ALASKA HOUSING FINANCE CORPORATION
BOARD OF DIRECTORS
SPECIAL BOD MEETING IN ANCHORAGE

December 18, 2015 9:00 a.m.

Anchorage/Fairbanks/Juneau

I. ROLL CALL
II. APPROVAL OF AGENDA
III. MINUTES: NONE AT THIS TIME
Next Resolution: 15-34
IV. PUBLIC COMMENTS
V. OLD BUSINESS:
VI. NEW BUSINESS:

A. Presentation and discussion by BDO and AHFC staff regarding Alaska Housing Finance Corporation's FY15 External Audit Results.

1. SAS 114 Standard Communications Report
2. AHFC Financial Statements
3. AHFC Federal Financial Assistance Report

B. Review and Approval of AHFC's FY2017 Dividend to the State of Alaska. (ADDED 12/14/15)

VII. ANY OTHER MATTERS TO PROPERLY COME BEFORE THE BOARD

The Chair may announce changes in the Order of Business during the meeting.

Alaska Housing Finance Corporation, a component unit of the State of Alaska

AUDIT WRAP-UP

Year Ended June 30, 2015

The following communication was prepared as part of our audit, has consequential limitations, and is intended solely for the information and use of those charged with governance (e.g., Board of Directors and Audit Committee) and, if appropriate, management of the Corporation and is not intended and should not be used by anyone other than these specified parties.

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

Tel: 907-278-8827
Fax: 907-278-5779
www.bdo.com

3601 C Street, Suite 600
Anchorage, AK 99503

December 18, 2015

The Audit Committee
Alaska Housing Finance Corporation

Professional standards require us to communicate with you regarding matters related to the audit, that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. On July 17, 2015 we presented an overview of our plan for the audit of the financial statements of Alaska Housing Finance Corporation (the Corporation) as of and for the year ended June 30, 2015, including a summary of our overall objectives for the audit, and the nature, scope, and timing of the planned audit work.

This communication is intended to elaborate on the significant findings from our audit, including our views on the qualitative aspects of the Corporation's accounting practices and policies, management's judgments and estimates, financial statement disclosures, and other required matters.

We are pleased to be of service to the Corporation and look forward to meeting with you today to discuss our audit findings, as well as other matters that may be of interest to you, and to answer any questions you might have.

Respectfully,

BDO USA, LLP

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

Discussion Outline

	Page
Status of Our Audit	3
Results of Our Audit	4
Internal Control Over Financial Reporting	6
Other Required Communications	7
Independence Communication	8
Get to Know BDO	9

Status of Our Audit

We have completed our audit of the financial statements as of and for the year ended June 30, 2015. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America. This audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

- The objective of our audit was to obtain reasonable - not absolute - assurance about whether the financial statements are free from material misstatements.
- The scope of the work performed was substantially the same as that described to you in our earlier Audit Planning communications.
- We have issued unmodified opinions on the financial statements and release our report on December 11, 2015.
- All records and information requested by BDO were freely available for our inspection.
- Management's cooperation was excellent. We received full access to all information that we requested while performing our audit, and we acknowledge the full cooperation extended to us by all levels of the Corporation's personnel throughout the course of our work.

Results of Our Audit

ACCOUNTING PRACTICES, POLICIES, ESTIMATES, AND SIGNIFICANT UNUSUAL TRANSACTIONS

The following summarizes the more significant required communications related to our audit concerning the Corporation's accounting practices, policies, estimates, and significant unusual transactions:

The Corporation's significant accounting practices and policies are those included in Note 2 to the financial statements. These accounting practices and policies are appropriate, comply with generally accepted accounting principles and industry practice, were consistently applied, and are adequately described within Note 2 to the financial statements.

- A summary of recently issued accounting pronouncements is included in Note 2 to the Corporation's financial statements.
- The Corporation adopted GASB Statement No. 68, Accounting and Financial Reporting for Pensions in the current period. GASB 68 had significant impact to the financial statements and related disclosures.
- There were no changes in significant accounting policies and practices during 2015.

Significant estimates are those that require management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain. We have not identified any estimates we consider to be significant. However, do make mention that the mortgage loan loss reserve is a material estimate. Regarding significant estimates:

- Management did not make any significant changes to the processes or significant assumptions used to develop the significant accounting estimates in 2015.
- We did not identify any significant or unusual transactions, or any transactions for which there was a lack of authoritative guidance.

CORRECTED AND UNCORRECTED MISSTATEMENTS

There were no uncorrected misstatements, other than those that were clearly trivial, related to accounts and/or disclosures that we brought to the attention of management.

There were no corrected misstatements, other than those that were clearly trivial, related to accounts and/or disclosures that we presented to management.

Results of Our Audit

QUALITY OF THE CORPORATION'S FINANCIAL REPORTING

A discussion was held regarding the quality of the Corporation's financial reporting, which included the following:

- Qualitative aspects of significant accounting policies and practices
- Our conclusions regarding significant accounting estimates
- Significant unusual transactions
- Financial statement presentation
- New accounting pronouncements
- Alternative accounting treatments

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

We are required to communicate, in writing, to those charged with governance all material weaknesses and significant deficiencies that have been identified in the Corporation's internal controls over financial reporting. The definitions of control deficiency, significant deficiency and material weakness follow:

Category	Definition
Deficiency in Internal Control	A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.
Significant Deficiency	A deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.
Material Weakness	A deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Corporation's financial statements will not be prevented, or detected and corrected on a timely basis.

In conjunction with our audit of the financial statements, we noted no material weaknesses.

Other Required Communications

Following is a summary of those required items, along with specific discussion points as they pertain to the Corporation:

Requirement	Discussion Points
Significant changes to planned audit strategy or significant risks initially identified	There were no significant changes to the planned audit strategy or significant risks initially identified and previously communicated to those charged with governance as part of our Audit Planning communications.
Obtain information from those charged with governance relevant to the audit	There were no matters noted relevant to the audit, including, but not limited to: violations or possible violations of laws or regulations; risk of material misstatements, including fraud risks; or tips or complaints regarding the Corporation's financial reporting that we were made aware of as a result of our inquiry of those charged with governance.
If applicable, nature and extent of specialized skills or knowledge needed related to significant risks	Other than BDO valuation services (VBA) for audit of the fair value swaps, there were no specialized skills or knowledge needed, outside of the core engagement team, to perform the planned audit procedures or evaluate audit results related to significant risks.
Consultations with other accountants	We are not aware of any consultations about accounting or auditing matters between management and other independent public accountants. Nor are we aware of opinions obtained by management from other independent public accountants on the application of generally accepted accounting principles.
Disagreements with management	There were no disagreements with management about matters, whether or not satisfactorily resolved, that individually or in aggregate could be significant to the Corporation's financial statements or to our auditor's report.
Significant difficulties encountered during the audit	As anticipated for FY15, the Corporation's audit report release date was held up significantly due to reliance necessary from the independent auditors' report on the State of Alaska PERS Schedules of Pension Amounts by Employer and Nonemployer issued late in the year, which was needed for newly implemented GASB 68.
If applicable, other matters significant to the oversight of the Corporation's financial reporting process, including complaints or concerns regarding accounting or auditing matters	There are no other matters that we consider significant to the oversight of the Corporation's financial reporting process that have not been previously communicated.
Representations requested from management	Please refer to the management representation letter.

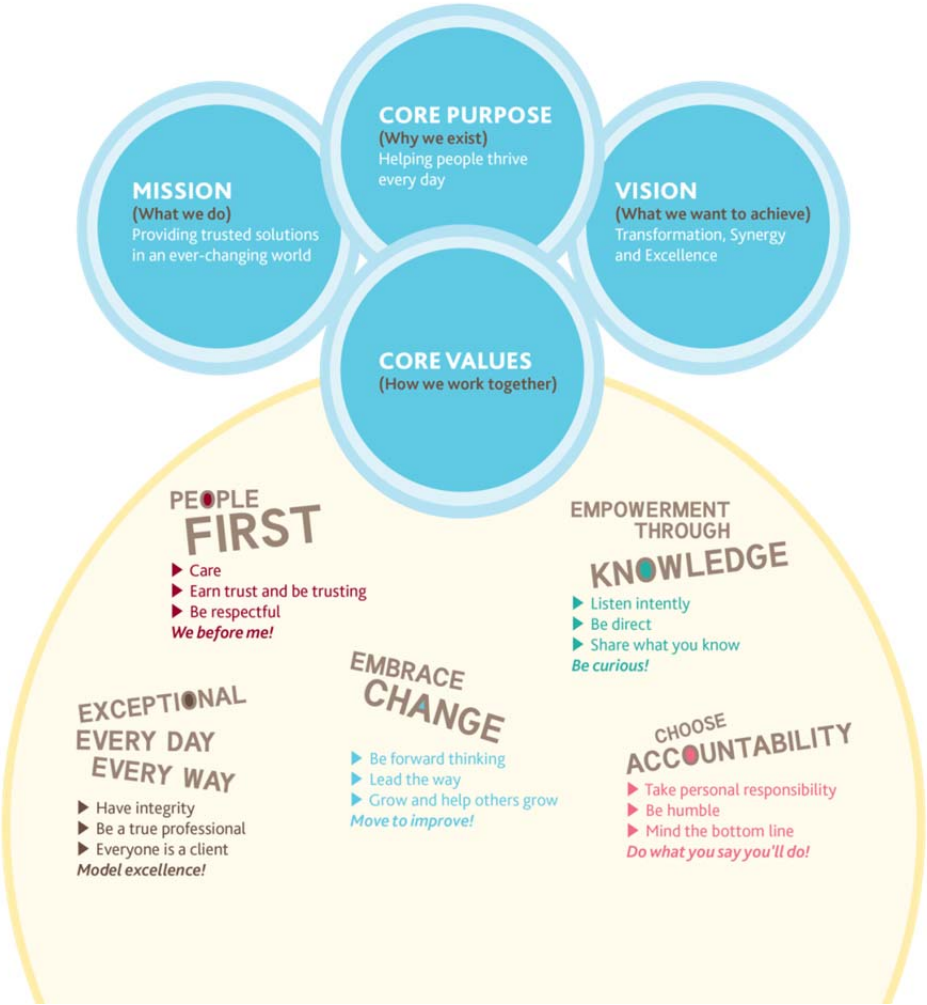
Independence Communication

Our engagement letter to you dated May 26, 2015 describes our responsibilities in accordance with professional standards and certain regulatory authorities with regard to independence and the performance of our services. This letter also stipulates the responsibilities of the Corporation with respect to independence as agreed to by the Corporation. Please refer to that letter for further information.

Get to Know BDO

BDO delivers customized assurance, tax, financial advisory, and consulting services to clients of all sizes – across industries, throughout the country, and around the globe. We offer numerous industry-specific practices, world-class resources, and an unparalleled commitment to meeting the unique needs of every client, large or small. We serve more than 400 publicly traded domestic and international companies, among the thousands of companies we serve worldwide.

BDO's culture and values establish a set of standards embodied by our work, our relationships and our professionals. We are guided by our core values: put people first; be exceptional: every day, every way; embrace change; empower through knowledge; and choose accountability.



For more than 100 years, we have provided quality service and leadership through the active involvement of our most experienced and committed professionals.

The firm serves clients through 58 offices and more than 400 independent alliance firm locations nationwide. As an independent Member Firm of BDO International Limited, BDO serves multinational clients through a global network of 1,328+ offices in over 150 countries.

Get to Know BDO

The firm serves clients through 58 offices and more than 400 independent alliance firm locations nationwide. As an independent Member Firm of BDO International Limited, BDO serves multinational clients through a global network of 1,328+ offices in over 150 countries.

BDO USA, LLP

$833 million Revenues

58% Accounting & Auditing **32**% Tax **10**% Consulting, Corp. Fin., Other

4,041 Total Personnel **346** Partners **58** Offices

2,968 Professional Personnel

400+ Independent Alliance firm locations nationwide

Spanning more than 152 countries worldwide, BDO is the fifth largest global network of public accounting firms. Our seamless global approach allows us to serve clients through a central point of contact, granting access to relevant experience across borders – where and when our clients need us.

BDO's strength is derived from our structure as a cohesive global network and dedication to internal integration. In each country, BDO Member Firms are composed of people who are knowledgeable about national laws and business customs, and familiar with local and international business methods. As our clients expand globally, our access to our international network can help them do business with a depth of experience in international matters, significant resources and international client service capabilities.

BDO INTERNATIONAL

59,428 Total Personnel **5th** largest accountancy network in the world

1,328 offices in **152** countries

5,037 Partners **45,940** Professional Personnel

$7.02 billion Revenues

57.5% Accounting & Auditing **20.6**% Tax **21.9**% Advisory (Consulting, Corp. Fin., Other)

Get to Know BDO

BDO commits significant resources to keep our professionals and our clients up to date on current and evolving technical, governance, industry, and reporting developments. Our thought leadership consists of quarterly email updates, publications, surveys, practice aids, and tools that span a broad spectrum of topics that impact financial reporting, as well as corporate governance. Our focus is not simply to announce changes in technical guidance, regulations or emerging business trends, but rather expound on how such changes may impact our clients' businesses. Through our various webinar offerings, we reach a broad audience and provide brief, engaging, just-in-time training that we make available in a variety of ways to meet the needs of your busy schedule. The following provides a sample of our offerings, all of which are readily available on our refreshed website at: **http://www.bdo.com**.

To begin receiving email notifications regarding BDO publications and event invitations (live and web-based), please visit **https://www.bdo.com/member/registration** and create a user profile. If you already have an account on BDO's website, visit the My Profile page to login and manage your account preferences: **https://www.bdo.com/member/my-profile**.

BDO KNOWLEDGE WEBINAR SERIES

An educational series designed to assist those charged with governance (e.g., Audit Committees) and financial executives in keeping up to date on the latest corporate governance, risk management and financial reporting developments. The program is multi-faceted and consists of complimentary CPE webinars, podcasts and archived self-study courses, covering both broad and specific topics of interest, publications and links to various BDO and external resources.

Additionally, consider our monthly tax series that provides insights and perspectives on the tax issues most important to our clients and their businesses. Visit our Event/Webinar page for a current listing of programming available.

BOARD REFLECTIONS

The **BDO Board Reflections** resources include BDO's proprietary studies, publications, practice aids, and educational programs to keep board members of both public and private companies up to date on emerging issues and trends to assist in fulfilling their corporate oversight responsibilities. Such resources contain customized information for the various committees of the board. For example, refer to our Effective Audit Committees in the Ever Changing Marketplace practical guide and related tools. Visit our Insights page on **http://www.bdo.com/**.

SIGNIFICANT ACCOUNTING AND REPORTING MATTERS

A quarterly digest of final and proposed financial accounting standards designed to help audit committees, boards and financial executives keep up to date on the latest corporate governance and financial reporting developments.

CLIENT ADVISORIES

Concise documents that provide timely commentary, analysis and insights on events and trends of interest to management and boards of directors.

Get to Know BDO

TAX NEWSLETTERS AND ALERTS

Updates with respect to federal, state, local, expatriate, and international developments, along with other specific tax planning and strategy considerations including specific practice areas such as compensation and benefits, private client and individual filer services, transfer pricing, Foreign Account Tax Compliance Act, etc.

TECHNICAL RESEARCH TOOLS

BDO uses Accounting Research Manager™ (ARM) as a primary source of insightful interpretations on GAAP, GAAS and Securities and Exchange Commission rules. ARM is updated daily and is considered to be one of the timeliest and most comprehensive online databases of analytical interpretations of accounting, auditing and SEC matters. Access to ARM, and a number of other research tools, provides each professional the technical research capability to respond immediately to client-specific technical issues.

BDO KNOWS FLASH REPORTS

Briefs about select technical and regulatory developments and emerging issues are made immediately available to BDO professionals and to clients.

BDO KNOWS FINANCIAL REPORTING LETTERS

Publications containing more in-depth discussions and practical guidance on technical guidance affecting both public and private entities.

INDUSTRY NEWSLETTERS, ALERTS, REPORTS, PROPRIETARY STUDIES AND SURVEYS

A variety of publications depicting specific industry issues, emerging trends and developments.

Get to Know BDO

INDUSTRY EXPERIENCE

Industry experience has emerged at the top of the list of what businesses need and expect from their accountants and advisors. The power of industry experience is perspective - perspective we bring to help you best leverage your own capabilities and resources.

BDO's industry focus is part of who we are and how we serve our clients, and has been for over a century. We demonstrate our experience through knowledgeable professionals, relevant client work and participation in the industries we serve.

For further information on the following BDO industries, please visit **https://www.bdo.com/industries**.

- Asset Management
- Consumer Business
- Financial Services
- Gaming, Hospitality & Leisure
- Government Contracting
- Healthcare
- Insurance
- Manufacturing & Distribution
- Natural Resources
- Nonprofit & Education
- Private Equity
- Public Sector
- Real Estate & Construction
- Restaurants
- Technology & Life Sciences

Alaska Housing
FINANCE CORPORATION

a component unit of the State of Alaska

Financial Statements
And Independent Auditor's Report

June 30, 2015

With Summarized Financial Information for June 30, 2014

Table of Contents

FINANCIAL STATEMENTS

		PAGE NUMBER
	Independent Auditor's Report	1 - 2
	Management's Discussion and Analysis [MD & A]	3 - 8
EXHIBITS		
A	Statement of Net Assets	9 - 10
B	Statement of Revenues, Expenses, and Changes in Net Assets	11 - 12
C	Statement of Cash Flows	13 - 14
	Notes to the Financial Statements	15 - 43

Required Supplemental Information

	Schedule of AHFC's Proportionate Share of the Net Pension Liability	44
	Schedule of AHFC's Contributions to the Pension Plan	45

Supplemental Information

SCHEDULES		
	Statement of Net Assets	
1	All Funds	46 – 47
2	Revolving Funds	48
3	Mortgage Revenue Bonds	49
4	Home Mortgage Revenue Bonds	50 – 51
5	Veterans Mortgage Program Bonds	52
6	Other Housing Bonds	53 – 54
7	Non-Housing Bonds	55 – 56
8	Other Program Funds	57 - 58
	Statement of Revenues, Expenses, and Changes in Net Assets	
9	All Funds	59 – 60
10	Revolving Funds	61
11	Mortgage Revenue Bonds	62
12	Home Mortgage Revenue Bonds	63 – 64
13	Veterans Mortgage Program Bonds	65
14	Other Housing Bonds	66 – 67
15	Non-Housing Bonds	68 – 69
16	Other Program Funds	70 – 71
	Statement of Cash Flows	
17	All Funds	72 - 73
18	Revolving Funds	74
19	Mortgage Revenue Bonds	75
20	Home Mortgage Revenue Bonds	76 – 77
21	Veterans Mortgage Program Bonds	78
22	Other Housing Bonds	79 – 80
23	Non-Housing Bonds	81 – 82
24	Other Program Funds	83 – 84

This publication of Alaska Housing Finance Corporation. For comments or questions: Website: http://www.ahfc.us/pros/investors/financials-histori/ or E-Mail: jniemann@ahfc.us

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

3601 C Street, Suite 600
Anchorage, AK 99503

Independent Auditor's Report

Board of Directors
Alaska Housing Finance Corporation
Anchorage, Alaska

Report on the Financial Statements

We have audited the accompanying statements of net position, revenues, expenses and change in net position and cash flows of each major fund and the aggregate remaining fund information of the Alaska Housing Finance Corporation (Corporation), a component unit of the State of Alaska, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements.

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Alaska Housing Finance Corporation, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

Change in Accounting Principle

As discussed in Note 25 to the financial statements for fiscal year 2015, the Corporation adopted the provisions of Governmental Accounting Standards Board (GASB) Statement number 68, *Accounting and Financial Reporting for Pensions.* Our opinion is not modified with respect to this matter.

Other Matters

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 3 through 8 and the schedules of net pension liability, and pension contributions on pages 44 and 45 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Alaska Housing Finance Corporation's basic financial statements. The accompanying information, as listed in the table of contents, is presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2015 on our consideration of the Alaska Housing Finance Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Alaska Housing Finance Corporation's internal control over financial reporting and compliance.

BDO USA, LLP

Anchorage, Alaska
December 11, 2015

OVERVIEW OF THE FINANCIAL STATEMENTS

This financial report of the Alaska Housing Finance Corporation (the "Corporation") consists of three sections: Management's Discussion and Analysis, the Basic Financial Statements, and Supplementary Schedules. The Corporation's operations are business-type activities and follow enterprise fund accounting rules. The Corporation is a component unit of the State of Alaska (the "State") and is discretely presented in the State's financial statements. The Corporation's Basic Financial Statements include: the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; the Statement of Cash Flows, and the Notes to Financial Statements. These statements are presented for all of the Corporation's operations and grouped by program or function. Summarized financial information for fiscal year 2015 is also presented in Management's Discussion and Analysis to facilitate and enhance the understanding of the Corporation's financial position and the results of operations for the current fiscal year in comparison to the prior fiscal year.

Management's Discussion and Analysis

This section of the Corporation's annual financial report presents management's discussion and analysis of the financial position and results of operations for the fiscal year ended June 30, 2015. This information is presented to assist the reader in identifying significant financial issues and to provide additional information regarding the activities of the Corporation. This information should be read in conjunction with the Independent Auditors' Report, the audited financial statements and accompanying notes.

Basic Financial Statements

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

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

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

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

Major Funds

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. For fiscal year 2015, the Corporation reports the following major funds:

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

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

As of June 30, 2015, the Administrative Fund reported a net position of $749.3 million, a decrease of $29.7 million from June 30, 2014. The decrease in net position is the net result of an operating loss of $9.3 million, contributions to the State of Alaska of $3.8 million, net transfers of $12.5 million, and the cumulative effect of an accounting change of $29.1 million. The cumulative effect of an accounting change was the result of the implementation of the Government Accounting Standards Board ("GASB") Statement No. 68, Accounting and Financial Reporting for Pensions. See the Financial Highlights section for more details on GASB Statement No. 68 and its effects on the financial statements. Transfers to the Administrative Fund were primarily from the Mortgage and Bond Funds. Approximately $4.3 million, or 0.6%, of the Administrative Fund's net position is invested in capital assets; $58.6 million, or 7.8% of the total net position, is restricted by contractual or statutory agreements; and $686.4 million, or 91.6%, is unrestricted and may be used for operations and to meet the continuing obligations of the Corporation. This represents a decrease of 3.8% from unrestricted net position as of June 30, 2014.

The *Grant Program Funds* include resources provided to other agencies and individuals to develop and improve affordable housing units for lower income families and to assist in improving the energy efficiency of Alaskan homes, as well as tenant-based rental assistance programs for families in the private market that are administered by the Corporation under contract with HUD. These programs include the Energy Programs, the Section 8 Voucher Programs, and Other Grants. As of June 30, 2015, the net position for these three programs combined was $19.8 million, an increase of $2.9 million from June 30, 2014. Despite an operating loss of $9.7 million for fiscal year 2015, there were $12.6 million in transfers from other funds, which generated the increase in net position. The operating loss for fiscal year 2015 was $5.4 million less than fiscal year 2014, largely due to decreased operating expenses.

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

As of June 30, 2015, the Mortgage or Bond Funds reported a net position of $583.7 million, a decrease of less than 1% from the June 30, 2014 net position of $586.3 million. The Mortgage and Bond Funds had a net operating income of $34.3 million in fiscal year 2015. The decrease in net position is the result of transfers out to the Administrative Fund and the Grant Program Funds of $36.9 million in total. Expenses in the Mortgage or Bond Funds decreased by $3.3 million, or 3.7%, largely due to lower interest costs. Approximately $15.1 million of the Mortgage or Bond Fund's net position is invested in capital assets, $554.8 million is restricted by bond resolutions, $29.1 million is restricted by contractual or statutory agreements and a deficit of $15.3 million is unrestricted compared to a deficit in unrestricted net position as of June 30, 2014 of $23.2 million.

The *Other Funds or Programs* include AHFC-owned housing for low income families that is managed under contract with HUD. These programs include the Low Rent Program, the Market Rental Housing Program, and the inactive Homeowner Assistance Program. As of June 30, 2015, there was a 1.6% decrease in net position from $124.4 million to $122.5 million. An operating loss of $6.0 million was offset by transfers in from other funds of $4.0 million.

The *Alaska Corporation for Affordable Housing ("ACAH")* is a non-profit public benefit corporation that develops and operates affordable housing for Alaskans, utilizing various funding sources. ACAH is reported as a major component unit for the benefit of users of the financial statements.

The fiscal year ended June 30, 2015 was ACAH's second full year of operations. ACAH's net position at June 30, 2015 was $10.2 million, a $6.9 million increase in net position from that of June 30, 2014. An operating loss for the fiscal year ended June 30, 2015 of $0.9 million was offset by $7.8 million of funds transferred in from other funds.

FINANCIAL HIGHLIGHTS

- Operating income for fiscal year 2015 for the Corporation as a whole was $8.5 million compared to an operating loss of $3.4 million for fiscal year 2014. This signifies an increase of $11.9 million, or 351.3%.
- The Corporation's assets and deferred outflow of resources exceeded its liabilities and deferred inflow of resources as of June 30, 2015, by $1.5 billion (net position). The net position for the Corporation as a whole decreased by $24.4 million due primarily to the implementation of GASB Statement No. 68.
- During the fiscal year ended June 30, 2015, the investment portfolio earned approximately 0.41% overall, as compared with 0.54% for the fiscal year ended June 30, 2014.
- The Corporation's mortgage loan portfolio is one of its primary assets. During the fiscal year ended June 30, 2015, mortgage loans increased by 5.0%, and the bond portfolio used to finance the loans decreased by 4.6%.
- As of June 30, 2015, the weighted average interest rate on the mortgage portfolio was 4.77% and the weighted average interest rate on the bond portfolio was 3.65%, yielding a net interest margin of 1.12%.
- During the fiscal year ended June 30, 2015, the Corporation's total assets decreased by $153.8 million, or 3.9% and total liabilities decreased by $117.8 million, or 4.6%.
- During the fiscal year ended June 30, 2015, new bonds were issued on August 27, 2014 ($140,000,000 State Capital Project Bonds II, 2014 Series C), November 6, 2014 ($78,105,000 State Capital Project Bonds II, 2014 Series D), March 19, 2015 ($111,535,000 State Capital Project Bonds II, 2015 Series A), and also on June 30, 2015 ($93,365,000 State Capital Project Bonds II, 2015 Series B). All bond issues are tax-exempt, except the State Capital Project Bonds II, 2014 Series C, which are taxable. The State Capital Project Bonds II, 2014 Series C and Series D both mature in 2029. The State Capital Project Bonds II, 2015 Series A and Series B mature in 2030 and 2036, respectively.
- During the fiscal year ended June 30, 2015, the Corporation implemented GASB Statement 68, Accounting and Financial Reporting for Pensions. The Statement revises accounting and financial reporting standards relating to pension plans and as a result, the Corporation's financial statements for the fiscal year ended June 30, 2015 include its proportional share of the collective pension costs and obligations of the Alaska Public Employees' Retirement System ("PERS") Defined Benefit Retirement Plan. See Footnote 22 "Pension and Post Employment Healthcare Plans" in the Notes to the Financial Statements for more information.

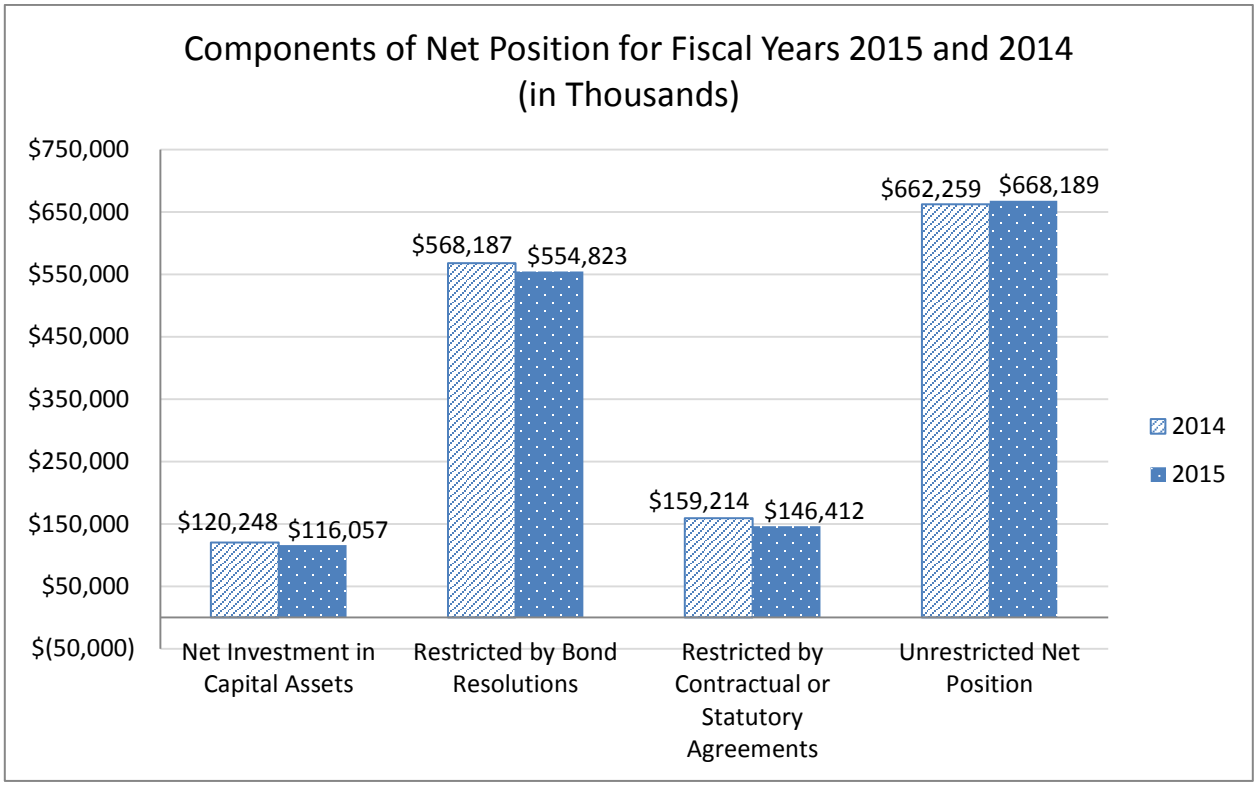
CONDENSED STATEMENT OF NET POSITION

The following table presents condensed information about the financial position of the Corporation as of June 30, 2015 and 2014, and changes in the balances during the fiscal year ended June 30, 2015 (in thousands):

	2015	2014	Increase/(Decrease)	
Cash and investments	$ 866,592	$ 1,140,226	$ (273,634)	-24.0%
Mortgage loans, notes and other loans, net	2,662,893	2,536,596	126,297	5.0%
Capital assets, net	116,057	120,248	(4,191)	-3.5%
Other assets	99,320	101,554	(2,234)	-2.2%
Total Assets	3,744,862	3,898,624	(153,762)	-3.9%
Deferred outflow of resources	171,440	156,579	14,861	9.5%
Bonds and notes payable, net	2,201,527	2,308,710	(107,183)	-4.6%
Short term debt	16,899	64,993	(48,094)	-74.0%
Accrued interest payable	9,397	10,147	(750)	-7.4%
Derivatives	150,199	139,704	10,495	7.5%
Other liabilities	49,522	21,741	27,781	127.8%
Total liabilities	2,427,544	2,545,295	(117,751)	-4.6%
Deferred inflow of resources	3,277	-	3,277	
Total net position	$ 1,485,481	$ 1,509,908	$ (24,427)	-1.6%

The decrease in total assets during FY 2015 can be attributed largely to a decrease in cash and investments. Because of the low short-term rate environment, the Corporation used some of its liquid cash to purchase longer term assets and redeem higher-rate bond debt, hence the corresponding reduction in liabilities. The increase in mortgage loans was largely due to more competitive mortgage rates, expanded loan parameters and increased outreach to our industry partners.

The chart below shows the change in the various components of net position from fiscal year 2014 to fiscal year 2015.



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

The following table presents condensed information about the revenues, expenses and changes in net position for the fiscal years ended June 30, 2015 and 2014, and the variances from the prior fiscal year (in thousands):

	2015	2014	Increase/(Decrease)	
Mortgage and loan revenue	$ 126,140	$ 120,740	$ 5,400	4.5%
Investment interest income	4,399	6,569	(2,170)	-33.0%
Net change in fair value of investments	1,627	2,450	(823)	-33.6%
Externally funded programs	146,236	163,739	(17,503)	-10.7%
Rental and other revenue	11,697	14,588	(2,891)	-19.8%
Total operating revenue	290,099	308,086	(17,987)	-5.8%
Interest expense	75,349	81,184	(5,835)	-7.2%
Mortgage, loan and financing costs	10,650	8,169	2,481	30.4%
Operations and administration	70,373	72,930	(2,557)	-3.5%
Housing grants and subsidies	125,222	149,188	(23,966)	-16.1%
Total operating expense	281,594	311,471	(29,877)	-9.6%
Operating income(loss)	8,505	(3,385)	11,890	351.3%
Contributions to the State of Alaska	(3,825)	(1,380)	(2,445)	177.2%
Cumulative effect of accounting change	(29,107)	-	(29,107)	
Change in net position	$ (24,427)	$ (4,765)	$ (19,662)	-412.6%

Total operating revenues decreased by $18.0 million, or 5.8%, during fiscal year 2015 primarily due to decreases in investment interest and externally funded program revenue.

Total operating expenses also decreased in 2015. The total decrease was $29.9 million, or 9.6%, during fiscal year 2015. The decreases were primarily in interest expense due to a reduction in the debt portfolio, and a decrease in grant expense.

The net effect of changes in operating revenues and expenses was an $11.9 million increase in operating income.

Total net position decreased in fiscal year 2015 by $19.7 million. The decrease was largely due to the implementation of GASB Statement No. 68, which required the Corporation to recognize in its financial statements its proportionate share of the collective pension costs and obligations of the State of Alaska's multiemployer cost sharing defined benefit pension plan. Total net pension liability as of June 30, 2015 was $29.1 million.

The Corporation continued its series of annual transfers to the State of Alaska and State agencies. As a result of a modification to the Transfer Plan (explained in more detail in the Footnotes to the Financial Statements) during the 2004 Legislative Session, contributions to the State for fiscal year 2015 were approximately $3.8 million and for FY 2014 were approximately $1.4 million. See Note No. 17 for details about the Transfer Plan calculation for FY 2015.

DEBT ADMINISTRATION

As of June 30, 2015, the Corporation had $2.2 billion in bonds and notes payable secured by assets held and the general obligation pledge of the Corporation. The Corporation's general obligation is rated by three major rating agencies as follows.

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

Significant debt activity during the year included the following:

- Issued $423.0 million of State Capital Project Bonds;
- Redeemed bonds through special revenue redemption provisions of their respective indentures in the amount of $85.0 million. Current refundings for fiscal year 2015 totaled $216.5 million.

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

ECONOMIC FACTORS AND OTHER FINANCIAL INFORMATION

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

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

Any decrease in interest rates could also cause an increase in prepayments on higher rate mortgages. The Corporation uses these prepayments to redeem higher rate bonds, thus lowering the interest expense incurred on the Corporation's overall portfolio, or to recycle mortgages to obtain the maximum allowable spread.

Large federal deficits or changes in programs or funding levels could have a negative impact on externally funded program revenues.

CONTACTING THE CORPORATION'S FINANCIAL MANAGEMENT

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

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

As of June 30, 2015

(in thousands of dollars)

	Administrative Fund	Grant Programs	Mortgage or Bond Funds	Other Funds or Programs
ASSETS				
Cash	24,342	5,495	174	18,870
Investments	647,387	-	157,293	11,564
Accrued interest receivable	2,228	-	9,320	58
Inter-fund due to/from	(22,672)	(16,065)	41,613	(151)
Mortgage loans, notes and other loans	142,688	-	2,512,369	-
Net investment in direct financing lease	-	-	39,732	-
Capital assets - non-depreciable	139	-	2,401	13,636
Capital assets - depreciable, net	4,138	38	12,664	79,374
Other assets	7,723	18,412	-	585
Derivative instrument - interest rate swaps	-	-	-	-
Intergovernmental receivable	446	20,794	-	19
Total Assets	806,419	28,674	2,775,566	123,955
DEFERRED OUTFLOW OF RESOURCES	2,685	-	168,755	-
LIABILITIES				
Bonds payable	-	-	2,201,527	-
Short term debt	16,899	-	-	-
Accrued interest payable	2,227	-	7,170	-
Other liabilities	37,437	8,887	1,568	1,121
Derivative instrument - interest rate swaps	-	-	150,199	-
Intergovernmental payable	-	-	174	330
Total Liabilities	56,563	8,887	2,360,638	1,451
DEFERRED INFLOW OF RESOURCES	3,277	-	-	-
NET POSITION				
Net investment in capital assets	4,277	38	15,065	93,010
Restricted by bond resolutions	-	-	554,823	-
Restricted by contractual or statutory agreements	58,563	21,253	29,055	29,705
Unrestricted or (deficit)	686,424	(1,504)	(15,260)	(211)
Total Net Position	749,264	19,787	583,683	122,504

See accompanying notes to the financial statements.

Exhibit A

Total Programs and Funds	Alaska Corporation for Affordable Housing	Total June 30, 2015
48,881	1,467	50,348
816,244	-	816,244
11,606	-	11,606
2,725	(2,725)	-
2,655,057	7,836	2,662,893
39,732	-	39,732
16,176	3,667	19,843
96,214	-	96,214
26,720	3	26,723
-	-	-
21,259	-	21,259
3,734,614	10,248	3,744,862
171,440	-	171,440
2,201,527	-	2,201,527
16,899	-	16,899
9,397	-	9,397
49,013	5	49,018
150,199	-	150,199
504	-	504
2,427,539	5	2,427,544
3,277	-	3,277
112,390	3,667	116,057
554,823	-	554,823
138,576	7,836	146,412
669,449	(1,260)	668,189
1,475,238	10,243	1,485,481

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Year Ended June 30, 2015

(in thousands of dollars)

	Administrative Fund	Grant Programs	Mortgage or Bond Funds	Other Funds or Programs
OPERATING REVENUES				
Mortgage and loans revenue	9,429	-	116,711	-
Investment interest	289	9	3,842	244
Net change in the fair value of investments	1,796	-	42	(211)
Net change of hedge termination	-	-	11	-
Total Investment Revenue	2,085	9	3,895	33
Externally funded programs	1,349	127,744	-	17,143
Rental	4	-	-	9,307
Other	1,740	595	-	20
Total Operating Revenues	14,607	128,348	120,606	26,503
OPERATING EXPENSES				
Interest	54	-	75,295	-
Mortgage and loan costs	2,308	-	9,019	-
Financing expenses	406	-	4,658	-
Provision for loan loss	643	-	(7,159)	-
Operations and administration	20,475	12,165	4,463	16,059
Rental housing operating expenses	25	688	-	16,366
Housing grants and subsidies	-	125,193	-	29
Total Operating Expenses	23,911	138,046	86,276	32,454
Operating Income (Loss)	(9,304)	(9,698)	34,330	(5,951)
NONOPERATING EXPENSES, SPECIAL ITEM & TRANSFERS				
Contributions to the State of Alaska or other State agencies	(3,825)	-	-	-
Special Item	-	-	-	-
Transfers - Internal	12,488	12,585	(36,905)	4,009
Change in Net Position	(641)	2,887	(2,575)	(1,942)
Net position at beginning of year	779,012	16,900	586,258	124,446
Cumulative effect of accounting change	(29,107)	-	-	-
Revised net position at beginning of year	749,905	16,900	586,258	124,446
Net Position at End of Period	749,264	19,787	583,683	122,504

See accompanying notes to the financial statements.

Exhibit B

Total Programs and Funds	Alaska Corporation for Affordable Housing	Total June 30, 2015
126,140	-	126,140
4,384	4	4,388
1,627	-	1,627
11	-	11
6,022	4	6,026
146,236	-	146,236
9,311	31	9,342
2,355	-	2,355
290,064	35	290,099
75,349	-	75,349
11,327	-	11,327
5,064	-	5,064
(6,516)	775	(5,741)
53,162	125	53,287
17,079	7	17,086
125,222	-	125,222
280,687	907	281,594
9,377	(872)	8,505
(3,825)	-	(3,825)
-	-	-
(7,823)	7,823	-
(2,271)	6,951	4,680
1,506,616	3,292	1,509,908
(29,107)	-	(29,107)
1,477,509	3,292	1,480,801
1,475,238	10,243	1,485,481

ALASKA HOUSING FINANCE CORPORATION
(A Component Unit of the State of Alaska)
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2015

(in thousands of dollars)

	Administrative Fund	Grant Programs	Mortgage or Bond Funds	Other Funds or Programs
Cash flows from operating activities:				
Interest income on mortgages and loans	5,321	-	108,572	-
Principal payments received on mortgages and loans	8,836	-	315,481	-
Disbursements to fund mortgages and loans	(457,716)	-	-	-
Receipt (payment) for loan transfers between funds	370,001	-	(370,001)	-
Mortgage and loan proceeds	431,852	-	-	-
Payment of mortgage and loan proceeds to funds	(422,818)	-	-	-
Payments to employees and other payroll disbursements	(25,607)	(4,684)	-	(8,640)
Payments for goods and services	(17,716)	(2,707)	(562)	(8,285)
Cash received for externally funded programs	1,759	90,668	-	18,047
Cash received for Federal HAP subsidies	-	31,019	-	-
Payments for Federal HAP subsidies	-	(33,935)	-	-
Interfund receipts (payments)	20,086	(8,643)	-	(13,826)
Grant payments to other agencies	(19,924)	(75,703)	-	-
Other operating cash receipts	23,648	1,440	175	9,501
Other operating cash payments	(1,598)	(304)	(228)	(144)
Net cash provided by (used for) operating activities	(83,876)	(2,849)	53,437	(3,347)
Cash flows from noncapital financing activities:				
Proceeds from the issuance of bonds	-	-	258,485	-
Principal paid on bonds	-	-	(350,410)	-
Payment to defease bonds	-	-	-	-
Payment of bond issuance costs	(1,285)	-	-	-
Interest paid	(57)	-	(77,628)	-
Proceeds from issuance of short term debt	326,552	-	-	-
Payment of short term debt	(374,643)	-	-	-
Contributions to the State of Alaska or other State agencies	(3,982)	-	-	-
Transfers (to) from other funds	63,299	(40)	(65,317)	(3,350)
Other cash payments	-	-	-	-
Net cash provided by (used for) noncapital financing activities	9,884	(40)	(234,870)	(3,350)
Cash flows from capital financing activities:				
Acquisition of capital assets	(4,009)	(27)	-	(120)
Proceeds from the disposal of capital assets	-	8	-	18
Proceeds from the issuance of capital notes	-	-	-	-
Principal paid on capital notes	-	-	(12,990)	-
Payment of bond issuance costs	-	-	-	-
Interest paid on capital notes	-	-	(2,872)	-
Proceeds from direct financing leases	-	-	6,772	-
Other cash payments	(29)	-	-	-
Net cash provided by (used for) capital financing activities	(4,038)	(19)	(9,090)	(102)
Cash flows from investing activities:				
Purchase of investments	(4,657,588)	-	(1,802,612)	(22,476)
Proceeds from maturity of investments	4,718,603	-	1,990,884	21,778
Interest received from investments	325	9	2,198	281
Net cash provided by (used for) investing activities	61,340	9	190,470	(417)
Net Increase (decrease) in cash	(16,690)	(2,899)	(53)	(7,216)
Cash at the beginning of year	41,032	8,394	227	26,086
Cash at the end of period	24,342	5,495	174	18,870
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	(9,304)	(9,698)	34,330	(5,951)
Adjustments:				
Depreciation expense	467	15	475	6,510
Provision for loan losses	643	-	(7,159)	-
Net change in the fair value of investments	(1,796)	-	(42)	211
Transfers between funds for operating activity	(29,189)	12,626	7,225	6,923
Interest received from investments	(325)	(9)	(2,198)	(281)
Interest paid	57	-	80,500	-
Changes in assets, liabilities and deferred resources:				
Net increase (decrease) in mortgages and loans	(78,879)	-	(54,520)	-
Net increase (decrease) in assets, liabilities, and deferred resources	34,450	(5,783)	(5,174)	(10,759)
Net cash provided by (used for) operating activities	(83,876)	(2,849)	53,437	(3,347)
Noncash investing, capital and financing activities:				
Deferred outflow of resources-derivatives	-		(10,506)	
Derivative instruments liability	-		10,495	
Net change of hedge termination	-		11	
Non cash transfer of investments	1,924		(1,924)	
Defeased bonds			(206,745)	
Investments used to defease bonds			206,745	
Transfer of direct financing lease between mortgage of bond funds			(6,173)	
Transfer of direct financing lease between mortgage of bond funds			6,173	
Transfer of building improvements	(2,838)		2,838	

See accompanying notes to the financial statements.

Exhibit C

Total Programs and Funds	Alaska Corporation for Affordable Housing	Total June 30, 2015
113,893	-	113,893
324,317	-	324,317
(457,716)	(7,631)	(465,347)
-	-	-
431,852	-	431,852
(422,818)	-	(422,818)
(38,931)	-	(38,931)
(29,270)	(11)	(29,281)
110,474	-	110,474
31,019	-	31,019
(33,935)	-	(33,935)
(2,383)	2,383	-
(95,627)	-	(95,627)
34,764	28	34,792
(2,274)	-	(2,274)
(36,635)	(5,231)	(41,866)
258,485	-	258,485
(350,410)	-	(350,410)
-	-	-
(1,285)	-	(1,285)
(77,685)	-	(77,685)
326,552	-	326,552
(374,643)	-	(374,643)
(3,982)	-	(3,982)
(5,408)	5,408	-
-	-	-
(228,376)	5,408	(222,968)
(4,156)	-	(4,156)
26	-	26
-	-	-
(12,990)	-	(12,990)
-	-	-
(2,872)	-	(2,872)
6,772	-	6,772
(29)	-	(29)
(13,249)	-	(13,249)
(6,482,676)	-	(6,482,676)
6,731,265	-	6,731,265
2,813	3	2,816
251,402	3	251,405
(26,858)	180	(26,678)
75,739	1,287	77,026
48,881	1,467	50,348
9,377	(872)	8,505
7,467	-	7,467
(6,516)	775	(5,741)
(1,627)	-	(1,627)
(2,415)	2,415	-
(2,813)	(3)	(2,816)
80,557	-	80,557
(133,399)	(7,631)	(141,030)
12,734	85	12,819
(36,635)	(5,231)	(41,866)

This page intentionally left blank

FOOTNOTE INDEX

Footnote Number	Description	Page Number
1	Authorizing Legislation and Funding	16
2	Summary of Significant Accounting Policies	16
3	Cash and Investments	19
4	Interfund Receivable/Payable	27
5	Mortgage Loans, Notes and Other Loans	27
6	Insurance Agreements	28
7	Direct Financing Leases	28
8	Capital Assets	29
9	Deferred Outflows of Resources	29
10	Bonds Payable	29
11	Derivatives	32
12	Long Term Liabilities	35
13	Short Term Debt	35
14	Deferred Inflows of Resources	36
15	Transfers	36
16	Other Credit Arrangements	36
17	Yield Restriction and Arbitrage Rebate	36
18	State Authorizations and Commitments	36
19	Housing Grants and Subsidies Expenses	38
20	Other Funds or Programs	38
21	Energy and Weatherization Energy Efficiency Programs	38
22	Pension and Post Employment Healthcare Plans	39
23	Other Commitments and Contingencies	42
24	Risk Management	42
25	Cumulative Effect of Accounting Change	42
26	Five Year Financial Information	43

This page intentionally left blank

FOR THE YEAR ENDED JUNE 30, 2015

1 AUTHORIZING LEGISLATION AND FUNDING

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

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

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

The Corporation has subsidiaries incorporated under the Alaska Nonprofit Corporation Act (AS 10.20) and provisions of the Alaska Housing Finance Corporation Act (AS 18.56), as amended. The subsidiaries are as follows:

- Northern Tobacco Securitization Corporation ("NTSC") incorporated on September 29, 2000, pursuant to House Bill No. 281 of the 2000 Legislature.
- Alaska Housing Capital Corporation ("AHCC") incorporated on May 23, 2006, pursuant to Senate Bill 232 of the 2006 Legislature.
- Alaska Corporation for Affordable Housing ("ACAH") incorporated on February 1, 2012, pursuant to House Bill 119 of the 2011 Legislature.

The subsidiaries issue annual stand-alone audited financial statements. Please contact AHFC to obtain a copy.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

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

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

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

Basis of Accounting

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

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: Statement of Net Position (Exhibit A), Statement of Revenues, Expenses and Changes in Net Position (Exhibit B), Cash Flow Statement (Exhibit C) and the accompanying notes. The supplemental section contains combining financial statements by program, purpose, or bond indenture.

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

Major Funds and Component Unit

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

Administrative Fund: This is the Corporation's primary operating fund. It accounts for all financial resources of the Corporation, except those 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: Provide resources to assist in the financing of loan programs or to fund Legislature appropriations.

Other Funds or Programs: Housing for low income families managed under contract with HUD, owned by AHFC.

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

Restricted Net Position

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

The other financial activities of the Corporation are restricted by the Corporation's bond resolutions, 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 significant estimate for the Corporation is the allowance for loan losses.

Investments

All investments are stated at fair value, except for nonparticipating investment agreements, which are stated at cost.

Accrued Interest Receivable on Loans and Real Estate Owned

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

Loans and Allowances for Estimated Loan Losses

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

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. While management uses the best information available to make evaluations, future adjustments to the allowances may be necessary if there are significant changes in economic conditions or property disposal programs.

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

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

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

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

Pensions
For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System ("PERS") and additions to/from 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.

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

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

Income Taxes
The Corporation is exempt from federal and state income taxes.

New Accounting Pronouncements
Governmental Accounting Standard Board ("GASB") Statement 68, Accounting and Financial Reporting for Pensions, is effective for AHFC's fiscal year 2015. The Statement changes how employers measure and report the costs and obligations associated with pensions in their financial statements. The effect from the adoption of the provisions of this statement will be a liability recognized as employees earn their pension benefits. This is the first time that the Corporation has recognized its proportionate share of the collective pension amounts for all benefits provided through the plan. The pension amounts to be recognized in the financial statements include the net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense.

GASB Statement 72, Fair Value Measurement and Application, will be effective for AHFC'S fiscal year 2016. This Statement establishes guidelines for the measurement and reporting of fair value.

3 CASH AND INVESTMENTS

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

	June 30, 2015
Restricted cash	$ 26,006
Unrestricted	24,342
Carrying amount	$ 50,348
Bank Balance	$ 51,379

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

Investment Maturities (In Years)

	Less Than 1	1-5	6-10	More Than 10	June 30, 2015
Bank investment contracts	$ 18,725	$ -	$ -	$ -	$ 18,725
U. S. Treasury securities	912	421	-	-	1,333
Securities of U. S. Government agencies and corporations	-	-	99	-	99
Certificates of deposit	-	1,000	-	-	1,000
Negotiable Certificates of Deposit	1,999	-	-	-	1,999
Commercial paper & medium-term notes	230,510	-	-	-	230,510
Money market funds	116,251	-	-		116,251
Subtotal	$ 368,397	$ 1,421	$ 99	$ -	369,917
GeFONSI pool					446,327
Total AHFC Portfolio					$ 816,244

Restricted Investments

A large portion of the Corporation's investments, $215,354,000, are restricted by bond resolutions, contractual agreements, and statutory agreements, and the remainder, $600,890,000, is unrestricted.

Realized Gains and Losses

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

	June 30, 2015
Ending unrealized holding gain	$ 27,310
Beginning unrealized holding gain	25,310
Net change in unrealized holding gain	2,000
Net realized gain (loss)	(373)
Net increase (decrease) in fair value	$ 1,627

Deposit and Investment Policies

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

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

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

Credit Risk

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

The credit quality ratings for the Corporation's investment in the GeFONSI pool are at the end of this footnote.

The credit quality ratings of the Corporation's investments as of June 30, 2015, as determined by nationally recognized statistical rating organizations, are shown below (in thousands). The Corporation's investments included $1,333,000 of U.S. Treasury securities and securities of agencies and corporations which are explicitly guaranteed by the U.S. Government are not considered to have credit risk and therefore, are not included in the summary.

	S & P	Moody's	Investment Fair Value
Securities of U. S. Government agencies and Corporations:			
	AA+	Aaa	$ 99
Certificates of deposit:			
	A+	Aa2	1,000
Negotiable certificates of deposit:			
	--	Aa3	1,000
	--	Aa2e	500
	--	A1e	499
			1,999
Commercial paper, medium-term notes:			
	AA+	A1	2,012
	AA	A2	535
	AA-	Aa1	1,519
	AA	Aa2	1,381
	AA-	Aa2	3,123
	A+	Aa2	1,003
	A+	Aa3	1,248
	AA-	Aa3	1,986
	A+	A1	1,807
	A+	A2	200
	A	A1	340
	A	A2	4,553
	A-	A1	1,502
	A-	A2	1,501
	A	Baa1	1,546
	BBB+	A3	1,484
	A+	P-1	203,266
			229,006
Money market funds:			
	AAAm	--	116,251
Unrated investments:			
Bank investment contracts			18,725
Commercial paper			1,504
			20,229
			$ 368,584

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, 2015, 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
State of Alaska	$ 446,327	54.68 %
Goldman Sachs	116,251	14.24
Toyota Motor Credit	50,081	6.14

Custodial Credit Risk

The Corporation assumes levels of custodial credit risk for its deposits with financial institutions, bank investment agreements, and investments. For deposits, custodial credit risk is the risk that, in the event of a bank failure, the Corporation's deposits may not be returned. For bank investment agreements and investments, custodial credit risk is the risk that, in the event of failure of the custodian or counterparty holding the investment, the Corporation will not be able to recover the value of the investment. The Corporation has not established a formal custodial credit risk policy for its investments.

Of the Corporation's $51,379,000 bank balance at June 30, 2015, cash deposits in the amount of $47,000 were uninsured and uncollateralized. Additional cash deposits in the amount of $31,789,000 were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the Corporation's name.

Interest Rate Risk

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

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

Modified Duration

Modified duration estimates the sensitivity of an investment to interest rate changes. The following table shows the Corporation's trusted and non-trusted investments (in thousands) with their modified duration as of June 30, 2015:

	Investment Fair Value	Modified Duration
Bank investment contracts	$ 18,725	0.000
U. S. Treasury securities:		
Treasury coupon securities	1,333	0.785
Securities of U. S. Government agencies and corporations:		
Federal agency coupon securities		
Federal agency pass through securities	99	1.504
Certificates of deposit	1,000	3.223
Negotiable certificates of deposit	1,999	0.267
Commercial paper & medium-term notes:		
Commercial paper discounts	191,943	0.169
Corporate bonds	4,685	0.625
Medium-term notes	33,882	0.386
Money market funds	116,251	0.000
	$ 369,917	
Portfolio modified duration		0.065

Investment in GeFONSI Pool

The Department of Revenue, Treasury Division ("Treasury") has created a pooled environment by which it manages the investments the Commissioner has fiduciary responsibility for. Actual investing is performed by investment officers in Treasury or by contracted external investment managers. The Corporation invests in the State's internally managed GeFONSI pool. The GeFONSI consists of investments in the State's internally managed Short-term Fixed Income Pool, Short-term Liquidity Fixed Income Pool and the Intermediate-term Fixed Income Pool. The Complete financial activity of the Fund is shown in the Comprehensive Annual Financial Report available from the Department of Administration, Division of Finance.

Assets in the pools are reported at fair value. Investment purchases and sales are recorded on a trade-date basis. Securities are valued each business day using prices obtained from a pricing service.

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.

At June 30, 2015, the Corporation's share of pool investments was as follows:

	Fair Value			
Investment Type	**Short-Term Fixed Income Pool**	**Short-term Liquidity Fixed Income Pool**	**Intermediate-term Fixed Income Pool**	**Total**
Deposits	$ 156	$ -	$ 1	$ 157
Certificate of Deposit	389	-	350	739
Commercial Paper	-	-	-	-
Corporate Bonds	6,288	-	11,850	18,138
Mortgage Backed	5,304	-	4,783	10,087
Municipal Bonds	193	-	-	193
Mutual Fund	-	-	-	-
Other Asset Backed	154,122	-	7,240	161,362
Overnight Sweep Account (lmcs)	-	-	-	-
Repurchase Agreement	24,601	-	-	24,601
Short-term Investment Fund	-	-	-	-
U.S. Government Agency				
Discount Notes	-	-	-	-
U.S. Government Agency	-	-	97	97
U.S. Treasury Bills, Notes, Bonds, and TIPS	47,533	65,637	120,416	233,586
Yankees:				
Yankee Corporate	2,798	-	3,070	5,868
Yankee Government	-	-	575	575
Total Invested Assets	241,384	65,637	148,382	455,403
Pool related net assets (liabilities)	(10,292)	-	1,216	(9,076)
Net Invested Assets	231,092	65,637	149,598	446,327
Participant Unalloted Cash	-	-	-	-
Net Cash and Investments	$ 231,092	$ 65,637	$ 149,598	$ 446,327

Interest Rate Risk – GeFONSI Pool

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Short-term Fixed Income Pool

As a means of limiting its exposure to fair value losses arising from increasing interest rates, Treasury's investment policy limits individual fixed rate securities to 14 months to maturity or 14 months expected average life *upon purchase.* Floating rate securities are limited to 3 years to maturity or 3 years expected average life *upon purchase.* These constraints apply to trade date, expect for securities bought at new issue, for which settlement date applies. At June 30, 2015, the expected average life of individual fixed rate securities ranged from 10 days to 3.3 years and the expected average life of floating rate securities ranged from 10 days to 14.5 years.

Short-term Liquidity Fixed Income Pool
Treasury's investment policy limits individual fixed rate securities to six months to maturity. These constraints apply to trade date, except for securities bought at new issues, for which settlement date applies. At June 30, 2015, the days to maturity of fixed rate securities ranged from 65 to 170 days.

Intermediate-term Fixed Income Pool
Duration is a measure of interest rate risk. It measures a security's sensitivity to a 100-basis point change in interest rates. The duration of a pool is the average fair value weighted duration of each security in the pool taking into account all related cash flows.

Treasury uses industry-standard analytical software developed by The Yield Book, Inc. to calculate effective duration. The software takes into account various possible future interest rates, historical and estimated prepayment rates, call options, and other variable cash flows for purposes of the effective duration calculation.

Through its investment policy, Treasury manages its exposure to fair value losses arising from increasing interest rates by limited the effective duration of its other fixed income pools portfolios to the following:

> Intermediate-term Fixed Income Pool - ± 20% of the Barclays 1-3 Year Government Bond Index. The effective duration for the Barclays 1-3 Year Government Bond Index at June 30, 2015 was 1.80 years.

	Intermediate-term Fixed Income Pool
Certificate of Deposit	0.14
Corporate Bonds	1.63
Mortgage Backed	1.03
Municipal Bonds	-
Other Asset Backed	0.61
U.S. Government Agency	3.96
U.S. Treasury Bills, Notes, Bonds, and TIPS	1.96
Yankee Corporate	0.94
Yankee Government	1.08
Portfolio Effective Duration	**1.81**

Credit Risk GeFONSI Pool
Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Treasury's investment policy has the following limitations with regard to credit risk:

Short-term Fixed Income Pool investments are limited to instruments with a long-term credit rating of at least "A3" or equivalent and instruments with a short-term credit rating of at least P-1 or equivalent. Commercial paper must be rated at least "P-1" by Moody's and "A-1" by Standard and Poor's. Asset-backed and non-agency mortgage securities must be rated "A3" or equivalent. The "A3" rating is defined as the median rating of the following three rating agencies: Standard and Poor's Corporation, Moody's, and Fitch. Asset-backed and non-agency mortgage securities may be purchased if only rated by one of these agencies if they are rated "AAA".

Short-term Liquidity Pool investments are limited to U.S. Treasury obligations or other U.S. government securities in full faith or guaranteed by agencies and instrumentalities of the U.S government, obligations of foreign governments, sovereign states, supranational entities, and their instrumentalities denominated in U.S dollars, and the State's internally managed Short-term Fixed Income Pool.

Intermediate-term Fixed Income Pool investments are limited to securities with a long-term credit rating of at least Baa3 or equivalent and securities with a short-term credit rating of at least "P-1" or equivalent. Asset-backed and non-agency mortgage securities must be rated investment grade. The investment grade rating is defined as the median rating of the following three rating agencies: Standard and Poor's Corporation, Moody's, and Fitch. Asset-backed and non-agency mortgage securities may be purchased if only rated by one of these agencies if they are rated "AAA".

At June 30, 2015, the State's internally managed pools consisted of investments with credit quality ratings issued by nationally recognized statistical rating organizations as follows (using Standard and Poor's Corporation rating scale):

Investment Type	Rating	Short-term Fixed Income Pool	Short-term Liquidity Fixed Income Pool	Intermediate-term Fixed Income Pool
Certificate of Deposit	Not Rated	0.17 %	- %	0.23 %
Corporate Bonds	AAA	-	-	0.15
Corporate Bonds	AA	1.42	-	1.26
Corporate Bonds	A	1.30	-	4.67
Corporate Bonds	BBB	-	-	1.54
Corporate Bonds	BB	-	-	-
Corporate Bonds	Not Rated	-	-	0.01
Deposits	Not Rated	0.07	-	-
Mortgage Backed	AAA	1.18	-	0.81
Mortgage Backed	AA	0.88	-	0.70
Mortgage Backed	A	0.19	-	0.54
Mortgage Backed	BBB	-	-	-
Mortgage Backed	BB	-	-	0.01
Mortgage Backed	Not Rated	0.05	-	1.02
Municipal Bonds	AA	0.08	-	-
Municipal Bonds	A	-	-	-
Other Asset Backed	AAA	47.26	-	3.06
Other Asset Backed	AA	1.27	-	-
Other Asset Backed	A-1	1.54	-	-
Other Asset Backed	Not Rated	16.63	-	1.60
Repurchase Agreement	AAA	7.85	-	-
Repurchase Agreement	Not Rated	2.80	-	-
U.S. Government Agency	AA	-	-	0.06
U.S. Treasury Bills, Notes, Bonds, and TIPS	AA	20.57	99.99	77.57
Yankee Corporate	AAA	-	-	0.03
Yankee Corporate	AA	0.62	-	0.86
Yankee Corporate	A	0.59	-	0.87
Yankee Corporate	BBB	-	-	0.22
Yankee Government	AAA	-	-	-
Yankee Government	AA	-	-	0.10
Yankee Government	A	-	-	0.13
Yankee Government	BBB	-	-	0.08
Yankee Government	Not Rated	-	-	0.07
Other Pool Ownership	Not Rated	-	0.01	3.63
No Credit Risk		(4.47)	-	0.78
		100.00 %	100.00 %	100.00 %

Concentration of Credit Risk GeFONSI Pool

Treasury's policy with regard to concentration of credit risk is to prohibit the purchase of more than five percent of a pool's holdings in corporate bonds backed by any one company or affiliated group. At June 30, 2015, no pool had exposure to any one issuer greater than 5% of total invested assets.

4 INTERFUND RECEIVABLE/PAYABLE

A summary of the interfund receivable/payable balance is shown below (in thousands):

		Due From					
		Administrative Fund	Grant Programs	Mortgage or Bond Programs	Other Funds or Programs	Alaska Corporation for Affordable Housing	Total
Due To	Administrative Fund	$ -	$ 17,490	$ -	$ 151	$ 1,300	$ 18,941
	Grant Programs	-	-	-	-	1,425	1,425
	Mortgage or Bond Programs	41,613	-	-	-	-	41,613
	Other Funds or Programs	-	-	-	-	-	-
	Alaska Corporation for Affordable Housing	-	-	-	-	-	-
	Total	$ 41,613	$ 17,490	$ -	$ 151	$ 2,725	$ 61,979

The balance of $41,613,000 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 balances of $17,490,000 and $151,000 due to the Administrative Fund from the Grant Programs and the Other Funds or Programs respectively 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 of $1,300,000 due to the Administrative Fund from ACAH resulted primarily from cash advanced by the Administrative Fund to ACAH.

The balance of $1,425,000 due to the Grant Programs from ACAH resulted from the reimbursable grant paid by the Grant Programs to ACAH.

5 MORTGAGE LOANS, NOTES AND OTHER LOANS

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

	June 30, 2015
Mortgage loans	$ 2,314,620
Multifamily loans	328,258
Other notes receivable	91,931
	2,734,809
Less:	
Allowance for losses	(71,916)
Net Mortgage loans, notes and other loans	$ 2,662,893

Other notes receivable include monies due to AHFC for various unconventional loan programs, monies that weren't expended by grant recipients and notes receivable (net of allowance for losses) due to ACAH of $7,836,000.

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

	June 30, 2015
Delinquencies and foreclosures:	
Loans delinquent 30 days or more	$ 102,610
Foreclosures during period	11,818
Loans in foreclosure process	10,599
Mortgage-related commitments:	
To purchase mortgage loans	109,987

6 INSURANCE AGREEMENTS

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

7 DIRECT FINANCING LEASES

In July 1997, the Corporation purchased an office building in downtown Anchorage with its Administrative Fund assets for approximately $26 million. The building is part of the Corporation's State Building Lease Program and has been leased to the State of Alaska for occupancy by its departments and agencies located in Anchorage. The State has the option to purchase the building for $1 after June 1, 2017, which is the end of the lease. In March 2015, the Corporation issued the State Capital Project Bonds, 2015 Series A, to refund the General Housing Purpose Bonds, 2005 Series C, which were previously issued in May 2005 to refund the State Building Lease Bonds, Series 1999, which were originally issued in 1999 to finance the purchase of the office building. The lease of the building to the State has been recorded as a direct financing lease.

In fiscal year 2007, the Corporation began constructing a parking garage in downtown Anchorage with its Administrative Fund assets. The cost of the garage was $44,000,000. The garage was placed in service in September 2008. The garage has been leased to the State of Alaska for use by its departments and agencies located in Anchorage. The State has the option to purchase the garage for $1 after December 1, 2027, which is the end of the lease. In June 2015, the Corporation issued the State Capital Project Bonds, 2015 Series B, to partially refund the State Capital Project Bonds, 2007 Series A, which were originally issued in September 2007 to finance the purchase of the parking garage. The lease of the garage to the State has been recorded as a direct financing lease.

The following table lists the components of the net investment in direct financing leases and shows the future minimum payments under the lease for the next five years and thereafter (in thousands):

	Future Minimum Payments Due		
12 Months Ending June 30	**Parking Garage**	**Building**	**Total**
2016	$ 3,304	$ 3,467	$ 6,771
2017	3,304	3,467	6,771
2018	3,304	-	3,304
2019	3,304	-	3,304
2020	3,304	-	3,304
Thereafter	26,425	-	26,425
Gross payments due	42,945	6,934	49,879
Less: Unearned revenue	(9,778)	(369)	(10,147)
Net investment in direct financing lease	$ 33,167	$ 6,565	$ 39,732

8 CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2015, and a summary of balances are shown below (in thousands):

	June 30, 2014	Additions	Reductions	June 30, 2015
Non-Depreciable Capital Assets:				
Land	$ 19,687	$ -	$ -	$ 19,687
Construction in progress	1,068	92	(1,004)	156
Total Non-Depreciable	20,755	92	(1,004)	19,843
Depreciable Capital Assets:				
Buildings	238,476	3,883	-	242,359
Computers & Equipment	2,147	158	(39)	2,266
Vehicles	2,017	147	(181)	1,983
Less: Accumulated depreciation				
Buildings	(139,806)	(7,038)	-	(146,844)
Computers & Equipment	(1,572)	(317)	39	(1,850)
Vehicles	(1,769)	(112)	181	(1,700)
Total Depreciable, Net	99,493	(3,279)	-	96,214
Total Capital Assets, Net	$ 120,248	$ (3,187)	$ (1,004)	$ 116,057

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

The depreciation expense charged by the Corporation was $7,467,000 for the year ended June 30, 2015. 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 $3,994,000 at June 30, 2015.

9 DEFERRED OUTFLOWS OF RESOURCES

The Government Accounting Standards Board has defined deferred outflows of resources as the consumption of resources that are applicable to a future period. AHFC's deferred outflows of resources at June 30, 2015, were interest rate swap derivatives of $147,682,000, deferred debt refunding expense of $21,073,000, and pension deferred outflows of $2,685,000.

10 BONDS PAYABLE

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. In the event that the Corporation cannot make the Veterans Mortgage Program Bond payments, the State will pay the principal and interest payments.

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 has authorization to issue Draw Down bonds in the amount of $900,000,000 for the purpose of preserving private activity bond volume capacity and to refund certain outstanding obligations of the Corporation. Only $300,000,000 of these bonds can be outstanding at any one time. As of June 30, 2015, there were no draw down bonds outstanding, and the Corporation does not anticipate issuing any additional draw down bonds in the future.

Bonds outstanding are shown below (in thousands):

	Original Amount	June 30, 2015
First-Time Home Buyer Program		
Mortgage Revenue Bonds, Tax-Exempt:		
● 2009 Series A-1; 3.07%, due 2027-2041	$ 64,350	$ 53,470
● 2009 Series A-2; 2.32%, due 2026-2041	128,750	100,450
● 2010 Series A; 1.90% to 4.00%, due 2015-2027	43,130	32,865
Unamortized discount		(160)
● 2010 Series B; 1.90% to 4.63%, due 2015-2040	35,680	32,260
● 2011 Series B; 1.80% to 4.05%, due 2015-2026	71,360	55,210
Mortgage Revenue Bonds, Taxable:		
● 2011 Series A; 2.80% due 2015-2026	28,945	9,025
Total Mortgage Revenue Bonds	372,215	283,120
Home Mortgage Revenue Bonds, Tax-Exempt:		
● 2002 Series A; Floating Rate*; 0.11% at June 30, 2015, due 2032-2036	170,000	87,195
Unamortized swap termination penalty		(5,428)
● 2007 Series A; Floating Rate*; 0.12% at June 30, 2015, due 2017-2041	75,000	75,000
● 2007 Series B; Floating Rate*; 0.11% at June 30, 2015, due 2017-2041	75,000	75,000
● 2007 Series D; Floating Rate*; 0.13% at June 30, 2015, due 2017-2041	89,370	89,370
● 2009 Series A; Floating Rate*; 0.07% at June 30, 2015, due 2020-2040	80,880	80,880
● 2009 Series B; Floating Rate*, 0.05% at June 30, 2015, due 2020-2040	80,880	80,880
● 2009 Series D; Floating Rate*; 0.06% at June 30, 2015, due 2020-2040	80,870	80,870
Total Home Mortgage Revenue Bonds	652,000	563,767
Veterans Mortgage Program Bonds:		
Collateralized State Guaranteed Bonds, Tax-Exempt:		
● 2006 First Series; 4.10% to 4.90%, due 2015-2037	190,000	42,070
● 2007 & 2008 First Series; 3.88% to 5.25%, due 2016-2038	57,885	14,785
Total Veterans Mortgage Program Bonds	247,885	56,855
Other Housing Bonds:		
General Mortgage Revenue Bonds, Tax-Exempt:		
● 2012 Series A; 1.05% to 4.30%, due 2015-2040	145,890	129,060
Unamortized discount		(654)
Unamortized premium		676
Governmental Purpose Bonds, Tax-Exempt:		
● 1997 Series A; Floating Rate*, monthly payments, 0.06% at June 30, 2015, due 2027	33,000	14,600
● 2001 Series A; Floating Rate*; 0.06% at June 30, 2015, due 2015-2030	76,580	51,115
Unamortized swap termination penalty		(6,122)
● 2001 Series B; Floating Rate*; 0.06% at June 30, 2015, due 2015-2030	93,590	62,460
Total Other Housing Bonds	349,060	251,135

	Original Amount	June 30, 2015
Non-Housing Bonds:		
State Capital Project Bonds, Tax-Exempt:		
● 2002 Series C; Floating Rate*, 0.06% at June 30, 2015, due 2015-2022	60,250	45,700
● 2006 Series A; 3.50% to 5.00%, due 2016-2040	100,890	39,405
Unamortized discount		(860)
Unamortized premium		25
● 2007 Series A & B; 4.00% to 5.25%, due 2015-2029	95,525	40,080
Unamortized discount		(40)
Unamortized premium		539
● 2011 Series A; 4.25% to 5.00%, due 2015-2027	105,185	77,035
Unamortized discount		(79)
Unamortized premium		1,267
● 2012 Series A; 3.00% to 5.00%, due 2015-2032	99,360	87,325
Unamortized discount		(117)
Unamortized premium		9,135
● 2013 Series A; 4.00% to 5.00%, due 2017-2032	86,765	86,765
Unamortized premium		10,038
● 2014 Series A; 3.00% to 5.00%, due 2016-2033	95,115	95,115
Unamortized discount		(67)
Unamortized premium		8,242
● 2014 Series B; 3.00% to 5.00%, due 2015-2029	29,285	29,185
Unamortized premium		4,115
● 2014 Series D; 2.00% to 5.00%, due 2016-2029	78,105	78,105
Unamortized premium		13,837
● 2015 Series A; 2.00% to 5.00%, due 2016-2030	111,535	111,535
Unamortized premium		17,751
● 2015 Series B; 3.00% to 5.00%, due 2016-2036	93,365	93,365
Unamortized discount		(242)
Unamortized premium		9,491
State Capital Project Bonds, Taxable:		
● 2013 Series B; Indexed Floating Rate*, monthly payments 0.98% at June 30, 2015, due 2043	50,000	50,000
● 2014 Series C; Indexed Floating Rate*, 0.68% at June 30, 2015, due 2029	140,000	140,000
Total Non-Housing Bonds	1,145,380	1,046,650
Total Bonds Payable	$ 2,766,540	$ 2,201,527

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.

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 provisions of the related agreements which permit surplus revenues, resulting primarily from mortgage loan prepayments, to be used to retire the obligations at par. 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 year ended June 30, 2015, the Corporation made $85,095,000 special revenue redemptions and $216,470,000 current refundings.

Advance Refundings

In March 2015, AHFC issued $111,535,000 in State Capital Projects Bonds II, 2015 Series A (the "Bonds"). The Bonds were issued mainly to defease $109,905,000 of General Housing Purpose Bonds, 2005 Series B and $6,565,000 of General Housing Purpose Bonds, Series C (the "Refunded Bonds"). Net proceeds of the Bonds totaled $129,907,000 including a premium of $18,372,000. $119,476,000 of these proceeds was deposited with an escrow agent to pay off the Refunded Bonds on the first original redemption date of June 1, 2015. The Refunded Bonds have been legally defeased, and the liability for the Refunded Bonds has been removed from the Statement of Net Position. This advance refunding decreases debt service payments by $23,767,000 over the next sixteen years. This results in a Net Present Value savings $22,506,000. The Refunded Bonds were paid in full in June 2015.

In June 2015, AHFC issued $93,365,000 in State Capital Projects Bonds II, 2015 Series B (the "Bonds"). The Bonds were issued mainly to refund $47,270,000 of State Capital Project Bonds, 2006 Series A and $34,230,000 of State Capital Bonds 2007 Series A and B (the "Refunded Bonds"). Net proceeds of the Bonds totaled $102,614,000, including a premium of $9,248,000. $87,269,000 of the proceeds was deposited with an escrow agent to completely pay off the Refunded Bonds on the first optional redemption dates in June 2016 and December 2017. The Refunded Bonds have been legally defeased, and the liability for the Refunded Bonds has been removed from the Statement of Net Position. This advance refunding decreases debt service payments by $9,567,000 over the next 21 years, resulting in Net Present Value savings of $6,939,000.

Debt Service Requirements**

For all bonds in the preceding schedules, the Corporation's debt service requirements through 2020 and in five year increments thereafter to maturity are shown below (in thousands):

	Total Debt Service		
12 Months Ending June 30	**Principal**	**Interest***	**Total**
2016	$ 40,985	$ 78,364	$ 119,349
2017	55,995	76,261	132,256
2018	58,300	74,234	132,534
2019	59,980	71,997	131,977
2020	73,995	69,505	143,500
2021-2025	446,085	288,753	734,838
2026-2030	638,025	190,390	828,415
2031-2035	358,780	100,901	459,681
2036-2040	307,140	40,292	347,432
2041-2043	100,895	3,003	103,898
	$ 2,140,180	$ 993,700	$ 3,133,880

* Interest requirements for variable-rate bonds have been computed using the effective interest rate at June 30, 2015

** Also see Note 11 – Derivatives

Conduit Debt

From time to time, the Corporation has issued debt to assist private-sector entities in the acquisition or construction of facilities that help the Corporation fulfill its mission of making housing affordable for all Alaskans. The bonds are secured by the properties financed and are payable solely from rents and payments received on the underlying mortgage loans. 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. The Corporation has made commitments to issue up to $5,000,000 of Revenue Bonds 2014 (Eklutna Estates II Senior Housing Projects), up to $14,682,018 of Tax Exempt Direct Purchase Bonds (ANC MV Phase I Limited Partnership Project), Series 2014, and up to $8,500,000 of Tax Exempt Revenue Bonds 2015 (Creekview Plaza 49 Senior Housing Project). As of June 30, 2015, the outstanding bonds were $4,263,000, $6,682,000, and $76,000 respectively.

11 DERIVATIVES

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

The swaps are recorded and disclosed as either hedging derivatives or investment derivatives. The synthetic instrument method was used to determine whether the derivative was hedgeable or not. 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.

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. 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, 2015, 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, 2015, are shown below:

Related Bond Issue	Effective Date	Fixed Rate Paid	Variable Rate Received	Swap Termination Date	Counterparty Credit Rating[7]
GP01A[1]	12/01/08	2.4530	67% of 1M LIBOR[4]	12/01/30	A/A2
GP01B	08/02/01	4.1427	67% of 1M LIBOR	12/01/30	A+/Aa3
E021A1[2]	10/09/08	2.9800	70% of 3M LIBOR[5]	06/01/32	AAA/Aa2
E021A2	10/09/08	3.4480	70% of 1M LIBOR	12/01/36	A+/Aa3
SC02C[3]	12/05/02	4.3030	SIFMA[6]+0.115%	07/01/22	A+/Aa3
E071AB	05/31/07	3.7345	70% of 3M LIBOR	12/01/41	AAA/Aa2
E071BD	05/31/07	3.7200	70% of 3M LIBOR	12/01/41	A+/Aa3
E091A	05/28/09	3.7610	70% of 3M LIBOR	12/01/40	A/A2
E091B	05/28/09	3.7610	70% of 3M LIBOR	12/01/40	AAA/Aa2
E091ABD	05/28/09	3.7400	70% of 3M LIBOR	12/01/40	A+/Aa3

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

The change in fair value and ending balance of the hedging derivatives as of June 30, 2015, is shown below (in thousands). The fair value is reported as a deferred outflow / inflow of resources in the Statement of Net Position.

Related Bond Issue	Notional Amounts	Present Values	Fair Values June 30, 2015	Fair Values June 30, 2014	Change in Fair Value
GP01A	$ 51,115	$ 54,847	$ (3,732)	$ (3,353)	$ (379)
GP01B	62,460	75,270	(12,810)	(13,103)	293
E021A1	40,520	45,021	(4,501)	(4,195)	(306)
E021A2	46,675	49,183	(2,508)	(4,091)	1,583
SC02C	45,700	50,785	(5,085)	(5,981)	896
E071AB	143,622	178,644	(35,022)	(31,412)	(3,610)
E071BD	95,748	118,787	(23,039)	(20,577)	(2,462)
E091A	72,789	91,267	(18,478)	(16,520)	(1,958)
E091B	72,789	91,181	(18,392)	(16,461)	(1,931)
E091ABD	97,052	121,167	(24,115)	(21,483)	(2,632)
Total	$ 728,470	$ 876,152	$ (147,682)	$ (137,176)	$ (10,506)

As of June 30, 2015, debt service requirements of the Corporation's outstanding variable-rate debt and net swap payments are displayed in the following schedule (in thousands). As interest rates vary, variable-rate bond interest payments and net swap payments will also vary.

Fiscal Year Ending June 30	VRDO Principal	VRDO Interest	Swap Net Payment	Total Payments
2016	$ 13,155	$ 624	$ 25,216	$ 38,995
2017	16,146	614	24,744	41,504
2018	19,399	600	24,121	44,120
2019	20,280	584	23,424	44,288
2020	24,500	567	22,697	47,764
2021-2025	142,530	2,499	98,541	243,570
2026-2030	158,861	1,898	73,778	234,537
2031-2035	144,716	1,224	47,173	193,113
2036-2040	155,608	554	21,150	177,312
2041-2043	33,275	32	1,021	34,328
	$ 728,470	$ 9,196	$ 361,865	$ 1,099,531

Credit Risk

As of June 30, 2015, the Corporation is not exposed to credit risk on any of the swaps because the swaps all have negative fair values. If interest rates rise and the fair value of the swaps becomes positive, the Corporation would be exposed to credit risk in the amount of the swaps' fair value. The swap agreements contain varying collateral agreements with the counterparties and require full collateralization of the fair value amount of the swap should the counterparty's rating fall to "BBB+/Baa1". The Corporation currently has swap agreements with five separate counterparties. Approximately 35.3% of the total notional amount of the swaps is held with one counterparty rated "AAA/Aa2". Another 32.7% of the total notional amount of the swaps is held with another counterparty rated "A+/Aa3". Of the remaining swaps, another counterparty is also rated "A+/Aa3", another counterparty is rated "A/A2", and the remaining counterparty is also rated "A/A2", approximating 15.0%, 10.0%, and 7.0% respectively, of the total notional amount of the swaps.

Interest Rate Risk

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

Basis Risk

All of the Corporation's variable-rate bond interest payments related to interest rate swaps are based on the tax-exempt SIFMA index. Therefore, the Corporation is exposed to basis risk on swaps where the variable payment received on the swaps is based on a taxable LIBOR index and does not fully offset the variable rate paid on the bonds, which is based on the SIFMA index. The SC02C swap is based on the SIFMA index and thus is not exposed to any basis risk. As of June 30, 2015, SIFMA was 0.07% and 1-month LIBOR was 0.1865%, resulting in a SIFMA/LIBOR ratio of 37.5%. The 3-month LIBOR was 0.2832%, resulting in a SIFMA/LIBOR ratio of 24.75%. The SIFMA/LIBOR ratios have fluctuated since the agreements became effective but the anticipated cost savings from the swaps increases as the ratios decrease.

Termination Risk

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

In fiscal year 2009, three swaps were terminated because of bankruptcy events with the counterparties, resulting in the Corporation making termination payments totaling $22,181,000 to the counterparties. The Corporation replaced the swaps with new swaps that had provisions that resulted in a lower cost overall on the underlying debt. The termination payments were deferred and are being amortized to interest expense over the life of the bonds related to those terminated swaps. An additional payment of $150,000 was made to a former counterparty in fiscal year 2013 as settlement of any and all claims relating to that counterparty's swap termination. This payment was expensed as insurance and financing expense in fiscal year 2013.

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

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

The significant terms and credit ratings of the Corporation's investment derivative as of June 30, 2015, are shown below:

Related Bond Issue	Effective Date	Fixed Rate Paid	Variable Rate Received	Swap Termination Date	Counterparty Credit Rating
SC02B	12/05/02	3.77%	70% of 1M LIBOR	07/01/24	A+/Aa3

The change in fair value of the investment derivatives as of June 30, 2015, is shown below (in thousands) and is presented on the net change of hedge termination line in the Statement of Revenues, Expenses, and Changes in Net Position.

Related Bond Issue	Notional Amounts	Present Values	Fair Values		Change in Fair Value
			June 30, 2015	June 30, 2014	
SC02B	$ 14,555	$ 17,072	$ (2,517)	$ (2,528)	$ 11

Credit Risk
As of June 30, 2015, the Corporation was not exposed to credit risk on this outstanding swap because the swap had a negative fair value. If interest rates rise and the fair value of the swap becomes positive, the Corporation would be exposed to credit risk in the amount of the swaps' fair value. The swap agreement requires the counterparty to fully collateralize the fair value amount of the swap should the counterparty's rating fall to "BBB+/Baa1". The counterparty on this swap is rated "A+/Aa3".

12 LONG TERM LIABILITIES
The activity for the year ended June 30, 2015 is summarized in the following schedule (in thousands):

	June 30, 2014	Additions	Reductions	June 30, 2015	Due Within One Year
Total bonds and notes payable	$ 2,308,710	$ 465,491	$ (572,674)	$ 2,201,527	$ 40,985
Pension liability	-	31,440	(3,072)	28,368	-
Compensated absences	5,285	2,736	(3,390)	4,631	2,630
Other liabilities	837	21	-	858	-
Total long-term liabilities	$ 2,314,832	$ 499,688	$ (579,136)	$ 2,235,384	$ 43,615

13 SHORT TERM DEBT
The Corporation has a taxable commercial paper program. Commercial paper is used to refund certain tax-exempt debt until new debt replaces it. Individual maturities range up to 270 days from date of issuance. The maximum aggregate outstanding principal balance authorized by the Corporation's Board of Directors is $150,000,000. The lowest yield during the year ended June 30, 2015, was 0.13% and the highest was 0.17%.

Short term debt activity for the year ended June 30, 2015, is summarized in the following schedule (in thousands):

	June 30, 2014	Additions	Reductions	June 30, 2015
Commercial paper	$ 65,000	$ 326,600	$ (374,700)	$ 16,900
Unamortized discount	(7)	(51)	57	(1)
Commercial paper, net	$ 64,993	$ 326,549	$ (374,643)	$ 16,899

14 DEFERRED INFLOWS OF RESOURCES

The Government Accounting Standards Board has defined deferred inflows of resources as the acquisition of resources that are applicable to a future period. AHFC's deferred inflows of resources at June 30, 2015, represent the difference between projected and actual investment earnings in State of Alaska's Public Employees' Retirement System Defined Benefit Retirement Plan of $3,277,000.

15 TRANSFERS

Transfers for the year ended June 30, 2015, are summarized in the following schedule (in thousands):

		Due From					
		Administrative Fund	Grant Programs	Mortgage or Bond Programs	Other Funds or Programs	Alaska Corporation for Affordable Housing	Total
Due To	Administrative Fund	$ -	$ 17,658	$ 319,101	$ 3,055	$ 1,358	$ 341,172
	Grant Programs	30,284	-	-	-	-	30,284
	Mortgage or Bond Programs	282,196	-	131,452	-	-	413,648
	Other Funds or Programs	10,548	41	-	-	-	10,589
	Alaska Corporation for Affordable Housing	5,656	-	-	3,525	-	9,181
	Total	$ 328,684	$ 17,699	$ 450,553	$ 6,580	$ 1,358	$ 804,874

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 unreimbursable expenditures paid by the Administrative Fund on behalf of ACAH and cash transferred between the Administrative Fund and ACAH.

16 OTHER CREDIT ARRANGEMENTS

The Corporation currently has certain outstanding debt obligations with which it has entered into standby bond purchase agreements to provide liquidity in the event of unremarketed tenders and/or bond insurance contracts to guarantee the payment of debt service. At June 30, 2015, the Corporation had unused standby bond purchase agreements of $488,315,000 and bond insurance of $78,485,000.

17 YIELD RESTRICTION AND ARBITRAGE REBATE

Most mortgages purchased with the proceeds of tax-exempt mortgage revenue bonds issued by the Corporation are subject to interest-rate yield restrictions of 1.125% to 1.500% over the yield of the bonds. These restrictions are in effect over the lives of the bonds. Most of the non-mortgage investments made under the Corporation's tax-exempt mortgage revenue bond programs are subject to rebate provisions or restricted as to yields. The rebate provisions require that a calculation be performed every five years and upon full retirement of the bonds to determine the amount, if any, of excess yield earned and owed to the Internal Revenue Service. The amount of excess earning arbitrage expensed for the year ended June 30, 2015 was $21,000. No arbitrage was paid for the year ended June 30, 2015.

18 STATE AUTHORIZATIONS AND COMMITMENTS

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

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

The projected amounts stated in the legislative intent language were based on the Corporation's financial operating plan and represent the total amount of anticipated State transfers and capital expenditures rather than projected "net income". Following are the details of AHFC's dividend to the State as of June 30, 2015, (in thousands):

	Dividend Due to State	Expenditures	Remaining Commitments
State General Fund Transfers	$ 788,921	$ (788,921)	$ -
State Capital Projects Debt Service	422,438	(412,071)	10,367
State of Alaska Capital Projects	253,761	(249,011)	4,750
AHFC Capital Projects	466,112	(434,731)	31,381
Total	$ 1,931,232	$ (1,884,734)	$ 46,498

Transfer Plan with the State

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

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

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

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

19 HOUSING GRANTS AND SUBSIDIES EXPENSES

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

	June 30, 2015
▪ Affordable Housing Development Program	$ -
▪ Alaska Corporation for Affordable Housing	-
▪ Beneficiaries and Special Needs Housing	611
▪ Continuum of Care Homeless Assistance	2,255
▪ Domestic Violence	1,580
▪ Drug Elimination	66
▪ Emergency Shelter Grant (ESG)	322
▪ Energy Efficiency Monitoring Research	470
▪ Energy Efficient Home Program	19,645
▪ HOME Investment Partnership	4,950
▪ Homeless Assistance Program	7,760
▪ Housing Choice Vouchers	29,370
▪ Housing Loan Program	6,437
▪ Housing Opportunities for Persons with AIDS	663
▪ Low Income Weatherization Assistance	37,085
▪ Low Income Home Energy Assistance	300
▪ Neighborhood Stabilization Program (NSP)	46
▪ Non-Elderly Disabled (NED)	270
▪ Parolees (TBRA)	432
▪ Section 8 Rehabilitaton	428
▪ Senior Citizen Housing Development Grant	3,417
▪ State Energy Program	34
▪ Supplemental Housing Grant	7,355
▪ Technical Assistance Grant	8
▪ Veterans Affairs Supportive Housing	1,514
▪ Youth (TBRA)	175
▪ Utility Allowance Payments for Low Rent	29
Total Housing Grants and Subsidies Expenses	$ 125,222

In addition to grant payments made, the Corporation had advanced grant funds of $14,631,000 and committed to third parties a sum of $98,402,000 in grant awards as of June 30, 2015.

20 OTHER FUNDS OR PROGRAMS

Other Funds and Programs include public-housing and other activities not reported elsewhere. These programs are funded from a combination of corporate receipts and external sources.

Other Funds and Programs

Low Rent includes the following programs for various low-income housing facilities administered by the Corporation under contract with HUD:

- Low Rent Management
- Modernization/Capital Fund Programs

Market Rate Rental Housing Programs consist of Corporate owned low-income housing facilities at various locations.

- Project Based Section 8
- Market Rate Rental

Home Ownership Fund includes the following program that provided assistance to borrowers for monthly mortgage payments. This fund is maintained due to statutory requirements. No borrowers are currently receiving assistance:

- Homeowner Assistance Program

21 ENERGY AND WEATHERIZATION ENERGY EFFICIENCY PROGRAMS

The 2008 Legislature authorized funding for the Corporation to expand the existing Weatherization program by $200,000,000 and create the new Energy Rebate Program with $160,000,000 to help Alaskans make their homes more energy efficient. The 2011, 2012, 2013 and 2014 Legislatures authorized additional funding for the Weatherization program of $62,500,000, $30,000,000, $30,000,000, and $27,500,000, respectively, and for the Energy Rebate Program of $37,500,000, $20,000,000, $20,000,000 and $15,000,000, respectively.

The Weatherization program helps homeowners with low-to-moderate incomes, living in owner-occupied homes or rental units, qualify for free weatherization upgrades performed through various providers or regional housing authorities. The Weatherization program is funded by federal, State and Corporate monies.

The Home Energy Rebate Program has no income limits and provides homeowners with reimbursements for specific energy-efficiency improvements. The more the home's energy efficiency improves, the greater the potential rebate. As of June 30, 2015, the Corporation had outstanding commitments of $25,558,000 and had paid out $191,172,000 in the rebate program to homeowners since the inception of the program. The $25,558,000 commitment amount represents the maximum amount each homeowner could be reimbursed, not necessarily the actual amount of each homeowner's reimbursement.

22 PENSION AND POST EMPLOYMENT HEALTHCARE PLANS

Description of Plans

As of June 30, 2015, 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 Pension and Post Employment Health Care 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 also 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.

Funding Policy:

Under State law, covered employees are required to contribute 6¾% 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% of annual covered salary. For the fiscal year 2015, 12.54% of covered salary is for the pension plan and 9.46% of covered salary is for the Post Employment Healthcare Plan.

Under AS39.35.255, the difference between the actuarial required contribution of 44.03% for the fiscal year 2015 and the employer rate of 22% was funded by the State. For the fiscal year 2015 the State contributed 42.41%. This is more than the difference between the actuarial rate and the employer rate. This reflects the additional $1,000,000,000 contribution to the pension plan required by SB 119.

The Corporation's contributions to the defined benefit post-employment healthcare plan for the year ended June 30, 2015, totaled $1,543,000 and for the years ended June 30, 2014, and June 30, 2013, totaled $1,953,000 and $2,197,000, respectively.

Pension Liabilities:
At June 30, 2015, the Corporation reported a liability for its proportionate share to the net pension liability in the amount of $28,368,000. This amount reflected a reduction for State pension support provided to the Corporation of $22,645,000. The total net pension liability associated with the Corporation was $51,013,000

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the new pension liability was determined by an actuarial valuation as of June 30, 2013 and rolled forward to June 30, 2014.

Pension Expense:
For the year ended June 30, 2015, the Corporation recognized pension expense of $3,473,000 and revenue of $1,217,000 for support provided by the State.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:
The Corporation's deferred outflows of resources related to pensions of $2,685,000 was due to a change in its proportionate share of contributions to the pension plan of $282,000 and contributions to the pension plan subsequent to the measurement date of $2,403,000.. The Corporation's deferred inflows of resources related to pension of $3,277,000 was due to a difference between expected versus actual investment returns.

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
2016	$ 2,620	$ (819)	$ 1,801
2017	65	(819)	(754)
2018	-	(819)	(819)
2019	-	(820)	(820)
	$ 2,685	$ (3,277)	$ (592)

Actuarial Assumptions
The total pension liability was determined by an actuarial valuation as of June 30, 2013, rolled forward to June 30, 2014. The valuation was prepared assuming an inflation rate of 3.12%. Salary increases were determined by grading by age and service to range from 3.62% to 9.60%. Investment rate of return was calculated at 8.00%, net of pension plan investment expenses, based on an average inflation rate of 3.12% and a real rate of return of 4.88%.

Mortality rates were based on the 1994 Group Annuity Mortality ("GAM") Table, sex distinct

The actuarial assumptions used in the June 30, 2013, actuarial valuation were based on the results of an actuarial experience study for the period from July1, 2005 to June 30, 2009, resulting in changes in actuarial assumptions adopted by the Alaska Retirement Management Board to better reflect expected future experience.

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

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2014 are summarized in the following table (note that the rates shown below exclude the inflation component):

Asset Class	Long-term Expected Real Rate of Return
Domestic Equity	6.77 %
International Equity	7.50
Private Equity	10.86
Fixed Income	2.05
Real Estate	3.63
Absolute Return	4.80

Discount rate:
The discount rate used to ensure the total pension liability was 8%. The projection of cash flows used to determine the discount rate assumed that the Corporation and non-employer State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Corporation's proportionate share of the net pension liability to changes in the discount rate.
The following presents the Corporations proportionate share of the net pension liability using the discount rate of 8% and what it would be if the discount was 1% (7%) lower or 1% higher (9%), (in thousands).

	1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
Corporation's proportionate share of the net pension liability	$20,934	$28,368	$37,196

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

Employee Benefits
There is no retirement age set, however taxes and penalties may apply if withdrawn prior to age 59 ½. Retirement benefits are equal to the Defined Contribution account balance plus interest. The employee may direct the investment of the account if so desired. The account balance is 100% of the employees 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. Disability benefits are also provided.

Funding Policy
Under State law, covered employees are required to contribute 8% of their annual covered salary. For the fiscal year 2015, the Corporation is required to contribute 5.22% of the annual covered salary to the pension plan.

Under State law, covered employees are not required to contribute to the post employment healthcare plan. For the fiscal year 2015, the Corporation is required to contribute 1.66% of the annual covered salary plus an annual flat dollar amount of $1,960.53 for each covered employee.

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, the Corporation must pay that additional amount. This additional amount is used to reduce the defined benefit plan's unfunded liability. For the year ended June 30, 2015, the Corporation paid additional contributions of $626,000. These contributions equal $357,000 for the defined benefit pension and $269,000 for the defined benefit post-employment healthcare plans.

The contributions to the pension plan for the year ended June 30, 2015, by the employees totaled $426,000 and by the Corporation totaled $278,000.

The Corporation contributed $267,000 to a health reimbursement arrangement for the year ended June 30, 2015.

23 OTHER COMMITMENTS AND CONTINGENCIES

Medical Self Insurance

During the fiscal year ended June 30, 1998, the Corporation began a program of self-insurance for employee medical benefits. Costs are billed directly to the Corporation by an Administrative Services Provider that processes all of the claims from the employees and their dependents. The Corporation has purchased a stop-loss policy that limits its liability to $175,000 per employee per year. The Corporation has provided for an estimate of the Incurred But Not Reported (IBNR) liability in the amount of $2,358,000 as of June 30, 2015.

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.

24 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 the Corporation is doing business with. This ensures that the party can adequately sustain any loss exposure, so the Corporation is not first-in-line in case of a loss. There have been no significant reductions in insurance coverage from the prior year, and settlements have not exceeded insurance coverage during the past three years.

25 CUMULATIVE EFFECT OF ACCOUNTING CHANGE

Beginning in fiscal year 2015, the Corporation implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions. This Statement requires employers to report a liability for their proportionate share of the collective pension costs and obligations for all benefits provided through the plan. At June 30, 2014, the Corporation's proportionate share of pension liability and deferred outflows of resources was $31,440,000 and $2,333,000, respectively. The net of these two amounts represents the cumulative effect of the accounting change on net position of the Corporation, a decrease of $29,107,000.

26 FIVE YEAR FINANCIAL INFORMATION

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

	June 30,				
	2015	2014	2013	2012	2011
Assets					
Cash	$ 50,348	$ 77,026	$ 59,207	$ 64,631	$ 73,411
Investments	816,244	1,063,200	1,218,693	1,231,890	1,362,107
Accrued interest receivable	11,606	12,357	11,559	12,423	13,305
Mortgage loans, notes and other loans	2,662,893	2,536,596	2,305,667	2,525,004	2,759,511
Net investment in direct financing lease	39,732	44,664	48,777	53,192	57,476
Unamortized bond issuance costs	-	-	10,855	14,110	16,880
Capital assets, net	116,057	120,248	125,483	125,366	121,968
Other assets	47,982	44,533	64,919	46,275	36,446
Derivative instrument - interest rate swaps		-	-	-	-
Total Assets	3,744,862	3,898,624	3,845,160	4,072,891	4,441,104
Deferred Outflow of Resources	171,440	156,579	136,070	215,757	100,936
Liabilities					
Bonds and notes payable	2,201,527	2,308,710	2,257,875	2,407,864	2,721,113
Short term debt	16,899	64,993	28,388	68,685	86,976
Accrued interest payable	9,397	10,147	9,947	11,323	12,688
Other liabilities	49,522	21,079	20,857	27,153	24,549
Derivative instrument - interest rate swaps	150,199	140,366	138,635	219,480	102,895
Total Liabilities	2,427,544	2,545,295	2,455,702	2,734,505	2,948,221
Deferred Inflow of Resources	3,277	-	-	-	-
Total Net Position	$ 1,485,481	$ 1,509,908	$ 1,525,528	$ 1,554,143	$ 1,593,819
Operating Revenues					
Mortgage and loans revenue	$ 126,140	$ 120,740	$ 125,059	$ 147,078	$ 164,242
Investment interest	4,388	6,532	6,385	6,793	8,454
Net change in fair value of investments	1,627	2,450	1,545	7,667	7,766
Net change of hedge termination	11	37	1,158	(1,765)	410
Total Investment Revenue	6,026	9,019	9,088	12,695	16,630
Externally funded programs	146,236	163,739	168,152	179,704	194,411
Rental	9,342	8,951	8,701	8,554	7,996
Other	2,355	5,637	4,325	3,147	2,416
Total Operating Revenues	290,099	308,086	315,325	351,178	385,695
Operating Expenses					
Interest	75,349	81,184	94,409	111,558	122,138
Mortgage and loan costs	11,327	9,442	10,098	11,131	11,587
Operations and administration	53,287	58,771	56,663	57,126	54,100
Financing expenses	5,064	4,415	12,419	7,807	8,692
Provision for loan loss	(5,741)	(5,688)	(4,753)	(1,542)	(6,673)
Housing grants and subsidies	125,222	149,188	150,460	179,194	196,168
Rental housing operating expenses	17,086	14,159	13,924	16,373	12,594
Total Operating Expenses	281,594	311,471	333,220	381,647	398,606
Operating Income (Loss)	8,505	(3,385)	(17,895)	(30,469)	(12,911)
Non-Operating & Special Item					
Contribution to State or State agency	(3,825)	(1,380)	(10,720)	(9,207)	(20,349)
Special item	-	-	-	-	3,088
Change in Net Position	$ 4,680	$ (4,765)	$ (28,615)	$ (39,676)	$ (30,172)

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

	2015	2014
The Corporation's proportion of the net pension liability (asset)	0.60821387%	0.59869601%
The Corporation's proportionate share of the net pension liability (asset)	$ 28,368	$ 31,440
State's proportionate share of the net pension liability (asset) associated with the Corporation	22,644	26,434
Total	$ 51,012	$ 57,874
The Corporation's covered employee payroll	$ 16,314	$ 17,189
The Corporation's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	138.80%	153.78%
Plan fiduciary net position as a percentage of the total pension liability	62.37%	56.04%

Information in this table is presented based on the Plan measurement date. For June 30, 2015, the plan measurement date is June 30, 2014.

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

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

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

This page intentionally left blank

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the Corporation's Contributions (in thousands)

	2015	2014
Contractually required contributions	$ 2,403	$ 2,128
Contributions in relation to the contractually required contributions	2,403	2,128
Contribution deficiency (excess)	-	-
The Corporation's covered employee payroll	16,314	17,189
Contributions as a percentage of covered-employee payroll	14.73%	12.38%

This table reports the Corporation's pension contributions to PERS during fiscal year 2015. Thes contributions are reported as a deferred outflow of resources on the June 30, 2015 basic financial statements.

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

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

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

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

COMBINED - ALL FUNDS

As of June 30, 2015

(in thousands of dollars)

	Combined Revolving Funds	Combined Mortgage Revenue Bonds	Combined Home Mortgage Revenue Bonds	Combined Veterans Mortgage Program Bonds
ASSETS				
Cash	24,342	-	-	-
Investments	658,951	41,606	27,173	11,710
Accrued interest receivable	2,286	916	2,779	441
Inter-fund due to/from	(22,672)	5,232	14,468	2,760
Mortgage loans, notes and other loans	142,688	290,393	769,870	75,769
Net investment in direct financing lease	-	-	-	-
Capital assets, non-depreciable	139	-	-	-
Capital assets - depreciable, net	4,138	-	-	-
Other assets	7,723	-	-	-
Derivative instrument - interest rate swaps	-	-	-	-
Intergovernmental receivable	446	-	-	-
Total Assets	818,041	338,147	814,290	90,680
DEFERRED OUTFLOW OF RESOURCES	2,685	-	134,250	-
LIABILITIES				
Bonds payable	-	283,120	563,767	56,855
Short term debt	16,899	-	-	-
Accrued interest payable	2,227	704	1,677	228
Other liabilities	37,437	85	232	33
Derivative instrument - interest rate swaps	-	-	126,056	-
Intergovernmental payable	-	-	-	-
Total Liabilities	56,563	283,909	691,732	57,116
DEFERRED INFLOW OF RESOURCES	3,277	-	-	-
NET POSITION				
Net investment in capital assets	4,277	-	-	-
Restricted by bond resolutions	-	54,238	256,808	33,564
Restricted by contractual or statutory agreements	70,185	-	-	-
Unrestricted or (deficit)	686,424	-	-	-
Total Net Position	760,886	54,238	256,808	33,564

Schedule 1

Combined Other Housing Bonds	Combined Non-Housing Bonds	Combined Other Programs	Combined Total
-	174	25,832	50,348
53,474	23,330	-	816,244
1,323	3,861	-	11,606
5,289	13,864	(18,941)	-
430,322	946,015	7,836	2,662,893
-	39,732	-	39,732
-	2,401	17,303	19,843
-	12,664	79,412	96,214
-	-	19,000	26,723
-	-	-	-
-	-	20,813	21,259
490,408	1,042,041	151,255	3,744,862
17,849	16,656	-	171,440
251,135	1,046,650	-	2,201,527
-	-	-	16,899
691	3,870	-	9,397
621	597	10,013	49,018
16,542	7,601	-	150,199
-	174	330	504
268,989	1,058,892	10,343	2,427,544
-	-	-	3,277
-	15,065	96,715	116,057
210,213	-	-	554,823
29,055	-	47,172	146,412
-	(15,260)	(2,975)	668,189
239,268	(195)	140,912	1,485,481

This page intentionally left blank

ALASKA HOUSING FINANCE CORPORATION

Schedule 2

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

REVOLVING FUNDS

As of June 30, 2015

(in thousands of dollars)

	Administrative Fund	Home Ownership Fund	Combined Total
ASSETS			
Cash	24,342	-	24,342
Investments	647,387	11,564	658,951
Accrued interest receivable	2,228	58	2,286
Inter-fund due to/from	(22,672)	-	(22,672)
Mortgage loans, notes and other loans	142,688	-	142,688
Net investment in direct financing lease	-	-	-
Capital assets - non-depreciable	139	-	139
Capital assets - depreciable, net	4,138	-	4,138
Other assets	7,723	-	7,723
Derivative instrument - interest rate swaps	-	-	-
Intergovernmental receivable	446	-	446
Total Assets	806,419	11,622	818,041
DEFERRED OUTFLOW OF RESOURCES	2,685	-	2,685
LIABILITIES			
Bonds payable	-	-	-
Short term debt	16,899	-	16,899
Accrued interest payable	2,227	-	2,227
Other liabilities	37,437	-	37,437
Derivative instrument - interest rate swaps	-	-	-
Intergovernmental payable	-	-	-
Total Liabilities	56,563	-	56,563
DEFERRED INFLOW OF RESOURCES	3,277	-	3,277
NET POSITION			
Net investment in capital assets	4,277	-	4,277
Restricted by bond resolutions	-	-	-
Restricted by contractual or statutory agreements	58,563	11,622	70,185
Unrestricted or (deficit)	686,424	-	686,424
Total Net Position	749,264	11,622	760,886

This page intentionally left blank

ALASKA HOUSING FINANCE CORPORATION

Schedule 3

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

FIRST TIME HOMEBUYERS PROGRAM

MORTGAGE REVENUE BONDS

As of June 30, 2015

(in thousands of dollars)

	Bonds 2009 A-1 2010 A, B	Bonds 2009 A-2 2011 A, B	Mortgage Revenue Bonds Combined Total
ASSETS			
Cash	-	-	-
Investments	19,630	21,976	41,606
Accrued interest receivable	365	551	916
Inter-fund due to/from	2,010	3,222	5,232
Mortgage loans, notes and other loans	106,703	183,690	290,393
Net investment in direct financing lease	-	-	-
Capital assets - non-depreciable	-	-	-
Capital assets - depreciable, net	-	-	-
Other assets	-	-	-
Derivative instrument - interest rate swaps	-	-	-
Intergovernmental receivable	-	-	-
Total Assets	128,708	209,439	338,147
DEFERRED OUTFLOW OF RESOURCES	-	-	-
LIABILITIES			
Bonds payable	118,435	164,685	283,120
Short term debt	-	-	-
Accrued interest payable	342	362	704
Other liabilities	33	52	85
Derivative instrument - interest rate swaps	-	-	-
Intergovernmental payable	-	-	-
Total Liabilities	118,810	165,099	283,909
DEFERRED INFLOW OF RESOURCES	-	-	-
NET POSITION			
Net investment in capital assets	-	-	-
Restricted by bond resolutions	9,898	44,340	54,238
Restricted by contractual or statutory agreements	-	-	-
Unrestricted or (deficit)	-	-	-
Total Net Position	9,898	44,340	54,238

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

FIRST TIME HOMEBUYERS PROGRAM

HOME MORTGAGE REVENUE BONDS

As of June 30, 2015

(in thousands of dollars)

	Bonds 2002 A,B	Bonds 2006 A	Bonds 2007 A	Bonds 2007 B
ASSETS				
Cash	-	-	-	-
Investments	14,225	-	1,672	1,618
Accrued interest receivable	449	-	293	312
Inter-fund due to/from	2,214	-	1,702	1,515
Mortgage loans, notes and other loans	107,914	-	86,348	86,051
Net investment in direct financing lease	-	-	-	-
Capital assets - non-depreciable	-	-	-	-
Capital assets - depreciable, net	-	-	-	-
Other assets	-	-	-	-
Derivative instrument - interest rate swaps	-	-	-	-
Intergovernmental receivable	-	-	-	-
Total Assets	124,802	-	90,015	89,496
DEFERRED OUTFLOW OF RESOURCES	7,009	-	19,760	19,740
LIABILITIES				
Bonds payable	81,767	-	75,000	75,000
Short term debt	-	-	-	-
Accrued interest payable	214	-	229	228
Other liabilities	38	-	27	27
Derivative instrument - interest rate swaps	7,010	-	18,289	18,268
Intergovernmental payable	-	-	-	-
Total Liabilities	89,029	-	93,545	93,523
DEFERRED INFLOW OF RESOURCES	-	-	-	-
NET POSITION				
Net investment in capital assets	-	-	-	-
Restricted by bond resolutions	42,782	-	16,230	15,713
Restricted by contractual or statutory agreements	-	-	-	-
Unrestricted or (deficit)	-	-	-	-
Total Net Position	42,782	-	16,230	15,713

Schedule 4

Bonds 2007 D	Bonds 2009 A	Bonds 2009 B	Bonds 2009 D	Home Mortgage Revenue Bonds Combined Total
-	-	-	-	-
2,354	2,306	2,454	2,544	27,173
420	398	373	534	2,779
1,983	1,880	3,088	2,086	14,468
110,136	119,757	127,062	132,602	769,870
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
114,893	124,341	132,977	137,766	814,290
23,308	21,652	21,567	21,214	134,250
89,370	80,880	80,880	80,870	563,767
-	-	-	-	-
273	221	220	292	1,677
35	32	31	42	232
21,504	20,488	20,403	20,094	126,056
-	-	-	-	-
111,182	101,621	101,534	101,298	691,732
-	-	-	-	-
-	-	-	-	-
27,019	44,372	53,010	57,682	256,808
-	-	-	-	-
-	-	-	-	-
27,019	44,372	53,010	57,682	256,808

This page intentionally left blank

ALASKA HOUSING FINANCE CORPORATION

Schedule 5

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

VETERANS MORTGAGE PROGRAM BONDS - STATE GUARANTEED

As of June 30, 2015

(in thousands of dollars)

	Collateralized Bonds 2006 First Series	Collateralized Bonds 2007 & 2008 First Series	Combined Total
ASSETS			
Cash	-	-	-
Investments	9,051	2,659	11,710
Accrued interest receivable	330	111	441
Inter-fund due to/from	2,031	729	2,760
Mortgage loans, notes and other loans	58,193	17,576	75,769
Net investment in direct financing lease	-	-	-
Capital assets - non-depreciable	-	-	-
Capital assets - depreciable, net	-	-	-
Other assets	-	-	-
Derivative instrument - interest rate swaps	-	-	-
Intergovernmental receivable	-	-	-
Total Assets	69,605	21,075	90,680
DEFERRED OUTFLOW OF RESOURCES	-	-	-
LIABILITIES			
Bonds payable	42,070	14,785	56,855
Short term debt	-	-	-
Accrued interest payable	166	62	228
Other liabilities	25	8	33
Derivative instrument - interest rate swaps	-	-	-
Intergovernmental payable	-	-	-
Total Liabilities	42,261	14,855	57,116
DEFERRED INFLOW OF RESOURCES	-	-	-
NET POSITION			
Net investment in capital assets	-	-	-
Restricted by bond resolutions	27,344	6,220	33,564
Restricted by contractual or statutory agreements	-	-	-
Unrestricted or (deficit)	-	-	-
Total Net Position	27,344	6,220	33,564

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

OTHER HOUSING BONDS

As of June 30, 2015

(in thousands of dollars)

	Senior Housing Revolving Loan Fund	Housing Development Bonds	General Mortgage Revenue Bonds II 2012 A & B	Governmental Purpose Bonds 1997 A
ASSETS				
Cash	-	-	-	-
Investments	17,073	-	5,101	7,274
Accrued interest receivable	112	-	448	43
Inter-fund due to/from	104	-	2,130	-
Mortgage loans, notes and other loans	11,769	-	197,386	14,749
Net investment in direct financing lease	-	-	-	-
Capital assets - non-depreciable	-	-	-	-
Capital assets - depreciable, net	-	-	-	-
Other assets	-	-	-	-
Derivative instrument - interest rate swaps	-	-	-	-
Intergovernmental receivable	-	-	-	-
Total Assets	29,058	-	205,065	22,066
DEFERRED OUTFLOW OF RESOURCES	-	-	1,307	-
LIABILITIES				
Bonds payable	-	-	129,082	14,600
Short term debt	-	-	-	-
Accrued interest payable	-	-	376	1
Other liabilities	3	-	42	-
Derivative instrument - interest rate swaps	-	-	-	-
Intergovernmental payable	-	-	-	-
Total Liabilities	3	-	129,500	14,601
DEFERRED INFLOW OF RESOURCES	-	-	-	-
NET POSITION				
Net investment in capital assets	-	-	-	-
Restricted by bond resolutions	-	-	76,872	7,465
Restricted by contractual or statutory agreements	29,055	-	-	-
Unrestricted or (deficit)	-	-	-	-
Total Net Position	29,055	-	76,872	7,465

Schedule 6

Governmental Purpose Bonds 2001 A-D	Combined Total
-	-
24,026	53,474
720	1,323
3,055	5,289
206,418	430,322
-	-
-	-
-	-
-	-
-	-
-	-
234,219	490,408
16,542	17,849
107,453	251,135
-	-
314	691
576	621
16,542	16,542
-	-
124,885	268,989
-	-
-	-
125,876	210,213
-	29,055
-	-
125,876	239,268

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

NON-HOUSING BONDS

As of June 30, 2015

(in thousands of dollars)

	State Capital Project Bonds 2002 A, B, C	State Capital Project Bonds 2006 A	State Capital Project Bonds 2007 A & B	State Capital Project Bonds 2011 A	State Capital Project Bonds II 2012 A & B
ASSETS					
Cash	-	-	121	-	-
Investments	4,447	2,552	680	1,236	1,843
Accrued interest receivable	222	145	57	315	378
Inter-fund due to/from	908	1,364	263	1,241	779
Mortgage loans, notes and other loans	45,639	37,678	9,132	76,075	87,081
Net investment in direct financing lease	-	-	33,167	-	-
Capital assets - non-depreciable	-	-	-	2,401	-
Capital assets - depreciable, net	-	-	-	12,664	-
Other assets	-	-	-	-	-
Derivative instrument - interest rate swaps	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-
Total Assets	51,216	41,739	43,420	93,932	90,081
DEFERRED OUTFLOW OF RESOURCES	5,085	-	1,112	-	-
LIABILITIES					
Bonds payable	45,700	38,570	40,579	78,223	96,343
Short term debt	-	-	-	-	-
Accrued interest payable	1,223	147	162	316	329
Other liabilities	17	9	4	24	17
Derivative instrument - interest rate swaps	7,601	-	-	-	-
Intergovernmental payable	-	-	121	-	-
Total Liabilities	54,541	38,726	40,866	78,563	96,689
DEFERRED INFLOW OF RESOURCES	-	-	-	-	-
NET POSITION					
Net investment in capital assets	-	-	-	15,065	-
Restricted by bond resolutions	-	-	-	-	-
Restricted by contractual or statutory agreements	-	-	-	-	-
Unrestricted or (deficit)	1,760	3,013	3,666	304	(6,608)
Total Net Position	1,760	3,013	3,666	15,369	(6,608)

State Capital Project Bonds II 2013 A & B	State Capital Project Bonds II 2014 A	State Capital Project Bonds II 2014 B	State Capital Project Bonds II 2014 C	State Capital Project Bonds II 2014 D	State Capital Project Bonds II 2015 A	State Capital Project Bonds II 2015 B	General Housing Purpose Bonds 2005 A	General Housing Purpose Bonds 2005 B & C	Combined Total
-	-	-	-	-	-	-	-	53	174
1,520	1,381	983	1,355	2,721	2,002	2,610	-	-	23,330
732	382	123	390	229	453	435	-	-	3,861
1,439	1,186	488	2,108	870	1,849	1,369	-	-	13,864
137,406	92,452	28,035	137,392	89,298	106,979	98,848	-	-	946,015
-	-	-	-	6,565	-	-	-	-	39,732
-	-	-	-	-	-	-	-	-	2,401
-	-	-	-	-	-	-	-	-	12,664
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
141,097	95,401	29,629	141,245	99,683	111,283	103,262	-	53	1,042,041
-	-	-	-	-	5,530	4,929	-	-	16,656
146,803	103,290	33,300	140,000	91,942	129,286	102,614	-	-	1,046,650
-	-	-	-	-	-	-	-	-	-
375	383	121	80	325	409	-	-	-	3,870
20	26	11	35	361	35	38	-	-	597
-	-	-	-	-	-	-	-	-	7,601
-	-	-	-	53	-	-	-	-	174
147,198	103,699	33,432	140,115	92,681	129,730	102,652	-	-	1,058,892
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	15,065
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
(6,101)	(8,298)	(3,803)	1,130	7,002	(12,917)	5,539	-	53	(15,260)
(6,101)	(8,298)	(3,803)	1,130	7,002	(12,917)	5,539	-	53	(195)

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

OTHER PROGRAM FUNDS

As of June 30, 2015

(in thousands of dollars)

	Energy Programs	Low Rent Program	Market Rate Rental Housing Programs	Section 8 Vouchers Programs
ASSETS				
Cash	1,202	8,152	10,718	4,100
Investments	-	-	-	-
Accrued interest receivable	-	-	-	-
Inter-fund due to/from	(8,644)	729	(880)	(2,869)
Mortgage loans, notes and other loans	-	-	-	-
Net investment in direct financing lease	-	-	-	-
Capital assets - non-depreciable	-	12,506	1,130	-
Capital assets - depreciable, net	-	60,424	18,950	38
Other assets	5,506	526	59	2,432
Derivative instrument - interest rate swaps	-	-	-	-
Intergovernmental receivable	12,513	19	-	130
Total Assets	10,577	82,356	29,977	3,831
DEFERRED OUTFLOW OF RESOURCES	-	-	-	-
LIABILITIES				
Bonds payable	-	-	-	-
Short term debt	-	-	-	-
Accrued interest payable	-	-	-	-
Other liabilities	4,837	877	244	114
Derivative instrument - interest rate swaps	-	-	-	-
Intergovernmental payable	-	330	-	-
Total Liabilities	4,837	1,207	244	114
DEFERRED INFLOW OF RESOURCES	-	-	-	-
NET POSITION				
Net investment in capital assets	-	72,930	20,080	38
Restricted by bond resolutions	-	-	-	-
Restricted by contractual or statutory agreements	7,207	8,430	9,653	3,360
Unrestricted or (deficit)	(1,467)	(211)	-	319
Total Net Position	5,740	81,149	29,733	3,717

Schedule 8

Other Grants	Alaska Corporation for Affordable Housing	Combined Total
193	1,467	25,832
-	-	-
-	-	-
(4,552)	(2,725)	(18,941)
-	7,836	7,836
-	-	-
-	3,667	17,303
-	-	79,412
10,474	3	19,000
-	-	-
8,151	-	20,813
14,266	10,248	151,255
-	-	-
-	-	-
-	-	-
-	-	-
3,936	5	10,013
-	-	-
-	-	330
3,936	5	10,343
-	-	-
-	3,667	96,715
-	-	-
10,686	7,836	47,172
(356)	(1,260)	(2,975)
10,330	10,243	140,912

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, 2015

(in thousands of dollars)

	Combined Revolving Funds	Combined Mortgage Revenue Bonds	Combined Home Mortgage Revenue Bonds	Combined Veterans Mortgage Program Bonds
OPERATING REVENUES				
Mortgage and loans revenue	9,429	13,114	35,760	4,833
Investment interest	531	106	189	30
Net change in the fair value of investments	1,585	-	-	-
Net change of hedge termination	-	-	-	-
Total Investment Revenue	2,116	106	189	30
Externally funded program	1,349	-	-	-
Rental	4	-	-	-
Other	1,740	-	-	-
Total Operating Revenues	14,638	13,220	35,949	4,863
OPERATING EXPENSES				
Interest	54	8,828	23,822	3,079
Mortgage and loan costs	2,308	1,225	3,033	378
Financing expenses	406	27	2,789	5
Provision for loan loss	643	(1,754)	(2,277)	(712)
Operations and administration	20,475	488	1,232	134
Rental housing operating expenses	25	-	-	-
Housing grants and subsidies	-	-	-	-
Total Operating Expenses	23,911	8,814	28,599	2,884
Operating Income (Loss)	(9,273)	4,406	7,350	1,979
NONOPERATING EXPENSES, SPECIAL ITEMS & TRANSFERS				
Contributions to the State of Alaska or other State agencies	(3,825)	-	-	-
Special Items	-	-	-	-
Transfers - Internal	12,524	341	(4,913)	139
Change in Net Position	(574)	4,747	2,437	2,118
Net position at beginning of year	790,567	49,491	254,371	31,446
Cumulative effect of accounting change	(29,107)	-	-	-
Revised net position at beginning of year	761,460	49,491	254,371	31,446
Net Position at End of Period	760,886	54,238	256,808	33,564

Schedule 9

Combined Other Housing Bonds	Combined Non-Housing Bonds	Combined Other Programs	Combined Total
18,410	44,594	-	126,140
1,542	1,975	15	4,388
(460)	502	-	1,627
-	11	-	11
1,082	2,488	15	6,026
-	-	144,887	146,236
-	-	9,338	9,342
-	-	615	2,355
19,492	47,082	154,855	290,099
8,747	30,819	-	75,349
1,487	2,896	-	11,327
186	1,651	-	5,064
(1,030)	(1,386)	775	(5,741)
695	1,914	28,349	53,287
-	-	17,061	17,086
-	-	125,222	125,222
10,085	35,894	171,407	281,594
9,407	11,188	(16,552)	8,505
-	-	-	(3,825)
-	-	-	-
(31,630)	(842)	24,381	-
(22,223)	10,346	7,829	4,680
261,491	(10,541)	133,083	1,509,908
-	-	-	(29,107)
261,491	(10,541)	133,083	1,480,801
239,268	(195)	140,912	1,485,481

This page intentionally left blank

ALASKA HOUSING FINANCE CORPORATION

Schedule 10

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

REVOLVING FUNDS

For the Year Ended June 30, 2015

(in thousands of dollars)

	Administrative Fund	Home Ownership Fund	Combined Total
OPERATING REVENUES			
Mortgage and loans revenue	9,429	-	9,429
Investment interest	289	242	531
Net change in the fair value of investments	1,796	(211)	1,585
Net change of hedge termination	-	-	-
Total Investment Revenue	2,085	31	2,116
Externally funded program	1,349	-	1,349
Rental	4	-	4
Other	1,740	-	1,740
Total Operating Revenues	14,607	31	14,638
OPERATING EXPENSES			
Interest	54	-	54
Mortgage and loan costs	2,308	-	2,308
Financing expenses	406	-	406
Provision for loan loss	643	-	643
Operations and administration	20,475	-	20,475
Rental housing operating expenses	25	-	25
Housing grants and subsidies	-	-	-
Total Operating Expenses	23,911	-	23,911
Operating Income (Loss)	(9,304)	31	(9,273)
NONOPERATING EXPENSES, SPECIAL ITEMS & TRANSFERS			
Contributions to the State of Alaska or other State agencies	(3,825)	-	(3,825)
Special Items	-	-	-
Transfers - Internal	12,488	36	12,524
Change in Net Position	(641)	67	(574)
Net position at beginning of year	779,012	11,555	790,567
Cumulative effect of accounting change	(29,107)	-	(29,107)
Revised net position at beginning of year	749,905	11,555	761,460
Net Position at End of Period	749,264	11,622	760,886

This page intentionally left blank

ALASKA HOUSING FINANCE CORPORATION

Schedule 11

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FIRST TIME HOMEBUYERS PROGRAM

MORTGAGE REVENUE BONDS

For the Year Ended June 30, 2015

(in thousands of dollars)

	Bonds 2009 A-1 2010 A, B	Bonds 2009 A-2 2011 A, B	Mortgage Revenue Bonds Combined Total
OPERATING REVENUES			
Mortgage and loans revenue	5,291	7,823	13,114
Investment interest	45	61	106
Net change in the fair value of investments	-	-	-
Net change of hedge termination	-	-	-
Total Investment Revenue	45	61	106
Externally funded program	-	-	-
Rental	-	-	-
Other	-	-	-
Total Operating Revenues	5,336	7,884	13,220
OPERATING EXPENSES			
Interest	4,222	4,606	8,828
Mortgage and loan costs	480	745	1,225
Financing expenses	11	16	27
Provision for loan loss	(726)	(1,028)	(1,754)
Operations and administration	180	308	488
Rental housing operating expenses	-	-	-
Housing grants and subsidies	-	-	-
Total Operating Expenses	4,167	4,647	8,814
Operating Income (Loss)	1,169	3,237	4,406
NONOPERATING EXPENSES, SPECIAL ITEMS & TRANSFERS			
Contributions to the State of Alaska or other State agencies	-	-	-
Special Items	-	-	-
Transfers - Internal	70	271	341
Change in Net Position	1,239	3,508	4,747
Net position at beginning of year	8,659	40,832	49,491
Cumulative effect of accounting change	-	-	-
Revised net position at beginning of year	8,659	40,832	49,491
Net Position at End of Period	9,898	44,340	54,238

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FIRST TIME HOMEBUYERS PROGRAM

HOME MORTGAGE REVENUE BONDS

For the Year Ended June 30, 2015

(in thousands of dollars)

	Bonds 2002 A,B	Bonds 2006 A	Bonds 2007 A	Bonds 2007 B
OPERATING REVENUES				
Mortgage and loans revenue	6,870	1,042	3,890	4,045
Investment interest	28	6	22	20
Net change in the fair value of investments	-	-	-	-
Net change of hedge termination	-	-	-	-
Total Investment Revenue	28	6	22	20
Externally funded program	-	-	-	-
Rental	-	-	-	-
Other	-	-	-	-
Total Operating Revenues	6,898	1,048	3,912	4,065
OPERATING EXPENSES				
Interest	5,167	695	2,832	2,834
Mortgage and loan costs	621	74	350	337
Financing expenses	1,182	5	128	136
Provision for loan loss	(608)	(344)	(164)	(133)
Operations and administration	189	24	132	133
Rental housing operating expenses	-	-	-	-
Housing grants and subsidies	-	-	-	-
Total Operating Expenses	6,551	454	3,278	3,307
Operating Income (Loss)	347	594	634	758
NONOPERATING EXPENSES, SPECIAL ITEMS & TRANSFERS				
Contributions to the State of Alaska or other State agencies	-	-	-	-
Special Items	-	-	-	-
Transfers - Internal	(448)	(6,120)	253	(478)
Change in Net Position	(101)	(5,526)	887	280
Net position at beginning of year	42,883	5,526	15,343	15,433
Cumulative effect of accounting change	-	-	-	-
Revised net position at beginning of year	42,883	5,526	15,343	15,433
Net Position at End of Period	42,782	-	16,230	15,713

Schedule 12

Bonds 2007 D	Bonds 2009 A	Bonds 2009 B	Bonds 2009 D	Home Mortgage Revenue Bonds Combined Total
5,091	4,474	4,851	5,497	35,760
27	26	28	32	189
-	-	-	-	-
-	-	-	-	-
27	26	28	32	189
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
5,118	4,500	4,879	5,529	35,949
3,374	2,977	2,972	2,971	23,822
431	368	396	456	3,033
168	637	97	436	2,789
(280)	(138)	(193)	(417)	(2,277)
170	183	197	204	1,232
-	-	-	-	-
-	-	-	-	-
3,863	4,027	3,469	3,650	28,599
1,255	473	1,410	1,879	7,350
-	-	-	-	-
-	-	-	-	-
450	542	(6)	894	(4,913)
1,705	1,015	1,404	2,773	2,437
25,314	43,357	51,606	54,909	254,371
-	-	-	-	-
25,314	43,357	51,606	54,909	254,371
27,019	44,372	53,010	57,682	256,808

This page intentionally left blank

ALASKA HOUSING FINANCE CORPORATION

Schedule 13

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

VETERANS MORTGAGE PROGRAM BONDS - STATE GUARANTEED

For the Year Ended June 30, 2015

(in thousands of dollars)

	Collateralized Bonds 2006 First Series	Collateralized Bonds 2007 & 2008 First Series	Combined Total
OPERATING REVENUES			
Mortgage and loans revenue	3,683	1,150	4,833
Investment interest	24	6	30
Net change in the fair value of investments	-	-	-
Net change of hedge termination	-	-	-
Total Investment Revenue	24	6	30
Externally funded program	-	-	-
Rental	-	-	-
Other	-	-	-
Total Operating Revenues	3,707	1,156	4,863
OPERATING EXPENSES			
Interest	2,273	806	3,079
Mortgage and loan costs	287	91	378
Financing expenses	4	1	5
Provision for loan loss	(558)	(154)	(712)
Operations and administration	103	31	134
Rental housing operating expenses	-	-	-
Housing grants and subsidies	-	-	-
Total Operating Expenses	2,109	775	2,884
Operating Income (Loss)	1,598	381	1,979
NONOPERATING EXPENSES, SPECIAL ITEMS & TRANSFERS			
Contributions to the State of Alaska or other State agencies	-	-	-
Special Items	-	-	-
Transfers - Internal	107	32	139
Change in Net Position	1,705	413	2,118
Net position at beginning of year	25,639	5,807	31,446
Cumulative effect of accounting change	-	-	-
Revised net position at beginning of year	25,639	5,807	31,446
Net Position at End of Period	27,344	6,220	33,564

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

OTHER HOUSING BONDS

For the Year Ended June 30, 2015

(in thousands of dollars)

	Senior Housing Revolving Loan Fund	Housing Development Bonds	General Mortgage Revenue Bonds II 2012 A & B	Governmental Purpose Bonds 1997 A
OPERATING REVENUES				
Mortgage and loans revenue	395	1,347	6,866	257
Investment interest	542	7	47	16
Net change in the fair value of investments	(460)	-	-	-
Net change of hedge termination	-	-	-	-
Total Investment Revenue	82	7	47	16
Externally funded program	-	-	-	-
Rental	-	-	-	-
Other	-	-	-	-
Total Operating Revenues	477	1,354	6,913	273
OPERATING EXPENSES				
Interest	-	4	4,469	6
Mortgage and loan costs	22	25	591	-
Financing expenses	-	1	28	33
Provision for loan loss	28	(452)	(219)	149
Operations and administration	11	36	304	21
Rental housing operating expenses	-	-	-	-
Housing grants and subsidies	-	-	-	-
Total Operating Expenses	61	(386)	5,173	209
Operating Income (Loss)	416	1,740	1,740	64
NONOPERATING EXPENSES, SPECIAL ITEMS & TRANSFERS				
Contributions to the State of Alaska or other State agencies	-	-	-	-
Special Items	-	-	-	-
Transfers - Internal	27	(29,861)	(1,051)	(21)
Change in Net Position	443	(28,121)	689	43
Net position at beginning of year	28,612	28,121	76,183	7,422
Cumulative effect of accounting change	-	-	-	-
Revised net position at beginning of year	28,612	28,121	76,183	7,422
Net Position at End of Period	29,055	-	76,872	7,465

Schedule 14

Governmental Purpose Bonds 2001 A-D	Combined Total
9,545	18,410
930	1,542
-	(460)
-	-
930	1,082
-	-
-	-
-	-
10,475	19,492
4,268	8,747
849	1,487
124	186
(536)	(1,030)
323	695
-	-
-	-
5,028	10,085
5,447	9,407
-	-
-	-
(724)	(31,630)
4,723	(22,223)
121,153	261,491
-	-
121,153	261,491
125,876	239,268

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

NON-HOUSING BONDS

For the Year Ended June 30, 2015

(in thousands of dollars)

	State Capital Project Bonds 2002 A, B, C	State Capital Project Bonds 2006 A	State Capital Project Bonds 2007 A & B	State Capital Project Bonds 2011 A	State Capital Project Bonds II 2012 A & B
OPERATING REVENUES					
Mortgage and loans revenue	2,558	4,615	2,781	3,750	5,866
Investment interest	9	20	1,404	19	16
Net change in the fair value of investments	-	-	-	-	-
Net change of hedge termination	11	-	-	-	-
Total Investment Revenue	20	20	1,404	19	16
Externally funded program	-	-	-	-	-
Rental	-	-	-	-	-
Other	-	-	-	-	-
Total Operating Revenues	2,578	4,635	4,185	3,769	5,882
OPERATING EXPENSES					
Interest	2,498	3,990	3,586	3,524	2,623
Mortgage and loan costs	203	354	184	294	283
Financing expenses	58	34	29	5	7
Provision for loan loss	(161)	(800)	(546)	(29)	(749)
Operations and administration	76	116	60	589	143
Rental housing operating expenses	-	-	-	-	-
Housing grants and subsidies	-	-	-	-	-
Total Operating Expenses	2,674	3,694	3,313	4,383	2,307
Operating Income (Loss)	(96)	941	872	(614)	3,575
NONOPERATING EXPENSES, SPECIAL ITEMS & TRANSFERS					
Contributions to the State of Alaska or other State agencies	-	-	-	-	-
Special Items	-	-	-	-	-
Transfers - Internal	5,749	335	(424)	14,727	(247)
Change in Net Position	5,653	1,276	448	14,113	3,328
Net position at beginning of year	(3,893)	1,737	3,218	1,256	(9,936)
Cumulative effect of accounting change	-	-	-	-	-
Revised net position at beginning of year	(3,893)	1,737	3,218	1,256	(9,936)
Net Position at End of Period	1,760	3,013	3,666	15,369	(6,608)

Schedule 15

State Capital Project Bonds II 2013 A & B	State Capital Project Bonds II 2014 A	State Capital Project Bonds II 2014 B	State Capital Project Bonds II 2014 C	State Capital Project Bonds II 2014 D	State Capital Project Bonds II 2015 A	State Capital Project Bonds II 2015 B	General Housing Purpose Bonds 2005 A	General Housing Purpose Bonds 2005 B & C	Combined Total
8,715	2,702	944	3,760	645	1,539	23	2,754	3,942	44,594
19	10	4	9	1	5	1	10	448	1,975
-	113	38	112	239	-	-	-	-	502
-	-	-	-	-	-	-	-	-	11
19	123	42	121	240	5	1	10	448	2,488
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
8,734	2,825	986	3,881	885	1,544	24	2,764	4,390	47,082
3,071	3,307	826	800	1,516	(110)	-	170	5,018	30,819
231	190	86	340	61	128	1	214	327	2,896
8	21	47	138	452	490	327	4	31	1,651
(573)	748	221	430	902	1,071	998	(1,602)	(1,296)	(1,386)
213	147	47	184	84	85	40	46	84	1,914
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
2,950	4,413	1,227	1,892	3,015	1,664	1,366	(1,168)	4,164	35,894
5,784	(1,588)	(241)	1,989	(2,130)	(120)	(1,342)	3,932	226	11,188
-	-								-
-	-	-	-	-	-	-	-	-	-
(13,693)	(4,600)	(3,490)	(859)	9,132	(12,797)	6,881	(8,179)	6,623	(842)
(7,909)	(6,188)	(3,731)	1,130	7,002	(12,917)	5,539	(4,247)	6,849	10,346
1,808	(2,110)	(72)	-	-	-	-	4,247	(6,796)	(10,541)
-	-	-	-	-	-	-	-	-	-
1,808	(2,110)	(72)	-	-	-	-	4,247	(6,796)	(10,541)
(6,101)	(8,298)	(3,803)	1,130	7,002	(12,917)	5,539	-	53	(195)

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, 2015

(in thousands of dollars)

	Energy Programs	Low Rent Program	Market Rate Rental Housing Programs	Section 8 Vouchers Programs
OPERATING REVENUES				
Mortgage and loans revenue	-	-	-	-
Investment interest	2	1	1	7
Net change in the fair value of investments	-	-	-	-
Net change of hedge termination	-	-	-	-
Total Investment Revenue	2	1	1	7
Externally funded program	59,864	14,974	2,169	38,474
Rental	-	7,026	2,281	-
Other	1	12	8	59
Total Operating Revenues	59,867	22,013	4,459	38,540
OPERATING EXPENSES				
Interest	-	-	-	-
Mortgage and loan costs	-	-	-	-
Financing expenses	-	-	-	-
Provision for loan loss	-	-	-	-
Operations and administration	4,056	12,842	3,217	4,830
Rental housing operating expenses	466	13,579	2,787	102
Housing grants and subsidies	57,534	29	-	33,770
Total Operating Expenses	62,056	26,450	6,004	38,702
Operating Income (Loss)	(2,189)	(4,437)	(1,545)	(162)
NONOPERATING EXPENSES, SPECIAL ITEMS & TRANSFERS				
Contributions to the State of Alaska or other State agencies	-	-	-	-
Special Items	-	-	-	-
Transfers - Internal	4,375	2,640	1,333	658
Change in Net Position	2,186	(1,797)	(212)	496
Net position at beginning of year	3,554	82,946	29,945	3,221
Cumulative effect of accounting change	-	-	-	-
Revised net position at beginning of year	3,554	82,946	29,945	3,221
Net Position at End of Period	5,740	81,149	29,733	3,717

Schedule 16

Other Grants	Alaska Corporation for Affordable Housing	Combined Total
-	-	-
-	4	15
-	-	-
-	-	-
-	4	15
29,406	-	144,887
-	31	9,338
535	-	615
29,941	35	154,855
-	-	-
-	-	-
-	-	-
-	775	775
3,279	125	28,349
120	7	17,061
33,889	-	125,222
37,288	907	171,407
(7,347)	(872)	(16,552)
-	-	-
-	-	-
7,552	7,823	24,381
205	6,951	7,829
10,125	3,292	133,083
-	-	-
10,125	3,292	133,083
10,330	10,243	140,912

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, 2015
(in thousands of dollars)

	Combined Revolving Funds	Combined Mortgage Revenue Bonds	Combined Home Mortgage Revenue Bonds	Combined Veterans Mortgage Program Bonds
Cash flows from operating activities:				
Interest income on mortgages and loans	5,321	12,050	33,177	4,480
Principal payments received on mortgages and loans	8,836	40,781	113,642	18,762
Disbursements to fund mortgages and loans	(457,716)	-	-	-
Receipt (payment) for loan transfers between funds	370,001	1,257	(101,355)	2,188
Mortgage and loan proceeds	431,852	-	-	-
Payment of mortgage and loan proceeds to funds	(422,818)	-	-	-
Payments to employees and other payroll disbursements	(25,607)	-	-	-
Payments for goods and services	(17,716)	-	(560)	-
Cash received for externally funded programs	1,759	-	-	-
Cash received for Federal HAP subsidies	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-
Interfund receipts (payments)	20,086	-	-	-
Grant payments to other agencies	(19,924)	-	-	-
Other operating cash receipts	23,648	-	-	-
Other operating cash payments	(1,598)	-	-	-
Net cash provided by (used for) operating activities	(83,876)	54,088	44,904	25,430
Cash flows from noncapital financing activities:				
Proceeds from the issuance of bonds	-	-	-	-
Principal paid on bonds	-	(25,575)	(50,375)	(16,600)
Payment to defease bonds	-	-	-	-
Payment of bond issuance costs	(1,285)	-	-	-
Interest paid	(57)	(8,859)	(21,637)	(3,144)
Proceeds from issuance of short term debt	326,552	-	-	-
Payment of short term debt	(374,643)	-	-	-
Contributions to the State of Alaska or other State agencies	(3,982)	-	-	-
Transfers (to) from other funds	63,335	-	2,057	-
Other cash payments	-	-	-	-
Net cash provided by (used for) noncapital financing activities	9,920	(34,434)	(69,955)	(19,744)
Cash flows from capital financing activities:				
Acquisition of capital assets	(4,009)	-	-	-
Proceeds from the disposal of capital assets	-	-	-	-
Proceeds from the issuance of capital notes	-	-	-	-
Principal paid on capital notes	-	-	-	-
Payment of bond issuance costs	-	-	-	-
Interest paid on capital notes	-	-	-	-
Proceeds from direct financing leases	-	-	-	-
Other cash payments	(29)	-	-	-
Net cash provided by (used for) capital financing activities	(4,038)	-	-	-
Cash flows from investing activities:				
Purchase of investments	(4,680,064)	(198,885)	(392,328)	(65,318)
Proceeds from maturity of investments	4,740,381	179,129	417,198	59,603
Interest received from investments	604	102	181	29
Net cash provided by (used for) investing activities	60,921	(19,654)	25,051	(5,686)
Net Increase (decrease) in cash	(17,073)	-	-	-
Cash at the beginning of year	41,415	-	-	-
Cash at the end of period	24,342	-	-	-
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	(9,273)	4,406	7,350	1,979
Adjustments:				
Depreciation expense	467	-	-	-
Provision for loan losses	643	(1,754)	(2,277)	(712)
Net change in the fair value of investments	(1,585)	-	-	-
Transfers between funds for operating activity	(29,189)	511	3,866	139
Interest received from investments	(604)	(102)	(181)	(29)
Interest paid	57	8,859	21,637	3,144
Changes in assets, liabilities and deferred resources:				
Net increase (decrease) in mortgages and loans	(78,879)	42,038	12,287	20,950
Net increase (decrease) in assets, liabilities and deferred resources	34,487	130	2,222	(41)
Net cash provided by (used for) operating activities	(83,876)	54,088	44,904	25,430

Combined Other Housing Bonds	Combined Non-Housing Bonds	Combined Other Programs	Combined Total
17,153	41,712	-	113,893
49,318	92,978	-	324,317
-	-	(7,631)	(465,347)
(53,666)	(218,425)	-	-
-	-	-	431,852
-	-	-	(422,818)
-	-	(13,324)	(38,931)
-	(2)	(11,003)	(29,281)
-	-	108,715	110,474
-	-	31,019	31,019
-	-	(33,935)	(33,935)
-	-	(20,086)	-
-	-	(75,703)	(95,627)
-	175	10,969	34,792
-	(228)	(448)	(2,274)
12,805	(83,790)	(11,427)	(41,866)
-	258,485	-	258,485
(62,735)	(195,125)	-	(350,410)
-	-	-	-
-	-	-	(1,285)
(8,563)	(35,425)	-	(77,685)
-	-	-	326,552
-	-	-	(374,643)
-	-	-	(3,982)
9,400	(76,774)	1,982	-
-	-	-	-
(61,898)	(48,839)	1,982	(222,968)
-	-	(147)	(4,156)
-	-	26	26
-	-	-	-
-	(12,990)	-	(12,990)
-	-	-	-
-	(2,872)	-	(2,872)
-	6,772	-	6,772
-	-	-	(29)
-	(9,090)	(121)	(13,249)
(343,607)	(802,474)	-	(6,482,676)
390,966	943,988	-	6,731,265
1,734	152	14	2,816
49,093	141,666	14	251,405
-	(53)	(9,552)	(26,678)
-	227	35,384	77,026
-	174	25,832	50,348
9,407	11,188	(16,552)	8,505
-	475	6,525	7,467
(1,030)	(1,386)	775	(5,741)
460	(502)	-	(1,627)
511	2,198	21,964	-
(1,734)	(152)	(14)	(2,816)
8,563	38,297	-	80,557
(4,348)	(125,447)	(7,631)	(141,030)
976	(8,461)	(16,494)	12,819
12,805	(83,790)	(11,427)	(41,866)

This page intentionally left blank

ALASKA HOUSING FINANCE CORPORATION ***Schedule 18***

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

REVOLVING FUNDS

For the Year Ended June 30, 2015

(in thousands of dollars)

	Administrative Fund	Home Ownership Fund	Combined Total
Cash flows from operating activities:			
Interest income on mortgages and loans	5,321	-	5,321
Principal payments received on mortgages and loans	8,836	-	8,836
Disbursements to fund mortgages and loans	(457,716)	-	(457,716)
Receipt (payment) for loan transfers between funds	370,001	-	370,001
Mortgage and loan proceeds	431,852	-	431,852
Payment of mortgage and loan proceeds to funds	(422,818)	-	(422,818)
Payments to employees and other payroll disbursements	(25,607)	-	(25,607)
Payments for goods and services	(17,716)	-	(17,716)
Cash received for externally funded programs	1,759	-	1,759
Cash received for Federal HAP subsidies	-	-	-
Payments for Federal HAP subsidies	-	-	-
Interfund receipts (payments)	20,086	-	20,086
Grant payments to other agencies	(19,924)	-	(19,924)
Other operating cash receipts	23,648	-	23,648
Other operating cash payments	(1,598)	-	(1,598)
Net cash provided by (used for) operating activities	(83,876)	-	(83,876)
Cash flows from noncapital financing activities:			
Proceeds from the issuance of bonds	-	-	-
Principal paid on bonds	-	-	-
Payment to defease bonds	-	-	-
Payment of bond issuance costs	(1,285)	-	(1,285)
Interest paid	(57)	-	(57)
Proceeds from issuance of short term debt	326,552	-	326,552
Payment of short term debt	(374,643)	-	(374,643)
Contributions to the State of Alaska or other State agencies	(3,982)	-	(3,982)
Transfers (to) from other funds	63,299	36	63,335
Other cash payments	-	-	-
Net cash provided by (used for) noncapital financing activities	9,884	36	9,920
Cash flows from capital financing activities:			
Acquisition of capital assets	(4,009)	-	(4,009)
Proceeds from the disposal of capital assets	-	-	-
Proceeds from the issuance of capital notes	-	-	-
Principal paid on capital notes	-	-	-
Payment of bond issuance costs	-	-	-
Interest paid on capital notes	-	-	-
Proceeds from direct financing leases	-	-	-
Other cash payments	(29)	-	(29)
Net cash provided by (used for) capital financing activities	(4,038)	-	(4,038)
Cash flows from investing activities:			
Purchase of investments	(4,657,588)	(22,476)	(4,680,064)
Proceeds from maturity of investments	4,718,603	21,778	4,740,381
Interest received from investments	325	279	604
Net cash provided by (used for) investing activities	61,340	(419)	60,921
Net Increase (decrease) in cash	(16,690)	(383)	(17,073)
Cash at the beginning of year	41,032	383	41,415
Cash at the end of period	24,342	-	24,342
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities			
Operating income (loss)	(9,304)	31	(9,273)
Adjustments:			
Depreciation expense	467	-	467
Provision for loan losses	643	-	643
Net change in the fair value of investments	(1,796)	211	(1,585)
Transfers between funds for operating activity	(29,189)	-	(29,189)
Interest received from investments	(325)	(279)	(604)
Interest paid	57	-	57
Changes in assets, liabilities and deferred resources:			
Net increase (decrease) in mortgages and loans	(78,879)	-	(78,879)
Net increase (decrease) in assets, liabilities and deferred resources	34,450	37	34,487
Net cash provided by (used for) operating activities	(83,876)	-	(83,876)

This page intentionally left blank

ALASKA HOUSING FINANCE CORPORATION *Schedule 19*

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

FIRST TIME HOMEBUYERS PROGRAM

MORTGAGE REVENUE BONDS

For the Year Ended June 30, 2015

(in thousands of dollars)

	Bonds 2009 A-1 2010 A, B	Bonds 2009 A-2 2011 A, B	Mortgage Revenue Bonds Combined Total
Cash flows from operating activities:			
Interest income on mortgages and loans	4,869	7,181	12,050
Principal payments received on mortgages and loans	16,659	24,122	40,781
Disbursements to fund mortgages and loans	-	-	-
Receipt (payment) for loan transfers between funds	529	728	1,257
Mortgage and loan proceeds	-	-	-
Payment of mortgage and loan proceeds to funds	-	-	-
Payments to employees and other payroll disbursements	-	-	-
Payments for goods and services	-	-	-
Cash received for externally funded programs	-	-	-
Cash received for Federal HAP subsidies	-	-	-
Payments for Federal HAP subsidies	-	-	-
Interfund receipts (payments)	-	-	-
Grant payments to other agencies	-	-	-
Other operating cash receipts	-	-	-
Other operating cash payments	-	-	-
Net cash provided by (used for) operating activities	22,057	32,031	54,088
Cash flows from noncapital financing activities:			
Proceeds from the issuance of bonds	-	-	-
Principal paid on bonds	(7,240)	(18,335)	(25,575)
Payment to defease bonds	-	-	-
Payment of bond issuance costs	-	-	-
Interest paid	(4,220)	(4,639)	(8,859)
Proceeds from issuance of short term debt	-	-	-
Payment of short term debt	-	-	-
Contributions to the State of Alaska or other State agencies	-	-	-
Transfers (to) from other funds	-	-	-
Other cash payments	-	-	-
Net cash provided by (used for) noncapital financing activities	(11,460)	(22,974)	(34,434)
Cash flows from capital financing activities:			
Acquisition of capital assets	-	-	-
Proceeds from the disposal of capital assets	-	-	-
Proceeds from the issuance of capital notes	-	-	-
Principal paid on capital notes	-	-	-
Payment of bond issuance costs	-	-	-
Interest paid on capital notes	-	-	-
Proceeds from direct financing leases	-	-	-
Other cash payments	-	-	-
Net cash provided by (used for) capital financing activities	-	-	-
Cash flows from investing activities:			
Purchase of investments	(87,388)	(111,497)	(198,885)
Proceeds from maturity of investments	76,747	102,382	179,129
Interest received from investments	44	58	102
Net cash provided by (used for) investing activities	(10,597)	(9,057)	(19,654)
Net Increase (decrease) in cash	-	-	-
Cash at the beginning of year	-	-	-
Cash at the end of period	-	-	-
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities			
Operating income (loss)	1,169	3,237	4,406
Adjustments:			
Depreciation expense	-	-	-
Provision for loan losses	(726)	(1,028)	(1,754)
Net change in the fair value of investments	-	-	-
Transfers between funds for operating activity	188	323	511
Interest received from investments	(44)	(58)	(102)
Interest paid	4,220	4,639	8,859
Changes in assets, liabilities and deferred resources:			
Net increase (decrease) in mortgages and loans	17,188	24,850	42,038
Net increase (decrease) in assets, liabilities and deferred resources	62	68	130
Net cash provided by (used for) operating activities	22,057	32,031	54,088

ALASKA HOUSING FINANCE CORPORATION
(A Component Unit of the State of Alaska)
STATEMENT OF CASH FLOWS
FIRST TIME HOMEBUYERS PROGRAM
HOME MORTGAGE REVENUE BONDS
For the Year Ended June 30, 2015
(in thousands of dollars)

	Bonds 2002 A,B	Bonds 2006 A	Bonds 2007 A	Bonds 2007 B
Cash flows from operating activities:				
Interest income on mortgages and loans	6,354	1,012	3,611	3,727
Principal payments received on mortgages and loans	17,485	4,672	13,049	11,333
Disbursements to fund mortgages and loans	-	-	-	-
Receipt (payment) for loan transfers between funds	4,968	309	(15,693)	(12,646)
Mortgage and loan proceeds	-	-	-	-
Payment of mortgage and loan proceeds to funds	-	-	-	-
Payments to employees and other payroll disbursements	-	-	-	-
Payments for goods and services	(560)	-	-	-
Cash received for externally funded programs	-	-	-	-
Cash received for Federal HAP subsidies	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-
Interfund receipts (payments)	-	-	-	-
Grant payments to other agencies	-	-	-	-
Other operating cash receipts	-	-	-	-
Other operating cash payments	-	-	-	-
Net cash provided by (used for) operating activities	28,247	5,993	967	2,414
Cash flows from noncapital financing activities:				
Proceeds from the issuance of bonds	-	-	-	-
Principal paid on bonds	(30,510)	(19,865)	-	-
Payment to defease bonds	-	-	-	-
Payment of bond issuance costs	-	-	-	-
Interest paid	(3,159)	(842)	(2,771)	(2,773)
Proceeds from issuance of short term debt	-	-	-	-
Payment of short term debt	-	-	-	-
Contributions to the State of Alaska or other State agencies	-	-	-	-
Transfers (to) from other funds	(1,321)	13,413	(522)	(2,180)
Other cash payments	-	-	-	-
Net cash provided by (used for) noncapital financing activities	(34,990)	(7,294)	(3,293)	(4,953)
Cash flows from capital financing activities:				
Acquisition of capital assets	-	-	-	-
Proceeds from the disposal of capital assets	-	-	-	-
Proceeds from the issuance of capital notes	-	-	-	-
Principal paid on capital notes	-	-	-	-
Payment of bond issuance costs	-	-	-	-
Interest paid on capital notes	-	-	-	-
Proceeds from direct financing leases	-	-	-	-
Other cash payments	-	-	-	-
Net cash provided by (used for) capital financing activities	-	-	-	-
Cash flows from investing activities:				
Purchase of investments	(73,369)	(27,552)	(37,542)	(37,225)
Proceeds from maturity of investments	80,085	28,846	39,848	39,745
Interest received from investments	27	7	20	19
Net cash provided by (used for) investing activities	6,743	1,301	2,326	2,539
Net Increase (decrease) in cash	-	-	-	-
Cash at the beginning of year	-	-	-	-
Cash at the end of period	-	-	-	-
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	347	594	634	758
Adjustments:				
Depreciation expense	-	-	-	-
Provision for loan losses	(608)	(344)	(164)	(133)
Net change in the fair value of investments	-	-	-	-
Transfers between funds for operating activity	734	(129)	357	292
Interest received from investments	(27)	(7)	(20)	(19)
Interest paid	3,159	842	2,771	2,773
Changes in assets, liabilities and deferred resources:				
Net increase (decrease) in mortgages and loans	22,453	4,981	(2,644)	(1,313)
Net increase (decrease) in assets, liabilities and deferred resources	2,189	56	33	56
Net cash provided by (used for) operating activities	28,247	5,993	967	2,414

Bonds 2007 D	Bonds 2009 A	Bonds 2009 B	Bonds 2009 D	Home Mortgage Revenue Bonds Combined Total
4,710	4,158	4,523	5,082	33,177
14,880	16,029	16,482	19,712	113,642
-	-	-	-	-
(17,393)	(18,842)	(19,188)	(22,870)	(101,355)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	(560)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
2,197	1,345	1,817	1,924	44,904
-	-	-	-	-
-	-	-	-	(50,375)
-	-	-	-	-
-	-	-	-	-
(3,301)	(2,932)	(2,927)	(2,932)	(21,637)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(1,838)	(1,048)	(1,992)	(2,455)	2,057
-	-	-	-	-
(5,139)	(3,980)	(4,919)	(5,387)	(69,955)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(63,138)	(45,835)	(50,505)	(57,162)	(392,328)
66,054	48,445	53,581	60,594	417,198
26	25	26	31	181
2,942	2,635	3,102	3,463	25,051
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,255	473	1,410	1,879	7,350
-	-	-	-	-
(280)	(138)	(193)	(417)	(2,277)
-	-	-	-	-
450	865	403	894	3,866
(26)	(25)	(26)	(31)	(181)
3,301	2,932	2,927	2,932	21,637
(2,513)	(2,813)	(2,706)	(3,158)	12,287
10	51	2	(175)	2,222
2,197	1,345	1,817	1,924	44,904

This page intentionally left blank

ALASKA HOUSING FINANCE CORPORATION *Schedule 21*

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

VETERANS MORTGAGE PROGRAM BONDS - STATE GUARANTEED

For the Year Ended June 30, 2015

(in thousands of dollars)

	Collateralized Bonds 2006 First Series	Collateralized Bonds 2007 & 2008 First Series	Combined Total
Cash flows from operating activities:			
Interest income on mortgages and loans	3,422	1,058	4,480
Principal payments received on mortgages and loans	14,800	3,962	18,762
Disbursements to fund mortgages and loans	-	-	-
Receipt (payment) for loan transfers between funds	1,985	203	2,188
Mortgage and loan proceeds	-	-	-
Payment of mortgage and loan proceeds to funds	-	-	-
Payments to employees and other payroll disbursements	-	-	-
Payments for goods and services	-	-	-
Cash received for externally funded programs	-	-	-
Cash received for Federal HAP subsidies	-	-	-
Payments for Federal HAP subsidies	-	-	-
Interfund receipts (payments)	-	-	-
Grant payments to other agencies	-	-	-
Other operating cash receipts	-	-	-
Other operating cash payments	-	-	-
Net cash provided by (used for) operating activities	20,207	5,223	25,430
Cash flows from noncapital financing activities:			
Proceeds from the issuance of bonds	-	-	-
Principal paid on bonds	(14,150)	(2,450)	(16,600)
Payment to defease bonds	-	-	-
Payment of bond issuance costs	-	-	-
Interest paid	(2,328)	(816)	(3,144)
Proceeds from issuance of short term debt	-	-	-
Payment of short term debt	-	-	-
Contributions to the State of Alaska or other State agencies	-	-	-
Transfers (to) from other funds	-	-	-
Other cash payments	-	-	-
Net cash provided by (used for) noncapital financing activities	(16,478)	(3,266)	(19,744)
Cash flows from capital financing activities:			
Acquisition of capital assets	-	-	-
Proceeds from the disposal of capital assets	-	-	-
Proceeds from the issuance of capital notes	-	-	-
Principal paid on capital notes	-	-	-
Payment of bond issuance costs	-	-	-
Interest paid on capital notes	-	-	-
Proceeds from direct financing leases	-	-	-
Other cash payments	-	-	-
Net cash provided by (used for) capital financing activities	-	-	-
Cash flows from investing activities:			
Purchase of investments	(52,084)	(13,234)	(65,318)
Proceeds from maturity of investments	48,332	11,271	59,603
Interest received from investments	23	6	29
Net cash provided by (used for) investing activities	(3,729)	(1,957)	(5,686)
Net Increase (decrease) in cash	-	-	-
Cash at the beginning of year	-	-	-
Cash at the end of period	-	-	-
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities			
Operating income (loss)	1,598	381	1,979
Adjustments:			
Depreciation expense	-	-	-
Provision for loan losses	(558)	(154)	(712)
Net change in the fair value of investments	-	-	-
Transfers between funds for operating activity	107	32	139
Interest received from investments	(23)	(6)	(29)
Interest paid	2,328	816	3,144
Changes in assets, liabilities and deferred resources:			
Net increase (decrease) in mortgages and loans	16,785	4,165	20,950
Net increase (decrease) in assets, liabilities and deferred resources	(30)	(11)	(41)
Net cash provided by (used for) operating activities	20,207	5,223	25,430

ALASKA HOUSING FINANCE CORPORATION
(A Component Unit of the State of Alaska)
STATEMENT OF CASH FLOWS
OTHER HOUSING BONDS
For the Year Ended June 30, 2015
(in thousands of dollars)

	Senior Housing Revolving Loan Fund	Housing Development Bonds	General Mortgage Revenue Bonds II 2012 A, B	Governmental Purpose Bonds 1997 A
Cash flows from operating activities:				
Interest income on mortgages and loans	375	1,446	6,334	244
Principal payments received on mortgages and loans	2,148	3,016	21,876	1,256
Disbursements to fund mortgages and loans	-	-	-	-
Receipt (payment) for loan transfers between funds	(3,737)	(4,312)	344	(2,500)
Mortgage and loan proceeds	-	-	-	-
Payment of mortgage and loan proceeds to funds	-	-	-	-
Payments to employees and other payroll disbursements	-	-	-	-
Payments for goods and services	-	-	-	-
Cash received for externally funded programs	-	-	-	-
Cash received for Federal HAP subsidies	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-
Interfund receipts (payments)	-	-	-	-
Grant payments to other agencies	-	-	-	-
Other operating cash receipts	-	-	-	-
Other operating cash payments	-	-	-	-
Net cash provided by (used for) operating activities	(1,214)	150	28,554	(1,000)
Cash flows from noncapital financing activities:				
Proceeds from the issuance of bonds	-	-	-	-
Principal paid on bonds	-	(100)	(57,435)	-
Payment to defease bonds	-	-	-	-
Payment of bond issuance costs	-	-	-	-
Interest paid	-	(5)	(4,664)	(6)
Proceeds from issuance of short term debt	-	-	-	-
Payment of short term debt	-	-	-	-
Contributions to the State of Alaska or other State agencies	-	-	-	-
Transfers (to) from other funds	(3,536)	(2,271)	31,848	-
Other cash payments	-	-	-	-
Net cash provided by (used for) noncapital financing activities	(3,536)	(2,376)	(30,251)	(6)
Cash flows from capital financing activities:				
Acquisition of capital assets	-	-	-	-
Proceeds from the disposal of capital assets	-	-	-	-
Proceeds from the issuance of capital notes	-	-	-	-
Principal paid on capital notes	-	-	-	-
Payment of bond issuance costs	-	-	-	-
Interest paid on capital notes	-	-	-	-
Proceeds from direct financing leases	-	-	-	-
Other cash payments	-	-	-	-
Net cash provided by (used for) capital financing activities	-	-	-	-
Cash flows from investing activities:				
Purchase of investments	(47,318)	(13,089)	(186,381)	(32,071)
Proceeds from maturity of investments	51,386	15,308	188,032	33,061
Interest received from investments	682	7	46	16
Net cash provided by (used for) investing activities	4,750	2,226	1,697	1,006
Net Increase (decrease) in cash	-	-	-	-
Cash at the beginning of year	-	-	-	-
Cash at the end of period	-	-	-	-
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	416	1,740	1,740	64
Adjustments:				
Depreciation expense	-	-	-	-
Provision for loan losses	28	(452)	(219)	149
Net change in the fair value of investments	460	-	-	-
Transfers between funds for operating activity	27	(105)	(4)	(21)
Interest received from investments	(682)	(7)	(46)	(16)
Interest paid	-	5	4,664	6
Changes in assets, liabilities and deferred resources:				
Net increase (decrease) in mortgages and loans	(1,589)	(1,296)	22,220	(1,244)
Net increase (decrease) in assets, liabilities and deferred resources	126	265	199	62
Net cash provided by (used for) operating activities	(1,214)	150	28,554	(1,000)

Schedule 22

Governmental Purpose Bonds 2001 A-D	Combined Total
8,754	17,153
21,022	49,318
-	-
(43,461)	(53,666)
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
(13,685)	12,805
-	-
(5,200)	(62,735)
-	-
-	-
(3,888)	(8,563)
-	-
-	-
-	-
(16,641)	9,400
-	-
(25,729)	(61,898)
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
(64,748)	(343,607)
103,179	390,966
983	1,734
39,414	49,093
-	-
-	-
-	-
5,447	9,407
-	-
(536)	(1,030)
-	460
614	511
(983)	(1,734)
3,888	8,563
(22,439)	(4,348)
324	976
(13,685)	12,805

ALASKA HOUSING FINANCE CORPORATION
(A Component Unit of the State of Alaska)
STATEMENT OF CASH FLOWS
NON-HOUSING BONDS
For the Year Ended June 30, 2015
(in thousands of dollars)

	State Capital Project Bonds 2002 A,B,C	State Capital Project Bonds 2006 A	State Capital Project Bonds 2007 A & B	State Capital Project Bonds 2011 A	State Capital Project Bonds II 2012 A & B
Cash flows from operating activities:					
Interest income on mortgages and loans	2,373	4,346	2,584	3,520	5,860
Principal payments received on mortgages and loans	6,257	13,278	4,755	11,023	10,108
Disbursements to fund mortgages and loans	-	-	-	-	-
Receipt (payment) for loan transfers between funds	(555)	(13,325)	(3,568)	(11,675)	(5,975)
Mortgage and loan proceeds	-	-	-	-	-
Payment of mortgage and loan proceeds to funds	-	-	-	-	-
Payments to employees and other payroll disbursements	-	-	-	-	-
Payments for goods and services	-	-	(2)	-	-
Cash received for externally funded programs	-	-	-	-	-
Cash received for Federal HAP subsidies	-	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-	-
Interfund receipts (payments)	-	-	-	-	-
Grant payments to other agencies	-	-	-	-	-
Other operating cash receipts	-	-	122	-	-
Other operating cash payments	-	-	(137)	-	-
Net cash provided by (used for) operating activities	8,075	4,299	3,754	2,868	9,993
Cash flows from noncapital financing activities:					
Proceeds from the issuance of bonds	-	-	-	-	-
Principal paid on bonds	(354)	(1,910)	(3,685)	(1,688)	(53,945)
Payment to defease bonds	-	-	-	-	-
Payment of bond issuance costs	-	-	-	-	-
Interest paid	(436)	(3,998)	(3,672)	(3,344)	(4,033)
Proceeds from issuance of short term debt	-	-	-	-	-
Payment of short term debt	-	-	-	-	-
Contributions to the State of Alaska or other State agencies	-	-	-	-	-
Transfers (to) from other funds	-	1,361	-	477	47,279
Other cash payments	-	-	-	-	-
Net cash provided by (used for) noncapital financing activities	(790)	(4,547)	(7,357)	(4,555)	(10,699)
Cash flows from capital financing activities:					
Acquisition of capital assets	-	-	-	-	-
Proceeds from the disposal of capital assets	-	-	-	-	-
Proceeds from the issuance of capital notes	-	-	-	-	-
Principal paid on capital notes	(4,706)	-	-	(252)	-
Payment of bond issuance costs	-	-	-	-	-
Interest paid on capital notes	(2,167)	-	-	(500)	-
Proceeds from direct financing leases	-	-	3,305	-	-
Other cash payments	-	-	-	-	-
Net cash provided by (used for) capital financing activities	(6,873)	-	3,305	(752)	-
Cash flows from investing activities:					
Purchase of investments	(25,981)	(64,870)	(29,441)	(59,922)	(102,501)
Proceeds from maturity of investments	25,561	65,098	29,716	62,343	103,192
Interest received from investments	8	20	8	18	15
Net cash provided by (used for) investing activities	(412)	248	283	2,439	706
Net Increase (decrease) in cash	-	-	(15)	-	-
Cash at the beginning of year	-	-	136	-	-
Cash at the end of period	-	-	121	-	-
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities					
Operating income (loss)	(96)	941	872	(614)	3,575
Adjustments:					
Depreciation expense	-	-	-	475	-
Provision for loan losses	(161)	(800)	(546)	(29)	(749)
Net change in the fair value of investments	-	-	-	-	-
Transfers between funds for operating activity	202	783	(134)	215	(560)
Interest received from investments	(8)	(20)	(8)	(18)	(15)
Interest paid	2,603	3,998	3,672	3,844	4,033
Changes in assets, liabilities and deferred resources:					
Net increase (decrease) in mortgages and loans	5,702	(47)	1,187	(652)	4,133
Net increase (decrease) in assets, liabilities and deferred resources	(167)	(556)	(1,289)	(353)	(424)
Net cash provided by (used for) operating activities	8,075	4,299	3,754	2,868	9,993

State Capital Project Bonds II 2013 A & B	State Capital Project Bonds II 2014 A	State Capital Project Bonds II 2014 B	State Capital Project Bonds II 2014 C	State Capital Project Bonds II 2014 D	State Capital Project Bonds II 2015 A	State Capital Project Bonds II 2015 B	General Housing Purpose Bonds 2005 A	General Housing Purpose Bonds 2005 B & C	Combined Total
8,349	2,457	875	3,199	542	1,257	-	2,531	3,819	41,712
6,971	7,264	2,791	6,896	622	4,329	-	7,901	10,783	92,978
-	-	-	-	-	-	-	-	-	-
(14,815)	(9,044)	(3,198)	(48,140)	(91,409)	(3,587)	-	(2,902)	(10,232)	(218,425)
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	(2)
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	53	175
-	-	-	-	-	-	-	-	(91)	(228)
505	677	468	(38,045)	(90,245)	1,999	-	7,530	4,332	(83,790)
-	-	-	140,000	92,970	10,430	15,085	-	-	258,485
-	-	(100)	-	-	-	-	(125,838)	(7,605)	(195,125)
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
(4,489)	(4,594)	(1,408)	(720)	(2,220)	-	-	(3,216)	(3,295)	(35,425)
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
957	(97,675)	(32,100)	(100,000)	1,977	(10,430)	(12,475)	129,722	(5,867)	(76,774)
-	-	-	-	-	-	-	-	-	-
(3,532)	(102,269)	(33,608)	39,280	92,727	-	2,610	668	(16,767)	(48,839)
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(8,032)	-	(12,990)
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(205)	-	(2,872)
-	-	-	-	-	-	-	-	3,467	6,772
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(8,237)	3,467	(9,090)
(61,625)	(137,507)	(49,181)	(66,400)	(99,518)	(28,309)	(2,610)	(20,847)	(53,762)	(802,474)
64,634	239,090	82,317	65,158	97,036	26,307	-	20,876	62,660	943,988
18	9	4	7	-	3	-	10	32	152
3,027	101,592	33,140	(1,235)	(2,482)	(1,999)	(2,610)	39	8,930	141,666
-	-	-	-	-	-	-	-	(38)	(53)
-	-	-	-	-	-	-	-	91	227
-	-	-	-	-	-	-	-	53	174
5,784	(1,588)	(241)	1,989	(2,130)	(120)	(1,342)	3,932	226	11,188
-	-	-	-	-	-	-	-	-	475
(573)	748	221	430	902	1,071	998	(1,602)	(1,296)	(1,386)
-	(113)	(38)	(112)	(239)	-	-	-	-	(502)
171	1,438	498	775	173	807	26	(2,226)	30	2,198
(18)	(9)	(4)	(7)	-	(3)	-	(10)	(32)	(152)
4,489	4,594	1,408	720	2,220	-	-	3,421	3,295	38,297
(7,844)	(1,780)	(407)	(41,244)	(90,787)	742	-	4,999	551	(125,447)
(1,504)	(2,613)	(969)	(596)	(384)	(498)	318	(984)	1,558	(8,461)
505	677	468	(38,045)	(90,245)	1,999	-	7,530	4,332	(83,790)

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, 2015
(in thousands of dollars)

	Energy Programs	Low Rent Program	Market Rate Rental Housing Programs	Section 8 Vouchers Programs
Cash flows from operating activities:				
Interest income on mortgages and loans	-	-	-	-
Principal payments received on mortgages and loans	-	-	-	-
Disbursements to fund mortgages and loans	-	-	-	-
Receipt (payment) for loan transfers between funds	-	-	-	-
Mortgage and loan proceeds	-	-	-	-
Payment of mortgage and loan proceeds to funds	-	-	-	-
Payments to employees and other payroll disbursements	(1,038)	(7,010)	(1,630)	(3,083)
Payments for goods and services	(1,574)	(6,816)	(1,469)	(372)
Cash received for externally funded programs	57,413	15,879	2,168	5,048
Cash received for Federal HAP subsidies	-	-	-	31,019
Payments for Federal HAP subsidies	-	-	-	(33,935)
Interfund receipts (payments)	(4,644)	(13,910)	84	(1,938)
Grant payments to other agencies	(50,348)	-	-	(31)
Other operating cash receipts	30	7,177	2,324	561
Other operating cash payments	-	(140)	(4)	(304)
Net cash provided by (used for) operating activities	(161)	(4,820)	1,473	(3,035)
Cash flows from noncapital financing activities:				
Proceeds from the issuance of bonds	-	-	-	-
Principal paid on bonds	-	-	-	-
Payment to defease bonds	-	-	-	-
Payment of bond issuance costs	-	-	-	-
Interest paid	-	-	-	-
Proceeds from issuance of short term debt	-	-	-	-
Payment of short term debt	-	-	-	-
Contributions to the State of Alaska or other State agencies	-	-	-	-
Transfers (to) from other funds	-	(3,385)	(1)	117
Other cash payments	-	-	-	-
Net cash provided by (used for) noncapital financing activities	-	(3,385)	(1)	117
Cash flows from capital financing activities:				
Acquisition of capital assets	-	(40)	(80)	(27)
Proceeds from the disposal of capital assets	-	10	8	8
Proceeds from the issuance of capital notes	-	-	-	-
Principal paid on capital notes	-	-	-	-
Payment of bond issuance costs	-	-	-	-
Interest paid on capital notes	-	-	-	-
Proceeds from direct financing leases	-	-	-	-
Other cash payments	-	-	-	-
Net cash provided by (used for) capital financing activities	-	(30)	(72)	(19)
Cash flows from investing activities:				
Purchase of investments	-	-	-	-
Proceeds from maturity of investments	-	-	-	-
Interest received from investments	2	1	1	7
Net cash provided by (used for) investing activities	2	1	1	7
Net Increase (decrease) in cash	(159)	(8,234)	1,401	(2,930)
Cash at the beginning of year	1,361	16,386	9,317	7,030
Cash at the end of period	1,202	8,152	10,718	4,100
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	(2,189)	(4,437)	(1,545)	(162)
Adjustments:				
Depreciation expense	-	5,275	1,235	15
Provision for loan losses	-	-	-	-
Net change in the fair value of investments	-	-	-	-
Transfers between funds for operating activity	4,375	5,771	1,152	542
Interest received from investments	(2)	(1)	(1)	(7)
Interest paid	-	-	-	-
Changes in assets, liabilities and deferred resources:				
Net increase (decrease) in mortgages and loans	-	-	-	-
Net increase (decrease) in assets, liabilities and deferred resources	(2,345)	(11,428)	632	(3,423)
Net cash provided by (used for) operating activities	(161)	(4,820)	1,473	(3,035)

Other Grants	Alaska Corporation for Affordable Housing	Combined Total
-	-	-
-	-	-
-	(7,631)	(7,631)
-	-	-
-	-	-
-	-	-
(563)	-	(13,324)
(761)	(11)	(11,003)
28,207	-	108,715
-	-	31,019
-	-	(33,935)
(2,061)	2,383	(20,086)
(25,324)	-	(75,703)
849	28	10,969
-	-	(448)
347	(5,231)	(11,427)
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
(157)	5,408	1,982
-	-	-
(157)	5,408	1,982
-	-	(147)
-	-	26
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	(121)
-	-	-
-	-	-
-	3	14
-	3	14
190	180	(9,552)
3	1,287	35,384
193	1,467	25,832
(7,347)	(872)	(16,552)
-	-	6,525
-	775	775
-	-	-
7,709	2,415	21,964
-	(3)	(14)
-	-	-
-	(7,631)	(7,631)
(15)	85	(16,494)
347	(5,231)	(11,427)

This page intentionally left blank

Alaska Housing Finance Corporation
(A Component Unit of the State of Alaska)

Federal Financial Assistance Reports
Year Ended June 30, 2015

This report was issued by BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of BDO International Limited, a UK company limited by guarantee.

Alaska Housing Finance Corporation
(A Component Unit of the State of Alaska)

Federal Financial Assistance Reports
Year Ended June 30, 2015

Alaska Housing Finance Corporation
(A Component Unit of the State of Alaska)

Contents

	Page
Single Audit Section	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*	1-2
Independent Auditor's Report on Compliance For Each Major Federal Program; Report on Internal Control over Compliance; Report on Schedule of Expenditures of Federal Awards Required by *OMB Circular A-133;* and Report on Actual Modernization Cost Certificates Required by *Department of Housing and Urban Development Public Housing Capital Fund Program*	3-5
Schedule of Expenditures of Federal Awards	8-9
Notes to Schedule of Expenditures of Federal Awards	10
Actual Modernization Cost Certificates	11-23
Schedule of Findings and Questioned Costs	24-25
Summary Schedule of Prior Audit Findings	26
Corrective Action Plan	27

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

3601 C Street, Suite 600
Anchorage, AK 99503

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Board of Directors
Alaska Housing Finance Corporation

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of Alaska Housing Finance Corporation, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Alaska Housing Finance Corporation's basic financial statements, and have issued our report thereon dated December 11, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Alaska Housing Finance Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Alaska Housing Finance Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of Alaska Housing Finance Corporation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Alaska Housing Finance Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Alaska Housing Finance Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Alaska Housing Finance Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDO USA, LLP

Anchorage, Alaska
December 11, 2015

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

3601 C Street, Suite 600
Anchorage, AK 99503

Independent Auditor's Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133; and Report on Actual Modernization Cost Certificates required by *Department of Housing and Urban Development Public Housing Capital Fund Program*

Board of Directors
Alaska Housing Finance Corporation

Report on Compliance for Each Major Federal Program

We have audited Alaska Housing Finance Corporation's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Alaska Housing Finance Corporation's major federal programs for the year ended June 30, 2015. Alaska Housing Finance Corporation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Alaska Housing Finance Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Alaska Housing Finance Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Alaska Housing Finance Corporation's compliance.

Opinion on Each Major Federal Program

In our opinion, Alaska Housing Finance Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

Report on Internal Control Over Compliance

Management of Alaska Housing Finance Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Alaska Housing Finance Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Alaska Housing Finance Corporation's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2015-001 that we consider to be a material weakness.

Management's response to the internal control over compliance finding 2015-001 identified in our audit is described in the accompanying corrective action plan. Management's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133 and Report on Actual Modernization Cost Certificates required by Department of Housing and Urban Development Public Housing Capital Fund Program

We have audited the financial statements of Alaska Housing Finance Corporation as of and for the year ended June 30, 2015, and have issued our report thereon dated December 11, 2015, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and actual modernization cost certificates are presented for purposes of additional analysis as required by OMB Circular A-133 and the Public Housing Capital Fund program, respectively, and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

BDO USA, LLP

Anchorage, Alaska
December 11, 2015

This page intentionally left blank.

Schedule

Alaska Housing Finance Corporation
(A Component Unit of the State of Alaska)

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

	Catalog of Federal Domestic Assistance Number	Moving To Work Program Components	Loan Guarantees	**Federal** Expenditures	Amounts Provided to Subrecipients
Department of Agriculture					
Direct program -					
Very Low to Moderate Income Housing Loans	10.410				
Cash Claims Paid			$ 151,076		$ -
At Risk Loan Balance at Fiscal Year End			162,302,357		-
Total Department of Agriculture				$ 162,453,433	-
Department of Housing and Urban Development					
Direct programs:					
Mortgage Insurance - Homes	14.117				
Cash Claims Paid			4,698,526		-
At Risk Loan Balance at Fiscal Year End			351,444,484		-
Total for CFDA				356,143,010	
Section 8 Project-Based Cluster:					
Section 8 Housing Assistance Payments Program	14.195			2,167,690	-
Section 8 Moderate Rehabilitaition Single Room Occupancy	14.249			501,437	427,371
Total Section 8 Project-Based Cluster:				2,669,127	
Community Development Block Grants/Entitlement Grants	14.218			-	-
Emergency Solutions Grants Program	14.231			282,393	235,296
Supportive Housing Program	14.235			-	-
Shelter Plus Care	14.238			-	-
Home Investment Partnerships Program	14.239			4,179,251	4,179,251
Housing Opportunities for Persons With AIDS	14.241			595,736	535,143
Continuum of Care (COC) Program	14.267			1,159,349	1,033,111
Public and Indian Housing-Indian Loan Guarantee Program	14.865				
Cash Claims Paid			664,836		-
At Risk Loan Balance at Fiscal Year End			156,807,145		-
Total for CFDA				157,471,981	
Section 8 Housing Choice Vouchers:	14.871				
Veterans Affairs Supportive Housing				1,514,389	-
Non-Elderly Disabled				269,797	-
Total for CFDA				1,784,186	
Moving to Work Demonstration Program	14.881				
Public and Indian Housing (14.850)		$ 9,569,307			-
Housing Choice Vouchers (14.871)		34,890,144			-
Public Housing Capital Fund (14.872)		5,125,624			-
Total for CFDA				49,585,075	
Public Housing Family Self-Sufficiency under Resident Opportunity and Supportive Services	14.877			191,459	-
Total Department of Housing and Urban Development				574,061,567	6,410,172

See accompanying notes to Schedule of Expeditures of Federal Awards.

Alaska Housing Finance Corporation
(A Component Unit of the State of Alaska)

Schedule of Expenditures of Federal Awards, continued

	Catalog of Federal Domestic Assistance Number	Moving To Work Program Components	Loan Guarantees	Expenditures	Amounts Passed-Through to Subrecipients
Department of Veteran Affairs					
Direct program -					
Veterans Housing - Guaranteed and Insured Loans	64.114				
Cash Claims Paid			$ 4,197,268		$ -
At Risk Loan Balance at Fiscal Year End			73,372,760		-
Total Department of Veteran Affairs				$ 77,570,028	-
Department of Energy					
Direct programs:					
State Energy Program:	81.041				
State Energy Conservation				109,947	-
Weatherization Assistance for Low-Income Persons:	81.042				
Weatherization Assistance for Low-Income Persons				1,275,192	1,178,678
Total for CFDA				1,275,192	-
State Energy Program Special Projects	81.119			190,079	-
Total Department of Energy				1,575,218	-
Total Expenditures of Federal Awards				$ 815,660,246	$ 7,588,850

See accompanying notes to Schedule of Expeditures of Federal Awards.

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Alaska Housing Finance Corporation (the Corporation) under programs of the federal government for the year ended June 30, 2015. The information in this Schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the Corporation, it is not intended to and does not present the net position, changes in net position or cash flows of the Corporation.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Loan Guarantee Programs

During the fiscal year ended June 30, 2015, the Corporation owned mortgage loans with various federal insurance and guarantee agreements covering future losses. Coverage under the Veterans Affairs Mortgage Guarantee is subject to a loss limit. The principal balances of loans covered under these federal programs at June 30, 2015, are:

June 30, 2015		
Housing and Urban Development FHA Mortgage Insurance	$	351,444,484
Housing and Urban Development Loan Guarantees for Indian Housing		156,807,145
Department of Veterans Affairs Mortgage Guarantees		206,744,453
Farmers Home Administration Mortgage Insurance		165,549,204
	$	880,545,286

4. Petroleum Violation Escrow

Department of Energy (DOE) programs have been traditionally funded in part by Petroleum Violation Escrow (PVE) funds. These expenditures are not included in the schedule of expenditure of federal awards. PVE funds represent the State of Alaska's share of settlement proceeds in various lawsuits between the Federal Government and oil producers. During the year ended June 30, 2015, the Corporation expended $161,208 from the trust fund in support of DOE programs.

Actual Modernization Cost Certificate

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0157 (exp. 1/31/2017)

Comprehensive Improvement Assistance Program (CIAP)
Comprehensive Grant Program (CGP)

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Paperwork Reduction Project (2577-0044 and 0157), Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Do not send this form to the above address.

This collection of information requires that each Housing Authority (HA) submit information to enable HUD to initiate the fiscal closeout process. The information will be used by HUD to determine whether the modernization grant is ready to be audited and closed out. The information is essential for audit verification and fiscal close out. Responses to the collection are required by regulation. The information requested does not lend itself to confidentiality.

HA Name:	Modernization Project Number:
Alaska Housing Finance Corporation	AK06R001501-06

The HA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Modernization Grant, is as shown below:

A. Original Funds Approved	$176,769.00
B. Funds Disbursed	$176,769.00
C. Funds Expended (Actual Modernization Cost)	$176,769.00
D. Amount to be Recaptured (A–C)	$0.00
E. Excess of Funds Disbursed (B-C)	$0.00

2. That all modernization work in connection with the Modernization Grant has been completed;
3. That the entire Actual Modernization Cost or liabilities therefor incurred by the HA have been fully paid;
4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work; and
5. That the time in which such liens could be filed has expired.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signature of Executive Director & Date:

X Catherine Stone 12/11/2014

Catherine Stone

For HUD Use Only

The Cost Certificate is approved for audit:

Approved for Audit (Director, Office of Public Housing / ONAP Administrator) — Date:

X For Hanna Shewood — 12/12/14

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official) — Date:

X

Approved: (Director, Office of Public Housing / ONAP Administrator) — Date:

X

form HUD-53001 (1/2014)

Actual Modernization Cost Certificate

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0157 (exp. 1/31/2017)

Comprehensive Improvement Assistance Program (CIAP)
Comprehensive Grant Program (CGP)

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Paperwork Reduction Project (2577-0044 and 0157), Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Do not send this form to the above address.

This collection of information requires that each Housing Authority (HA) submit information to enable HUD to initiate the fiscal closeout process. The information will be used by HUD to determine whether the modernization grant is ready to be audited and closed out. The information is essential for audit verification and fiscal close out. Responses to the collection are required by regulation. The information requested does not lend itself to confidentiality.

HA Name:	Modernization Project Number:
Alaska Housing Finance Corporation	AK06R001501-07

The HA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Modernization Grant, is as shown below:

A. Original Funds Approved	$155,875.00
B. Funds Disbursed	$155,875.00
C. Funds Expended (Actual Modernization Cost)	$155,875.00
D. Amount to be Recaptured (A–C)	$0.00
E. Excess of Funds Disbursed (B-C)	$0.00

2. That all modernization work in connection with the Modernization Grant has been completed;
3. That the entire Actual Modernization Cost or liabilities therefor incurred by the HA have been fully paid;
4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work; and
5. That the time in which such liens could be filed has expired.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signature of Executive Director & Date:

X Catherine Stone 12/11/2014

Catherine Stone

For HUD Use Only

The Cost Certificate is approved for audit:

Approved for Audit (Director, Office of Public Housing / ONAP Administrator) — Date:

X Joe Harlan Stuart — 12/18/14

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official) — Date:

X

Approved: (Director, Office of Public Housing / ONAP Administrator) — Date:

X

form HUD-53001 (1/2014)

Actual Modernization Cost Certificate

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0157 (exp. 1/31/2017)

Comprehensive Improvement Assistance Program (CIAP)
Comprehensive Grant Program (CGP)

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Paperwork Reduction Project (2577-0044 and 0157), Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Do not send this form to the above address.

This collection of information requires that each Housing Authority (HA) submit information to enable HUD to initiate the fiscal closeout process. The information will be used by HUD to determine whether the modernization grant is ready to be audited and closed out. The information is essential for audit verification and fiscal close out. Responses to the collection are required by regulation. The information requested does not lend itself to confidentiality.

HA Name:	Modernization Project Number:
Alaska Housing Finance Corporation	AK06R001502-07

The HA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Modernization Grant, is as shown below:

A. Original Funds Approved	$4,319.00
B. Funds Disbursed	$4,319.00
C. Funds Expended (Actual Modernization Cost)	$4,319.00
D. Amount to be Recaptured (A–C)	$0.00
E. Excess of Funds Disbursed (B-C)	$0.00

2. That all modernization work in connection with the Modernization Grant has been completed;
3. That the entire Actual Modernization Cost or liabilities therefor incurred by the HA have been fully paid;
4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work; and
5. That the time in which such liens could be filed has expired.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signature of Executive Director & Date:

X 12/11/2014

Catherine Stone

For HUD Use Only

The Cost Certificate is approved for audit:

Approved for Audit (Director, Office of Public Housing / ONAP Administrator) — Date:

X For Hudson Stearns — 12/18/14

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official) — Date:

X

Approved: (Director, Office of Public Housing / ONAP Administrator) — Date:

X

form HUD-53001 (1/2014)

Actual Modernization Cost Certificate

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0157 (exp. 1/31/2017)

Comprehensive Improvement Assistance Program (CIAP)
Comprehensive Grant Program (CGP)

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Paperwork Reduction Project (2577-0044 and 0157), Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Do not send this form to the above address.

This collection of information requires that each Housing Authority (HA) submit information to enable HUD to initiate the fiscal closeout process. The information will be used by HUD to determine whether the modernization grant is ready to be audited and closed out. The information is essential for audit verification and fiscal close out. Responses to the collection are required by regulation. The information requested does not lend itself to confidentiality.

HA Name:	Modernization Project Number:
Alaska Housing Finance Corporation	AK06R001501-08

The HA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Modernization Grant, is as shown below:

A. Original Funds Approved	$53,245.00
B. Funds Disbursed	$53,245.00
C. Funds Expended (Actual Modernization Cost)	$53,245.00
D. Amount to be Recaptured (A–C)	$0.00
E. Excess of Funds Disbursed (B-C)	$0.00

2. That all modernization work in connection with the Modernization Grant has been completed;
3. That the entire Actual Modernization Cost or liabilities therefor incurred by the HA have been fully paid;
4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work; and
5. That the time in which such liens could be filed has expired.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signature of Executive Director & Date:

X Catherine Stone 12/11/2014

Catherine Stone

For HUD Use Only

The Cost Certificate is approved for audit:

Approved for Audit (Director, Office of Public Housing / ONAP Administrator) — Date:

X For Harlan Steward — 12/18/14

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official) — Date:

X

Approved: (Director, Office of Public Housing / ONAP Administrator) — Date:

X

form HUD-53001 (1/2014)

Actual Modernization Cost Certificate

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0157 (exp. 1/31/2017)

Comprehensive Improvement Assistance Program (CIAP)
Comprehensive Grant Program (CGP)

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Paperwork Reduction Project (2577-0044 and 0157), Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Do not send this form to the above address.

This collection of information requires that each Housing Authority (HA) submit information to enable HUD to initiate the fiscal closeout process. The information will be used by HUD to determine whether the modernization grant is ready to be audited and closed out. The information is essential for audit verification and fiscal close out. Responses to the collection are required by regulation. The information requested does not lend itself to confidentiality.

HA Name:	Modernization Project Number:
Alaska Housing Finance Corporation	AK06R001501-09

The HA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Modernization Grant, is as shown below:

A. Original Funds Approved	$42,130.00
B. Funds Disbursed	$42,130.00
C. Funds Expended (Actual Modernization Cost)	$42,130.00
D. Amount to be Recaptured (A–C)	$0.00
E. Excess of Funds Disbursed (B-C)	$0.00

2. That all modernization work in connection with the Modernization Grant has been completed;
3. That the entire Actual Modernization Cost or liabilities therefor incurred by the HA have been fully paid;
4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work; and
5. That the time in which such liens could be filed has expired.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012, 31 U.S.C. 3729, 3802)

Signature of Executive Director & Date:

X Catherine Stone 12/11/2014

Catherine Stone

For HUD Use Only

The Cost Certificate is approved for audit:

Approved for Audit (Director, Office of Public Housing / ONAP Administrator) — Date:

X For Hardin Stevens — 12/18/14

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official) — Date:

X

Approved: (Director, Office of Public Housing / ONAP Administrator) — Date:

X

form HUD-53001 (1/2014)

Actual Modernization Cost Certificate

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0157 (exp. 1/31/2017)

Comprehensive Improvement Assistance Program (CIAP)
Comprehensive Grant Program (CGP)

ORIGINAL

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Paperwork Reduction Project (2577-0044 and 0157), Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Do not send this form to the above address.

This collection of information requires that each Housing Authority (HA) submit information to enable HUD to initiate the fiscal closeout process. The information will be used by HUD to determine whether the modernization grant is ready to be audited and closed out. The information is essential for audit verification and fiscal close out. Responses to the collection are required by regulation. The information requested does not lend itself to confidentiality.

HA Name:	Modernization Project Number:
Alaska Housing Finance Corporation	AK06P001501-10

The HA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Modernization Grant, is as shown below:

A. Original Funds Approved	$ 2,729,765.00
B. Funds Disbursed	$ 2,729,765.00
C. Funds Expended (Actual Modernization Cost)	$ 2,729,765.00
D. Amount to be Recaptured (A–C)	$ 0.00
E. Excess of Funds Disbursed (B-C)	$ 0.00

2. That all modernization work in connection with the Modernization Grant has been completed;
3. That the entire Actual Modernization Cost or liabilities therefor incurred by the HA have been fully paid;
4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work; and
5. That the time in which such liens could be filed has expired.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signature of Executive Director & Date:

X Catherine Storr 12/8/2014

For HUD Use Only

The Cost Certificate is approved for audit:

Approved for Audit (Director, Office of Public Housing / ONAP Administrator) — Date:

X For Hanson Stewart — 12/18/14

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official) — Date:

X

Approved: (Director, Office of Public Housing / ONAP Administrator) — Date:

X

form **HUD-53001** (1/2014)

Actual Modernization Cost Certificate

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0157 (exp. 1/31/2017)

Comprehensive Improvement Assistance Program (CIAP)
Comprehensive Grant Program (CGP)

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Paperwork Reduction Project (2577-0044 and 0157), Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Do not send this form to the above address.

This collection of information requires that each Housing Authority (HA) submit information to enable HUD to initiate the fiscal closeout process. The information will be used by HUD to determine whether the modernization grant is ready to be audited and closed out. The information is essential for audit verification and fiscal close out. Responses to the collection are required by regulation. The information requested does not lend itself to confidentiality.

HA Name:	Modernization Project Number:
Alaska Housing Finance Corporation	AK06R001501-10

The HA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Modernization Grant, is as shown below:

A. Original Funds Approved	$ 82,805.00
B. Funds Disbursed	$ 82,805.00
C. Funds Expended (Actual Modernization Cost)	$ 82,805.00
D. Amount to be Recaptured (A–C)	$ 0.00
E. Excess of Funds Disbursed (B-C)	$ 0.00

2. That all modernization work in connection with the Modernization Grant has been completed;
3. That the entire Actual Modernization Cost or liabilities therefor incurred by the HA have been fully paid;
4. That there are no undischarged mechanics', laborers', contractors' or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work; and
5. That the time in which such liens could be filed has expired.

hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signature of Executive Director & Date:

X Catherine Reed 12/8/2014

For HUD Use Only

The Cost Certificate is approved for audit:

Approved for Audit (Director, Office of Public Housing / ONAP Administrator) — Date:

X For Harlan Stewart — 12/18/14

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official) — Date:

X

Approved: (Director, Office of Public Housing / ONAP Administrator) — Date:

X

form HUD-53001 (1/2014)

Actual Modernization Cost Certificate

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0157 (exp. 1/31/2017)

Comprehensive Improvement Assistance Program (CIAP)
Comprehensive Grant Program (CGP)

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Paperwork Reduction Project (2577-0044 and 0157), Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Do not send this form to the above address.

This collection of information requires that each Housing Authority (HA) submit information to enable HUD to initiate the fiscal closeout process. The information will be used by HUD to determine whether the modernization grant is ready to be audited and closed out. The information is essential for audit verification and fiscal close out. Responses to the collection are required by regulation. The information requested does not lend itself to confidentiality.

HA Name:	Modernization Project Number:
Alaska Housing Finance Corporation	AK06R001502-10

The HA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Modernization Grant, is as shown below:

A. Original Funds Approved	$ 89,738.00
B. Funds Disbursed	$ 89,738.00
C. Funds Expended (Actual Modernization Cost)	$ 89,738.00
D. Amount to be Recaptured (A–C)	$ 0.00
E. Excess of Funds Disbursed (B-C)	$ 0.00

2. That all modernization work in connection with the Modernization Grant has been completed;
3. That the entire Actual Modernization Cost or liabilities therefor incurred by the HA have been fully paid;
4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work; and
5. That the time in which such liens could be filed has expired.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signature of Executive Director & Date:

X Catherine Stiles 12/8/2014

For HUD Use Only

The Cost Certificate is approved for audit:

Approved for Audit (Director, Office of Public Housing / ONAP Administrator) — Date:

X For Harlan Sturmer — 12/18/14

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official) — Date:

X

Approved: (Director, Office of Public Housing / ONAP Administrator) — Date:

X

form HUD-53001 (1/2014)

Actual Modernization Cost Certificate

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0157 (exp. 1/31/2017)

Comprehensive Improvement Assistance Program (CIAP)
Comprehensive Grant Program (CGP)

ORIGINAL

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Paperwork Reduction Project (2577-0044 and 0157), Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Do not send this form to the above address.

This collection of information requires that each Housing Authority (HA) submit information to enable HUD to initiate the fiscal closeout process. The information will be used by HUD to determine whether the modernization grant is ready to be audited and closed out. The information is essential for audit verification and fiscal close out. Responses to the collection are required by regulation. The information requested does not lend itself to confidentiality.

HA Name:	Modernization Project Number:
Alaska Housing Finance Corporation	AK06R001502-11

The HA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Modernization Grant, is as shown below:

A. Original Funds Approved	$130,906.00
B. Funds Disbursed	$130,906.00
C. Funds Expended (Actual Modernization Cost)	$130,906.00
D. Amount to be Recaptured (A–C)	$0.00
E. Excess of Funds Disbursed (B-C)	$0.00

2. That all modernization work in connection with the Modernization Grant has been completed;
3. That the entire Actual Modernization Cost or liabilities therefor incurred by the HA have been fully paid;
4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work; and
5. That the time in which such liens could be filed has expired.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signature of Executive Director & Date:

X FOR C. STONE

Catherine Stone

For HUD Use Only

The Cost Certificate is approved for audit:

Approved for Audit (Director, Office of Public Housing / ONAP Administrator) — Date: 01-07-2015

X

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official) — Date:

X

Approved: (Director, Office of Public Housing / ONAP Administrator) — Date:

X

form **HUD-53001** (1/2014)

Actual Modernization Cost Certificate

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0157 (exp. 1/31/2017)

Comprehensive Improvement Assistance Program (CIAP)
Comprehensive Grant Program (CGP)

ORIGINAL

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Paperwork Reduction Project (2577-0044 and 0157), Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Do not send this form to the above address.

This collection of information requires that each Housing Authority (HA) submit information to enable HUD to initiate the fiscal closeout process. The information will be used by HUD to determine whether the modernization grant is ready to be audited and closed out. The information is essential for audit verification and fiscal close out. Responses to the collection are required by regulation. The information requested does not lend itself to confidentiality.

HA Name:	Modernization Project Number:
Alaska Housing Finance Corporation	AK06R001501-12

The HA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Modernization Grant, is as shown below:

A. Original Funds Approved	$ 109,182.00
B. Funds Disbursed	$ 109,182.00
C. Funds Expended (Actual Modernization Cost)	$ 109,182.00
D. Amount to be Recaptured (A–C)	$ 0.00
E. Excess of Funds Disbursed (B-C)	$ 0.00

2. That all modernization work in connection with the Modernization Grant has been completed;
3. That the entire Actual Modernization Cost or liabilities therefor incurred by the HA have been fully paid;
4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work; and
5. That the time in which such liens could be filed has expired.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signature of Executive Director & Date:

X

Catherine Stone FOR C. STONE

For HUD Use Only

The Cost Certificate is approved for audit:

Approved for Audit (Director, Office of Public Housing / ONAP Administrator) — Date: 01-07-2015

X

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official) — Date:

X

Approved: (Director, Office of Public Housing / ONAP Administrator) — Date:

X

form **HUD-53001** (1/2014)

Actual Modernization Cost Certificate

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0157 (exp. 1/31/2017)

Comprehensive Improvement Assistance Program (CIAP)
Comprehensive Grant Program (CGP)

ORIGINAL

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Paperwork Reduction Project (2577-0044 and 0157), Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Do not send this form to the above address.

This collection of information requires that each Housing Authority (HA) submit information to enable HUD to initiate the fiscal closeout process. The information will be used by HUD to determine whether the modernization grant is ready to be audited and closed out. The information is essential for audit verification and fiscal close out. Responses to the collection are required by regulation. The information requested does not lend itself to confidentiality.

HA Name:	Modernization Project Number:
Alaska Housing Finance Corporation	AK06R001502-12

The HA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Modernization Grant, is as shown below:

A. Original Funds Approved	$125,834.00
B. Funds Disbursed	$125,834.00
C. Funds Expended (Actual Modernization Cost)	$125,834.00
D. Amount to be Recaptured (A–C)	$0.00
E. Excess of Funds Disbursed (B-C)	$0.00

2. That all modernization work in connection with the Modernization Grant has been completed;
3. That the entire Actual Modernization Cost or liabilities therefor incurred by the HA have been fully paid;
4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work; and
5. That the time in which such liens could be filed has expired.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signature of Executive Director & Date:

X

Catherine Stone FOR STONE

For HUD Use Only

The Cost Certificate is approved for audit:

Approved for Audit (Director, Office of Public Housing / ONAP Administrator) — Date: 01.07.2015

X

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official) — Date:

X

Approved: (Director, Office of Public Housing / ONAP Administrator) — Date:

X

form **HUD-53001** (1/2014)

Actual Modernization Cost Certificate

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0157 (exp. 1/31/2017)

ORIGINAL

Comprehensive Improvement Assistance Program (CIAP)
Comprehensive Grant Program (CGP)

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Paperwork Reduction Project (2577-0044 and 0157), Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Do not send this form to the above address.

This collection of information requires that each Housing Authority (HA) submit information to enable HUD to initiate the fiscal closeout process. The information will be used by HUD to determine whether the modernization grant is ready to be audited and closed out. The information is essential for audit verification and fiscal close out. Responses to the collection are required by regulation. The information requested does not lend itself to confidentiality.

HA Name:	Modernization Project Number:
Alaska Housing Finance Corporation	AK06R001501-13

The HA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Modernization Grant, is as shown below:

A. Original Funds Approved	$ 103,470.00
B. Funds Disbursed	$ 103,470.00
C. Funds Expended (Actual Modernization Cost)	$ 103,470.00
D. Amount to be Recaptured (A–C)	$ 0.00
E. Excess of Funds Disbursed (B-C)	$ 0.00

2. That all modernization work in connection with the Modernization Grant has been completed;
3. That the entire Actual Modernization Cost or liabilities therefor incurred by the HA have been fully paid;
4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work; and
5. That the time in which such liens could be filed has expired.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signature of Executive Director & Date:

X

Catherine Stone FOR C. STONE

For HUD Use Only

The Cost Certificate is approved for audit:

Approved for Audit (Director, Office of Public Housing / ONAP Administrator) — Date: 01-07-2015

X

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official) — Date:

X

Approved: (Director, Office of Public Housing / ONAP Administrator) — Date:

X

form **HUD-53001** (1/2014)

Actual Modernization Cost Certificate

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0157 (exp. 1/31/2017)

ORIGINAL

Comprehensive Improvement Assistance Program (CIAP)
Comprehensive Grant Program (CGP)

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Paperwork Reduction Project (2577-0044 and 0157), Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Do not send this form to the above address.

This collection of information requires that each Housing Authority (HA) submit information to enable HUD to initiate the fiscal closeout process. The information will be used by HUD to determine whether the modernization grant is ready to be audited and closed out. The information is essential for audit verification and fiscal close out. Responses to the collection are required by regulation. The information requested does not lend itself to confidentiality.

HA Name:	Modernization Project Number:
Alaska Housing Finance Corporation	AK06R001502-13

The HA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Modernization Grant, is as shown below:

A. Original Funds Approved	$138,224.00
B. Funds Disbursed	$138,224.00
C. Funds Expended (Actual Modernization Cost)	$138,224.00
D. Amount to be Recaptured (A–C)	$0.00
E. Excess of Funds Disbursed (B-C)	$0.00

2. That all modernization work in connection with the Modernization Grant has been completed;
3. That the entire Actual Modernization Cost or liabilities therefor incurred by the HA have been fully paid;
4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work; and
5. That the time in which such liens could be filed has expired.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signature of Executive Director & Date:

X

Catherine Stone FOR C. STONE

For HUD Use Only

The Cost Certificate is approved for audit:

Approved for Audit (Director, Office of Public Housing / ONAP Administrator) — Date: 01/07/2015

X

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official) — Date:

X

Approved: (Director, Office of Public Housing / ONAP Administrator) — Date:

X

form HUD-53001 (1/2014)

Alaska Housing Finance Corporation
(A Component Unit of the State of Alaska)

Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting: Material weakness(es) identified?	___ yes	X no
Significant deficiency(ies) identified that are not considered to be material weaknesses?	___ yes	X (none reported)
Noncompliance material to financial statements noted?	___ yes	X no

Federal Financial Assistance

Internal control over major programs: Material weakness(es) identified?	X yes	___ no
Significant deficiency(ies) identified that are not considered to be material weaknesses?	___ yes	X (none reported)
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	X yes	___ no

Identification of major programs:

CFDA Number	*Name of Federal Program or Cluster*	*Agency*
14.239	Home Investment Partnerships Program	Department of Housing and Urban Development
14.117	Mortgage Insurance - Homes	Department of Housing and Urban Development
14.865	Public and Indian Housing - Indian Loan Guarantee Program	Department of Housing and Urban Development

Dollar threshold used to distinguish a major program: $ 3,000,000

Auditee qualified as low-risk auditee? ___ yes X no

Section II - Financial Statement Findings Required to be Reported in Accordance with *Government Auditing Standards*

There were no findings related to the financial statements which are required to be reported in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*.

Section III – Federal Audit Findings

Finding 2015-001 **Internal Control Over Compliance – Reporting**

Reporting on Schedule of Expenditures of Federal Awards

Agency:	Department of Housing and Urban Development
Program:	Mortgage Insurance – Homes, Indian Loan Guarantee Program
CFDA:	14.117, 14.865
Award No.:	N/A
Award Year:	FY 15
Criteria:	OMB A-133 requires that the Schedule of Expenditures of Federal Awards (SEFA) be complete and accurate.
Condition:	Loan guarantee amounts initially reported on the SEFA subject to audit were overstated by $142,366,866.
Questioned Costs:	None identified.
Context:	While reconciling the loan population from the financial statements to the amounts reported on the SEFA, we noted that there was an overstatement of loan guarantees.
Effect:	The Corporation overstated loan guarantees on the SEFA, which required audit adjustment.
Cause:	During the preparation of the SEFA there was a formula error in the spreadsheet used to calculate the loan guarantee amount, which went undetected by management.
Recommendation:	We recommend that management review spreadsheet formulas used in preparing the SEFA and reconcile guarantees to loans outstanding reported in the basic financial statements.
Views of responsible officials and planned corrective actions:	See the corrective action plan.

Alaska Housing Finance Corporation
(A Component Unit of the State of Alaska)

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2015

Federal Award Findings

Finding 2014-001 **Internal Controls over Accounts Payable**

Condition: While performing our audit procedures over accounts payable, we inquired with management and reviewed payments made by the Corporation subsequent to year end. It was noted that management's review threshold of these payments was limited to amounts over $300,000 (elevated from $100,000 in the prior year). Payments subsequent to year end for a short period are assumed to be for the prior period and are accrued.

Status: Corrective action was taken. This finding is considered resolved.

Finding 2014-002 **Compliance – Eligibility**

Condition: Of the 81 participant files tested, 9 files were found to have deficiencies in the documentation of third party income verification or other documentation supporting eligibility.

Status: Corrective action was taken. This finding is considered resolved.

Finding 2014-003 **Compliance – Special Tests and Provisions**

Condition: Of the 40 participant files tested, 2 files were found to have deficiencies in the documentation of required inspections throughout the term of the tenancy.

Status: Corrective action was taken. This finding is considered resolved.

Finding 2014-004 **Compliance – Special Tests and Provisions**

Condition: Of the 65 participant files tested, 2 files were found to have deficiencies in the time of the application and the time they were placed on the wait list.

Status: Corrective action was taken. This finding is considered resolved.

Alaska Housing Finance Corporation
(A Component Unit of the State of Alaska)

Corrective Action Plan
Year Ended June 30, 2015

Contact:	Cynthia Weiser, Controller
Email:	cweiser@ahfc.us
Telephone:	907-330-8338

Financial Statement Findings

There were no current year audit findings.

Federal Award Findings

Finding 2015-001 **Internal Control Over Compliance – Reporting**

Corrective action: AHFC management considers this finding resolved as of October 1, 2015. Management has added an additional layer of review to the procedures for preparation of the Schedule of Expenditures of Federal Awards. In addition, the process that included the erroneous formula has been amended so that the formulas are no longer required.

ALASKA HOUSING FINANCE CORPORATION
BOARD CONSIDERATION MEMORANDUM

Date: December 18, 2015 Staff: Les Campbell & James Wiedle

Item: Review and Approval of AHFC's FY2017 Dividend to the State

Background:
The Operating and Capital Budgets were presented for review and approval on October 28, 2015. Included with the budget presentation was the AHFC's annual Dividend to the State at **$25,814,500**. The dividend calculations were made according to the established Transfer Plan with the best information available at the time.

Because of the new GASB pronouncement that went into effect this year, AHFC has been waiting for the State of Alaska to get their audited Financials to Alaska Housing Finance Corporation in order to adjust and finalize AHFC's Financial Statements. That process has now been completed and AHFC's Dividend to the State has been re-calculated and increase to **$25,924,900**.

Recommendation:
Staff recommends that the re-calculated FY2017 AHFC Dividend to the be approved for submission and authorizes the Executive Director to submit this change through the Department of Revenue to the Office of Management and Budget for inclusion in the Governor's FY2017 Budget submitted to the State Legislature.

ALASKA HOUSING FINANCE CORPORATION

RESOLUTION NO. 15-34

RESOLUTION OF THE BOARD OF DIRECTORS OF THE ALASKA HOUSING FINANCE CORPORATION INCREASING THE FY2017 AHFC DIVIDEND TO THE STATE.

WHEREAS, on October 28th the AHFC Dividend to the State, according to the established Transfer Plan, had been calculated at **$25,814,500** and presented to and approved by the Board of Directors; and

WHEREAS, the final Financial Statements have been adjusted, finalized and approved increasing the Adjusted Change in Net Position; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Alaska Housing Finance Corporation that the FY2017 AHFC Dividend has been re-calculated at **$25,924,900** is hereby approved for submission and authorizes the Executive Director to submit this change to through the Department of Revenue to the Office of Management and Budget for inclusion in the Governor's Budget submitted to the State Legislature.

PASSED AND APPROVED by the Board of the Alaska Housing Finance Corporation this Eighteenth day of December, 2015.

_____

Brent LeValley - Board Chair