhibit B)* helps answer the question: "Is the Corporation as a whole better or worse off as a result of the year's activities?" It measures the activities of the Corporation's operations over the past year and presents the operating income and change in net position.

The *Statement of Cash Flows (Exhibit C)* helps answer the question: "How was cash generated and used?" It provides information about the sources and uses of the Corporation's cash and the change in cash balance during the reporting period resulting from operations, non-capital and capital financing and investing activities.

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. The Corporation reports the following major funds:

The *Administrative Fund* is the Corporation's main operating fund, encompassing all financial activity not presented elsewhere. It provides the Corporation's working capital and is available to meet debt service, fund continuing appropriations, absorb loan foreclosures, and finance legislatively authorized transfers to and from the State.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 U.S. 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 to assist in financing loan programs or to fund legislative appropriations. This fund includes the Corporation's Home Mortgage Revenue Bonds, General Mortgage Revenue Bonds II, Collateralized Bonds (Veterans Mortgage Program), Governmental Purpose Bonds, and State Capital Project Bonds II indentures.

Other Funds and Programs include AHFC-owned housing for low-income families managed under contract with HUD as well as other programs that are not specifically grants or bond funds, such as the Low Rent Program, the Market Rate Rental Housing Program, the Home Ownership Fund and the Senior Housing Revolving Loan Fund.

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 Corporation's financial statements.

CONDENSED STATEMENT OF NET POSITION

The following table presents condensed information about the Corporation's financial position as of June 30, 2026 and 2025 (in thousands of dollars):

Condensed Statement of Net Position

	2026	2025	Increase/(Decrease)	
Cash and investments	\$ 675,577	\$ 671,011	\$ 4,566	0.7%
Mortgage loans, notes and other loans, net	4,128,861	3,913,383	215,478	5.5%
Capital assets, net	75,646	76,718	(1,072)	-1.4%
Other assets	79,128	73,331	5,797	7.9%
Total assets	4,959,212	4,734,443	224,769	4.7%
Deferred outflow of resources	35,399	49,413	(14,014)	-28.4%
Bonds and notes payable, net	2,985,016	2,802,648	182,368	6.5%
Short-term debt	149,716	127,493	22,223	17.4%
Accrued interest payable	9,809	8,954	855	9.5%
Derivatives	20,866	30,229	(9,363)	-31.0%
Pension and OPEB liabilities	32,151	33,945	(1,794)	-5.3%
Other liabilities	40,655	69,159	(28,504)	-41.2%
Total liabilities	3,238,213	3,072,428	165,785	5.4%
Deferred inflow of resources	11,961	12,200	(239)	-2.0%
Net investment in capital assets	75,646	76,718	(1,072)	-1.4%
Restricted by bond resolution	698,140	659,619	38,521	5.8%
Restricted by contractual or statutory agreements	349,839	305,370	44,469	14.6%
Unrestricted	620,812	657,521	(36,709)	-5.6%
Total net position	\$ 1,744,437	\$ 1,699,228	\$ 45,209	2.7%

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL SUMMARY

- The Corporation's assets and deferred outflow of resources exceeded its liabilities and deferred inflows of resources as of June 30, 2026, by \$1.7 billion (net position), an increase over 2025 of \$45.2 million, of which 35.0% was unrestricted.
- Total assets increased by \$224.8 million, or 4.7%, in fiscal year 2026, mainly due to an increase in the mortgage loan portfolio, the Corporation's primary asset. During the fiscal year ended June 30, 2026, the mortgage loan portfolio increased by 5.5%.
- Total liabilities increased by \$165.8 million, or 5.4%, mainly due to an increase in the bonds outstanding portfolio, the Corporation's main liability. The Corporation retired a total of \$186.4 million in bonds during fiscal year 2026. Of this total, scheduled redemptions totaled \$96.1 million, and special redemptions totaled \$90.3 million. New bond issuances exceeded total bond redemptions by \$153.0 million.

ANALYSIS OF CHANGES IN MAJOR FUNDS

Mortgage and Bond Funds

- On July 1, 2025, the Corporation issued its \$133.0 million State Capital Project Bonds II, 2025 Series A. The Bonds are tax-exempt general obligations of the Corporation having a final maturity of December 1, 2033, and pay interest each June 1 and December 1 at a fixed rate of 5.00%. Proceeds of the Series A Bonds were used to refund certain outstanding obligations of the Corporation and for other authorized purposes.
- On September 30, 2025, the Corporation issued its \$100.0 million Collateralized Bonds (Veterans Mortgage Program), 2025 First Series. The Bonds are tax-exempt general obligations of the Corporation having a final maturity of December 1, 2054, and pay interest each June 1 and December 1 at fixed rates ranging from 2.50% to 5.00%. Proceeds of the Bonds were used to finance qualified veterans mortgage loans. Principal and interest on the Bonds is further secured by the unconditional guarantee of the State.
- On March 17, 2026, the Corporation issued its \$106.4 million General Mortgage Revenue Bonds II, 2026 Series A. The Bonds are tax-exempt general obligations of the Corporation having a final maturity of December 1, 2056, and pay interest each June 1 and December 1 at fixed rates ranging from 3.35% to 6.00%. Proceeds of the Series A Bonds were used to finance qualified first-time homebuyer mortgage loans.

Administrative Fund

- Short-term debt increased by \$22.2 million, or 17.4%, due to the additional issuance of commercial paper to warehouse long-term debt authority for tax purposes until refunding or for other authorized purposes.

Grant Programs Fund

- Other liabilities decreased by \$26.0 million, or 61.4%, due to the utilization of COVID-19 funds received in 2022 from allocations of the Consolidated Appropriations and American Rescue Plan Acts of 2021.
- Other assets increased by \$11.0 million, mainly due to the purchase of land from the University of Alaska in Anchorage for \$11.3 million. The land will be distributed to Corporation's sub-grantees for future low-income housing development.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

The following table presents condensed information about the Corporation's revenues, expenses and changes in net position for the fiscal years ended June 30, 2026 and 2025 (in thousands of dollars):

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

	2026	2025 (A)	Increase/(Decrease)	
Mortgage and loans revenue	\$ 197,133	\$ 177,021	\$ 20,112	11.4%
Rental and other revenues	22,252	34,147	(11,895)	-34.8%
Investment interest income	-	33,314	(33,314)	-
Externally funded programs	-	143,605	(143,605)	-
Net change in fair value of investments	-	2,953	(2,953)	-
Total operating revenues	219,385	391,040	(171,655)	-43.9%
Mortgage and loan costs	15,949	14,992	957	6.4%
Rental housing operating expenses	16,121	144,459	(128,338)	-88.8%
Operations and administration	67,600	81,893	(14,293)	-
Interest expense	-	99,980	(99,980)	-
Total operating expenses	99,670	341,324	(241,654)	-70.8%
Operating income (loss)	119,715	49,716	69,999	140.8%
Noncapital subsidies	21,821	-	21,821	-
Operating income (loss) and noncapital subsidies	141,536	49,716	91,820	184.7%
Interest and financing expenses	(111,737)	-	(111,737)	-
Grant revenue and expenses - capital	(8,438)	-	(8,438)	-
Investment interest income	20,121	-	20,121	-
Other revenue and expenses	3,727	(3,324)	7,051	-212%
Total other nonoperating revenues and (expenses)	(96,327)	(3,324)	(93,003)	-2797.9%
Change in net position	45,209	46,392	(1,183)	-2.6%
Net position at beginning of year	1,699,228	1,652,836	46,392	2.8%
Net position at end of year	\$ 1,744,437	\$ 1,699,228	\$ 45,209	2.7%

(A) The information for fiscal year 2025 is presented using the pre-GASB 103 reporting model. As described in note 2, the Corporation implemented GASB 103 for its fiscal year 2026 financial statements. Certain line items are reported as they were reported in fiscal year 2025 and certain categories and subtotals are not reported as they did not exist prior to the implementation of GASB 103.

MANAGEMENT'S DISCUSSION AND ANALYSIS

ANALYSIS OF CHANGES IN NET POSITION

- The Corporation had operating income in fiscal year 2026 of \$119.7 million, mainly due to an 11.4% increase in mortgage and loans revenue and a decrease in operating expenses.
- Noncapital subsidies or externally funded programs overall decreased by \$19.0 million due to current fiscal year's reduced HUD reimbursement to the Central Cost Operating Center for administrative expenses. In fiscal year 2026, the Corporation received a Moving to Work ("MTW") disbursement from HUD held reserves totaling \$20.4 million lower than prior year.
- Other nonoperating revenues and (expenses) overall increased by \$9.8 million, mainly due to decreased investment interest income resulting from lower short-term investment interest rates in fiscal year 2026.

SIGNIFICANT CAPITAL ASSETS AND LONG-TERM FINANCING ACTIVITY

The Corporation's capital assets include land, buildings, vehicles, office and computer equipment. Capital assets are presented in the financial statements at \$75.6 million (net of accumulated depreciation), a decrease of 1.4% from fiscal year 2025. 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. Additional information regarding capital assets and long-term financing are found at Note 8 and Note 10, respectively.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

The Corporation's primary business activity is providing a secondary market for the purchase of single-family and multifamily mortgage loans. As such, the Corporation is sensitive to changes in market interest rates, to the spreads between the Corporation's mortgage rates and those available in the conventional mortgage markets, and to the varying availability of affordable housing in the State.

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 rates rise, mortgage and investment income should increase as new loans are originated and new investments are purchased at the higher rates. If rates fall, mortgage and investment income should decrease as new loans are originated and new investments are purchased at the lower rates.

A decrease in interest rates could also cause an increase in prepayments on higher rate mortgages. The Corporation can use these prepayments to recycle mortgages, when positive spreads allow for it, or to redeem higher rate bonds, thus lowering the overall bond interest expense. The availability of long-term municipal tax-exempt financing on favorable terms is a key element in providing the funding necessary for the Corporation to continue its mortgage financing activities. Additionally, large federal deficits or changes in programs or funding levels could have a negative impact on externally funded program revenues.

DEBT RATINGS

The Corporation's outstanding bonds and notes payable are secured by assets held under respective indentures, as well as the Corporation's general obligation pledge. The Corporation's general obligation is rated by three major rating agencies. Standard & Poor's, Moody's and Fitch all remained unchanged from the prior fiscal year.

Rating Category	Standard & Poor's	Moody's	Fitch Ratings
Long Term	AA+	Aa1	AA+
Short Term	A-1+	P-1	F1+

CONTACTING THE CORPORATION'S FINANCIAL MANAGEMENT

This report provides a general overview of the Corporation's finances and accountability during the reporting period. For inquiries or to request additional information, please contact (907) 330-8322 or 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, 2026

(in thousands of dollars)

	Administrative Fund	Grant Programs	Mortgage and Bond Funds	Other Funds and Programs
ASSETS				
Current assets				
Cash	\$ 22,991	\$ 5,794	\$ 443	\$ 33,692
Investments	371,024	-	170,190	4,551
Lease receivable	-	-	2,935	47
Accrued interest receivable	1,943	-	13,779	126
Interfund due (to)/from, net	(40,491)	(5,607)	51,388	(4,952)
Mortgage loans, notes and other loans, net	11,165	2	110,802	1,516
Other assets	5,471	10,341	-	1,313
Intergovernmental receivable	47	13,172	-	546
Total current assets	372,150	23,702	349,537	36,839
Noncurrent assets				
Investments	33,535	-	23,884	-
Lease receivable	-	-	4,427	-
Interfund due (to)/from, net	-	1,423	-	-
Mortgage loans, notes and other loans, net	332,576	803	3,582,564	49,027
Capital assets - non-depreciable	2,430	1,832	-	13,409
Capital assets - depreciable, net	9,491	6,005	-	37,739
Other assets	1,403	11,335	4,485	-
OPEB asset	18,578	-	-	-
Total noncurrent assets	398,013	21,398	3,615,360	100,175
Total assets	770,163	45,100	3,964,897	137,014
DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources	4,514	-	30,885	-
LIABILITIES				
Current liabilities				
Bonds payable	-	-	111,190	-
Short-term debt	149,716	-	-	-
Accrued interest payable	-	-	9,809	-
Other liabilities	17,015	16,305	1,339	1,237
Intergovernmental payable	-	-	135	522
Total current liabilities	166,731	16,305	122,473	1,759
Noncurrent liabilities				
Bonds payable	-	-	2,873,826	-
Other liabilities	2,598	244	141	119
Derivative instrument - interest rate swaps	-	-	20,866	-
Pension liability	32,151	-	-	-
Total noncurrent liabilities	34,749	244	2,894,833	119
Total liabilities	201,480	16,549	3,017,306	1,878
DEFERRED INFLOWS OF RESOURCES				
Total deferred inflows of resources	1,962	-	7,059	36
NET POSITION				
Net investment in capital assets	11,921	7,837	-	51,148
Restricted by bond resolutions	-	-	698,140	-
Restricted by contractual or statutory agreements	178,484	52,608	-	84,537
Unrestricted or (deficit)	380,830	(31,894)	273,277	(585)
Total net position	\$ 571,235	\$ 28,551	\$ 971,417	\$ 135,100

See accompanying notes to the financial statements.

Total Programs and Funds	Alaska Corporation for Affordable Housing	Total June 30, 2026
\$ 62,920	\$ 9,473	\$ 72,393
545,765	-	545,765
2,982	46	3,028
15,848	359	16,207
338	(338)	-
123,485	-	123,485
17,125	1,866	18,991
13,765	-	13,765
782,228	11,406	793,634
57,419	-	57,419
4,427	3,115	7,542
1,423	(1,423)	-
3,964,970	24,199	3,989,169
17,671	4,740	22,411
53,235	-	53,235
17,223	1	17,224
18,578	-	18,578
4,134,946	30,632	4,165,578
4,917,174	42,038	4,959,212
35,399	-	35,399
111,190	-	111,190
149,716	-	149,716
9,809	-	9,809
35,896	-	35,896
657	-	657
307,268	-	307,268
2,873,826	-	2,873,826
3,102	1,000	4,102
20,866	-	20,866
32,151	-	32,151
2,929,945	1,000	2,930,945
3,237,213	1,000	3,238,213
9,057	2,904	11,961
70,906	4,740	75,646
698,140	-	698,140
315,629	34,210	349,839
621,628	(816)	620,812
\$ 1,706,303	\$ 38,134	\$ 1,744,437

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, 2026

(in thousands of dollars)

	Administrative Fund	Grant Programs	Mortgage and Bond Funds	Other Funds and Programs
OPERATING REVENUES				
Mortgage and loan revenue	\$ 16,184	\$ -	\$ 179,200	\$ 1,749
Rental revenue	13	-	-	13,178
Other revenue	2,997	637	3,485	416
Total operating revenues	19,194	637	182,685	15,343
OPERATING EXPENSES				
Mortgage and loan costs	4,374	-	11,436	139
Provision for loan loss	851	169	1,194	-
Operations and administration	22,181	17,138	5,529	19,276
Rental housing operating expenses	-	346	-	15,773
Total operating expenses	27,406	17,653	18,159	35,188
Operating income (loss)	(8,212)	(17,016)	164,526	(19,845)
NONCAPITAL SUBSIDIES				
Grant revenue	-	93,940	-	4,104
Grant expense	-	(88,839)	-	-
Housing rental subsidies	-	-	-	12,578
Total noncapital subsidies	-	5,101	-	16,682
Operating income (loss) and noncapital subsidies	(8,212)	(11,915)	164,526	(3,163)
OTHER NONOPERATING REVENUES AND EXPENSES				
Interest expense	(3,213)	-	(102,190)	-
Grant revenue - capital	-	13,187	-	-
Grant expense - capital	-	(21,625)	-	-
Bond financing expenses	(442)	-	(5,892)	-
Investment interest earnings	12,597	(128)	6,903	488
Gain (loss) on disposal of capital assets	-	-	-	(198)
Net change in the fair value of investments	1,968	-	4,175	22
Other revenue and expenses	-	-	-	3
Contributions to State of Alaska or State agencies	(1,718)	-	-	-
Interfund receipts (payments) for operations	77,814	30,655	(110,810)	2,177
Total other nonoperating revenues and expenses	87,006	22,089	(207,814)	2,492
Change in net position	78,794	10,174	(43,288)	(671)
Net position at beginning of year	492,441	18,377	1,014,705	135,771
Net position at end of period	\$ 571,235	\$ 28,551	\$ 971,417	\$ 135,100

See accompanying notes to the financial statements.

Total Programs and Funds	Alaska Corporation for Affordable Housing	Total June 30, 2026
\$ 197,133	\$ -	\$ 197,133
13,191	-	13,191
7,535	1,526	9,061
217,859	1,526	219,385
15,949	-	15,949
2,214	619	2,833
64,124	643	64,767
16,119	2	16,121
98,406	1,264	99,670
119,453	262	119,715
98,044	38	98,082
(88,839)	-	(88,839)
12,578	-	12,578
21,783	38	21,821
141,236	300	141,536
(105,403)	-	(105,403)
13,187	-	13,187
(21,625)	-	(21,625)
(6,334)	-	(6,334)
19,860	261	20,121
(198)	-	(198)
6,165	-	6,165
3	(525)	(522)
(1,718)	-	(1,718)
(164)	164	-
(96,227)	(100)	(96,327)
45,009	200	45,209
1,661,294	37,934	1,699,228
\$ 1,706,303	\$ 38,134	\$ 1,744,437

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, 2026

(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	\$ 15,089	\$ -	\$ 165,301	\$ 1,602	\$ 181,992
Principal receipts on mortgages and loans	18,894	-	330,128	6,116	355,138
Disbursements to fund mortgages and loans	(588,661)	-	-	-	(588,661)
Receipts (payments) for interfund loan transfers	472,928	-	(466,525)	(6,403)	-
Mortgage and loan proceeds receipts	554,471	-	-	-	554,471
Mortgage and loan proceeds paid to trust funds	(540,362)	-	-	-	(540,362)
Payroll-related disbursements	(28,214)	(7,388)	-	(11,823)	(47,425)
Payments for goods and services	(7,262)	(3,971)	-	(14,978)	(26,211)
Other operating cash receipts (payments)	(9,337)	(41)	(61)	12,710	3,271
Net cash receipts (disbursements)	(112,454)	(11,400)	28,843	(12,776)	(107,787)
Noncapital financing activities					
Receipts from externally funded programs	-	40,881	-	18,281	59,162
Receipts from Federal HAP subsidies	-	40,652	-	-	40,652
Payments for Federal HAP subsidies	-	(46,934)	-	-	(46,934)
Interfund receipts (payments)	(37,965)	36,350	-	1,363	(252)
Grant payments to other agencies	-	(57,100)	-	-	(57,100)
Proceeds from bond issuance	-	-	356,093	-	356,093
Principal paid on bonds	-	-	(155,350)	-	(155,350)
Payment of bond issuance costs	-	-	(2,241)	-	(2,241)
Interest paid on bonds	-	-	(115,625)	-	(115,625)
Proceeds from short-term debt issuance	247,991	-	-	-	247,991
Payment of short-term debt	(228,982)	-	-	-	(228,982)
Contributions to State of Alaska or State agencies	(1,718)	-	-	-	(1,718)
Transfers from (to) other funds	116,364	-	(116,364)	-	-
Other non-capital financing cash payments	-	-	-	-	-
Net cash receipts (disbursements)	95,690	13,849	(33,487)	19,644	95,696
Capital financing activities					
Acquisition of capital assets	(102)	-	-	(4,158)	(4,260)
Acquisition of capital assets held for transfer	-	(11,335)	-	-	(11,335)
Proceeds from the disposal of capital assets	6	-	-	-	6
Proceeds from direct financing leases	-	-	3,304	-	3,304
Net cash receipts (disbursements)	(96)	(11,335)	-	(4,158)	(12,285)
Investing activities					
Purchase of investments	(4,354,572)	-	(1,326,070)	(10,873)	(5,691,515)
Proceeds from maturity of investments	4,363,421	-	1,321,564	9,408	5,694,393
Interest received from investments	12,693	(123)	6,093	499	19,162
Net cash receipts (disbursements)	21,542	(123)	1,587	(966)	22,040
Net Increase (decrease) in cash	4,682	(9,009)	247	1,744	(2,336)
Cash at beginning of year	18,309	14,803	196	31,948	65,256
Cash at end of period	\$ 22,991	\$ 5,794	\$ 443	\$ 33,692	\$ 62,920

See accompanying notes to the financial statements.

Alaska Corporation for Affordable Housing	Total June 30, 2026
\$ -	\$ 181,992
-	355,138
-	(588,661)
-	-
-	554,471
-	(540,362)
(111)	(47,536)
(202)	(26,413)
281	3,552
(32)	(107,819)
-	59,162
-	40,652
-	(46,934)
252	-
-	(57,100)
-	356,093
-	(155,350)
-	(2,241)
-	(115,625)
-	247,991
-	(228,982)
-	(1,718)
-	-
2,487	2,487
2,739	98,435
-	(4,260)
-	(11,335)
-	6
-	3,304
-	(12,285)
-	(5,691,515)
-	5,694,393
267	19,429
267	22,307
2,974	638
6,499	71,755
\$ 9,473	\$ 72,393

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, 2026

(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)	\$ (8,212)	\$ (17,016)	\$ 164,526	\$ (19,845)	\$ 119,453
<i>Adjustments:</i>					
Depreciation expense	1,000	481	-	5,270	6,751
Provision for loan loss	851	169	1,194	-	2,214
Loss on disposal of capital assets	-	-	-	198	198
Net change in the fair value of investments	(1,968)	-	(4,175)	(22)	(6,165)
Amortization of deferred inflow of resources on leases	-	-	(3,485)	(13)	(3,498)
<i>Change in assets, liabilities and deferred resources:</i>					
Net (increase) decrease in mortgages and loans	(92,376)	170	(122,139)	(50)	(214,395)
Net increase (decrease) in assets, liabilities, and deferred resources	(11,749)	4,796	(7,078)	1,686	(12,345)
Net operating cash receipts (disbursements)	\$ (112,454)	\$ (11,400)	\$ 28,843	\$ (12,776)	\$ (107,787)
Non-cash activities					
Deferred outflow of resources - derivatives	\$ -	\$ -	\$ 9,365	\$ -	\$ 9,365
Derivative instruments liability	-	-	(9,365)	-	(9,365)
Net change of hedge termination	-	-	469	-	469
Deferred outflow debt refunding	-	-	3,187	-	3,187
Total non-cash activities	\$ -	\$ -	\$ 3,656	\$ -	\$ 3,656

Alaska Corporation for Affordable Housing	Total June 30, 2026
\$ 262	\$ 119,715
-	6,751
619	2,833
-	198
-	(6,165)
(99)	(3,597)
(1,149)	(215,544)
335	(12,010)
\$ (32)	\$ (107,819)
\$ -	\$ 9,365
-	(9,365)
-	469
-	3,187
\$ -	\$ 3,656

NOTE DISCLOSURES INDEX

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FOR THE TWELVE MONTHS ENDED JUNE 30, 2026

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"), Agriculture ("USDA"), Veterans Affairs ("VA"), Treasury ("DOT"), 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>
- 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>
- 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/acah>
- Alaska Sustainable Energy Corporation ("ASEC") incorporated on November 5, 2024, pursuant to House Bill No. 273 of the 2024 Legislature. <https://www.ahfc.us/about-us/subsidiaries/asec>

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 to, nor financially integrated with AHFC. There is no financial accountability for the other affiliates by AHFC. They are not component units of AHFC, hence they are not included in these financial statements. NTSC, AHCC and ASEC are component units of the State.

Neither AHFC nor the State is liable for any debt issued by NTSC, AHCC and ASEC. They are government instrumentalities of, but have a legal existence separate and apart from, the State. The State is additionally not liable for any debt issued by ACAH.

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

New Accounting Pronouncements

Effective July 1, 2025, the Corporation adopted GASB 103, *Financial Reporting Model Improvements*. The Statement represents a significant update to governmental financial reporting to include changes in the presentation of Exhibit B. The Statement requires Exhibit B continue to distinguish between operating and nonoperating revenues and expenses, defines nonoperating revenues and expenses and introduces subsidy reporting. Additionally, a subtotal for operating income (loss) and noncapital subsidies is required to be presented before reporting other nonoperating revenues and expenses.

As a result of GASB 103, nonoperating revenues and expenses include capital and noncapital subsidies received and provided, revenues and expenses related to financing, resources from the disposal of capital assets, investment income and expenses, and all transfers. Subsidies are resources received by the Corporation, for which the Corporation does not provide goods and services to the provider of these resources. Additionally, subsidies also include resources provided by the Corporation to entities for which these entities do not provide goods and services to the Corporation.

As of July 1, 2025, AHFC adopted GASB Statement No. 104, *Disclosure of Certain Capital Assets*. The implementation of this standard establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures and establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. There was not a significant effect on AHFC's financial statements as a result of the implementation of this standard.

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 Legislative appropriations.

Other Funds or Programs: Includes the Low Rent program and other affordable housing for low income families managed under contract with HUD, but owned by AHFC; as well as, 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 AHFC's 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. Unrealized gains and losses on investments are reported as net change in the fair value of investments and on the Statement of Revenue, Expenses, and the Change in Net Position.

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. General allowances are applied to the performing loan portfolio, and specific allowances are applied to some unique assets on an individual basis. These allowances can be modified as assumptions change over time. While management uses the best information currently 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.

Capital Assets

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.

Right to use leased assets are recognized at the lease commencement date and represent the Corporation's right to use an underlying asset for the lease term. The Corporation as a lessee records the right to use leased assets and lease liability, measured at the present value of future lease payments, discounted at the Corporation's incremental borrowing rate of 5%. Finance lease costs are recognized in two components, interest expense and amortization expense. Right to use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period varies from 3 to 20 years.

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 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 asset, 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.

Compensated Absences

The Corporation provides paid leave for jury duty, active military service and personal reasons. Paid active military leave is limited to five days. Personal leave accrues at a rate based on the employee's years of service. Employees of the Corporation may not accumulate more than 1,000 hours of personal leave at the end of each twelve-month period for use in the following twelve-month period. The Corporation does not recognize a liability for court leave or active military leave because it is paid when it occurs. The Corporation recognizes a compensated absences liability for accrued personal leave that has not been settled as of the measurement date. Additions to the liability include the total of accrued personal leave calculated at the pay rate of employees as of the measurement date, and the Corporation's portion of federal and state payroll taxes. Reductions of the liability include the total of personal leave used for time off, paid in cash or settled through contribution to a 457 Deferred Compensation Account.

Lease Receivable

The Corporation recognizes lease receivables and deferred inflow of resources for lease contracts with terms greater than 12 months. The Corporation as a Lessor, records lease receivable and deferred inflow of resources, measured at the present value of future lease receipts, discounted based on the interest rate the Corporation charges at 5%. 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.

Derivative Instruments-Interest Rate Swaps

Subject to certain restrictions, the Corporation's Fiscal Policies allow it to enter into derivative financial instruments called interest rate swap agreements, or swaps. The Corporation enters into swaps with various counterparties to achieve a lower overall cost of funds for certain bond issuances. Under these agreements, the Corporation pays a fixed interest rate to a counterparty in exchange for a variable interest rate payment from that counterparty, or vice versa. All swaps are presented at fair value, with the change in fair value of hedgeable derivatives being recorded as deferred inflows of resources or deferred outflows of resources, and the change in fair value of investment derivatives being recorded as investment revenue.

Operating Revenues and Expenses

The Corporation is authorized to issue bonds to finance the purchase of mortgage loans made to borrowers and to fund other lawful activities of the Corporation. Operating revenues are primarily derived from interest income on mortgage and loans. 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 and rental activities 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 follows (in thousands):

June 30, 2026	
Restricted cash	\$ 57,598
Unrestricted cash	14,795
Carrying amount	<u>\$ 72,393</u>
Bank balance	<u>\$ 72,350</u>

Investment Valuation

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

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

Investment Maturities

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

Investment Maturities					
	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years	June 30, 2026
Securities of U.S. Government agencies and corporations	\$ 2,000	\$ 33,535	\$ -	\$ -	\$ 35,535
Commercial paper & medium-term notes	366,507	-	-	-	366,507
Corporate certificates of deposit	7,039	-	-	-	7,039
Guaranteed investment contracts	-	10,000	13,884	-	23,884
Money market funds	134,603	-	-	-	134,603
Total not including GeFONSI	<u>\$ 510,149</u>	<u>\$ 43,535</u>	<u>\$ 13,884</u>	<u>\$ -</u>	<u>\$ 567,568</u>
GeFONSI pool					35,616
Total AHFC investment portfolio					<u>\$ 603,184</u>

Restricted Investments

A large portion of the Corporation's investments, \$351,311,000, is restricted by bond resolutions, contractual agreements and statutory agreements. The remainder, \$251,873,000, is unrestricted.

Realized Gains and Losses

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

Original Amount	June 30, 2026
Ending unrealized holding gain	\$ 6,847
Beginning unrealized holding gain	5,137
Net change in unrealized holding gain	1,710
Net realized gain (loss)	4,455
Net increase (decrease) in fair value	\$ 6,165

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 future projected funding need.

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

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

- Investment pools managed by the State of Alaska, including the General Fund and Other Non-Segregated Investments ("GeFONSI") pool.

Credit Risk

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

The credit quality ratings of the Corporation's investments as of June 30, 2026, 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 & corporations, commercial paper ("CP"), medium-term notes, guaranteed investment contracts ("GIC") & certificates of deposit ("CD"):	AA+	Aa1	\$ 33,535
	AA+	Aa3	13,885
	A-1+	P-1	138,050
	A-1+	P-2	2,390
	A-1+	NA	758
	A+	Aa3	10,000
	A-1	P-1	130,126
	A-1	P-2	53,942
	A-1	NA	296
	A-2	P-1	14,788
	NA	P-1	2,895
	A-2	P-2	29,802
	NA	NA	2,498*
Money market funds ("MMF"):	AAAm	Aaa-mf	134,603
			<u>\$ 567,568</u>

* Investments are eligible through their Fitch rating.

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, 2026, 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.	\$ 96,887	16.06%	MMF
Barclays Bank PLC	71,716	11.89%	CP
	<u>\$ 168,603</u>		

Custodial Credit Risk

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

Of the Corporation's \$72,350,000 bank balance as of June 30, 2026, cash deposits in the amount of \$357,000 were uninsured and uncollateralized.

Interest Rate Risk

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

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

Modified Duration

Modified duration estimates the sensitivity of an investment to interest rate changes. The following table shows the Corporation's trusted and non-trusted investments (net of GeFONSI holdings) with their modified duration as of June 30, 2026, in thousands:

Issuer	Investment Fair Value	Modified Duration
Securities of U.S. Government agencies and corporations:		
Federal agency pass through securities	\$ 35,535	3.937
Certificate of deposit	7,039	0.623
Commercial paper & medium-term notes:		
Commercial paper discounts	354,458	0.213
Medium-term notes	12,049	0.591
Guaranteed investment contracts	23,884	3.750
Money market funds	<u>134,603</u>	0.000
Portfolio modified duration	<u>\$ 567,568</u>	0.525

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 \$35,616,000 as of June 30, 2026.

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, 2026, 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	\$ -	\$ 10,262	\$ -	\$ 5,474	\$ 338	\$ 16,074
Grant programs	4,655	-	-	-	1,423	6,078
Mortgage or bond programs	51,388	-	-	-	-	51,388
Other funds or programs	522	-	-	-	-	522
Total	\$ 56,565	\$ 10,262	\$ -	\$ 5,474	\$ 1,761	\$ 74,062

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 as of June 30, 2026, is shown below (in thousands):

	June 30, 2026
Mortgage loans	\$ 3,749,694
Multifamily loans	345,137
Other notes receivable	78,760
	4,173,591
Less: allowance for losses	(60,937)
Net mortgages, notes & other loans	\$ 4,112,654

Of the \$4,173,591,000 mortgage loans, notes, and other loans, \$123,485,000 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 \$37,230,000. Included in the allowance for losses is \$13,031,000 for ACAH's notes receivable, bringing ACAH's net notes receivable to \$24,199,000.

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

	June 30, 2026
Loans delinquent 30 days or more	\$ 117,270
Foreclosures during reporting period	3,888
Loans in foreclosure process	8,570
<u>Mortgage-related commitments:</u>	
To purchase mortgage loans	\$ 137,607

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 LEASE RECEIVABLE

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. In 2007, the Corporation also issued its State Capital Project Bonds, 2007 Series A, which were used to reimburse itself for the construction of the Pacillo Parking Garage, using the lease as general obligation revenue to help pay debt service on the bonds. The State has the option to purchase the Pacillo Parking Garage for \$1 after December 1, 2027, which is the end of the lease.

As of June 30, 2026, the Corporation recognized a lease receivable valued at \$7,362,000, measured at the the present value of future lease receipts, discounted based on the interest rate the Corporation charges at 5%. The following table details the components of the lease receivable and shows the future minimum payments under the lease for the next two years (in thousands):

Future Minimum Payments Due	
Twelve Months Ending June 30,	Total
2027	\$ 3,304
2028	3,303
Gross payments due	6,607
Plus: interest amortization adjustments	755
Net lease receivable – Pacillo parking garage	<u>\$ 7,362</u>

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, and ended June 30, 2019. The Corporation opted to renew for an additional 10-year period, which terminates this lease in March 2029. As of June 30, 2026, the Corporation recognized a Lease Receivable of \$47,000 from this lease, measured at the present value of the expected future lease payments to be received during the lease term, discounted based on the interest rate the Corporation charges at 5%.

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, 2026, ACAH recognized a Lease Receivable of \$3,161,000, measured at the present value of future lease receivable expected to be received during the lease term, discounted based on the interest rate the Corporation charges at 5%.

As of June 30, 2026, AHFC recognized a combined total Lease Receivable as follows (in thousands):

Lease Receivable	June 30, 2026
Pacillo parking garage	\$ 7,362
ACAH properties	3,161
Leases to charitable organizations	47
Total lease receivable	\$ 10,570

8 CAPITAL ASSETS

Capital assets activity for the twelve months ended June 30, 2026, and a summary of balances is shown below (in thousands):

	July 1, 2025	Additions	Reductions	June 30, 2026
Non-Depreciable Capital Assets:				
Land	\$ 22,411	\$ -	\$ -	\$ 22,411
Construction in progress	-	4,159	(4,159)	-
Total non-depreciable	22,411	4,159	(4,159)	22,411
Depreciable Capital Assets:				
Buildings	259,405	4,159	(261)	263,303
Computers & equipment	4,319	126	(63)	4,382
Vehicles	4,013	147	(63)	4,097
Lease assets:				
Buildings and land	1,431*	-	-	1,431
Equipment	353*	321	(48)	626
Total depreciable assets	269,521	4,753	(435)	273,839
Less: accumulated depreciation:				
Buildings	(206,740)	(5,949)	63	(212,626)
Computers & equipment	(3,899)	(270)	-	(4,169)
Vehicles	(2,791)	(356)	24	(3,123)
Lease assets:				
Buildings and land	(316)*	(79)	-	(395)
Equipment	(244)*	(99)	50	(293)
Total accumulated depreciation	(213,990)	(6,751)	137	(220,604)
Total Capital Assets, Net	\$ 77,942*	\$ 2,161	\$ (4,457)	\$ 75,646

* The July 7/1/25 beginning balance changed from the reported 6/30/25 balance due to the implementation of GASB 104 which requires lease assets and the related accumulated depreciation be reported with capital assets.

A total of \$4,159,000, included in the reductions above, was transferred from construction in progress to depreciable capital assets, buildings.

The above capital assets include \$4,740,000 of land and land improvements that belongs to ACAH, of which \$1,073,000 is land held for sale.

Depreciation expense charged by the Corporation was \$6,751,000 for the twelve months ended June 30, 2026.

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 \$7,501,000 as of June 30, 2026.

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.

On September 25, 2025, AHFC closed on the purchase of land from the University of Alaska in Anchorage for a total amount of \$11,335,000. To fund the acquisition, a sum of \$10,835,000 was used from residual Emergency Rental Assistance Program funding through the U.S. Department of Treasury for future housing development. The remaining sum of \$500,000 was utilized from the Statewide Housing Development Program. The land will be transferred at a later date to the Corporation's grant sub-recipients for the development of low income housing. The purchased land is reported as land held for future transfer under Other Non-Currents Assets section of the financial statements.

Right to Use Leased Assets

As of June 30, 2026, the Corporation recognized a total \$1,521,000 lease liability, consisting of \$152,000 current lease liability and \$1,369,000 long-term lease liability. Also recognized are \$2,057,000 right to use leased assets and related accumulated amortization of \$688,000.

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 ten years. The Corporation included in the determination of the right to use leased 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.

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

Date	Interest Due	Principal Due
6/30/2027	\$ 72	\$ 152
6/30/2028	64	160
6/30/2029	56	152
6/30/2030	72	131
6/30/2031	43	107
2032 and thereafter	\$ 199	\$ 819

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. As of June 30, 2026, AHFC recognized a combined total deferred outflows of \$35,399,000 as follows:

- Interest rate swap derivatives of \$20,866,000.
- Deferred debt refunding expense of \$10,019,000.
- Pension deferred outflows of \$1,725,000.
- Other post-employment benefits deferred outflows of \$2,789,000.

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, 2026, are as follows (in thousands):

	Original Amount	June 30, 2026
Housing Bonds:		
Home Mortgage Revenue Bonds, Tax-Exempt:		
• 2002 Series A; floating rate*; 3.05% at June 30, 2026, due 2032-2036	\$ 170,000	\$ 18,595
Unamortized swap termination penalty		(456)
• 2007 Series A; floating rate*; 2.62% at June 30, 2026, due 2026-2041	75,000	56,590
• 2007 Series B; floating rate*; 2.62% at June 30, 2026, due 2026-2041	75,000	56,590
• 2007 Series D; floating rate*; 2.62% at June 30, 2026, due 2026-2041	89,370	67,405
• 2009 Series A; floating rate*; 2.62% at June 30, 2026, due 2026-2040	80,880	64,070
• 2009 Series B; floating rate*; 2.62% at June 30, 2026, due 2026-2040	80,880	64,070
• 2009 Series D; floating rate*; 2.62% at June 30, 2026, due 2026-2040	80,870	64,060
Total Home Mortgage Revenue Bonds, Tax Exempt	652,000	390,924
Collateralized Bonds (Veterans Mortgage Program), Tax-Exempt:		
• 2016 First and Second Series; 1.95% to 2.90%, due 2026-2037	50,000	19,705
• 2019 First and Second Series; 2.35% to 4.00%, due 2026-2048	60,000	7,390
Unamortized premium		90
• 2023 First Series; 3.15% to 4.65%, due 2027-2052	49,900	49,900
• 2024 First Series; 3.25% to 4.65%, due 2027-2053	75,000	75,000
Unamortized discount		(397)
• 2025 First Series; 2.50% to 5.00%, due 2026-2054	100,000	99,040
Total Collateralized Bonds (Veterans Mortgage Program), Tax Exempt	334,900	250,728
General Mortgage Revenue Bonds II, Tax-Exempt:		
• 2016 Series A; 2.20% to 3.00%, due 2026-2033	100,000	23,535
• 2018 Series A; 2.90% to 4.00%, due 2026-2048	109,260	9,960
Unamortized premium		296
• 2018 Series B; 5.00%, due 2031	58,520	28,465
Unamortized premium		1,989
• 2019 Series A; 1.70% to 3.75%, due 2026-2044	136,700	70,060
Unamortized premium		440
• 2019 Series B; 5.00%, due 2030-2033	24,985	19,985
Unamortized premium		2,352
• 2020 Series A; 1.10% to 3.25%, due 2026-2044	135,170	81,925
Unamortized premium		1,319
• 2020 Series B; 2.00% to 5.00%, due 2030-2035	74,675	74,675
Unamortized premium		6,721
• 2022 Series A; 0.90% to 3.00%, due 2026-2051	39,065	27,915
Unamortized premium		508
• 2022 Series B; 1.65% to 5.00%, due 2030-2036	83,730	83,730
Unamortized premium		9,317
• 2022 Series C; 3.05% to 5.75%, due 2026-2052	87,965	70,340
Unamortized premium		1,488
• 2024 Series A; 3.25% to 6.00%, due 2026-2054	75,000	69,755
Unamortized premium		1,447

	Original Amount	June 30, 2026
General Mortgage Revenue Bonds II, Tax-Exempt (cont.)		
• 2024 Series B; 3.63% to 5.00%, due 2031-2036	48,120	48,120
Unamortized premium		2,774
• 2025 Series A; 3.00% to 6.00%, due 2026-2054	110,000	106,785
Unamortized premium		2,067
• 2026 Series A; 3.35% to 6.00%, due 2026-2056	106,400	106,240
Unamortized premium		4,251
Total General Mortgage Revenue Bonds II, Tax-Exempt	1,189,590	856,459
General Mortgage Revenue Bonds II, Taxable:		
• 2024 Series C; 4.81% to 6.25%, due 2026-2053	120,000	110,320
Unamortized premium		807
Total General Mortgage Revenue Bonds II, Taxable	120,000	111,127
Governmental Purpose Bonds, Tax-Exempt:		
• 2001 Series A; floating rate*; 2.62% at June 30, 2026, due 2026-2030	76,580	18,195
Unamortized swap termination penalty		(682)
• 2001 Series B; floating rate*; 2.62% at June 30, 2026, due 2026-2030	93,590	22,230
Total Governmental Purpose Bonds, Tax Exempt	170,170	39,743
Total Housing Bonds	2,466,660	1,648,981
Non-Housing Bonds:		
State Capital Project Bonds II, Tax-Exempt:		
• 2017 Series A; 4.00% to 5.00%, due 2026-2032	143,955	84,725
Unamortized premium		3,558
• 2017 Series C; 5.00%, due 2026-2032	43,855	24,440
Unamortized premium		1,011
• 2018 Series B; 3.13% to 5.00%, due 2026-2038	35,570	25,945
Unamortized discount		(35)
Unamortized premium		1,442
• 2019 Series B; 4.00% to 5.00%, due 2026-2039	60,000	46,300
Unamortized premium		4,152
• 2021 Series A; 4.00% to 5.00%, due 2026-2030	90,420	65,445
Unamortized premium		4,858
• 2022 Series B; 4.00% to 5.00%, due 2026-2037	97,700	75,530
Unamortized discount		(29)
Unamortized premium		3,919
• 2023 Series A; 5.00% to 5.25%, due 2027-2041	99,995	99,995
Unamortized premium		6,496
• 2024 Series A; 5.00%, due 2027-2039	127,100	127,100
Unamortized premium		12,258
• 2025 Series A; 5.00%, due 2027-2033	133,000	133,000
Unamortized premium		9,175
Total State Capital Project Bonds II, Tax-Exempt	831,595	729,285

	Original Amount	June 30, 2026
Non-Housing Bonds (cont.)		
State Capital Project Bonds II, Taxable:		
• 2017 Series B; floating rate*; 3.72% at June 30, 2026, due 2047	150,000	90,000
• 2018 Series A; floating rate*; 3.72% at June 30, 2026, due 2031-2043	90,000	90,000
• 2019 Series A; floating rate*; 3.72% at June 30, 2026, due 2033-2044	140,000	140,000
• 2020 Series A; 1.45% to 2.18%, due 2026-2033	96,665	86,750
• 2022 Series A; floating rate*; 3.72% at June 30, 2026, due 2037-2052	200,000	200,000
Total State Capital Project Bonds II, Taxable	676,665	606,750
Total Non-Housing Bonds	1,508,260	1,336,035
Total Bonds Payable	\$ 3,974,920	\$ 2,985,016

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	\$ 2,192,647	\$ 140,278	\$ -	\$ 2,332,925
Non-housing	-	-	7,362	7,362
Total	\$ 2,192,647	\$ 140,278	\$ 7,362	\$ 2,340,287

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, 2026, the Corporation made special redemptions in the amount of \$90,265,000, of which \$31,045,000 was from a prior period defeasance.

Bond Defeasances

There were no new bond defeasances during the twelve months ending June 30, 2026. As of June 30, 2026, there is no defeased debt to be redeemed.

Debt Service Requirements*

For all bonds in the preceding schedules, excluding any defeased bonds, the Corporation's annual debt service requirements through 2031, and in five year increments thereafter to maturity, are as follows (in thousands):

	Housing Bond Debt Service		Non-Housing Bond Debt Service		Total Debt Service		
Twelve Months Ending June 30,	Principal***	Interest**	Principal***	Interest**	Principal***	Interest**	Total
2027	\$ 56,115	\$ 63,037	\$ 55,075	\$ 53,642	\$ 111,190	\$ 116,679	\$ 227,869
2028	55,850	61,398	104,130	49,874	159,980	111,272	271,252
2029	57,160	59,677	81,405	45,536	138,565	105,213	243,778
2030	65,655	57,909	79,500	41,996	145,155	99,905	245,060
2031	95,930	55,354	87,100	38,549	183,030	93,903	276,933
32-36	515,795	212,737	315,830	142,014	831,625	354,751	1,186,376
37-41	308,140	144,125	245,445	87,268	553,585	231,393	784,978
42-46	161,780	96,578	146,240	45,376	308,020	141,954	449,974
47-51	178,090	57,663	159,980	15,170	338,070	72,833	410,903
52-56	116,965	13,794	14,525	412	131,490	14,206	145,696
57-61	3,170	95	-	-	3,170	95	3,265
	<u>\$ 1,614,650</u>	<u>\$ 822,367</u>	<u>\$ 1,289,230</u>	<u>\$ 519,837</u>	<u>\$ 2,903,880</u>	<u>\$ 1,342,204</u>	<u>\$ 4,246,084</u>

* Also see Note 11 – Derivatives.

** 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, 2026.

*** Excludes unamortized premiums and discounts.

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; a failure to pay interest when due; and a continued failure to comply with, or default in the performance or observance of, certain other covenants, agreements or conditions in the Indenture 45 days after having received written notice thereof. There were no events of default during the twelve months ending June 30, 2026.

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, 2026, follows (in thousands):

	Balance
Revenue Bonds, 2026 (Coho Chinook)	\$ 20,721
Revenue Bonds, 2025 (ACAH Valdez)	9,000
Revenue Bonds, 2025 (Ketchikan PSH)	4,528
Revenue Bonds, 2024 (Chenana)	7,415
Revenue Bonds, 2021 (Little Dipper Project)	4,223
Total	<u>\$ 45,887</u>

11 DERIVATIVES

The Corporation entered into certain derivatives contracts to reduce its overall cost of 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, 2026, 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, 2026, are shown below:

Related Bond Issue	Effective Date	Fixed Rate Paid	Variable Rate Received	Swap Termination Date	Counterparty Credit Rating ¹
GP01B ²	08/02/01	4.1127%	67% of 1M Fallback Rate (SOFR) ³	12/01/30	A+/Aa2
E021A ⁴	10/09/08	2.9800%	70% of 3M Fallback Rate (SOFR) ³	06/01/32	AA-/Aa2
E071AB ⁴	05/31/07	3.7345%	70% of 3M Fallback Rate (SOFR) ³	12/01/41	AA-/Aa2
E071BD ⁴	05/31/07	3.7200%	70% of 3M Fallback Rate (SOFR) ³	12/01/41	AA-/Aa2
E091A ⁴	05/28/09	3.7610%	70% of 3M Fallback Rate (SOFR) ³	12/01/40	A+/Aa2
E091B ⁴	05/28/09	3.7610%	70% of 3M Fallback Rate (SOFR) ³	12/01/40	AA-/Aa2
E091ABD ⁴	05/28/09	3.7400%	70% of 3M Fallback Rate (SOFR) ³	12/01/40	AA-/Aa2
SC19A ⁵	06/01/19	3.2220%	100% of 1M Fallback Rate (SOFR) ³	12/01/29	AA-/Aa2

1. Standard & Poor's/Moody's
2. Governmental Purpose Bonds
3. SOFR-Secured Overnight Finance Rate

4. Home Mortgage Revenue Bonds
5. State Capital Project Bonds II

The change in fair value and ending balance of the hedging derivatives as of June 30, 2026, 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, 2026	June 30, 2025	
GP01B	\$ 22,230	\$ 22,972	\$ (742)	\$ (1,314)	\$ 572
E021A	18,595	18,644	(49)	(292)	243
E071AB	108,351	114,255	(5,904)	(8,391)	2,487
E071BD	72,234	76,112	(3,878)	(5,539)	1,661
E091A	57,660	60,774	(3,114)	(4,434)	1,320
E091B	57,660	60,774	(3,114)	(4,434)	1,320
E091ABD	76,880	80,945	(4,065)	(5,825)	1,760
SC19A	140,000	136,426	3,574	1,701	1,873
	<u>\$ 553,610</u>	<u>\$ 570,902</u>	<u>\$ (17,292)</u>	<u>\$ (28,528)</u>	<u>\$ 11,236</u>

As of June 30, 2026, debt service requirements of the Corporation's outstanding variable-rate debt and net swap payments are displayed in the following schedule (in thousands). As interest rates vary, variable-rate bond interest payments and net swap payments will also vary.

Fiscal Year Ending June 30,	VRDO Principal	VRDO Interest	Swap Net Payments	Total Payments
2027	\$ 24,630	\$ 15,996	\$ 3,370	\$ 43,996
2028	25,820	15,365	3,115	44,300
2029	27,045	14,633	2,836	44,514
2030	168,345	11,290	2,929	182,564
2031	26,975	7,884	3,006	37,865
2032-2036	125,585	29,541	11,398	166,524
2037-2041	146,970	11,528	4,450	162,948
2042-2046	8,240	108	42	8,390
	<u>\$ 553,610</u>	<u>\$ 106,345</u>	<u>\$ 31,146</u>	<u>\$ 691,101</u>

Credit Risk

As of June 30, 2026, the Corporation was exposed to credit risk on its State Capital Project Bonds II, 2019 Series A, to the extent of the associated swap's positive fair value of \$3,574,000. The Corporation was not exposed to credit risk on its remaining swap agreements because these swaps all have negative fair values.

The Corporation's swap agreements require full collateralization of the fair value amount of a swap should the swap counterparty's rating fall to "BBB+/Baa1".

The Corporation currently has swap agreements with five separate counterparties. Approximately 85.6% of the total notional amount of the swaps is held with three counterparties rated "AA-/Aa2". The remaining swaps are held by two counterparties rated "A+/Aa2", approximating 14.4% 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 underlying indices such as SOFR or SIFMA change, the Corporation's net payment on its swaps will also change accordingly.

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, 2026, the Corporation's interest rate swaps were based on the SOFR index, while its variable rate bonds were based on SOFR or SIFMA indexes.

The relative ratios among such indices have fluctuated since the Corporation's swap agreements became effective and will continue to do so as market conditions change.

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, 2026, are composed of the accounts and balances as follows (in thousands):

Other Current Liabilities	June 30, 2026
Accounts payable	\$ 9,580
Accrued payroll	7,250
Lease liability	152
Other miscellaneous liabilities	1,383
Service fees payables	928
Unearned grant revenue	17,411
Total	<u>\$ 36,704</u>

13 LONG-TERM LIABILITIES

Activity for the twelve months ended June 30, 2026, is summarized in the following schedule (in thousands):

	July 1, 2025	Additions	Reductions	June 30, 2026	Due Within One Year
Total bonds and notes payable	\$ 2,802,648	\$ 355,189	\$ (172,821)	\$ 2,985,016	\$ 111,190
Compensated absences	3,571	3,480	(3,110)	3,941	2,350
Lease liability	1,333	1,164	(976)	1,521	152
Other liabilities	189	250	(246)	193	-
Total long-term liabilities	<u>\$ 2,807,741</u>	<u>\$ 360,083</u>	<u>\$ (177,153)</u>	<u>\$ 2,990,671</u>	<u>\$ 113,692</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, 2026, was 3.76%, and the highest was 4.35%.

Short-term debt activity for the twelve months ended June 30, 2026, is summarized in the following schedule (in thousands):

	July 1, 2025	Additions	Reductions	June 30, 2026
Commercial paper	\$ 128,187	\$ 250,795	\$ (228,982)	\$ 150,000
Unamortized discount	(694)	(2,299)	2,709	(284)
Commercial paper, net	<u>\$ 127,493</u>	<u>\$ 248,496</u>	<u>\$ (226,273)</u>	<u>\$ 149,716</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. As of June 30, 2026, AHFC recognized a combined total deferred inflows of \$11,961,000 as follows:

- Pension-related deferred inflows totaled \$799,000, representing the difference of projected vs. actual investment earnings in the State of Alaska's PERS Defined Benefit Retirement Plan.
- Other Post-Employment Benefits ("OPEB") related deferred inflows totaled \$1,163,000, consisting of the sum of a) the difference of actuarial benefit assumptions vs. actual benefit experience totaling \$125,000, b) changes in actuarial assumptions totaling \$260,000, c) the difference of projected vs. actual investment earnings totaling \$755,000 and d) changes in proportional contribution levels among participating employers totaling \$23,000.
- Lease-related deferred inflows totaled \$6,425,000, consisting of one or more leases with local charitable organizations totaling \$36,000, with the Corporation's affordable housing subsidiary, the Alaska Corporation for Affordable Housing, totaling \$2,904,000, and the Pacillo Parking Garage lease in the amount of \$3,485,000.
- Derivatives-related deferred inflows totaled \$3,574,000.

16 TRANSFERS

Transfers for the twelve months ended June 30, 2026, 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	\$ -	\$ 96	\$ 583,864	\$ 6,501	\$ 700	\$ 591,161
Grant programs	30,751	-	-	-	-	30,751
Mortgage or bond programs	473,054	-	-	-	-	473,054
Other funds or programs	8,678	-	-	-	-	8,678
Alaska Corporation for Affordable Housing	864	-	-	-	-	864
Total	\$ 513,347	\$ 96	\$ 583,864	\$ 6,501	\$ 700	\$ 1,104,508

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. Additionally, 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. The Corporation also has two standby LOCs ("S-LOC") totaling \$320 million to secure debt issued under the State Capital Project Bonds II indenture and the Corporation's Commercial Paper Notes program.

As of June 30, 2026, 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	
Home Mortgage Revenue Bonds, 2002 Series A	SBPA	A-1+	P-1	\$ 18,595
Home Mortgage Revenue Bonds, 2007 Series A, B, D	SBPA	A-1+	P-1	180,585
Home Mortgage Revenue Bonds, 2009 Series A	SBPA	A-1+	P-1	64,070
Home Mortgage Revenue Bonds, 2009 Series B	SBPA	A-1+	P-1	64,070
Home Mortgage Revenue Bonds, 2009 Series D	SBPA	A-1+	P-1	64,060
Governmental Purpose Bonds, 2001 Series A & B	SBPA	A-1+	P-1	40,425
State Capital Project Bonds II, 2022 Series A	D-LOC	A-1	P-1	200,000
State Capital Project Bonds II & commercial paper	S-LOC	A-1	P-1	180,000
State Capital Project Bonds II & commercial paper	S-LOC	A-1+	P-1	140,000
Total				<u>\$ 951,805</u>

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, 2026, no rebate payments were due to the Internal Revenue Service, but the Corporation accrued the following rebate-related liabilities net of receivable:

Bond Issue	June 30, 2026
Collateralized Bonds (Veterans Mortgage Program), 2023 First Series	\$ 8,000
General Mortgage Revenue Bonds II, 2022 Series AB	483,000
General Mortgage Revenue Bonds II, 2022 Series C	76,000
General Mortgage Revenue Bonds II, 2024 Series ABC	57,000
Total liabilities	624,000
Less receivable: Governmental Purpose Bonds, 2001 Series AB	(911,000)
Net total	<u>\$ (287,000)</u>

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, 2026 (in thousands):

	Dividend Due to State	Expenditures	Remaining Commitments
State general fund transfers	\$ 799,514	\$ (788,948)	\$ 10,566
State capital projects debt service	516,242	(513,742)	2,500
State of Alaska capital projects	310,640	(272,338)	38,302
AHFC capital projects	707,882	(606,565)	101,317
Total	<u>\$ 2,334,278</u>	<u>\$ (2,181,593)</u>	<u>\$ 152,685</u>

Transfer Plan with the State

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

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

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

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

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, 2026
Beneficiaries and Special Needs Housing	\$ 1,622
Competitive Grants for Public Housing	75
Continuum of Care Homeless Assistance	1,959
COVID-19 American Rescue Plan Act - Homeless Assistance	12,705
COVID-19 American Rescue Plan Act - Homeowner Assistance	608
COVID-19 American Rescue Plan Act	557
COVID-19 American Rescue Plan Act-Tribal	101
Domestic Violence	2,210
Discharge Incentive grant - Operating	530
Emergency Housing Vouchers (EHV)	1,038
Emergency Shelter Grant (ESG)	252
Energy Efficiency Monitoring Research	9
Energy Efficient Weatherization	1,644
Energy Residential Program	4
Foster Youth to Independence	124
HOME Investment Partnership	3,374
Homeless Assistance Program (HAP)	7,914
Housing Choice Vouchers	40,120
Housing Choice Voucher - Mainstream	819
Housing Grants Individuals	1,910
Housing Loan Program	11,526
Housing Opportunities for Persons with AIDS	376
Housing Trust Fund	1,659
Low Income Weatherization Assistance	4,771
Low Income Home Energy Assistance	2,080
Making a Home	6
Neighborhood Stabilization Program	70
Non-Elderly Disabled (NED)	392
Re-entry Housing & Support	306
Returning Home	428
Section 811 Rental Housing Assistance	597
Section 8 Rehabilitation	651
Senior Citizen Housing Development Grant	2,647
Stability Vouchers (S8/TBRA)	5
Supplemental Housing Grant	4,077
Veterans Affairs Supportive Housing	3,002
Victims of Human Trafficking	262
Youth (TBRA) Operating	34
Total Housing Grants and Subsidies Expenses	\$ 110,464

In September 2022, a sum of \$13,000,000 from the Corporation's Moving to Work ("MTW") Demonstration Program reserves in HUD was 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 March 2025, \$8,000,000 was transferred to ACAH from the Corporation's MTW Demonstration Program reserves in HUD to assist in funding the Valdez Affordable Housing Project, a multifamily housing project. ACAH advanced \$7,192,000 of the funds to Valdez Affordable Housing, LLC in the form of a loan agreement, payable on earliest date or December 31, 2065. Interest and principal are payable at the interest rate of 0.55% annually.

In addition to grant payments made, the Corporation advanced grant funds of \$9,566,000, and committed to third parties a sum of \$50,030,000 in grant awards as of June 30, 2026.

21 PENSION AND POST-EMPLOYMENT HEALTHCARE PLANS

Description of Plans

As of June 30, 2026, 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 2026, 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 6.33%, the difference between the actuarial required contribution of 28.33% for fiscal year 2026 and the employer rate of 22.00%.

The Corporation's contributions to the Defined Benefit pension plan for the twelve months ended June 30, 2026, totaled \$1,634,000.

Pension Liability:

For the year ended June 30, 2026, the Corporation reported a liability for its proportionate share of net pension liability of \$32,151,000. This amount reflected State pension support provided to the Corporation of \$9,863,000. The total net pension liability associated with the Corporation was \$42,014,000.

The net pension liability for the June 30, 2025 measurement date, and the total pension liability used to calculate the new pension liability was determined by an actuarial valuation as of June 30, 2024, and rolled forward to June 30, 2025.

	June 30, 2024 Measurement Date Employer Proportion	June 30, 2025 Measurement Date Employer Proportion	Change
Corporation's proportionate share of the net pension liability	0.61892%	0.64790%	0.02898%

Pension Expense:

For the year ended June 30, 2026, the Corporation recognized pension expense of \$4,945,000 and revenue of \$1,679,000 for support provided by the State.

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

For the year ended June 30, 2026, the Corporation's deferred outflows of resources related to pension expense of \$1,725,000 were due to contributions to the pension plan subsequent to the measurement date of June 30, 2025. The Corporation's deferred inflows of resources related to pension of \$799,000 were due to differences between projected and actual investment earnings.

Contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending June 30, 2027. 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
2027	\$ 1,449	\$ (200)	\$ 1,249
2028	(585)	(200)	(785)
2029	(540)	(200)	(740)
2030	(324)	(199)	(523)
	\$ -	\$ (799)	\$ 799

Pension Employer Contributions:

In 2026, the Corporation was credited with the following contributions to the PERS plan:

	Measurement Period Corporation FY25	Measurement Period Corporation FY24
Employer PERS contributions	\$ 3,934,000	\$ 3,689,000

Pension and OPEB Actuarial Assumptions:

The total pension and OPEB Liability for the fiscal year ending June 30, 2026, was determined by an actuarial valuation as of June 30, 2024, rolled forward to the measurement date of June 30, 2025. 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. Deaths are assumed to result from occupational causes 35% of the time.

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 plan 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 for each major asset class included in the OPEB plan's target asset allocation are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
Domestic equity	5.74%
Global equity (non-U.S.)	6.37%
Global equity	5.88%
Aggregate bonds	2.30%
Real assets	4.54%
Private equity	9.28%
Cash equivalents	0.60%

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	\$ 43,953	\$ 32,151	\$ 22,149

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 59½. 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 fiscal year 2026 are as follows:

Other Tier IV	
Pension employer contribution	5.00%
Occupational death and disability benefits (ODD)	0.24%
Retiree medical	0.86%
Total OPEB	1.10%
Total contribution rates	6.10%

Under State law, the Corporation is required to contribute 22% of annual covered salary. For fiscal year 2026, 6.10% of covered salary is split between 5.00% for the pension plan and 1.10% for the post-employment healthcare plan. Then, to offset additional individual post-employment healthcare cost, an annual flat dollar amount of \$2,467.92, representing 3% of total annual covered compensation in the Plan for each full-time employee, and \$1.58 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, 2026, the Corporation paid additional contributions of \$1,866,000. All of the contributions were for the defined benefit pension as of June 30, 2026.

The contributions to the pension plan for the twelve months ended June 30, 2026, by the employees totaled \$1,504,000 and by the Corporation totaled \$926,000.

The contributions to Other Post-Employment Benefits ("OPEB") plan by the Corporation for the twelve months ended June 30, 2026, totaled \$202,000.

The Corporation contributed \$541,000 to a Health Reimbursement Arrangement for the twelve months ended June 30, 2026.

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 did not contribute to the defined benefit post-employment healthcare plan for the twelve months ended June 30, 2026, and for the year ended June 30, 2025.

OPEB Employer Contribution Rate:

In 2026, the Corporation was credited with the following contributions to the OPEB plan:

	Measurement Period Corporation FY25	Measurement Period Corporation FY24
Employer contributions DB	\$ 1,000	\$ 90,000
Employer contributions DC RM	148,000	135,000
Employer contributions DC ODD	43,000	42,000
Total contributions	\$ 192,000	\$ 267,000

Changes in Benefit Assumptions Since the Prior Valuation of OPEB:

The actuarial assumptions used in the June 30, 2024 actuarial valuation were rolled forward to the June 30, 2025 measurement date. The actuarial assumptions used in the June 30, 2024 actuarial valuation, were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021. The assumptions used in the June 30, 2024 actuarial valuation are the same as those used in the June 30, 2023 valuation with the following exceptions:

1. For DC RM and PERS Alaska Retiree Healthcare Trust ("ARHT"), per capita claims costs were updated to reflect recent experience.
2. For DC RM and PERS ARHT, the Employer Group Waiver Plan (EGWP) subsidies were updated to reflect higher expected subsidies.
3. For DC RM and PERS ARHT, prescription drug and EGWP trend assumption was updated to reflect higher than initial trend rates.

4. 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 following table 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)
FY25	6.40%	5.40%	8.80%
FY26	6.20%	5.40%	8.50%
FY27	6.05%	5.35%	8.20%
FY28	5.85%	5.35%	7.90%
FY29	5.65%	5.30%	7.45%
FY30	5.45%	5.30%	7.05%
FY31	5.30%	5.30%	6.60%
FY32	5.30%	5.30%	6.15%
FY33	5.30%	5.30%	5.70%
FY34-FY38	5.30%	5.30%	5.30%
FY39	5.25%	5.25%	5.30%
FY40	5.20%	5.20%	5.30%
FY41	5.10%	5.10%	5.20%
FY42	5.05%	5.05%	5.10%
FY43	4.95%	4.95%	5.00%
FY44	4.90%	4.90%	4.90%
FY45	4.80%	4.80%	4.85%
FY46	4.75%	4.75%	4.75%
FY47	4.70%	4.70%	4.70%
FY48	4.60%	4.60%	4.65%
FY49	4.55%	4.55%	4.55%
FY50+	4.50%	4.50%	4.50%

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 post-employment 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, 65% 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, 2026, the total net OPEB Asset associated with the Corporation was \$18,578,000 and the total net OPEB Liability associated with the Corporation was zero.

For the year ended June 30, 2026, 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:	2026
Corporation's proportionate share of NOA – DB	\$ 17,579,000
Corporation's proportionate share of NOA – DC RM	536,000
Corporation's proportionate share of NOA – DC ODD	463,000
Total net OPEB asset	\$ 18,578,000

The net OPEB asset was measured as of June 30, 2025, and the total OPEB asset used to calculate the new OPEB asset was determined by an actuarial valuation as of June 30, 2024, and rolled forward to June 30, 2025.

Corporation's Proportionate Share of the Net OPEB Asset:	June 30, 2024 Measurement Date Employer Proportion	June 30, 2025 Measurement Date Employer Proportion	Change
DB	0.62019%	0.66053%	0.04034%
DC RM	0.84646%	0.84611%	(0.00035%)
DC ODD	0.70295%	0.65325%	(0.04970%)

Changes in Benefit Provisions Since Prior Valuation of OPEB:

There have been no changes in PERS DCR benefit provisions valued since the prior valuation.

OPEB Expense:

For the year ended June 30, 2026, the Corporation recognized an OPEB expense of \$2,473,000 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, 2026, 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, 2026	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 2,616	\$ -
Difference between expected and actual experience	42	(125)
Difference between projected and actual investment earnings	-	(755)
Changes in assumptions	104	(260)
Changes in proportion and differences between employer contributions	27	(23)
Total deferred outflows and deferred inflows	<u>\$ 2,789</u>	<u>\$ (1,163)</u>

Deferred outflows of resources related to OPEB resulting from contributions of \$2,616,000 reported subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2027. 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
2027	\$ 993
2028	(773)
2029	(711)
2030	(494)
2031	(3)
Thereafter	(2)
	<u>\$ 990</u>

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	0.66053%	\$ (12,284)	\$ (17,579)	\$ (22,043)
DC RM plan	0.84611%	\$ (13)	\$ (536)	\$ (936)
DC ODD plan	0.65325%	\$ (436)	\$ (463)	\$ (485)

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

The following presents the Corporation's net OPEB asset 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 Trend Rate	1% Increase
DB plan	0.66053%	\$ (22,551)	\$ (17,579)	\$ (11,689)
DC RM plan	0.84611%	\$ (987)	\$ (536)	\$ 70
DC ODD plan	0.65325%	n/a	\$ (463)	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, 2026, the Corporation recognized \$541,000 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 provided an estimate of the incurred but not reported (IBNR) liability based on historic trends. Changes in the balances for the claims liabilities for the prior and current fiscal years are as follows (in thousands):

	June 30, 2025	June 30, 2026
Claims liabilities, beginning balance	\$ 2,468	\$ 2,253
Incurred claims	10,714	13,266
Claims payments	(10,929)	(12,907)
Claims liabilities, ending balance	\$ 2,253	\$ 2,612

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

On July 1, 2026, the Corporation delivered its \$115,000,000 State Capital Project Bonds II, 2026 Series A. The 2026A Bonds are tax exempt general obligations of the Corporation with a final maturity of December 1, 2036. Interest on the Bonds will be payable each June 1 and December 1, commencing December 1, 2026, at a fixed rate of 5%. Proceeds of the Bonds will be used to refund certain outstanding obligations of the Corporation, to reimburse the Corporation for certain governmental purpose expenditures, and to fund other authorized activities of the Corporation.

On July 6, 2026, the Corporation closed its \$3,600,000 Revenue Bonds, 2026 (Baxter Family Housing), a conduit bond issued to finance a loan to Baxter Borealis II Limited Partnership, for the development of the Baxter Family Housing (Phase II) Project, an affordable housing project consisting of approximately 20 units in Anchorage, Alaska. As conduit bonds, the Revenue Bonds, 2026, do not constitute an indebtedness of the Corporation or the State of Alaska, but are instead payable solely from revenues received under the construction loan agreement between the Corporation, as Issuer, and Baxter Borealis II Limited Partnership, as Borrower.

On July 31, 2026, the Corporation exercised an optional early termination to unwind in whole its \$18,595,000 notional value interest rate swap hedging the Home Mortgage Revenue Bonds, 2002 Series A. Cash settlement occurred on August 4, 2026, and the Corporation received a net settlement payment from the counterparty. The bonds are unhedged as of August 1, 2026 and remain outstanding.

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. Cyber security coverage increased from \$5 million to \$8 million by the carrier's response to the market conditions. Settlements have not exceeded insurance coverage during the past three years.

REQUIRED SUPPLEMENTARY INFORMATION

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

	2026	2025	2024	2023	2022
The Corporation's proportion of the net pension liability (asset)	0.647900%	0.618920%	0.658830%	0.692310%	0.783070%
The Corporation's proportionate share of the net pension liability (asset)	\$ 32,151	\$ 33,945	\$ 34,162	\$ 35,286	\$ 28,727
State's proportionate share of the net pension liability (asset) associated with the Corporation	9,863	12,692	11,386	9,767	3,891
Total	\$ 42,014	\$ 46,637	\$ 45,548	\$ 45,053	\$ 32,618
The Corporation's covered employee payroll	\$ 7,333	\$ 7,217	\$ 7,948	\$ 8,888	\$ 9,602
The Corporation's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	438.45%	470.35%	429.83%	397.02%	299.18%
Plan fiduciary net position as a percentage of the total pension liability	71.23%	67.81%	68.23%	67.97%	76.46%
	2021	2020	2019	2018	2017
The Corporation's proportion of the net pension liability (asset)	0.629770%	0.656900%	0.714740%	0.689820%	0.852380%
The Corporation's proportionate share of the net pension liability (asset)	\$ 37,164	\$ 35,960	\$ 35,515	\$ 35,660	\$ 47,645
State's proportionate share of the net pension liability (asset) associated with the Corporation	15,376	14,276	10,284	13,285	6,003
Total	\$ 52,540	\$ 50,236	\$ 45,799	\$ 48,945	\$ 53,648
The Corporation's covered employee payroll	\$ 10,681	\$ 11,680	\$ 12,583	\$ 13,817	\$ 15,252
The Corporation's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	347.94%	307.88%	282.24%	258.10%	312.39%
Plan fiduciary net position as a percentage of the total pension liability	61.61%	63.42%	65.19%	63.37%	59.55%

Information in this table is presented based on the Plan measurement date. For June 30, 2026, the plan measurement date is June 30, 2025.

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.

REQUIRED SUPPLEMENTARY INFORMATION

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

	2026	2025	2024	2023	2022
Contractually required contributions	\$ 3,500	\$ 3,377	\$ 3,518	\$ 3,448	\$ 2,474
Contributions in relation to the contractually required contributions	3,500	3,377	3,518	3,448	2,474
Contribution deficiency (excess)	-	-	-	-	-
The Corporation's covered employee payroll	7,712	7,333	7,217	7,948	8,888
Contributions as a percentage of covered-employee payroll	45.39%	46.05%	48.75%	43.38%	27.83%
	2021	2020	2019	2018	2017
Contractually required contributions	\$ 2,292	\$ 2,561	\$ 2,727	\$ 2,932	\$ 2,679
Contributions in relation to the contractually required contributions	2,292	2,561	2,727	2,932	2,679
Contribution deficiency (excess)	-	-	-	-	-
The Corporation's covered employee payroll	9,602	10,681	11,680	12,583	13,817
Contributions as a percentage of covered-employee payroll	23.87%	23.98%	23.35%	23.30%	19.39%

This table reports the Corporation's pension contributions to PERS during fiscal year 2026. These contributions are reported as a deferred outflow of resources on the June 30, 2025, 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.

REQUIRED SUPPLEMENTARY INFORMATION

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

	2026	2025	2024	2023	2022
The Corporation's proportion of the net OPEB liability (asset) for Defined Benefit - Retiree Medical	0.66053%	0.62019%	0.65731%	0.68763%	0.78626%
The Corporation's proportion of the net OPEB liability (asset) for Defined Contribution Pension Plans - Retiree Medical Plan	0.84611%	0.84645%	0.80048%	0.79810%	0.76797%
The Corporation's proportion of the net OPEB liability (asset) for Defined Contribution Pension Plans - Occupational Death & Disability Plan	0.65325%	0.70295%	0.66985%	0.67357%	0.64746%
The Corporation's proportionate share of the net OPEB liability (asset)	\$ (18,578)	\$ (14,472)	\$ (15,848)	\$ (14,102)	\$ (20,661)
State's proportionate share of the net OPEB liability (asset) associated with the Corporation	(4,968)	(5,075)	(5,091)	(3,868)	(2,642)
Total	\$ (23,546)	\$ (19,547)	\$ (20,939)	\$ (17,970)	\$ (23,303)
The Corporation's covered employee payroll	\$ 25,171	\$ 22,738	\$ 21,649	\$ 21,489	\$ 20,850
The Corporation's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	(73.81%)	(63.65%)	(73.20%)	(65.62%)	(99.09%)
Defined Benefit - Retiree Medical Plan fiduciary net position as a percentage of the total OPEB liability	136.81%	130.59%	133.96%	128.51%	135.54%
Defined Contribution - Retiree Medical Plan fiduciary net position as a percentage of the total OPEB liability	123.73%	119.87%	124.29%	120.08%	115.10%
Defined Contribution - Occupational Death & Disability Plan fiduciary net position as a percentage of the total OPEB liability	353.09%	346.81%	349.24%	348.80 %	374.22%

Information in this table is presented based on the Plan measurement date. For June 30, 2026, the plan measurement date is June 30, 2025.

This OPEB table presents 10 years of information.

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.

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

	2021	2020	2019	2018	2017
The Corporation's proportion of the net OPEB liability (asset) for Defined Benefit - Retiree Medical	0.62960%	0.65680%	0.71458%	0.68992%	0.85265%
The Corporation's proportion of the net OPEB liability (asset) for Defined Contribution Pension Plans - Retiree Medical Plan	0.74451%	0.69949%	0.71095%	0.70310%	0.66252%
The Corporation's proportion of the net OPEB liability (asset) for Defined Contribution Pension Plans - Occupational Death & Disability Plan	0.60268%	0.55609%	0.71095%	0.70310%	0.66252%
The Corporation's proportionate share of the net OPEB liability (asset)	\$ (2,963)	\$ 1,007	\$ 7,286	\$ 5,765	\$ 9,752
State's proportionate share of the net OPEB liability (asset) associated with the Corporation	(1,183)	388	2,129	2,173	-
Total	\$ (4,146)	\$ 1,395	\$ 9,415	\$ 7,938	\$ 9,752
The Corporation's covered employee payroll	\$ 20,890	\$ 20,775	\$ 20,629	\$ 21,133	\$ 21,629
The Corporation's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	(14.18%)	4.85%	35.32%	27.28%	45.09%
Defined Benefit - Retiree Medical Plan fiduciary net position as a percentage of the total OPEB liability	106.15%	98.13%	88.12%	89.68%	85.45%
Defined Contribution - Retiree Medical Plan fiduciary net position as a percentage of the total OPEB liability	95.23%	83.17%	88.71%	93.98%	86.82%
Defined Contribution - Occupational Death & Disability Plan fiduciary net position as a percentage of the total OPEB liability	283.80%	297.43%	270.62%	212.97%	245.29%

Information in this table is presented based on the Plan measurement date. For June 30, 2026, the plan measurement date is June 30, 2025.

This OPEB table presents 10 years of information.

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.

REQUIRED SUPPLEMENTARY INFORMATION

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

	2026	2025	2024	2023	2022
Contractually required contributions	\$ 748	\$ 716	\$ 678	\$ 623	\$ 1,609
Contributions in relation to the contractually required contributions	748	716	678	623	1,609
Contribution deficiency (excess)	-	-	-	-	-
The Corporation's covered employee payroll	26,512	25,171	22,738	21,649	21,489
Contributions as a percentage of covered-employee payroll	2.82%	2.85%	2.98%	2.88%	7.49%
	2021	2020	2019	2018	2017
Contractually required contributions	\$ 1,712	\$ 1,520	\$ 1,434	\$ 1,287	\$ 1,689
Contributions in relation to the contractually required contributions	1,712	1,520	1,434	1,287	1,689
Contribution deficiency (excess)	-	-	-	-	-
The Corporation's covered employee payroll	20,850	20,890	20,775	20,629	21,133
Contributions as a percentage of covered-employee payroll	8.21%	7.28%	6.90%	6.24%	7.99%

This table reports the Corporation's OPEB contributions to SOA during fiscal year 2026. These contributions are reported as a deferred outflow of resources on the June 30, 2026, basic financial statements.

This OPEB table presents 10 years of information.

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.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

COMBINED - ALL FUNDS

As of June 30, 2026

(in thousands of dollars)

	Administrative Fund	Combined Home Mortgage Revenue Bonds	Combined General Mortgage Revenue Bonds	Combined Collateralized Veterans Mortgage Bonds
ASSETS				
Current assets				
Cash	\$ 22,991	\$ 27	\$ 205	\$ 63
Investments	371,024	35,423	35,697	29,268
Lease receivable	-	-	-	-
Accrued interest receivable	1,943	1,917	4,137	1,214
Interfund due (to)/from, net	(40,491)	8,112	13,388	6,378
Mortgage loans, notes and other loans, net	11,165	17,550	34,431	8,665
Other assets	5,471	-	-	-
Intergovernmental receivable, net	47	-	-	-
Total current assets	372,150	63,029	87,858	45,588
Noncurrent assets				
Investments	33,535	10,000	13,884	-
Lease receivable	-	-	-	-
Interfund due (to)/from, net	-	-	-	-
Mortgage loans, notes and other loans, net	332,576	567,451	1,113,269	280,110
Capital assets - non-depreciable	2,430	-	-	-
Capital assets - depreciable, net	9,491	-	-	-
Other assets	1,403	-	-	-
OPEB asset	18,578	-	-	-
Total noncurrent assets	398,013	577,451	1,127,153	280,110
Total assets	770,163	640,480	1,215,011	325,698
DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources	4,514	24,447	-	-
LIABILITIES				
Current liabilities				
Bonds payable	-	17,255	24,075	6,420
Short-term debt	149,716	-	-	-
Accrued interest payable	-	1,084	3,251	866
Other liabilities	17,015	160	759	68
Intergovernmental payable	-	-	-	-
Total current liabilities	166,731	18,499	28,085	7,354
Noncurrent liabilities				
Bonds payable	-	373,669	943,511	244,308
Other liabilities	2,598	-	133	8
Derivative instrument - interest rate swaps	-	20,124	-	-
Pension liability	32,151	-	-	-
Total noncurrent liabilities	34,749	393,793	943,644	244,316
Total liabilities	201,480	412,292	971,729	251,670
DEFERRED INFLOWS OF RESOURCES				
Total deferred inflows of resources	1,962	-	-	-
NET POSITION				
Net investment in capital assets	11,921	-	-	-
Restricted by bond resolutions	-	252,635	243,282	74,028
Restricted by contractual or statutory agreements	178,484	-	-	-
Unrestricted or (deficit)	380,830	-	-	-
Total net position	\$ 571,235	\$ 252,635	\$ 243,282	\$ 74,028

See accompanying notes to the financial statements.

Combined Governmental Purpose Bonds	Combined State Capital Project Bonds	Combined Other Programs	Total June 30, 2026
\$ 13	\$ 135	\$ 48,959	\$ 72,393
15,626	54,176	4,551	545,765
-	2,935	93	3,028
302	6,209	485	16,207
2,029	21,481	(10,897)	-
4,477	45,679	1,518	123,485
-	-	13,520	18,991
-	-	13,718	13,765
22,447	130,615	71,947	793,634
-	-	-	57,419
-	4,427	3,115	7,542
-	-	-	-
144,768	1,476,966	74,029	3,989,169
-	-	19,981	22,411
-	-	43,744	53,235
911	3,574	11,336	17,224
-	-	-	18,578
145,679	1,484,967	152,205	4,165,578
168,126	1,615,582	224,152	4,959,212
742	5,696	-	35,399
8,365	55,075	-	111,190
-	-	-	149,716
157	4,451	-	9,809
31	321	17,542	35,896
-	135	522	657
8,553	59,982	18,064	307,268
31,378	1,280,960	-	2,873,826
-	-	1,363	4,102
742	-	-	20,866
-	-	-	32,151
32,120	1,280,960	1,363	2,930,945
40,673	1,340,942	19,427	3,238,213
-	7,059	2,940	11,961
-	-	63,725	75,646
128,195	-	-	698,140
-	-	171,355	349,839
-	273,277	(33,295)	620,812
\$ 128,195	\$ 273,277	\$ 201,785	\$ 1,744,437

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

ADMINISTRATIVE FUND

As of June 30, 2026

(in thousands of dollars)

Schedule 2

	Administrative Fund	Total June 30, 2026
ASSETS		
Current assets		
Cash	\$ 22,991	\$ 22,991
Investments	371,024	371,024
Lease receivable	-	-
Accrued interest receivable	1,943	1,943
Interfund due (to)/from, net	(40,491)	(40,491)
Mortgage loans, notes and other loans, net	11,165	11,165
Other assets	5,471	5,471
Intergovernmental receivable, net	47	47
Total current assets	372,150	372,150
Noncurrent assets		
Investments	33,535	33,535
Lease receivable	-	-
Interfund due (to)/from, net	-	-
Mortgage loans, notes and other loans, net	332,576	332,576
Capital assets - non-depreciable	2,430	2,430
Capital assets - depreciable, net	9,491	9,491
Other assets	1,403	1,403
OPEB asset	18,578	18,578
Total noncurrent assets	398,013	398,013
Total assets	770,163	770,163
DEFERRED OUTFLOWS OF RESOURCES		
Total deferred outflows of resources	4,514	4,514
LIABILITIES		
Current liabilities		
Bonds payable	-	-
Short-term debt	149,716	149,716
Accrued interest payable	-	-
Other liabilities	17,015	17,015
Intergovernmental payable	-	-
Total current liabilities	166,731	166,731
Noncurrent liabilities		
Bonds payable	-	-
Other liabilities	2,598	2,598
Derivative instrument - interest rate swaps	-	-
Pension liability	32,151	32,151
Total noncurrent liabilities	34,749	34,749
Total liabilities	201,480	201,480
DEFERRED INFLOWS OF RESOURCES		
Total deferred inflows of resources	1,962	1,962
NET POSITION		
Net investment in capital assets	11,921	11,921
Restricted by bond resolutions	-	-
Restricted by contractual or statutory agreements	178,484	178,484
Unrestricted or (deficit)	380,830	380,830
Total net position	\$ 571,235	\$ 571,235

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, 2026

(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
ASSETS				
Current assets				
Cash	\$ 15	\$ -	\$ -	\$ -
Investments	4,274	4,929	2,111	2,903
Lease receivable	-	-	-	-
Accrued interest receivable	215	178	188	261
Interfund due (to)/from, net	1,231	404	358	1,120
Mortgage loans, notes and other loans, net	1,745	1,608	1,628	2,358
Other assets	-	-	-	-
Intergovernmental receivable, net	-	-	-	-
Total current assets	7,480	7,119	4,285	6,642
Noncurrent assets				
Investments	-	-	-	-
Lease receivable	-	-	-	-
Interfund due (to)/from, net	-	-	-	-
Mortgage loans, notes and other loans, net	56,429	51,979	52,645	76,239
Capital assets - non-depreciable	-	-	-	-
Capital assets - depreciable, net	-	-	-	-
Other assets	-	-	-	-
OPEB asset	-	-	-	-
Total noncurrent assets	56,429	51,979	52,645	76,239
Total assets	63,909	59,098	56,930	82,881
DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources	49	3,816	3,814	4,516
LIABILITIES				
Current liabilities				
Bonds payable	-	2,495	2,495	2,970
Short-term debt	-	-	-	-
Accrued interest payable	46	157	157	187
Other liabilities	17	16	15	23
Intergovernmental payable	-	-	-	-
Total current liabilities	63	2,668	2,667	3,180
Noncurrent liabilities				
Bonds payable	18,139	54,095	54,095	64,435
Other liabilities	-	-	-	-
Derivative instrument - interest rate swaps	49	3,083	3,081	3,618
Pension liability	-	-	-	-
Total noncurrent liabilities	18,188	57,178	57,176	68,053
Total liabilities	18,251	59,846	59,843	71,233
DEFERRED INFLOWS OF RESOURCES				
Total deferred inflows of resources	-	-	-	-
NET POSITION				
Net investment in capital assets	-	-	-	-
Restricted by bond resolutions	45,707	3,068	901	16,164
Restricted by contractual or statutory agreements	-	-	-	-
Unrestricted or (deficit)	-	-	-	-
Total net position	\$ 45,707	\$ 3,068	\$ 901	\$ 16,164

See accompanying notes to the financial statements.

Home Mortgage Revenue Bonds 2009 A	Home Mortgage Revenue Bonds 2009 B	Home Mortgage Revenue Bonds 2009 D	Total June 30, 2026
\$ -	\$ -	\$ 12	\$ 27
6,379	5,022	9,805	35,423
-	-	-	-
301	307	467	1,917
1,040	1,538	2,421	8,112
2,887	3,125	4,199	17,550
-	-	-	-
-	-	-	-
10,607	9,992	16,904	63,029
-	-	10,000	10,000
-	-	-	-
-	-	-	-
93,358	101,035	135,766	567,451
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
93,358	101,035	145,766	577,451
103,965	111,027	162,670	640,480
-	-	-	-
4,114	4,114	4,024	24,447
-	-	-	-
3,100	3,100	3,095	17,255
-	-	-	-
179	179	179	1,084
26	26	37	160
-	-	-	-
3,305	3,305	3,311	18,499
-	-	-	-
60,970	60,970	60,965	373,669
-	-	-	-
3,453	3,453	3,387	20,124
-	-	-	-
64,423	64,423	64,352	393,793
67,728	67,728	67,663	412,292
-	-	-	-
-	-	-	-
-	-	-	-
40,351	47,413	99,031	252,635
-	-	-	-
-	-	-	-
\$ 40,351	\$ 47,413	\$ 99,031	\$ 252,635

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION
GENERAL MORTGAGE REVENUE BONDS

As of June 30, 2026

(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
ASSETS				
Current assets				
Cash	\$ 8	\$ 23	\$ 19	\$ 35
Investments	636	3,021	2,583	14,367
Lease receivable	-	-	-	-
Accrued interest receivable	109	364	308	548
Interfund due (to)/from, net	389	1,244	841	1,664
Mortgage loans, notes and other loans, net	1,382	2,600	3,237	6,088
Other assets	-	-	-	-
Intergovernmental receivable, net	-	-	-	-
Total current assets	2,524	7,252	6,988	22,702
Noncurrent assets				
Investments	-	-	-	13,884
Lease receivable	-	-	-	-
Interfund due (to)/from, net	-	-	-	-
Mortgage loans, notes and other loans, net	44,679	84,052	104,674	196,857
Capital assets - non-depreciable	-	-	-	-
Capital assets - depreciable, net	-	-	-	-
Other assets	-	-	-	-
OPEB asset	-	-	-	-
Total noncurrent assets	44,679	84,052	104,674	210,741
Total assets	47,203	91,304	111,662	233,443
DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources	-	-	-	-
LIABILITIES				
Current liabilities				
Bonds payable	4,775	2,760	3,950	4,415
Short-term debt	-	-	-	-
Accrued interest payable	54	149	230	380
Other liabilities	12	23	28	50
Intergovernmental payable	-	-	-	-
Total current liabilities	4,841	2,932	4,208	4,845
Noncurrent liabilities				
Bonds payable	18,760	37,950	88,887	160,225
Other liabilities	-	-	-	-
Derivative instrument - interest rate swaps	-	-	-	-
Pension liability	-	-	-	-
Total noncurrent liabilities	18,760	37,950	88,887	160,225
Total liabilities	23,601	40,882	93,095	165,070
DEFERRED INFLOWS OF RESOURCES				
Total deferred inflows of resources	-	-	-	-
NET POSITION				
Net investment in capital assets	-	-	-	-
Restricted by bond resolutions	23,602	50,422	18,567	68,373
Restricted by contractual or statutory agreements	-	-	-	-
Unrestricted or (deficit)	-	-	-	-
Total net position	\$ 23,602	\$ 50,422	\$ 18,567	\$ 68,373

See accompanying notes to the financial statements.

General Mortgage Revenue Bonds II 2022 A & B	General Mortgage Revenue Bonds II 2022 C	General Mortgage Revenue Bonds II 2024 A,B & C	General Mortgage Revenue Bonds II 2025 A	General Mortgage Revenue Bonds II 2026 A	Total June 30, 2026
\$ 36	\$ 15	\$ 45	\$ 12	\$ 12	\$ 205
4,536	892	7,541	882	1,239	35,697
-	-	-	-	-	-
423	301	1,103	505	476	4,137
1,848	1,027	4,183	1,236	956	13,388
5,073	2,226	7,315	3,252	3,258	34,431
-	-	-	-	-	-
-	-	-	-	-	-
11,916	4,461	20,187	5,887	5,941	87,858
-	-	-	-	-	13,884
-	-	-	-	-	-
-	-	-	-	-	-
164,035	71,982	236,510	105,137	105,343	1,113,269
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
164,035	71,982	236,510	105,137	105,343	1,127,153
175,951	76,443	256,697	111,024	111,284	1,215,011
-	-	-	-	-	-
-	-	-	-	-	-
925	1,510	2,505	1,490	1,745	24,075
-	-	-	-	-	-
335	278	994	403	428	3,251
525	20	56	22	23	759
-	-	-	-	-	-
1,785	1,808	3,555	1,915	2,196	28,085
120,545	70,318	230,718	107,362	108,746	943,511
-	76	57	-	-	133
-	-	-	-	-	-
-	-	-	-	-	-
120,545	70,394	230,775	107,362	108,746	943,644
122,330	72,202	234,330	109,277	110,942	971,729
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
53,621	4,241	22,367	1,747	342	243,282
-	-	-	-	-	-
-	-	-	-	-	-
\$ 53,621	\$ 4,241	\$ 22,367	\$ 1,747	\$ 342	\$ 243,282

ALASKA HOUSING FINANCE CORPORATION
(A Component Unit of the State of Alaska)
STATEMENT OF NET POSITION
COLLATERALIZED VETERANS MORTGAGE BONDS
As of June 30, 2026
(in thousands of dollars)

	Collateralized Bonds, 2016 1st & 2nd Series	Collateralized Bonds, 2019 1st & 2nd Series	Collateralized Bonds, 2023 1st Series	Collateralized Bonds, 2024 1st Series
ASSETS				
Current assets				
Cash	\$ 10	\$ 10	\$ 15	\$ 11
Investments	1,350	10,327	4,535	9,600
Lease receivable	-	-	-	-
Accrued interest receivable	54	249	189	278
Interfund due (to)/from, net	519	1,018	1,434	2,007
Mortgage loans, notes and other loans, net	733	1,805	1,319	2,002
Other assets	-	-	-	-
Intergovernmental receivable, net	-	-	-	-
Total current assets	2,666	13,409	7,492	13,898
Noncurrent assets				
Investments	-	-	-	-
Lease receivable	-	-	-	-
Interfund due (to)/from, net	-	-	-	-
Mortgage loans, notes and other loans, net	23,685	58,355	42,635	64,716
Capital assets - non-depreciable	-	-	-	-
Capital assets - depreciable, net	-	-	-	-
Other assets	-	-	-	-
OPEB asset	-	-	-	-
Total noncurrent assets	23,685	58,355	42,635	64,716
Total assets	26,351	71,764	50,127	78,614
DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources	-	-	-	-
LIABILITIES				
Current liabilities				
Bonds payable	2,210	890	560	800
Short-term debt	-	-	-	-
Accrued interest payable	43	18	176	263
Other liabilities	5	17	11	13
Intergovernmental payable	-	-	-	-
Total current liabilities	2,258	925	747	1,076
Noncurrent liabilities				
Bonds payable	17,495	6,590	49,340	73,803
Other liabilities	-	-	8	-
Derivative instrument - interest rate swaps	-	-	-	-
Pension liability	-	-	-	-
Total noncurrent liabilities	17,495	6,590	49,348	73,803
Total liabilities	19,753	7,515	50,095	74,879
DEFERRED INFLOWS OF RESOURCES				
Total deferred inflows of resources	-	-	-	-
NET POSITION				
Net investment in capital assets	-	-	-	-
Restricted by bond resolutions	6,598	64,249	32	3,735
Restricted by contractual or statutory agreements	-	-	-	-
Unrestricted or (deficit)	-	-	-	-
Total net position	\$ 6,598	\$ 64,249	\$ 32	\$ 3,735

See accompanying notes to the financial statements.

Collateralized Bonds, 2025 1st Series	Total June 30, 2026
\$ 17	\$ 63
3,456	29,268
-	-
444	1,214
1,400	6,378
2,806	8,665
-	-
-	-
8,123	45,588
-	-
-	-
-	-
90,719	280,110
-	-
-	-
-	-
-	-
90,719	280,110
98,842	325,698
-	-
-	-
1,960	6,420
-	-
366	866
22	68
-	-
2,348	7,354
97,080	244,308
-	8
-	-
-	-
97,080	244,316
99,428	251,670
-	-
-	-
-	-
(586)	74,028
-	-
-	-
\$ (586)	\$ 74,028

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

Schedule 6

STATEMENT OF NET POSITION**GOVERNMENTAL PURPOSE BONDS**

As of June 30, 2026

(in thousands of dollars)

	Governmental Purpose Bonds 2001 A & B	Total June 30, 2026
ASSETS		
Current assets		
Cash	\$ 13	\$ 13
Investments	15,626	15,626
Lease receivable	-	-
Accrued interest receivable	302	302
Interfund due (to)/from, net	2,029	2,029
Mortgage loans, notes and other loans, net	4,477	4,477
Other assets	-	-
Intergovernmental receivable, net	-	-
Total current assets	22,447	22,447
Noncurrent assets		
Investments	-	-
Lease receivable	-	-
Interfund due (to)/from, net	-	-
Mortgage loans, notes and other loans, net	144,768	144,768
Capital assets - non-depreciable	-	-
Capital assets - depreciable, net	-	-
Other assets	911	911
OPEB asset	-	-
Total noncurrent assets	145,679	145,679
Total assets	168,126	168,126
DEFERRED OUTFLOWS OF RESOURCES		
Total deferred outflows of resources	742	742
LIABILITIES		
Current liabilities		
Bonds payable	8,365	8,365
Short-term debt	-	-
Accrued interest payable	157	157
Other liabilities	31	31
Intergovernmental payable	-	-
Total current liabilities	8,553	8,553
Noncurrent liabilities		
Bonds payable	31,378	31,378
Other liabilities	-	-
Derivative instrument - interest rate swaps	742	742
Pension liability	-	-
Total noncurrent liabilities	32,120	32,120
Total liabilities	40,673	40,673
DEFERRED INFLOWS OF RESOURCES		
Total deferred inflows of resources	-	-
NET POSITION		
Net investment in capital assets	-	-
Restricted by bond resolutions	128,195	128,195
Restricted by contractual or statutory agreements	-	-
Unrestricted or (deficit)	-	-
Total net position	\$ 128,195	\$ 128,195

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

Schedule 7

STATEMENT OF NET POSITION**STATE CAPITAL PROJECT BONDS**

As of June 30, 2026

(in thousands of dollars)

	State Capital Project Bonds II	Total June 30, 2026
ASSETS		
Current assets		
Cash	\$ 135	\$ 135
Investments	54,176	54,176
Lease receivable	2,935	2,935
Accrued interest receivable	6,209	6,209
Interfund due (to)/from, net	21,481	21,481
Mortgage loans, notes and other loans, net	45,679	45,679
Other assets	-	-
Intergovernmental receivable, net	-	-
Total current assets	130,615	130,615
Noncurrent assets		
Investments	-	-
Lease receivable	4,427	4,427
Interfund due (to)/from, net	-	-
Mortgage loans, notes and other loans, net	1,476,966	1,476,966
Capital assets - non-depreciable	-	-
Capital assets - depreciable, net	-	-
Other assets	3,574	3,574
OPEB asset	-	-
Total noncurrent assets	1,484,967	1,484,967
Total assets	1,615,582	1,615,582
DEFERRED OUTFLOWS OF RESOURCES		
Total deferred outflows of resources	5,696	5,696
LIABILITIES		
Current liabilities		
Bonds payable	55,075	55,075
Short-term debt	-	-
Accrued interest payable	4,451	4,451
Other liabilities	321	321
Intergovernmental payable	135	135
Total current liabilities	59,982	59,982
Noncurrent liabilities		
Bonds payable	1,280,960	1,280,960
Other liabilities	-	-
Derivative instrument - interest rate swaps	-	-
Pension liability	-	-
Total noncurrent liabilities	1,280,960	1,280,960
Total liabilities	1,340,942	1,340,942
DEFERRED INFLOWS OF RESOURCES		
Total deferred inflows of resources	7,059	7,059
NET POSITION		
Net investment in capital assets	-	-
Restricted by bond resolutions	-	-
Restricted by contractual or statutory agreements	-	-
Unrestricted or (deficit)	273,277	273,277
Total net position	\$ 273,277	\$ 273,277

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

OTHER PROGRAM FUNDS

As of June 30, 2026

(in thousands of dollars)

	Low Rent Program	Market Rate Rental Housing Program	Home Ownership Fund	Senior Housing Revolving Loan Fund
ASSETS				
Current assets				
Cash	\$ 17,741	\$ 15,951	\$ -	\$ -
Investments	-	-	834	3,717
Lease receivable	47	-	-	-
Accrued interest receivable	-	-	19	107
Interfund due (to)/from, net	(3,943)	(1,530)	75	446
Mortgage loans, notes and other loans, net	-	-	396	1,120
Other assets	1,195	118	-	-
Intergovernmental receivable, net	540	6	-	-
Total current assets	15,580	14,545	1,324	5,390
Noncurrent assets				
Investments	-	-	-	-
Lease receivable	-	-	-	-
Interfund due (to)/from, net	-	-	-	-
Mortgage loans, notes and other loans, net	-	-	12,819	36,208
Capital assets - non-depreciable	12,279	1,130	-	-
Capital assets - depreciable, net	28,156	9,583	-	-
Other assets	-	-	-	-
OPEB asset	-	-	-	-
Total noncurrent assets	40,435	10,713	12,819	36,208
Total assets	56,015	25,258	14,143	41,598
DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources	-	-	-	-
LIABILITIES				
Current liabilities				
Bonds payable	-	-	-	-
Short-term debt	-	-	-	-
Accrued interest payable	-	-	-	-
Other liabilities	968	259	2	8
Intergovernmental payable	522	-	-	-
Total current liabilities	1,490	259	2	8
Noncurrent liabilities				
Bonds payable	-	-	-	-
Other liabilities	102	17	-	-
Derivative instrument - interest rate swaps	-	-	-	-
Pension liability	-	-	-	-
Total noncurrent liabilities	102	17	-	-
Total liabilities	1,592	276	2	8
DEFERRED INFLOWS OF RESOURCES				
Total deferred inflows of resources	36	-	-	-
NET POSITION				
Net investment in capital assets	40,435	10,713	-	-
Restricted by bond resolutions	-	-	-	-
Restricted by contractual or statutory agreements	14,318	14,488	14,141	41,590
Unrestricted or (deficit)	(366)	(219)	-	-
Total net position	\$ 54,387	\$ 24,982	\$ 14,141	\$ 41,590

See accompanying notes to the financial statements.

Other Funds or Programs Subtotal	Energy Programs	Section 8 Voucher Programs	Other Grants	COVID-19 Grants	Grant Programs Subtotal	Alaska Corporation for Affordable Housing	Total June 30, 2026
\$ 33,692	\$ 438	\$ 10	\$ -	\$ 5,346	\$ 5,794	\$ 9,473	\$ 48,959
4,551	-	-	-	-	-	-	4,551
47	-	-	-	-	-	46	93
126	-	-	-	-	-	359	485
(4,952)	(3,070)	(479)	(12,153)	10,095	(5,607)	(338)	(10,897)
1,516	-	-	2	-	2	-	1,518
1,313	537	776	6,601	2,427	10,341	1,866	13,520
546	4,502	62	8,603	5	13,172	-	13,718
36,839	2,407	369	3,053	17,873	23,702	11,406	71,947
-	-	-	-	-	-	-	-
-	-	-	-	-	-	3,115	3,115
-	-	-	1,423	-	1,423	(1,423)	-
49,027	-	-	803	-	803	24,199	74,029
13,409	-	1,832	-	-	1,832	4,740	19,981
37,739	-	6,005	-	-	6,005	-	43,744
-	-	-	500	10,835	11,335	1	11,336
-	-	-	-	-	-	-	-
100,175	-	7,837	2,726	10,835	21,398	30,632	152,205
137,014	2,407	8,206	5,779	28,708	45,100	42,038	224,152
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,237	-	66	-	16,239	16,305	-	17,542
522	-	-	-	-	-	-	522
1,759	-	66	-	16,239	16,305	-	18,064
-	-	-	-	-	-	-	-
119	-	244	-	-	244	1,000	1,363
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
119	-	244	-	-	244	1,000	1,363
1,878	-	310	-	16,239	16,549	1,000	19,427
-	-	-	-	-	-	-	-
36	-	-	-	-	-	2,904	2,940
51,148	-	7,837	-	-	7,837	4,740	63,725
-	-	-	-	-	-	-	-
84,537	2,608	14,706	6,975	28,319	52,608	34,210	171,355
(585)	(201)	(14,647)	(1,196)	(15,850)	(31,894)	(816)	(33,295)
\$ 135,100	\$ 2,407	\$ 7,896	\$ 5,779	\$ 12,469	\$ 28,551	\$ 38,134	\$ 201,785

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, 2026

(in thousands of dollars)

	Administrative Fund	Combined Home Mortgage Revenue Bonds	Combined General Mortgage Revenue Bonds	Combined Collateralized Veterans Mortgage Bonds
OPERATING REVENUES				
Mortgage and loan revenue	\$ 16,184	\$ 25,299	\$ 52,133	\$ 15,759
Rental revenue	13	-	-	-
Other revenue	2,997	-	-	-
Total operating revenues	19,194	25,299	52,133	15,759
OPERATING EXPENSES				
Mortgage and loan costs	4,374	2,187	3,578	875
Provision for loan loss	851	(97)	631	781
Operations and administration	22,181	1,063	1,938	308
Rental housing operating expenses	-	-	-	-
Total operating expenses	27,406	3,153	6,147	1,964
Operating income (loss)	(8,212)	22,146	45,986	13,795
NONCAPITAL SUBSIDIES				
Grant revenue	-	-	-	-
Grant expense	-	-	-	-
Housing rental subsidies	-	-	-	-
Total noncapital subsidies	-	-	-	-
Operating income (loss) and noncapital subsidies	(8,212)	22,146	45,986	13,795
OTHER NONOPERATING REVENUES AND EXPENSES				
Interest expense	(3,213)	(13,353)	(30,557)	(9,336)
Grant revenue - capital	-	-	-	-
Grant expense - capital	-	-	-	-
Bond financing expenses	(442)	(1,539)	(887)	(1,176)
Investment interest earnings	12,597	1,525	2,233	475
Gain (loss) on disposal of capital assets	-	-	-	-
Net change in the fair value of investments	1,968	534	512	475
Other revenue and expenses	-	-	-	-
Contributions to State of Alaska or State agencies	(1,718)	-	-	-
Interfund receipts (payments) for operations	77,814	(89)	8,157	(3,128)
Total other nonoperating revenues and expenses	87,006	(12,922)	(20,542)	(12,690)
Change in net position	78,794	9,224	25,444	1,105
Net position at beginning of year	492,441	243,411	217,838	72,923
Net position at end of period	\$ 571,235	\$ 252,635	\$ 243,282	\$ 74,028

See accompanying notes to the financial statements.

Combined Governmental Purpose Bonds		Combined State Capital Project Bonds		Combined Other Programs	Total June 30, 2026
\$	4,255	\$	81,754	\$ 1,749	\$ 197,133
	-		-	13,178	13,191
	-		3,485	2,579	9,061
	4,255		85,239	17,506	219,385
	448		4,348	139	15,949
	(49)		(72)	788	2,833
	246		1,974	37,057	64,767
	-		-	16,121	16,121
	645		6,250	54,105	99,670
	3,610		78,989	(36,599)	119,715
	-		-	98,082	98,082
	-		-	(88,839)	(88,839)
	-		-	12,578	12,578
	-		-	21,821	21,821
	3,610		78,989	(14,778)	141,536
	(1,818)		(47,126)	-	(105,403)
	-		-	13,187	13,187
	-		-	(21,625)	(21,625)
	(170)		(2,120)	-	(6,334)
	317		2,353	621	20,121
	-		-	(198)	(198.00)
	459		2,195	22	6,165
	-		-	(522)	(522)
	-		-	-	(1,718)
	350		(116,100)	32,996	-
	(862)		(160,798)	24,481	(96,327)
	2,748		(81,809)	9,703	45,209
	125,447		355,086	192,082	1,699,228
\$	128,195	\$	273,277	\$ 201,785	\$ 1,744,437

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, 2026

(in thousands of dollars)

	Administrative Fund	Total June 30, 2026
OPERATING REVENUES		
Mortgage and loan revenue	\$ 16,184	\$ 16,184
Rental revenue	13	13
Other revenue	2,997	2,997
Total operating revenues	19,194	19,194
OPERATING EXPENSES		
Mortgage and loan costs	4,374	4,374
Provision for loan loss	851	851
Operations and administration	22,181	22,181
Rental housing operating expenses	-	-
Total operating expenses	27,406	27,406
Operating income (loss)	(8,212)	(8,212)
NONCAPITAL SUBSIDIES		
Grant revenue	-	-
Grant expense	-	-
Housing rental subsidies	-	-
Total noncapital subsidies	-	-
Operating income (loss) and noncapital subsidies	(8,212)	(8,212)
OTHER NONOPERATING REVENUES AND EXPENSES		
Interest expense	(3,213)	(3,213)
Grant revenue - capital	-	-
Grant expense - capital	-	-
Bond financing expenses	(442)	(442)
Investment interest earnings	12,597	12,597
Gain (loss) on disposal of capital assets	-	-
Net change in the fair value of investments	1,968	1,968
Other revenue and expenses	-	-
Contributions to State of Alaska or State agencies	(1,718)	(1,718)
Interfund receipts (payments) for operations	77,814	77,814
Total other nonoperating revenues and expenses	87,006	87,006
Change in net position	78,794	78,794
Net position at beginning of year	492,441	492,441
Net position at end of period	\$ 571,235	\$ 571,235

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, 2026

(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
OPERATING REVENUES				
Mortgage and loan revenue	\$ 2,943	\$ 2,390	\$ 2,375	\$ 3,278
Rental revenue	-	-	-	-
Other revenue	-	-	-	-
Total operating revenues	2,943	2,390	2,375	3,278
OPERATING EXPENSES				
Mortgage and loan costs	242	210	198	304
Provision for loan loss	(1)	(29)	(13)	(17)
Operations and administration	152	109	102	135
Rental housing operating expenses	-	-	-	-
Total operating expenses	393	290	287	422
Operating income (loss)	2,550	2,100	2,088	2,856
NONCAPITAL SUBSIDIES				
Grant revenue	-	-	-	-
Grant expense	-	-	-	-
Housing rental subsidies	-	-	-	-
Total noncapital subsidies	-	-	-	-
Operating income (loss) and noncapital subsidies	2,550	2,100	2,088	2,856
OTHER NONOPERATING REVENUES AND EXPENSES				
Interest expense	(680)	(1,925)	(1,934)	(2,294)
Grant revenue - capital	-	-	-	-
Grant expense - capital	-	-	-	-
Bond financing expenses	(72)	(215)	(194)	(244)
Investment interest earnings	139	120	92	119
Gain (loss) on disposal of capital assets	-	-	-	-
Net change in the fair value of investments	60	76	41	57
Other revenue and expenses	-	-	-	-
Contributions to State of Alaska or State agencies	-	-	-	-
Interfund receipts (payments) for operations	223	323	295	378
Total other nonoperating revenues and expenses	(330)	(1,621)	(1,700)	(1,984)
Change in net position	2,220	479	388	872
Net position at beginning of year	43,487	2,589	513	15,292
Net position at end of period	\$ 45,707	\$ 3,068	\$ 901	\$ 16,164

See accompanying notes to the financial statements.

Home Mortgage Revenue Bonds 2009 A	Home Mortgage Revenue Bonds 2009 B	Home Mortgage Revenue Bonds 2009 D	Total June 30, 2026
\$ 3,926	\$ 4,223	\$ 6,164	\$ 25,299
-	-	-	-
-	-	-	-
3,926	4,223	6,164	25,299
349	361	523	2,187
(19)	(2)	(16)	(97)
150	158	257	1,063
-	-	-	-
480	517	764	3,153
3,446	3,706	5,400	22,146
-	-	-	-
-	-	-	-
-	-	-	-
3,446	3,706	5,400	22,146
(2,171)	(2,181)	(2,168)	(13,353)
-	-	-	-
-	-	-	-
(274)	(260)	(280)	(1,539)
179	174	702	1,525
-	-	-	-
103	87	110	534
-	-	-	-
-	-	-	-
424	418	(2,150)	(89)
(1,739)	(1,762)	(3,786)	(12,922)
1,707	1,944	1,614	9,224
38,644	45,469	97,417	243,411
\$ 40,351	\$ 47,413	\$ 99,031	\$ 252,635

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, 2026

(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
OPERATING REVENUES				
Mortgage and loan revenue	\$ 1,512	\$ 5,041	\$ 4,157	\$ 6,978
Rental revenue	-	-	-	-
Other revenue	-	-	-	-
Total operating revenues	1,512	5,041	4,157	6,978
OPERATING EXPENSES				
Mortgage and loan costs	164	324	373	660
Provision for loan loss	(39)	(45)	(47)	(75)
Operations and administration	120	176	248	407
Rental housing operating expenses	-	-	-	-
Total operating expenses	245	455	574	992
Operating income (loss)	1,267	4,586	3,583	5,986
NONCAPITAL SUBSIDIES				
Grant revenue	-	-	-	-
Grant expense	-	-	-	-
Housing rental subsidies	-	-	-	-
Total noncapital subsidies	-	-	-	-
Operating income (loss) and noncapital subsidies	1,267	4,586	3,583	5,986
OTHER NONOPERATING REVENUES AND EXPENSES				
Interest expense	(711)	(1,409)	(2,308)	(3,039)
Grant revenue - capital	-	-	-	-
Grant expense - capital	-	-	-	-
Bond financing expenses	(1)	(2)	(5)	(9)
Investment interest earnings	75	169	179	916
Gain (loss) on disposal of capital assets	-	-	-	-
Net change in the fair value of investments	14	25	24	350
Other revenue and expenses	-	-	-	-
Contributions to State of Alaska or State agencies	-	-	-	-
Interfund receipts (payments) for operations	120	436	410	1,161
Total other nonoperating revenues and expenses	(503)	(781)	(1,700)	(621)
Change in net position	764	3,805	1,883	5,365
Net position at beginning of year	22,838	46,617	16,684	63,008
Net position at end of period	\$ 23,602	\$ 50,422	\$ 18,567	\$ 68,373

See accompanying notes to the financial statements.

General Mortgage Revenue Bonds II 2022 A & B		General Mortgage Revenue Bonds II 2022 C		General Mortgage Revenue Bonds II 2024 A,B & C		General Mortgage Revenue Bonds II 2025 A		General Mortgage Revenue Bonds II 2026 A		Total June 30, 2026
\$	5,762	\$	3,835	\$	15,368	\$	6,602	\$	2,878	\$ 52,133
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
5,762	3,835	15,368	6,602	2,878	52,133					
565	259	794	299	140	3,578					
(46)	(63)	(129)	(22)	1,097	631					
259	156	337	159	76	1,938					
-	-	-	-	-	-					
778	352	1,002	436	1,313	6,147					
4,984	3,483	14,366	6,166	1,565	45,986					
-	-	-	-	-	-					
-	-	-	-	-	-					
-	-	-	-	-	-					
4,984	3,483	14,366	6,166	1,565	45,986					
(2,408)	(3,218)	(11,455)	(4,686)	(1,323)	(30,557)					
-	-	-	-	-	-					
-	-	-	-	-	-					
(77)	(4)	(21)	(16)	(752)	(887)					
212	103	442	115	22	2,233					
-	-	-	-	-	-					
17	-	62	18	2	512					
-	-	-	-	-	-					
-	-	-	-	-	-					
973	3,712	342	175	828	8,157					
(1,283)	593	(10,630)	(4,394)	(1,223)	(20,542)					
3,701	4,076	3,736	1,772	342	25,444					
49,920	165	18,631	(25)	-	217,838					
\$ 53,621	\$ 4,241	\$ 22,367	\$ 1,747	\$ 342	\$ 243,282					

ALASKA HOUSING FINANCE CORPORATION

(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, 2026

(in thousands of dollars)

	Collateralized Bonds, 2016 1st & 2nd Series	Collateralized Bonds, 2019 1st & 2nd Series	Collateralized Bonds, 2023 1st Series	Collateralized Bonds, 2024 1st Series
OPERATING REVENUES				
Mortgage and loan revenue	\$ 800	\$ 2,940	\$ 2,347	\$ 3,917
Rental revenue	-	-	-	-
Other revenue	-	-	-	-
Total operating revenues	800	2,940	2,347	3,917
OPERATING EXPENSES				
Mortgage and loan costs	71	205	131	182
Provision for loan loss	(26)	(65)	(26)	(47)
Operations and administration	35	83	42	59
Rental housing operating expenses	-	-	-	-
Total operating expenses	80	223	147	194
Operating income (loss)	720	2,717	2,200	3,723
NONCAPITAL SUBSIDIES				
Grant revenue	-	-	-	-
Grant expense	-	-	-	-
Housing rental subsidies	-	-	-	-
Total noncapital subsidies	-	-	-	-
Operating income (loss) and noncapital subsidies	720	2,717	2,200	3,723
OTHER NONOPERATING REVENUES AND EXPENSES				
Interest expense	(540)	(177)	(2,117)	(3,180)
Grant revenue - capital	-	-	-	-
Grant expense - capital	-	-	-	-
Bond financing expenses	(1)	(1)	8	(4)
Investment interest earnings	47	134	87	121
Gain (loss) on disposal of capital assets	-	-	-	-
Net change in the fair value of investments	21	248	60	116
Other revenue and expenses	-	-	-	-
Contributions to State of Alaska or State agencies	-	-	-	-
Interfund receipts (payments) for operations	36	(4,537)	44	1,966
Total other nonoperating revenues and expenses	(437)	(4,333)	(1,918)	(981)
Change in net position	283	(1,616)	282	2,742
Net position at beginning of year	6,315	65,865	(250)	993
Net position at end of period	\$ 6,598	\$ 64,249	\$ 32	\$ 3,735

See accompanying notes to the financial statements.

Collateralized Bonds, 2025 1st Series	Total June 30, 2026
\$ 5,755	\$ 15,759
-	-
-	-
5,755	15,759
286	875
945	781
89	308
-	-
1,320	1,964
4,435	13,795
-	-
-	-
-	-
-	-
4,435	13,795
(3,322)	(9,336)
-	-
-	-
(1,178)	(1,176)
86	475
-	-
30	475
-	-
-	-
(637)	(3,128)
(5,021)	(12,690)
(586)	1,105
-	72,923
\$ (586)	\$ 74,028

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, 2026

(in thousands of dollars)

	Governmental Purpose Bonds 2001 A & B	Total June 30, 2026
OPERATING REVENUES		
Mortgage and loan revenue	\$ 4,255	\$ 4,255
Rental revenue	-	-
Other revenue	-	-
Total operating revenues	4,255	4,255
OPERATING EXPENSES		
Mortgage and loan costs	448	448
Provision for loan loss	(49)	(49)
Operations and administration	246	246
Rental housing operating expenses	-	-
Total operating expenses	645	645
Operating income (loss)	3,610	3,610
NONCAPITAL SUBSIDIES		
Grant revenue	-	-
Grant expense	-	-
Housing rental subsidies	-	-
Total noncapital subsidies	-	-
Operating income (loss) and noncapital subsidies	3,610	3,610
OTHER NONOPERATING REVENUES AND EXPENSES		
Interest expense	(1,818)	(1,818)
Grant revenue - capital	-	-
Grant expense - capital	-	-
Bond financing expenses	(170)	(170)
Investment interest earnings	317	317
Gain (loss) on disposal of capital assets	-	-
Net change in the fair value of investments	459	459
Other revenue and expenses	-	-
Contributions to State of Alaska or State agencies	-	-
Interfund receipts (payments) for operations	350	350
Total other nonoperating revenues and expenses	(862)	(862)
Change in net position	2,748	2,748
Net position at beginning of year	125,447	125,447
Net position at end of period	\$ 128,195	\$ 128,195

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, 2026

(in thousands of dollars)

	State Capital Project Bonds II	Total June 30, 2026
OPERATING REVENUES		
Mortgage and loan revenue	\$ 81,754	\$ 81,754
Rental revenue	-	-
Other revenue	3,485	3,485
Total operating revenues	85,239	85,239
OPERATING EXPENSES		
Mortgage and loan costs	4,348	4,348
Provision for loan loss	(72)	(72)
Operations and administration	1,974	1,974
Rental housing operating expenses	-	-
Total operating expenses	6,250	6,250
Operating income (loss)	78,989	78,989
NONCAPITAL SUBSIDIES		
Grant revenue	-	-
Grant expense	-	-
Housing rental subsidies	-	-
Total noncapital subsidies	-	-
Operating income (loss) and noncapital subsidies	78,989	78,989
OTHER NONOPERATING REVENUES AND EXPENSES		
Interest expense	(47,126)	(47,126)
Grant revenue - capital	-	-
Grant expense - capital	-	-
Bond financing expenses	(2,120)	(2,120)
Investment interest earnings	2,353	2,353
Gain (loss) on disposal of capital assets	-	-
Net change in the fair value of investments	2,195	2,195
Other revenue and expenses	-	-
Contributions to State of Alaska or State agencies	-	-
Interfund receipts (payments) for operations	(116,100)	(116,100)
Total other nonoperating revenues and expenses	(160,798)	(160,798)
Change in net position	(81,809)	(81,809)
Net position at beginning of year	355,086	355,086
Net position at end of period	\$ 273,277	\$ 273,277

See accompanying notes to the financial statements.

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, 2026

(in thousands of dollars)

	Low Rent Program	Market Rate Rental Housing Program	Home Ownership Fund	Senior Housing Revolving Loan Fund
OPERATING REVENUES				
Mortgage and loan revenue	\$ -	\$ -	\$ 210	\$ 1,539
Rental revenue	10,680	2,498	-	-
Other revenue	415	1	-	-
Total operating revenues	11,095	2,499	210	1,539
OPERATING EXPENSES				
Mortgage and loan costs	-	-	25	114
Provision for loan loss	-	-	(2)	2
Operations and administration	15,575	3,625	20	56
Rental housing operating expenses	12,934	2,839	-	-
Total operating expenses	28,509	6,464	43	172
Operating income (loss)	(17,414)	(3,965)	167	1,367
NONCAPITAL SUBSIDIES				
Grant revenue	4,104	-	-	-
Grant expense	-	-	-	-
Housing rental subsidies	9,915	2,663	-	-
Total noncapital subsidies	14,019	2,663	-	-
Operating income (loss) and noncapital subsidies	(3,395)	(1,302)	167	1,367
OTHER NONOPERATING REVENUES AND EXPENSES				
Interest expense	-	-	-	-
Grant revenue - capital	-	-	-	-
Grant expense - capital	-	-	-	-
Bond financing expenses	-	-	-	-
Investment interest earnings	173	172	24	119
Gain (loss) on disposal of capital assets	(198)	-	-	-
Net change in the fair value of investments	-	-	2	20
Other revenue and expenses	3	-	-	-
Contributions to State of Alaska or State agencies	-	-	-	-
Interfund receipts (payments) for operations	(525)	2,725	(78)	55
Total other nonoperating revenues and expenses	(547)	2,897	(52)	194
Change in net position	(3,942)	1,595	115	1,561
Net position at beginning of year	58,330	23,386	14,026	40,029
Net position at end of period	\$ 54,388	\$ 24,981	\$ 14,141	\$ 41,590

See accompanying notes to the financial statements.

Other Funds or Programs Subtotal	Energy Programs	Section 8 Voucher Programs	Other Grants	COVID-19 Grants	Grant Programs Subtotal	Alaska Corporation for Affordable Housing	Total June 30, 2026
\$ 1,749	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,749
13,178	-	-	-	-	-	-	13,178
416	1	17	619	-	637	1,526	2,579
15,343	1	17	619	-	637	1,526	17,506
139	-	-	-	-	-	-	139
-	-	-	169	-	169	619	788
19,276	3,148	8,787	4,153	1,050	17,138	643	37,057
15,773	-	346	-	-	346	2	16,121
35,188	3,148	9,133	4,322	1,050	17,653	1,264	54,105
(19,845)	(3,147)	(9,116)	(3,703)	(1,050)	(17,016)	262	(36,599)
4,104	7,949	51,841	8,293	25,857	93,940	38	98,082
-	(10,418)	(48,828)	(15,622)	(13,971)	(88,839)	-	(88,839)
12,578	-	-	-	-	-	-	12,578
16,682	(2,469)	3,013	(7,329)	11,886	5,101	38	21,821
(3,163)	(5,616)	(6,103)	(11,032)	10,836	(11,915)	300	(14,778)
-	-	-	-	-	-	-	-
-	-	-	13,187	-	13,187	-	13,187
-	-	-	(21,625)	-	(21,625)	-	(21,625)
-	-	-	-	-	-	-	-
488	14	50	-	(192)	(128)	261	621
(198)	-	-	-	-	-	-	(198)
22	-	-	-	-	-	-	22
3	-	-	-	-	-	(525)	(522)
-	-	-	-	-	-	-	-
2,177	5,555	3,553	20,354	1,193	30,655	164	32,996
2,492	5,569	3,603	11,916	1,001	22,089	(100)	24,481
(671)	(47)	(2,500)	884	11,837	10,174	200	9,703
135,771	2,454	10,396	4,895	632	18,377	37,934	192,082
\$ 135,100	\$ 2,407	\$ 7,896	\$ 5,779	\$ 12,469	\$ 28,551	\$ 38,134	\$ 201,785

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, 2026

(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	\$ 15,089	\$ 22,916	\$ 47,602	\$ 14,082	\$ 3,847
Principal receipts on mortgages and loans	18,894	54,981	96,108	29,796	14,323
Disbursements to fund mortgages and loans	(588,661)	-	-	-	-
Receipts (payments) for interfund loan transfers	472,928	(48,302)	(160,542)	(111,585)	(9,901)
Mortgage and loan proceeds receipts	554,471	-	-	-	-
Mortgage and loan proceeds paid to trust funds	(540,362)	-	-	-	-
Payroll-related disbursements	(28,214)	-	-	-	-
Payments for goods and services	(7,262)	-	-	-	-
Other operating cash receipts (payments)	(9,337)	-	-	-	-
Net cash receipts (disbursements)	(112,454)	29,595	(16,832)	(67,707)	8,269
Noncapital financing activities					
Receipts from externally funded programs	-	-	-	-	-
Receipts from Federal HAP subsidies	-	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-	-
Interfund receipts (payments)	(37,965)	-	-	-	-
Grant payments to other agencies	-	-	-	-	-
Proceeds from bond issuance	-	-	111,565	100,150	-
Principal paid on bonds	-	(19,075)	(51,470)	(5,685)	(8,040)
Payment of bond issuance costs	-	-	(761)	(1,146)	-
Interest paid on bonds	-	(12,742)	(36,349)	(9,058)	(1,472)
Proceeds from short-term debt issuance	247,991	-	-	-	-
Payment of short-term debt	(228,982)	-	-	-	-
Contributions to State of Alaska or State agencies	(1,718)	-	-	-	-
Transfers from (to) other funds	116,364	1,000	4,568	(3,624)	15
Other non-capital financing cash payments	-	-	-	-	-
Net cash receipts (disbursements)	95,690	(30,817)	27,553	80,637	(9,497)
Capital financing activities					
Acquisition of capital assets	(102)	-	-	-	-
Acquisition of capital assets held for transfer	-	-	-	-	-
Proceeds from the disposal of capital assets	6	-	-	-	-
Proceeds from direct financing leases	-	-	-	-	-
Net cash receipts (disbursements)	(96)	-	-	-	-
Investing activities					
Purchase of investments	(4,354,572)	(182,764)	(242,499)	(130,940)	(77,411)
Proceeds from maturity of investments	4,363,421	182,442	230,171	117,594	78,325
Interest received from investments	12,693	1,571	1,812	479	327
Net cash receipts (disbursements)	21,542	1,249	(10,516)	(12,867)	1,241
Net Increase (decrease) in cash	4,682	27	205	63	13
Cash at beginning of year	18,309	-	-	-	-
Cash at end of period	\$ 22,991	\$ 27	\$ 205	\$ 63	\$ 13

See accompanying notes to the financial statements.

Combined State Capital Project Bonds	Combined Other Programs	Total June 30, 2026
\$ 76,854	\$ 1,602	\$ 181,992
134,920	6,116	355,138
-	-	(588,661)
(136,195)	(6,403)	-
-	-	554,471
-	-	(540,362)
-	(19,322)	(47,536)
-	(19,151)	(26,413)
(61)	12,950	3,552
75,518	(24,208)	(107,819)
-	59,162	59,162
-	40,652	40,652
-	(46,934)	(46,934)
-	37,965	-
-	(57,100)	(57,100)
144,378	-	356,093
(71,080)	-	(155,350)
(334)	-	(2,241)
(56,004)	-	(115,625)
-	-	247,991
-	-	(228,982)
-	-	(1,718)
(118,323)	-	-
-	2,487	2,487
(101,363)	36,232	98,435
-	(4,158)	(4,260)
-	(11,335)	(11,335)
-	-	6
3,304	-	3,304
3,304	(15,493)	(12,285)
(692,456)	(10,873)	(5,691,515)
713,032	9,408	5,694,393
1,904	643	19,429
22,480	(822)	22,307
(61)	(4,291)	638
196	53,250	71,755
\$ 135	\$ 48,959	\$ 72,393

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, 2026

(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)	\$ (8,212)	\$ 22,146	\$ 45,986	\$ 13,795	\$ 3,610
<i>Adjustments:</i>					
Depreciation expense	1,000	-	-	-	-
Provision for loan loss	851	(97)	631	781	(49)
Loss on disposal of capital assets	-	-	-	-	-
Net change in the fair value of investments	(1,968)	(534)	(512)	(475)	(459)
Amortization of deferred inflow of resources on leases	-	-	-	-	-
<i>Change in assets, liabilities and deferred resources:</i>					
Net (increase) decrease in mortgages and loans	(92,376)	9,526	(62,575)	(77,309)	4,836
Net increase (decrease) in assets, liabilities, and deferred resources	(11,749)	(1,446)	(362)	(4,499)	331
Net operating cash receipts (disbursements)	\$ (112,454)	\$ 29,595	\$ (16,832)	\$ (67,707)	\$ 8,269

Combined State Capital Project Bonds		Combined Other Programs	Total June 30, 2026
\$	78,989	\$ (36,599)	\$ 119,715
	-	5,751	6,751
	(72)	788	2,833
	-	198	198
	(2,195)	(22)	(6,165)
	(3,485)	(112)	(3,597)
	3,383	(1,029)	(215,544)
	(1,102)	6,817	(12,010)
\$	75,518	\$ (24,208)	\$ (107,819)

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS**ADMINISTRATIVE FUND**

For the Year Ended June 30, 2026

(in thousands of dollars)

	Administrative Fund	Total June 30, 2026
CASH FLOWS		
Operating activities		
Interest income on mortgages and loans	\$ 15,089	\$ 15,089
Principal receipts on mortgages and loans	18,894	18,894
Disbursements to fund mortgages and loans	(588,661)	(588,661)
Receipts (payments) for interfund loan transfers	472,928	472,928
Mortgage and loan proceeds receipts	554,471	554,471
Mortgage and loan proceeds paid to trust funds	(540,362)	(540,362)
Payroll-related disbursements	(28,214)	(28,214)
Payments for goods and services	(7,262)	(7,262)
Other operating cash receipts (payments)	(9,337)	(9,337)
Net cash receipts (disbursements)	(112,454)	(112,454)
Noncapital financing activities		
Receipts from externally funded programs	-	-
Receipts from Federal HAP subsidies	-	-
Payments for Federal HAP subsidies	-	-
Interfund receipts (payments)	(37,965)	(37,965)
Grant payments to other agencies	-	-
Proceeds from bond issuance	-	-
Principal paid on bonds	-	-
Payment of bond issuance costs	-	-
Interest paid on bonds	-	-
Proceeds from short-term debt issuance	247,991	247,991
Payment of short-term debt	(228,982)	(228,982)
Contributions to State of Alaska or State agencies	(1,718)	(1,718)
Transfers from (to) other funds	116,364	116,364
Other non-capital financing cash payments	-	-
Net cash receipts (disbursements)	95,690	95,690
Capital financing activities		
Acquisition of capital assets	(102)	(102)
Acquisition of capital assets held for transfer	-	-
Proceeds from the disposal of capital assets	6	6
Proceeds from direct financing leases	-	-
Net cash receipts (disbursements)	(96)	(96)
Investing activities		
Purchase of investments	(4,354,572)	(4,354,572)
Proceeds from maturity of investments	4,363,421	4,363,421
Interest received from investments	12,693	12,693
Net cash receipts (disbursements)	21,542	21,542
Net Increase (decrease) in cash	4,682	4,682
Cash at beginning of year	18,309	18,309
Cash at end of period	\$ 22,991	\$ 22,991

See accompanying notes to the financial statements.

	Administrative Fund	Total June 30, 2026
RECONCILIATION		
Operating income (loss) to net cash		
Operating income (loss)	\$ (8,212)	\$ (8,212)
<i>Adjustments:</i>		
Depreciation expense	1,000	1,000
Provision for loan loss	851	851
Loss on disposal of capital assets	-	-
Net change in the fair value of investments	(1,968)	(1,968)
Amortization of deferred inflow of resources on leases	-	-
<i>Change in assets, liabilities and deferred resources:</i>		
Net (increase) decrease in mortgages and loans	(92,376)	(92,376)
Net increase (decrease) in assets, liabilities, and deferred resources	(11,749)	(11,749)
Net operating cash receipts (disbursements)	<u>\$ (112,454)</u>	<u>\$ (112,454)</u>

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, 2026

(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	\$ 2,663	\$ 2,195	\$ 2,160	\$ 2,935	\$ 3,520
Principal receipts on mortgages and loans	6,402	7,322	4,866	5,870	9,787
Disbursements to fund mortgages and loans	-	-	-	-	-
Receipts (payments) for interfund loan transfers	(6,967)	(3,790)	(3,294)	(4,301)	(7,439)
Mortgage and loan proceeds receipts	-	-	-	-	-
Mortgage and loan proceeds paid to trust funds	-	-	-	-	-
Payroll-related disbursements	-	-	-	-	-
Payments for goods and services	-	-	-	-	-
Other operating cash receipts (payments)	-	-	-	-	-
Net cash receipts (disbursements)	2,098	5,727	3,732	4,504	5,868
Noncapital financing activities					
Receipts from externally funded programs	-	-	-	-	-
Receipts from Federal HAP subsidies	-	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-	-
Interfund receipts (payments)	-	-	-	-	-
Grant payments to other agencies	-	-	-	-	-
Proceeds from bond issuance	-	-	-	-	-
Principal paid on bonds	(2,660)	(2,370)	(2,370)	(2,825)	(2,950)
Payment of bond issuance costs	-	-	-	-	-
Interest paid on bonds	(530)	(1,840)	(1,850)	(2,190)	(2,106)
Proceeds from short-term debt issuance	-	-	-	-	-
Payment of short-term debt	-	-	-	-	-
Contributions to State of Alaska or State agencies	-	-	-	-	-
Transfers from (to) other funds	-	-	-	-	-
Other non-capital financing cash payments	-	-	-	-	-
Net cash receipts (disbursements)	(3,190)	(4,210)	(4,220)	(5,015)	(5,056)
Capital financing activities					
Acquisition of capital assets	-	-	-	-	-
Acquisition of capital assets held for transfer	-	-	-	-	-
Proceeds from the disposal of capital assets	-	-	-	-	-
Proceeds from direct financing leases	-	-	-	-	-
Net cash receipts (disbursements)	-	-	-	-	-
Investing activities					
Purchase of investments	(24,444)	(23,331)	(15,245)	(18,080)	(29,548)
Proceeds from maturity of investments	25,408	21,686	15,637	18,468	28,547
Interest received from investments	143	128	96	123	189
Net cash receipts (disbursements)	1,107	(1,517)	488	511	(812)
Net Increase (decrease) in cash	15	-	-	-	-
Cash at beginning of year	-	-	-	-	-
Cash at end of period	\$ 15	\$ -	\$ -	\$ -	\$ -

See accompanying notes to the financial statements.

Home Mortgage Revenue Bonds 2009 B		Home Mortgage Revenue Bonds 2009 D		Total June 30, 2026
\$	3,857	\$	5,586	\$ 22,916
	8,012		12,722	54,981
	-		-	-
	(7,800)		(14,711)	(48,302)
	-		-	-
	-		-	-
	-		-	-
	-		-	-
	4,069		3,597	29,595
	-		-	-
	-		-	-
	-		-	-
	-		-	-
	-		-	-
	(2,950)		(2,950)	(19,075)
	-		-	-
	(2,118)		(2,108)	(12,742)
	-		-	-
	-		-	-
	-		-	-
	-	1,000		1,000
	-	-		-
	(5,068)		(4,058)	(30,817)
	-		-	-
	-		-	-
	-		-	-
	-		-	-
	(25,466)		(46,650)	(182,764)
	26,282		46,414	182,442
	183		709	1,571
	999		473	1,249
	-	12		27
	-	-		-
\$	-	\$	12	\$ 27

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, 2026

(in thousands of dollars)

	Home Mortgage Revenue Bonds 2002 A	Home Mortgage Revenue Bonds 2007 A	Home Mortgage Revenue Bonds 2007 B	Home Mortgage Revenue Bonds 2007 D	Home Mortgage Revenue Bonds 2009 A
RECONCILIATION					
Operating income (loss) to net cash					
Operating income (loss)	\$ 2,550	\$ 2,100	\$ 2,088	\$ 2,856	\$ 3,446
<i>Adjustments:</i>					
Depreciation expense	-	-	-	-	-
Provision for loan loss	(1)	(29)	(13)	(17)	(19)
Loss on disposal of capital assets	-	-	-	-	-
Net change in the fair value of investments	(60)	(76)	(41)	(57)	(103)
Amortization of deferred inflow of resources on leases	-	-	-	-	-
<i>Change in assets, liabilities and deferred resources:</i>					
Net (increase) decrease in mortgages and loans	74	2,880	1,292	1,665	1,894
Net increase (decrease) in assets, liabilities, and deferred resources	(465)	852	406	57	650
Net operating cash receipts (disbursements)	\$ 2,098	\$ 5,727	\$ 3,732	\$ 4,504	\$ 5,868

Home Mortgage Revenue Bonds 2009 B	Home Mortgage Revenue Bonds 2009 D	Total June 30, 2026
\$ 3,706	\$ 5,400	\$ 22,146
-	-	-
(2)	(16)	(97)
-	-	-
(87)	(110)	(534)
-	-	-
153	1,568	9,526
299	(3,245)	(1,446)
\$ 4,069	\$ 3,597	\$ 29,595

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, 2026

(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	\$ 1,369	\$ 4,706	\$ 3,761	\$ 6,320	\$ 5,227
Principal receipts on mortgages and loans	4,856	9,177	10,867	18,920	15,339
Disbursements to fund mortgages and loans	-	-	-	-	-
Receipts (payments) for interfund loan transfers	(766)	(4,830)	(5,195)	(10,853)	(10,638)
Mortgage and loan proceeds receipts	-	-	-	-	-
Mortgage and loan proceeds paid to trust funds	-	-	-	-	-
Payroll-related disbursements	-	-	-	-	-
Payments for goods and services	-	-	-	-	-
Other operating cash receipts (payments)	-	-	-	-	-
Net cash receipts (disbursements)	5,459	9,053	9,433	14,387	9,928
Noncapital financing activities					
Receipts from externally funded programs	-	-	-	-	-
Receipts from Federal HAP subsidies	-	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-	-
Interfund receipts (payments)	-	-	-	-	-
Grant payments to other agencies	-	-	-	-	-
Proceeds from bond issuance	-	-	-	-	-
Principal paid on bonds	(4,885)	(6,785)	(6,055)	(8,995)	(2,715)
Payment of bond issuance costs	-	-	-	-	-
Interest paid on bonds	(730)	(1,967)	(2,861)	(4,706)	(4,066)
Proceeds from short-term debt issuance	-	-	-	-	-
Payment of short-term debt	-	-	-	-	-
Contributions to State of Alaska or State agencies	-	-	-	-	-
Transfers from (to) other funds	-	260	-	745	-
Other non-capital financing cash payments	-	-	-	-	-
Net cash receipts (disbursements)	(5,615)	(8,492)	(8,916)	(12,956)	(6,781)
Capital financing activities					
Acquisition of capital assets	-	-	-	-	-
Acquisition of capital assets held for transfer	-	-	-	-	-
Proceeds from the disposal of capital assets	-	-	-	-	-
Proceeds from direct financing leases	-	-	-	-	-
Net cash receipts (disbursements)	-	-	-	-	-
Investing activities					
Purchase of investments	(9,107)	(21,259)	(21,138)	(73,607)	(28,136)
Proceeds from maturity of investments	9,192	20,537	20,441	71,807	24,792
Interest received from investments	79	184	199	404	233
Net cash receipts (disbursements)	164	(538)	(498)	(1,396)	(3,111)
Net Increase (decrease) in cash	8	23	19	35	36
Cash at beginning of year	-	-	-	-	-
Cash at end of period	\$ 8	\$ 23	\$ 19	\$ 35	\$ 36

See accompanying notes to the financial statements.

General Mortgage Revenue Bonds II 2022 C	General Mortgage Revenue Bonds II 2024 A,B & C	General Mortgage Revenue Bonds II 2025 A	General Mortgage Revenue Bonds II 2026 A	Total June 30, 2026
\$ 3,625	\$ 14,636	\$ 6,259	\$ 1,699	\$ 47,602
5,626	26,703	3,870	750	96,108
-	-	-	-	-
250	(15,726)	(1,969)	(110,815)	(160,542)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
9,501	25,613	8,160	(108,366)	(16,832)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	111,565	111,565
(9,580)	(9,080)	(3,215)	(160)	(51,470)
-	-	(11)	(750)	(761)
(3,678)	(12,326)	(4,956)	(1,059)	(36,349)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
3,552	-	11	-	4,568
-	-	-	-	-
(9,706)	(21,406)	(8,171)	109,596	27,553
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(13,605)	(57,604)	(14,331)	(3,712)	(242,499)
13,720	52,974	14,233	2,475	230,171
105	468	121	19	1,812
220	(4,162)	23	(1,218)	(10,516)
15	45	12	12	205
-	-	-	-	-
\$ 15	\$ 45	\$ 12	\$ 12	\$ 205

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, 2026

(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
RECONCILIATION					
Operating income (loss) to net cash					
Operating income (loss)	\$ 1,267	\$ 4,586	\$ 3,583	\$ 5,986	\$ 4,984
<i>Adjustments:</i>					
Depreciation expense	-	-	-	-	-
Provision for loan loss	(39)	(45)	(47)	(75)	(46)
Loss on disposal of capital assets	-	-	-	-	-
Net change in the fair value of investments	(14)	(25)	(24)	(350)	(17)
Amortization of deferred inflow of resources on leases	-	-	-	-	-
<i>Change in assets, liabilities and deferred resources:</i>					
Net (increase) decrease in mortgages and loans	3,827	4,468	4,661	7,414	4,556
Net increase (decrease) in assets, liabilities, and deferred resources	418	69	1,260	1,412	451
Net operating cash receipts (disbursements)	\$ 5,459	\$ 9,053	\$ 9,433	\$ 14,387	\$ 9,928

General Mortgage Revenue Bonds II 2022 C	General Mortgage Revenue Bonds II 2024 A,B & C	General Mortgage Revenue Bonds II 2025 A	General Mortgage Revenue Bonds II 2026 A	Total June 30, 2026
\$ 3,483	\$ 14,366	\$ 6,166	\$ 1,565	\$ 45,986
-	-	-	-	-
(63)	(129)	(22)	1,097	631
-	-	-	-	-
-	(62)	(18)	(2)	(512)
-	-	-	-	-
6,237	12,731	2,132	(108,601)	(62,575)
(156)	(1,293)	(98)	(2,425)	(362)
<u>\$ 9,501</u>	<u>\$ 25,613</u>	<u>\$ 8,160</u>	<u>\$ (108,366)</u>	<u>\$ (16,832)</u>

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, 2026

(in thousands of dollars)

	Collateralized Bonds, 2016 1st & 2nd Series	Collateralized Bonds, 2019 1st & 2nd Series	Collateralized Bonds, 2023 1st Series	Collateralized Bonds, 2024 1st Series	Collateralized Bonds, 2025 1st Series
CASH FLOWS					
Operating activities					
Interest income on mortgages and loans	\$ 743	\$ 2,774	\$ 2,231	\$ 3,780	\$ 4,554
Principal receipts on mortgages and loans	3,645	6,440	6,524	8,561	4,626
Disbursements to fund mortgages and loans	-	-	-	-	-
Receipts (payments) for interfund loan transfers	(1,371)	-	(5,069)	(5,147)	(99,998)
Mortgage and loan proceeds receipts	-	-	-	-	-
Mortgage and loan proceeds paid to trust funds	-	-	-	-	-
Payroll-related disbursements	-	-	-	-	-
Payments for goods and services	-	-	-	-	-
Other operating cash receipts (payments)	-	-	-	-	-
Net cash receipts (disbursements)	3,017	9,214	3,686	7,194	(90,818)
Noncapital financing activities					
Receipts from externally funded programs	-	-	-	-	-
Receipts from Federal HAP subsidies	-	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-	-
Interfund receipts (payments)	-	-	-	-	-
Grant payments to other agencies	-	-	-	-	-
Proceeds from bond issuance	-	-	-	-	100,150
Principal paid on bonds	(2,175)	(2,550)	-	-	(960)
Payment of bond issuance costs	-	-	-	-	(1,146)
Interest paid on bonds	(544)	(286)	(2,117)	(3,155)	(2,956)
Proceeds from short-term debt issuance	-	-	-	-	-
Payment of short-term debt	-	-	-	-	-
Contributions to State of Alaska or State agencies	-	-	-	-	-
Transfers from (to) other funds	-	(4,621)	-	1,904	(907)
Other non-capital financing cash payments	-	-	-	-	-
Net cash receipts (disbursements)	(2,719)	(7,457)	(2,117)	(1,251)	94,181
Capital financing activities					
Acquisition of capital assets	-	-	-	-	-
Acquisition of capital assets held for transfer	-	-	-	-	-
Proceeds from the disposal of capital assets	-	-	-	-	-
Proceeds from direct financing leases	-	-	-	-	-
Net cash receipts (disbursements)	-	-	-	-	-
Investing activities					
Purchase of investments	(8,374)	(45,219)	(19,791)	(35,885)	(21,671)
Proceeds from maturity of investments	8,039	43,328	18,150	29,832	18,245
Interest received from investments	47	144	87	121	80
Net cash receipts (disbursements)	(288)	(1,747)	(1,554)	(5,932)	(3,346)
Net Increase (decrease) in cash	10	10	15	11	17
Cash at beginning of year	-	-	-	-	-
Cash at end of period	\$ 10	\$ 10	\$ 15	\$ 11	\$ 17

See accompanying notes to the financial statements.

Total June 30, 2026	
\$	14,082
	29,796
	-
	(111,585)
	-
	-
	-
	-
	-
	(67,707)
	-
	-
	-
	-
	-
	100,150
	(5,685)
	(1,146)
	(9,058)
	-
	-
	-
	(3,624)
	-
	80,637
	-
	-
	-
	-
	-
	(130,940)
	117,594
	479
	(12,867)
	63
	-
\$	63

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, 2026

(in thousands of dollars)

	Collateralized Bonds, 2016 1st & 2nd Series	Collateralized Bonds, 2019 1st & 2nd Series	Collateralized Bonds, 2023 1st Series	Collateralized Bonds, 2024 1st Series	Collateralized Bonds, 2025 1st Series
RECONCILIATION					
Operating income (loss) to net cash					
Operating income (loss)	\$ 720	\$ 2,717	\$ 2,200	\$ 3,723	\$ 4,435
<i>Adjustments:</i>					
Depreciation expense	-	-	-	-	-
Provision for loan loss	(26)	(65)	(26)	(47)	945
Loss on disposal of capital assets	-	-	-	-	-
Net change in the fair value of investments	(21)	(248)	(60)	(116)	(30)
Amortization of deferred inflow of resources on leases	-	-	-	-	-
<i>Change in assets, liabilities and deferred resources:</i>					
Net (increase) decrease in mortgages and loans	2,589	6,454	2,552	4,621	(93,525)
Net increase (decrease) in assets, liabilities, and deferred resources	(245)	356	(980)	(987)	(2,643)
Net operating cash receipts (disbursements)	\$ 3,017	\$ 9,214	\$ 3,686	\$ 7,194	\$ (90,818)

Total June 30, 2026	
\$	13,795
	-
	781
	-
	(475)
	-
	(77,309)
	(4,499)
\$	(67,707)

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, 2026

(in thousands of dollars)

	Governmental Purpose Bonds 2001 A & B	Total June 30, 2026
CASH FLOWS		
Operating activities		
Interest income on mortgages and loans	\$ 3,847	\$ 3,847
Principal receipts on mortgages and loans	14,323	14,323
Disbursements to fund mortgages and loans	-	-
Receipts (payments) for interfund loan transfers	(9,901)	(9,901)
Mortgage and loan proceeds receipts	-	-
Mortgage and loan proceeds paid to trust funds	-	-
Payroll-related disbursements	-	-
Payments for goods and services	-	-
Other operating cash receipts (payments)	-	-
Net cash receipts (disbursements)	8,269	8,269
Noncapital financing activities		
Receipts from externally funded programs	-	-
Receipts from Federal HAP subsidies	-	-
Payments for Federal HAP subsidies	-	-
Interfund receipts (payments)	-	-
Grant payments to other agencies	-	-
Proceeds from bond issuance	-	-
Principal paid on bonds	(8,040)	(8,040)
Payment of bond issuance costs	-	-
Interest paid on bonds	(1,472)	(1,472)
Proceeds from short-term debt issuance	-	-
Payment of short-term debt	-	-
Contributions to State of Alaska or State agencies	-	-
Transfers from (to) other funds	15	15
Other non-capital financing cash payments	-	-
Net cash receipts (disbursements)	(9,497)	(9,497)
Capital financing activities		
Acquisition of capital assets	-	-
Acquisition of capital assets held for transfer	-	-
Proceeds from the disposal of capital assets	-	-
Proceeds from direct financing leases	-	-
Net cash receipts (disbursements)	-	-
Investing activities		
Purchase of investments	(77,411)	(77,411)
Proceeds from maturity of investments	78,325	78,325
Interest received from investments	327	327
Net cash receipts (disbursements)	1,241	1,241
Net Increase (decrease) in cash	13	13
Cash at beginning of year	-	-
Cash at end of period	\$ 13	\$ 13

See accompanying notes to the financial statements.

	Governmental Purpose Bonds 2001 A & B	Total June 30, 2026
RECONCILIATION		
Operating income (loss) to net cash		
Operating income (loss)	\$ 3,610	\$ 3,610
<i>Adjustments:</i>		
Depreciation expense	-	-
Provision for loan loss	(49)	(49)
Loss on disposal of capital assets	-	-
Net change in the fair value of investments	(459)	(459)
Amortization of deferred inflow of resources on leases	-	-
<i>Change in assets, liabilities and deferred resources:</i>		
Net (increase) decrease in mortgages and loans	4,836	4,836
Net increase (decrease) in assets, liabilities, and deferred resources	331	331
Net operating cash receipts (disbursements)	\$ 8,269	\$ 8,269

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, 2026

(in thousands of dollars)

	State Capital Project Bonds II	Total June 30, 2026
CASH FLOWS		
Operating activities		
Interest income on mortgages and loans	\$ 76,854	\$ 76,854
Principal receipts on mortgages and loans	134,920	134,920
Disbursements to fund mortgages and loans	-	-
Receipts (payments) for interfund loan transfers	(136,195)	(136,195)
Mortgage and loan proceeds receipts	-	-
Mortgage and loan proceeds paid to trust funds	-	-
Payroll-related disbursements	-	-
Payments for goods and services	-	-
Other operating cash receipts (payments)	(61)	(61)
Net cash receipts (disbursements)	75,518	75,518
Noncapital financing activities		
Receipts from externally funded programs	-	-
Receipts from Federal HAP subsidies	-	-
Payments for Federal HAP subsidies	-	-
Interfund receipts (payments)	-	-
Grant payments to other agencies	-	-
Proceeds from bond issuance	144,378	144,378
Principal paid on bonds	(71,080)	(71,080)
Payment of bond issuance costs	(334)	(334)
Interest paid on bonds	(56,004)	(56,004)
Proceeds from short-term debt issuance	-	-
Payment of short-term debt	-	-
Contributions to State of Alaska or State agencies	-	-
Transfers from (to) other funds	(118,323)	(118,323)
Other non-capital financing cash payments	-	-
Net cash receipts (disbursements)	(101,363)	(101,363)
Capital financing activities		
Acquisition of capital assets	-	-
Acquisition of capital assets held for transfer	-	-
Proceeds from the disposal of capital assets	-	-
Proceeds from direct financing leases	3,304	3,304
Net cash receipts (disbursements)	3,304	3,304
Investing activities		
Purchase of investments	(692,456)	(692,456)
Proceeds from maturity of investments	713,032	713,032
Interest received from investments	1,904	1,904
Net cash receipts (disbursements)	22,480	22,480
Net Increase (decrease) in cash	(61)	(61)
Cash at beginning of year	196	196
Cash at end of period	\$ 135	\$ 135

See accompanying notes to the financial statements.

	State Capital Project Bonds II	Total June 30, 2026
RECONCILIATION		
Operating income (loss) to net cash		
Operating income (loss)	\$ 78,989	\$ 78,989
<i>Adjustments:</i>		
Depreciation expense	-	-
Provision for loan loss	(72)	(72)
Loss on disposal of capital assets	-	-
Net change in the fair value of investments	(2,195)	(2,195)
Amortization of deferred inflow of resources on leases	(3,485)	(3,485)
<i>Change in assets, liabilities and deferred resources:</i>		
Net (increase) decrease in mortgages and loans	3,383	3,383
Net increase (decrease) in assets, liabilities, and deferred resources	(1,102)	(1,102)
Net operating cash receipts (disbursements)	\$ 75,518	\$ 75,518

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, 2026

(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	\$ -	\$ -	\$ 188	\$ 1,414	\$ 1,602
Principal receipts on mortgages and loans	-	-	1,119	4,997	6,116
Disbursements to fund mortgages and loans	-	-	-	-	-
Receipts (payments) for interfund loan transfers	-	-	(1,040)	(5,363)	(6,403)
Mortgage and loan proceeds receipts	-	-	-	-	-
Mortgage and loan proceeds paid to trust funds	-	-	-	-	-
Payroll-related disbursements	(9,674)	(2,149)	-	-	(11,823)
Payments for goods and services	(12,423)	(2,555)	-	-	(14,978)
Other operating cash receipts (payments)	10,519	2,191	-	-	12,710
Net cash receipts (disbursements)	(11,578)	(2,513)	267	1,048	(12,776)
Noncapital financing activities					
Receipts from externally funded programs	15,358	2,923	-	-	18,281
Receipts from Federal HAP subsidies	-	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-	-
Interfund receipts (payments)	(444)	1,807	-	-	1,363
Grant payments to other agencies	-	-	-	-	-
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	-	-	-	-	-
Other non-capital financing cash payments	-	-	-	-	-
Net cash receipts (disbursements)	14,914	4,730	-	-	19,644
Capital financing activities					
Acquisition of capital assets	(2,778)	(1,380)	-	-	(4,158)
Acquisition of capital assets held for transfer	-	-	-	-	-
Proceeds from the disposal of capital assets	-	-	-	-	-
Proceeds from direct financing leases	-	-	-	-	-
Net cash receipts (disbursements)	(2,778)	(1,380)	-	-	(4,158)
Investing activities					
Purchase of investments	-	-	(1,629)	(9,244)	(10,873)
Proceeds from maturity of investments	-	-	1,337	8,071	9,408
Interest received from investments	176	173	25	125	499
Net cash receipts (disbursements)	176	173	(267)	(1,048)	(966)
Net Increase (decrease) in cash	734	1,010	-	-	1,744
Cash at beginning of year	17,007	14,941	-	-	31,948
Cash at end of period	\$ 17,741	\$ 15,951	\$ -	\$ -	\$ 33,692

See accompanying notes to the financial statements.

Energy Programs	Section 8 Voucher Programs	Other Grants	COVID-19 Grants	Other Funds or Programs Subtotal	Alaska Corporation for Affordable Housing	Total June 30, 2026
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,602
-	-	-	-	-	-	6,116
-	-	-	-	-	-	-
-	-	-	-	-	-	(6,403)
-	-	-	-	-	-	-
(664)	(5,834)	(890)	-	(7,388)	(111)	(19,322)
(707)	(1,386)	(850)	(1,028)	(3,971)	(202)	(19,151)
-	18	(59)	-	(41)	281	12,950
(1,371)	(7,202)	(1,799)	(1,028)	(11,400)	(32)	(24,208)
5,814	12,769	22,298	-	40,881	-	59,162
-	40,652	-	-	40,652	-	40,652
-	(46,934)	-	-	(46,934)	-	(46,934)
3,302	(504)	18,603	14,949	36,350	252	37,965
(8,062)	(1,894)	(38,602)	(8,542)	(57,100)	-	(57,100)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	2,487	2,487
1,054	4,089	2,299	6,407	13,849	2,739	36,232
-	-	-	-	-	-	(4,158)
-	-	(500)	(10,835)	(11,335)	-	(11,335)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	(500)	(10,835)	(11,335)	-	(15,493)
-	-	-	-	-	-	(10,873)
-	-	-	-	-	-	9,408
14	50	-	(187)	(123)	267	643
14	50	-	(187)	(123)	267	(822)
(303)	(3,063)	-	(5,643)	(9,009)	2,974	(4,291)
741	3,073	-	10,989	14,803	6,499	53,250
\$ 438	\$ 10	\$ -	\$ 5,346	\$ 5,794	\$ 9,473	\$ 48,959

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, 2026

(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)	\$ (17,414)	\$ (3,965)	\$ 167	\$ 1,367	\$ (19,845)
<i>Adjustments:</i>					
Depreciation expense	4,004	1,266	-	-	5,270
Provision for loan loss	-	-	(2)	2	-
Loss on disposal of capital assets	198	-	-	-	198
Net change in the fair value of investments	-	-	(2)	(20)	(22)
Amortization of deferred inflow of resources on leases	(13)	-	-	-	(13)
<i>Change in assets, liabilities and deferred resources:</i>					
Net (increase) decrease in mortgages and loans	-	-	161	(211)	(50)
Net increase (decrease) in assets, liabilities, and deferred resources	1,647	186	(57)	(90)	1,686
Net operating cash receipts (disbursements)	\$ (11,578)	\$ (2,513)	\$ 267	\$ 1,048	\$ (12,776)

Energy Programs	Section 8 Voucher Programs	Other Grants	COVID-19 Grants	Other Funds or Programs Subtotal	Alaska Corporation for Affordable Housing	Total June 30, 2026
\$ (3,147)	\$ (9,116)	\$ (3,703)	\$ (1,050)	\$ (17,016)	\$ 262	\$ (36,599)
-	481	-	-	481	-	5,751
-	-	169	-	169	619	788
-	-	-	-	-	-	198
-	-	-	-	-	-	(22)
-	-	-	-	-	(99)	(112)
-	-	170	-	170	(1,149)	(1,029)
1,776	1,433	1,565	22	4,796	335	6,817
<u>\$ (1,371)</u>	<u>\$ (7,202)</u>	<u>\$ (1,799)</u>	<u>\$ (1,028)</u>	<u>\$ (11,400)</u>	<u>\$ (32)</u>	<u>\$ (24,208)</u>

Other Financial Information

Entity-wide amounts for fiscal years ending June 30 are presented below for informational purposes (in thousands):

	2026	2025	2024	2023	2022
Assets					
Cash	\$ 72,393	\$ 71,755	\$ 88,608	\$ 80,205	\$ 84,731
Investments	603,184	599,256	634,502	784,796	981,786
Accrued interest receivable	16,207	16,273	15,104	16,664	14,791
Mortgage loans, notes and other loans	4,112,654	3,897,110	3,569,388	3,229,243	3,018,160
Capital assets, net	75,646	76,718	68,894	71,542	75,158
Other assets	79,128	73,331	87,040	70,344	66,358
Total assets	4,959,212	4,734,443	4,463,536	4,252,794	4,240,984
Total deferred outflow of resources	35,399	49,413	52,628	71,553	111,512
Liabilities					
Bonds and notes payable	2,985,016	2,802,648	2,618,772	2,347,283	2,277,492
Short-term debt	149,716	127,493	45,938	128,476	149,771
Accrued interest payable	9,809	8,954	12,297	7,339	6,013
Other liabilities	72,806	103,104	138,634	150,617	202,682
Derivative instrument - interest rate swaps	20,866	30,229	27,057	39,013	73,728
Total liabilities	3,238,213	3,072,428	2,842,698	2,672,728	2,709,686
Total deferred inflow of resources	11,961	12,200	20,630	23,369	43,349
Total net position	\$ 1,744,437	\$ 1,699,228	\$ 1,652,836	\$ 1,628,250	\$ 1,599,461

Other Financial Information (cont.)

Entity-wide amounts for fiscal years ending June 30 are presented below for informational purposes (in thousands):

	2026	2025	2024	2023	2022
Operating revenues					
Mortgage and loans revenue	\$ 197,133	\$ 177,021	\$ 147,583	\$ 127,895	\$ 120,874
Investment interest		33,314	43,959	35,962	3,440
Net change in the fair value of investments		2,953	282	3,158	820
Net change of hedge termination		-	-	281	875
Externally funded programs		157,013	105,067	156,657	283,006
Rental	13,191	12,267	12,307	11,509	11,280
Other	9,061	8,472	3,021	3,165	4,347
Total operating revenues	219,385	391,040	312,219	338,627	424,642
Operating expenses					
Interest expense	-	99,980	91,885	79,853	60,780
Mortgage and loan costs	15,949	14,992	13,814	12,501	11,767
Operations and administration	64,767	66,059	53,648	47,774	48,911
Financing expenses		5,721	6,206	4,834	4,923
Provision for loan loss	2,833	10,113	7,317	1,640	485
Housing grants and subsidies		127,681	90,592	138,014	276,268
Rental housing operating expenses	16,121	16,778	18,506	17,175	19,274
Total operating expenses	99,670	341,324	281,968	301,791	422,408
Operating income (loss)	119,715	49,716	30,251	36,836	2,234
Noncapital subsidies					
Grant revenue	98,082				
Grant expense	(88,839)				
Housing rental subsidies	12,578				
Total noncapital subsidies	21,821				
Operating income (loss) and noncapital subsidies	141,536				
Other nonoperating revenues and expenses					
Interest expense	(105,403)				
Grant revenue - capital	13,187				
Grant expense - capital	(21,625)				
Financing expenses	(6,334)				
Investment interest	20,121				
Gain (loss) on disposal of capital assets	(198)				
Net change in the fair value of investments	6,165				
Contributions to State of Alaska or State agencies	(1,718)	(3,324)	(5,665)	(8,047)	(933)
Other revenue and expenses	(522)				
Total other nonoperating revenues and expenses	(96,327)	(72,758)	(59,515)	(53,333)	(61,501)
Change in net position	\$ 45,209	\$ 46,392	\$ 24,586	\$ 28,789	\$ 1,301

The information for fiscal years 2022–2025 is presented using the pre-GASB 103 reporting model. As described in note 2, the Corporation implemented GASB 103 for its fiscal year 2026 financial statements. Certain line items are reported as they were reported in fiscal years 2022–2025, and certain categories and subtotals are not reported as they did not exist prior to the implementation of GASB 103.