



Alaska
Housing
FINANCE CORPORATION

a component unit of the State of Alaska

**Quarterly Unaudited
Financial Statements
March 31, 2015**

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ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

As of March 31, 2015

(in thousands of dollars)

	Administrative Fund	Grant Programs	Mortgage or Bond Funds	Other Funds or Programs
ASSETS				
Cash	36,797	4,442	149	20,469
Investments	578,567	-	292,029	11,531
Accrued interest receivable	2,240	-	10,146	103
Inter-fund due to/from	(21,653)	(6,579)	38,855	(4,385)
Mortgage loans, notes and other loans	147,226	-	2,486,773	-
Net investment in direct financing lease	-	-	39,734	-
Capital assets - non-depreciable	139	-	2,401	13,823
Capital assets - depreciable, net	6,042	41	9,945	80,787
Other assets	9,725	10,555	-	1,002
Derivative instrument - interest rate swaps	-	-	-	-
Intergovernmental receivable	110	10,570	-	47
Total Assets	759,193	19,029	2,880,032	123,377
DEFERRED OUTFLOW OF RESOURCES				
	-	-	199,741	-
LIABILITIES				
Bonds payable	-	-	2,238,404	-
Short term debt	13,097	-	-	-
Accrued interest payable	2,104	-	24,764	-
Other liabilities	9,895	1,505	1,672	1,441
Derivative instrument - interest rate swaps	-	-	185,317	-
Intergovernmental payable	615	-	149	-
Total Liabilities	25,711	1,505	2,450,306	1,441
DEFERRED INFLOW OF RESOURCES				
	-	-	-	-
NET POSITION				
Net investment in capital assets	6,181	41	12,346	94,610
Restricted by bond resolutions	-	-	596,644	-
Restricted by contractual or statutory agreements	54,458	19,669	28,958	27,649
Unrestricted or (deficit)	672,843	(2,186)	(8,481)	(323)
Total Net Position	733,482	17,524	629,467	121,936

See accompanying notes to the financial statements.

Exhibit A

Total Programs and Funds	Alaska Corporation for Affordable Housing	Total March 31, 2015
61,857	4,935	66,792
882,127	-	882,127
12,489	-	12,489
6,238	(6,238)	-
2,633,999	-	2,633,999
39,734	-	39,734
16,363	3,667	20,030
96,815	-	96,815
21,282	-	21,282
-	-	-
10,727	-	10,727
<u>3,781,631</u>	<u>2,364</u>	<u>3,783,995</u>
<u>199,741</u>	<u>-</u>	<u>199,741</u>
2,238,404	-	2,238,404
13,097	-	13,097
26,868	-	26,868
14,513	25	14,538
185,317	-	185,317
764	-	764
<u>2,478,963</u>	<u>25</u>	<u>2,478,988</u>
<u>-</u>	<u>-</u>	<u>-</u>
113,178	3,667	116,845
596,644	-	596,644
130,734	-	130,734
661,853	(1,328)	660,525
<u>1,502,409</u>	<u>2,339</u>	<u>1,504,748</u>

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Nine Months Ended March 31, 2015

(in thousands of dollars)

	Administrative Fund	Grant Programs	Mortgage or Bond Funds	Other Funds or Programs
OPERATING REVENUES				
Mortgage and loans revenue	6,921	-	87,598	-
Investment interest	175	6	3,307	206
Net change in the fair value of investments	1,387	-	149	(161)
Net change of hedge termination	-	-	(366)	-
Total Investment Revenue	1,562	6	3,090	45
Externally funded programs	1,349	87,371	-	12,582
Rental	-	-	-	6,744
Other	7,303	404	-	21
Total Operating Revenues	17,135	87,781	90,688	19,392
OPERATING EXPENSES				
Interest	48	-	57,614	-
Mortgage and loan costs	992	-	6,733	-
Financing expenses	391	-	3,489	-
Provision for loan loss	731	-	(8,245)	-
Operations and administration	21,494	8,967	3,307	12,050
Rental housing operating expenses	15	565	-	12,239
Housing grants and subsidies	-	87,283	-	24
Total Operating Expenses	23,671	96,815	62,898	24,313
Operating Income (Loss)	(6,536)	(9,034)	27,790	(4,921)
NONOPERATING EXPENSES, SPECIAL ITEM & TRANSFERS				
Contributions to the State of Alaska or other State agencies	(3,754)	-	-	-
Special Item	-	-	-	-
Transfers - Internal	(35,240)	9,658	15,419	2,411
Change in Net Position	(45,530)	624	43,209	(2,510)
Net position at beginning of year	779,012	16,900	586,258	124,446
Cumulative effect of accounting change	-	-	-	-
Revised net position at beginning of year	779,012	16,900	586,258	124,446
Net Position at End of Period	733,482	17,524	629,467	121,936

See accompanying notes to the financial statements.

Exhibit B

Total Programs and Funds	Alaska Corporation for Affordable Housing	Total March 31, 2015
94,519	-	94,519
3,694	3	3,697
1,375	-	1,375
(366)	-	(366)
4,703	3	4,706
101,302	-	101,302
6,744	21	6,765
7,728	-	7,728
214,996	24	215,020
57,662	-	57,662
7,725	-	7,725
3,880	-	3,880
(7,514)	-	(7,514)
45,818	128	45,946
12,819	5	12,824
87,307	8,596	95,903
207,697	8,729	216,426
7,299	(8,705)	(1,406)
(3,754)	-	(3,754)
-	-	-
(7,752)	7,752	-
(4,207)	(953)	(5,160)
1,506,616	3,292	1,509,908
-	-	-
1,506,616	3,292	1,509,908
1,502,409	2,339	1,504,748

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

For the Nine Months Ended March 31, 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	3,901	-	81,406	-
Principal payments received on mortgages and loans	3,901	-	227,068	-
Disbursements to fund mortgages and loans	(333,426)	-	-	-
Receipt (payment) for loan transfers between funds	245,600	-	(245,600)	-
Mortgage and loan proceeds	311,013	-	-	-
Payment of mortgage and loan proceeds to funds	(307,213)	-	-	-
Payments to employees and other payroll disbursements	(19,700)	(3,470)	-	(6,447)
Payments for goods and services	(12,341)	(2,127)	(400)	(7,023)
Cash received for externally funded programs	25,551	47,850	-	13,251
Cash received for Federal HAP subsidies	-	22,899	-	-
Payments for Federal HAP subsidies	-	(25,315)	-	-
Interfund receipts (payments)	(15,213)	17,543	-	(8,345)
Grant payments to other agencies	(6,637)	(61,898)	-	-
Other operating cash receipts	18,005	869	150	6,943
Other operating cash payments	(1,402)	(266)	(228)	(128)
Net cash provided by (used for) operating activities	(87,961)	(3,915)	62,396	(1,749)
Cash flows from noncapital financing activities:				
Proceeds from the issuance of bonds	-	-	243,400	-
Principal paid on bonds	-	-	(295,470)	-
Payment to defease bonds	-	-	-	-
Payment of bond issuance costs	(1,098)	-	-	-
Interest paid	(53)	-	(41,551)	-
Proceeds from issuance of short term debt	308,656	-	-	-
Payment of short term debt	(360,547)	-	-	-
Contributions to the State of Alaska or other State agencies	(3,296)	-	-	-
Transfers (to) from other funds	13,133	(16)	(15,016)	(3,349)
Other cash payments	-	-	-	-
Net cash provided by (used for) noncapital financing activities	(43,205)	(16)	(108,637)	(3,349)
Cash flows from capital financing activities:				
Acquisition of capital assets	(2,702)	(27)	-	(120)
Proceeds from the disposal of capital assets	4	-	-	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	-	-	(2,629)	-
Proceeds from direct financing leases	-	-	6,771	-
Other cash payments	(29)	-	-	-
Net cash provided by (used for) capital financing activities	(2,727)	(27)	(8,848)	(102)
Cash flows from investing activities:				
Purchase of investments	(3,489,914)	-	(1,307,115)	(21,642)
Proceeds from maturity of investments	3,619,339	-	1,360,756	21,028
Interest received from investments	233	6	1,370	197
Net cash provided by (used for) investing activities	129,658	6	55,011	(417)
Net Increase (decrease) in cash	(4,235)	(3,952)	(78)	(5,617)
Cash at the beginning of year	41,032	8,394	227	26,086
Cash at the end of period	36,797	4,442	149	20,469
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	(6,536)	(9,034)	27,790	(4,921)
<i>Adjustments:</i>				
Depreciation expense	356	12	357	4,909
Provision for loan losses	731	-	(8,245)	-
Net change in the fair value of investments	(1,387)	-	(149)	161
Transfers between funds for operating activity	(23,214)	9,674	5,692	5,345
Interest received from investments	(233)	(6)	(1,370)	(197)
Interest paid	53	-	44,180	-
<i>Changes in assets, liabilities and deferred resources:</i>				
Net increase (decrease) in mortgages and loans	(83,925)	-	(18,532)	-
Net increase (decrease) in assets, liabilities, and deferred resources	26,194	(4,561)	12,673	(7,046)
Net cash provided by (used for) operating activities	(87,961)	(3,915)	62,396	(1,749)
Noncash investing, capital and financing activities:				
Deferred outflow of resources-derivatives	-	-	45,247	-
Derivative instruments liability	-	-	(45,613)	-
Net change of hedge termination	-	-	366	-
Non cash transfer of investments	1,924	-	(1,924)	-
Defeased bonds	-	-	(119,476)	-
Investments used to defease bonds	-	-	119,476	-

See accompanying notes to the financial statements.

Exhibit C

Total Programs and Funds	Alaska Corporation for Affordable Housing	Total March 31, 2015
85,307	-	85,307
230,969	-	230,969
(333,426)	-	(333,426)
-	-	-
311,013	-	311,013
(307,213)	-	(307,213)
(29,617)	-	(29,617)
(21,891)	(8)	(21,899)
86,652	-	86,652
22,899	-	22,899
(25,315)	-	(25,315)
(6,015)	6,015	-
(68,535)	(7,631)	(76,166)
25,967	22	25,989
(2,024)	(1)	(2,025)
<u>(31,229)</u>	<u>(1,603)</u>	<u>(32,832)</u>
243,400	-	243,400
(295,470)	-	(295,470)
-	-	-
(1,098)	-	(1,098)
(41,604)	-	(41,604)
308,656	-	308,656
(360,547)	-	(360,547)
(3,296)	-	(3,296)
(5,248)	5,248	-
-	-	-
<u>(155,207)</u>	<u>5,248</u>	<u>(149,959)</u>
(2,849)	-	(2,849)
22	-	22
-	-	-
(12,990)	-	(12,990)
-	-	-
(2,629)	-	(2,629)
6,771	-	6,771
(29)	-	(29)
<u>(11,704)</u>	<u>-</u>	<u>(11,704)</u>
(4,818,671)	-	(4,818,671)
5,001,123	-	5,001,123
1,806	3	1,809
<u>184,258</u>	<u>3</u>	<u>184,261</u>
(13,882)	3,648	(10,234)
75,739	1,287	77,026
<u>61,857</u>	<u>4,935</u>	<u>66,792</u>
7,299	(8,705)	(1,406)
5,634	-	5,634
(7,514)	-	(7,514)
(1,375)	-	(1,375)
(2,503)	2,503	-
(1,806)	(3)	(1,809)
44,233	-	44,233
(102,457)	-	(102,457)
27,260	4,602	31,862
<u>(31,229)</u>	<u>(1,603)</u>	<u>(32,832)</u>

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NOTES TO FINANCIAL STATEMENTS

FOOTNOTE INDEX

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NOTES TO FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED MARCH 31, 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.

NOTES TO FINANCIAL STATEMENTS

Basis of Presentation

The financial reporting entity is engaged in business-type activities that utilize enterprise funds. The basic fund financial statements are comprised of: 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. 17, State Authorizations and Commitments, for further details). 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.

NOTES TO FINANCIAL STATEMENTS

The Corporation provides for possible losses on loans on which foreclosure is anticipated. A potential loss is recorded when the net realizable value, or fair value, of the related collateral or security interest is estimated to be less than the Corporation's investment in the property less anticipated recoveries from private mortgage insurance, private credit insurance, and various other loan guarantees. In providing for losses, through a charge to operations, consideration is given to the costs of holding real estate, including interest costs. The loan portfolio, property holding periods and property holding costs are reviewed periodically. 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.

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

The GASB's statement 68, Accounting and Financial Reporting for Pensions, is effective for AHFC's fiscal year 2015. This 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 will be the first time that the Corporation will recognize 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. The Corporation's proportionate share of the collective pension amounts is not available at this time.

NOTES TO FINANCIAL STATEMENTS

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):

	March 31, 2015	
Restricted cash	\$	29,995
Unrestricted		36,797
Carrying amount	\$	66,792
Bank Balance	\$	67,021

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)				March 31, 2015
	Less Than 1	1-5	6-10	More Than 10	
Bank investment contracts	\$ 18,786	\$ -	\$ -	\$ -	\$ 18,786
U. S. Treasury securities	1,352	422	-	-	1,774
Securities of U. S. Government agencies and corporations	250	108	-	-	358
Certificates of deposit	-	1,000	-	-	1,000
Negotiable Certificates of Deposit	1,997	-	-	-	1,997
Commercial paper & medium-term notes	204,651	-	-	-	204,651
Money market funds	159,520	-	-	-	159,520
Subtotal	<u>\$ 386,556</u>	<u>\$ 1,530</u>	<u>\$ -</u>	<u>\$ -</u>	<u>388,086</u>
GeFONSI pool					494,041
Total AHFC Portfolio				<u>\$</u>	<u>882,127</u>

Restricted Investments

A large portion of the Corporation's investments, \$334,185,000, are restricted by bond resolutions, contractual agreements, and statutory agreements and the remainder, \$547,942,000, 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):

	March 31, 2015	
Ending unrealized holding gain	\$	26,955
Beginning unrealized holding gain		25,310
Net change in unrealized holding gain		1,645
Net realized gain (loss)		(270)
Net increase (decrease) in fair value	\$	1,375

NOTES TO FINANCIAL STATEMENTS

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.

NOTES TO FINANCIAL STATEMENTS

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 not available at this time.

The credit quality ratings of the Corporation's investments as of March 31, 2015, as determined by nationally recognized statistical rating organizations, are shown below (in thousands). The Corporation's investments included \$1,774,000 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	\$ 358
Certificates of deposit:	A+	Aa2	1,000
Negotiable certificates of deposit:	--	Aa3	1,000
	--	Aa2e	498
	--	A1e	499
			<u>1,997</u>
Commercial paper, medium-term notes:	AAA	Aaa	100
	AA+	A1	2,020
	AA	Aa2	1,390
	AA-	A1	500
	AA-	Aa1	1,525
	AA-	Aa2	3,140
	AA-	Aa3	4,165
	A+	Aa2	1,004
	A+	Aa3	1,254
	A+	A1	2,705
	A+	A2	1,402
	A	A1	340
	A	A2	7,753
	A	Baa1	2,851
	A-	A1	1,504
	A-	A2	1,503
	A-	Baa1	1,503
	A-	Baa2	1,504
	A-	--	1,504
	BBB+	Baa1	3,015
	BBB+	Baa3	476
	A-1	P-1+	42,759
	A-1	P-1	120,535
	--	--	199
			<u>204,651</u>
Money market funds:	AAAm	--	159,520
Unrated investments:			
Bank investment contracts			18,786
			<u>\$ 386,312</u>

NOTES TO FINANCIAL STATEMENTS

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 March 31, 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	\$ 494,041	56.00 %
Goldman Sachs	159,520	18.08
Toyota Motor Credit	76,747	8.70

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 \$67,021,000 bank balance at March 31, 2015, cash deposits in the amount of \$14,000 were uninsured and uncollateralized. Additional cash deposits in the amount of \$45,879,000 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 not available at this time.

NOTES TO FINANCIAL STATEMENTS

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 March 31, 2015:

	Investment Fair Value	Modified Duration
Bank investment contracts	\$ 18,786	0.000
U. S. Treasury securities:		
Treasury coupon securities	1,774	0.820
Securities of U. S. Government agencies and corporations:		
Federal agency coupon securities	250	0.043
Federal agency pass through securities	108	1.610
Certificates of deposit	1,000	1.040
Negotiable certificates of deposit	1,997	0.515
Commercial paper & medium-term notes:		
Commercial paper discounts	160,993	0.108
Corporate bonds	4,770	0.831
Medium-term notes	37,223	0.378
Interest bearing	1,000	0.190
Floating rate notes	665	0.167
Money market funds	159,520	0.000
	<u>\$ 388,086</u>	
Portfolio modified duration		0.065

4 INTERFUND RECEIVABLE/PAYABLE

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

D u e T o	Due From						Total
	Administrative Fund	Grant Programs	Mortgage or Bond Programs	Other Funds or Programs	Alaska Corporation for Affordable Housing		
					-	-	
Administrative Fund	\$ -	\$ 8,004	\$ -	\$ 4,385	\$ 4,813	\$ 17,202	
Grant Programs	-	-	-	-	1,425	1,425	
Mortgage or Bond Programs	38,855	-	-	-	-	38,855	
Other Funds or Programs	-	-	-	-	-	-	
Alaska Corporation for Affordable Housing	-	-	-	-	-	-	
Total	<u>\$ 38,855</u>	<u>\$ 8,004</u>	<u>\$ -</u>	<u>\$ 4,385</u>	<u>\$ 6,238</u>	<u>\$ 57,482</u>	

The balance of \$38,855,000 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 \$8,004,000 and \$4,385,000 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 \$4,813,000 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.

NOTES TO FINANCIAL STATEMENTS

5 MORTGAGE LOANS, NOTES AND OTHER LOANS

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

	March 31, 2015
Mortgage loans	\$ 2,293,675
Multifamily loans	315,623
Other notes receivable	94,748
	2,704,046
Less:	
Allowance for losses	(70,047)
Net Mortgage loans, notes and other loans	\$ 2,633,999

Other notes receivable include monies due to AHFC for various unconventional loan programs and for monies that weren't expended by grant recipients.

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

	March 31, 2015
<u>Delinquencies and foreclosures:</u>	
Loans delinquent 30 days or more	\$ 102,315
Foreclosures during period	6,866
Loans in foreclosure process	18,700
<u>Mortgage-related commitments:</u>	
To purchase mortgage loans	87,245

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 in 2017 which is the end of the lease. In May 2005, the Corporation issued the General Housing Purpose Bonds, 2005 Series C, 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 at March 31, 2015, was \$44,002,000. 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 in 2027 which is the end of the lease. In September 2007, the Corporation issued the State Capital Project Bonds, 2007 Series A, to finance the purchase of the parking garage. The lease of the garage to the State has been recorded as a direct financing lease.

NOTES TO FINANCIAL STATEMENTS

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):

12 Months Ending March 31	Future Minimum Payments Due		
	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	(9,776)	(369)	(10,145)
Net investment in direct financing lease	\$ 33,169	\$ 6,565	\$ 39,734

8 CAPITAL ASSETS

Capital assets activity for the nine months ended March 31, 2015, and a summary of balances are shown below (in thousands):

	June 30, 2014	Additions	Reductions	March 31, 2015
Non-Depreciable Capital Assets:				
Land	\$ 19,687	\$ -	\$ -	\$ 19,687
Construction in progress	1,068	280	(1,005)	343
Total Non-Depreciable	20,755	280	(1,005)	20,030
Depreciable Capital Assets:				
Buildings	238,476	2,760	-	241,236
Computers & Equipment	2,147	48	(39)	2,156
Vehicles	2,017	148	(90)	2,075
Less: Accumulated depreciation				
Buildings	(139,806)	(5,308)	-	(145,114)
Computers & Equipment	(1,572)	(243)	39	(1,776)
Vehicles	(1,769)	(83)	90	(1,762)
Total Depreciable, Net	99,493	(2,678)	-	96,815
Total Capital Assets, Net	\$ 120,248	\$ (2,398)	\$ (1,005)	\$ 116,845

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 \$5,634,000 for the nine months ended March 31, 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 \$5,138,000 at March 31, 2015.

9 DEFERRED OUTFLOWS OF RESOURCES

GASB 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 March 31, 2015, were interest rate swap derivatives of \$182,423,000 and deferred debt refunding expense of \$17,318,000.

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.

NOTES TO FINANCIAL STATEMENTS

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 March 31, 2015, there are 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	March 31, 2015
First-Time Home Buyer Program		
<i>Mortgage Revenue Bonds, Tax-Exempt:</i>		
• 2009 Series A-1; 3.07%, due 2027-2041	\$ 64,350	\$ 54,690
• 2009 Series A-2; 2.32%, due 2026-2041	128,750	103,670
• 2010 Series A; 1.80% to 4.00%, due 2015-2027 Unamortized discount	43,130	34,030 (165)
• 2010 Series B; 1.80% to 4.625%, due 2015-2040	35,680	32,650
• 2011 Series B; 1.70% to 4.05%, due 2015-2026	71,360	58,130
<i>Mortgage Revenue Bonds, Taxable:</i>		
• 2011 Series A; 2.80% due 2015-2026	28,945	11,690
Total Mortgage Revenue Bonds	372,215	294,695
<i>Home Mortgage Revenue Bonds, Tax-Exempt:</i>		
• 2002 Series A; Floating Rate*; 0.10% at March 31, 2015, due 2032, 2036 Unamortized swap termination penalty	170,000	96,465 (6,106)
• 2006 Series A; 4.30% to 5.00%, due 2015-2036 Unamortized premium	98,675	16,155 28
• 2007 Series A; Floating Rate*; 0.09% at March 31, 2015, due 2017-2041	75,000	75,000
• 2007 Series B; Floating Rate*; 0.08% at March 31, 2015, due 2017-2041	75,000	75,000
• 2007 Series D; Floating Rate*; 0.08% at March 31, 2015, due 2017-2041	89,370	89,370
• 2009 Series A; Floating Rate*; 0.01% at March 31, 2015, due 2020-2040	80,880	80,880
• 2009 Series B; Floating Rate*, 0.01% at March 31, 2015, due 2020-2040	80,880	80,880
• 2009 Series D; Floating Rate*; 0.02% at March 31, 2015, due 2020-2040	80,870	80,870
Total Home Mortgage Revenue Bonds	750,675	588,542
Veterans Mortgage Program Bonds:		
<i>Collateralized State Guaranteed Bonds, Tax-Exempt:</i>		
• 2006 First Series; 4.1% to 4.90%, due 2015-2037	190,000	45,110
• 2007 & 2008 First Series; 3.75% to 5.25%, due 2015-2038	57,885	15,310
Total Veterans Mortgage Program Bonds	247,885	60,420
Other Housing Bonds:		
<i>Housing Development Bonds, Tax-Exempt:</i>		
• 2004 Series A; 4.8%, due 2024-2026	33,060	50
• 2004 Series B; 4.75%, due 2027-2032	52,025	50
Sub-Total Housing Development Bonds	85,085	100

NOTES TO FINANCIAL STATEMENTS

	Original Amount	March 31, 2015
General Mortgage Revenue Bonds, Tax-Exempt:		
• 2012 Series A; 0.95% to 4.25%, due 2015-2040	145,890	132,825
Unamortized discount		(665)
Unamortized premium		803
Governmental Purpose Bonds, Tax-Exempt:		
• 1997 Series A; Floating Rate*, monthly payments, 0.02% at March 31, 2015, due 2027	33,000	14,600
• 2001 Series A; Floating Rate*; 0.02% at March 31, 2015, due 2015-2030	76,580	52,295
Unamortized swap termination penalty		(6,222)
• 2001 Series B; Floating Rate*; 0.01% at March 31, 2015, due 2015-2030	93,590	63,905
Total Other Housing Bonds	434,145	257,641
Non-Housing Bonds:		
State Capital Project Bonds, Tax-Exempt:		
• 2002 Series C; Floating Rate*, 0.01% at March 31, 2015, due 2015-2022	60,250	45,700
• 2006 Series A; 3.50% to 5.00%, due 2015-2040	100,890	88,585
Unamortized discount		(1,046)
Unamortized premium		892
• 2007 Series A & B; 4.00% to 5.25%, due 2015-2029	95,525	74,310
Unamortized discount		(41)
Unamortized premium		1,379
• 2011 Series A; 4.25% to 5.00%, due 2015-2027	105,185	77,035
Unamortized discount		(82)
Unamortized premium		1,342
• 2012 Series A; 2.00% to 5.00%, due 2015-2032	99,360	89,345
Unamortized discount		(119)
Unamortized premium		9,456
• 2013 Series A; 4.00% to 5.00%, due 2017-2032	86,765	86,765
Unamortized premium		10,392
• 2014 Series A; 3.00% to 5.00%, due 2016-2033	95,115	95,115
Unamortized discount		(68)
Unamortized premium		8,564
• 2014 Series B; 2.00% to 5.00%, due 2015-2029	29,285	29,285
Unamortized premium		4,273
• 2014 Series D; 2.00% to 5.00%, due 2016-2029	78,105	78,105
Unamortized premium		14,234
• 2015 Series A; 2.00% to 5.00%, due 2016-2030	111,535	111,535
Unamortized premium		18,300
State Capital Project Bonds, Taxable:		
• 2013 Series B; Indexed Floating Rate*, monthly payments 0.97% at March 31, 2015, due 2043	50,000	50,000
• 2014 Series C; Indexed Floating Rate*, 0.67% at March 31, 2015, due 2029	140,000	140,000
General Housing Purpose Bonds, Tax-Exempt:		
• 2005 Series B; 4.00% to 5.25%, due 2015-2030	147,610	3,850
Total Non-Housing Bonds	1,199,625	1,037,106
Total Bonds Payable	\$ 3,004,545	\$ 2,238,404

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.

NOTES TO FINANCIAL STATEMENTS

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 nine months ended March 31, 2015, the Corporation made \$48,405,000 special revenue redemptions and \$100,000,000 current refundings.

Advance Refundings

In March 2015, AHFC issued \$111,535,000 in State Capital Projects Bonds II, 2015 Series A.. These 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.

Net proceeds of the State Capital Projects Bonds II, 2015 Series A, totaled \$129,907,000 after a premium of \$18,372,000. \$119,476,000 of these proceeds was deposited with an escrow agent to pay off the bonds on the first original redemption date of June 1, 2015. As a result, the refunded bonds are considered to be defeased and the liability for the General Housing Purpose Bonds, 2005 Series B and C has been removed from the Statement of Net Position.

This advance refunding decreased debt service payments by \$23,767,000 over the next sixteen years. This results in an economic gain of approximately \$22,506,000.

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):

12 Months Ending March 31	Total Debt Service		
	Principal	Interest*	Total
2016	\$ 41,860	\$ 78,372	\$ 120,232
2017	48,620	78,216	126,836
2018	60,080	76,412	136,492
2019	59,170	74,196	133,366
2020-2025	518,235	375,284	893,519
2026-2030	636,000	205,178	841,178
2031-2035	369,140	111,321	480,461
2036-2040	318,375	46,929	365,304
2041-2044	131,775	4,594	136,369
	<u>\$ 2,183,255</u>	<u>\$ 1,050,502</u>	<u>\$ 3,233,757</u>

* Interest requirements for variable-rate bonds have been computed using the effective interest rate at March 31, 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) and up to \$14,682,018 of Tax Exempt Direct Purchase Bonds (ANC MV Phase I Limited Partnership Project), Series 2014. As of March 31, 2015, the outstanding bonds were \$2,405,000 and \$1,466,000 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.

NOTES TO FINANCIAL STATEMENTS

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 March 31, 2015, the Corporation has not posted any collateral and is not required to post any collateral.

Hedging Derivatives

The significant terms and credit ratings of the Corporation's hedging derivatives as of March 31, 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 March 31, 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		Change in Fair Value
			March 31, 2015	June 30, 2014	
GP01A	\$ 52,295	\$ 57,289	\$ (4,994)	\$ (3,353)	\$ (1,641)
GP01B	63,905	79,420	(15,515)	(13,103)	(2,412)
E021A1	41,230	46,972	(5,742)	(4,195)	(1,547)
E021A2	55,235	58,712	(3,477)	(4,091)	614
SC02C	45,700	51,253	(5,553)	(5,981)	428
E071AB	143,622	186,949	(43,327)	(31,412)	(11,915)
E071BD	95,748	124,308	(28,560)	(20,577)	(7,983)
E091A	72,789	95,535	(22,746)	(16,520)	(6,226)
E091B	72,789	95,476	(22,687)	(16,461)	(6,226)
E091ABD	97,052	126,874	(29,822)	(21,483)	(8,339)
Total	\$ 740,365	\$ 922,788	\$ (182,423)	\$ (137,176)	\$ (45,247)

NOTES TO FINANCIAL STATEMENTS

As of March 31, 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
2015	\$ 3,895	\$ 186	\$ 11,985	\$ 16,066
2016	13,325	374	25,624	39,323
2017	16,325	370	25,143	41,838
2018	19,585	363	24,510	44,458
2019	20,475	354	23,803	44,632
2020-2024	140,590	1,619	105,175	247,384
2025-2029	153,415	1,306	80,315	235,036
2030-2034	152,120	925	53,190	206,235
2035-2039	154,585	524	26,838	181,947
2040-2043	66,050	90	3,098	69,238
	<u>\$ 740,365</u>	<u>\$ 6,111</u>	<u>\$ 379,681</u>	<u>\$ 1,126,157</u>

Credit Risk

As of March 31, 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 34.8% of the total notional amount of the swaps is held with one counterparty rated "AAA/Aa2". Another 32.2% 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 16.1%, 9.8%, and 7.1% 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 March 31, 2015, SIFMA was 0.02% and 1-month LIBOR was 0.17625%, resulting in a SIFMA/LIBOR ratio of 11.3%. The 3-month LIBOR was 0.27075%, resulting in a SIFMA/LIBOR ratio of 7.4%. 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.

NOTES TO FINANCIAL STATEMENTS

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 was 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 March 31, 2015, is 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 March 31, 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
			March 31, 2015	June 30, 2014	
SC02B	\$ 14,555	\$ 17,449	\$ (2,894)	\$ (2,528)	\$ (366)

Credit Risk

As of March 31, 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 nine months ended March 31, 2015, is summarized in the following schedule (in thousands):

	June 30, 2014	Additions	Reductions	March 31, 2015	Due Within One Year
Total bonds and notes payable	\$ 2,308,710	\$ 362,876	\$ (433,182)	\$ 2,238,404	\$ 41,860
Compensated absences	5,285	2,086	(2,353)	5,018	1,954
Other liabilities	837	-	(15)	822	-
Total long-term liabilities	\$ 2,314,832	\$ 364,962	\$ (435,550)	\$ 2,244,244	\$ 43,814

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 nine months ended March 31, 2015, was 0.13% and the highest was 0.17%.

Short term debt activity for the nine months ended March 31, 2015, is summarized in the following schedule (in thousands):

	June 30, 2014	Additions	Reductions	March 31, 2015
Commercial paper	\$ 65,000	\$ 308,700	\$ (360,600)	\$ 13,100
Unamortized discount	(7)	(49)	53	(3)
Commercial paper, net	\$ 64,993	\$ 308,651	\$ (360,547)	\$ 13,097

NOTES TO FINANCIAL STATEMENTS

14 TRANSFERS

Transfers for the nine months ended March 31, 2015, are summarized in the following schedule (in thousands):

		Due From					Total
		Administrative Fund	Grant Programs	Mortgage or Bond Programs	Other Funds or Programs	Alaska Corporation for Affordable Housing	
D	Administrative Fund	\$ -	\$ 106,715	\$ 209,397	\$ 10,427	\$ 1,784	\$ 328,323
u	Grant Programs	116,403	-	-	-	-	116,403
e	Mortgage or Bond Programs	224,816	-	231,452	-	-	456,268
	Other Funds or Programs	16,333	30	-	-	-	16,363
T	Alaska Corporation for						
o	Affordable Housing	6,011	-	-	3,525	-	9,536
	Total	\$ 363,563	\$ 106,745	\$ 440,849	\$ 13,952	\$ 1,784	\$ 926,893

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,
- (5) record any unreimbursable expenditures paid by the Administrative Fund on behalf of ACAH and cash transferred between the Administrative Fund and ACAH..

15 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 March 31, 2015, the Corporation had unused standby bond purchase agreements of \$497,585,000 and bond insurance of \$299,470,000.

16 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 nine months ended March 31, 2015 was \$(14,000). No arbitrage was paid for the nine months ended March 31, 2015.

17 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.

NOTES TO FINANCIAL STATEMENTS

“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 March 31, 2015, (in thousands):

	Dividend Due		Remaining
	to State	Expenditures	Commitments
State General Fund Transfers	\$ 788,921	\$ (788,921)	\$ -
State Capital Projects Debt Service	412,071	(412,071)	-
State of Alaska Capital Projects	253,761	(248,940)	4,821
AHFC Capital Projects	457,420	(431,616)	25,804
Total	\$ 1,912,173	\$ (1,881,548)	\$ 30,625

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.

NOTES TO FINANCIAL STATEMENTS

18 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):

	March 31, 2015
▪ Affordable Housing Development Program	\$ 7,663
▪ Alaska Corporation for Affordable Housing	933
▪ Beneficiaries and Special Needs Housing	437
▪ Continuum of Care Homeless Assistance	1,588
▪ Domestic Violence	1,198
▪ Drug Elimination	11
▪ Emergency Shelter Grant (ESG)	140
▪ Energy Efficiency Monitoring Research	300
▪ Energy Efficient Home Program	13,950
▪ HOME Investment Partnership	3,921
▪ Homeless Assistance Program	4,290
▪ Housing Choice Vouchers	21,929
▪ Housing Loan Program	3,075
▪ Housing Opportunities for Persons with AIDS	450
▪ Low Income Weatherization Assistance	24,878
▪ Neighborhood Stabilization Program (NSP)	46
▪ Non-Elderly Disabled (NED)	204
▪ Parolees (TBRA)	330
▪ Section 8 Rehabilitaton	322
▪ Senior Citizen Housing Development Grant	2,485
▪ Supplemental Housing Grant	6,505
▪ Technical Assistance Grant	2
▪ Veterans Affairs Supportive Housing	1,088
▪ Youth (TBRA)	134
▪ Utility Allowance Payments for Low Rent	24
Total Housing Grants and Subsidies Expenses	\$ 95,903

In addition to grant payments made, the Corporation has advanced grant funds of \$9,607,000 and committed to third parties a sum of \$105,100,000 in grant awards at March 31, 2015.

19 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

20 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.

NOTES TO FINANCIAL STATEMENTS

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 March 31, 2015, the Corporation had outstanding commitments of \$25,322,000 and had paid out \$186,715,000 in the rebate program to homeowners since the inception of the program. The \$25,322,000 commitment amount represents the maximum amount each homeowner could be reimbursed, not necessarily the actual amount of each homeowner's reimbursement.

21 PENSION AND POST EMPLOYMENT HEALTHCARE PLANS

Plan Description

As of March 31, 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. A publicly available financial report that includes financial statements and required supplementary information is issued annually by PERS. That report may be obtained by writing to State of Alaska, Department of Administration, Division of Retirement and Benefits, P.O. Box 110203, Juneau, Alaska 99811-0202.

Defined Benefit Plans (Employees hired prior to July 1, 2006):

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.

Defined Contribution Plan (Employees hired on or after July 1, 2006):

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.

NOTES TO FINANCIAL STATEMENTS

Funding Policy

Defined Benefit Plans:

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% will be funded by the State. For the fiscal year 2015 the State is contributing 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 State contribution to the pension plan for the Corporation for the nine months ended March 31, 2015, was \$6,911,000.

The Corporation's contributions to the pension plan for the nine months ended March 31, 2015, totaled \$1,551,000 and for the years ended June 30, 2014, and June 30, 2013, totaled \$1,829,000 and \$1,723,000, respectively.

The Corporation's contributions to the post employment healthcare plan for the nine months ended March 31, 2015, totaled \$1,170,000 and for the years ended June 30, 2014, and June 30, 2013, totaled \$1,953,000 and \$2,197,000, respectively.

Defined Contribution Plans:

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 Plan's unfunded liability. For the nine months ended March 31, 2015, the Corporation paid additional contributions of \$463,000. These contributions equal \$264,000 for pension and \$199,000 for post-employment healthcare plans.

The contributions to the pension plan for the nine months ended March 31, 2015, by the employees totaled \$315,000 and by the Corporation totaled \$205,000.

The Corporation contributed \$197,000 to a health reimbursement arrangement for the nine months ended March 31, 2015.

22 OTHER COMMITMENTS AND CONTINGENCIES

Medical Self Insurance

During the fiscal year ended June 30, 1998, the Corporation began a program of self-insurance for employee medical benefits. Costs are billed directly to the Corporation by an Administrative Services Provider that processes all of the claims from the employees and their dependents. The Corporation has purchased a stop-loss policy that limits its liability to \$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 \$2,120,000 as of March 31, 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.

NOTES TO FINANCIAL STATEMENTS

Subsequent Events

On May 21, 2015, the Corporation executed an Agreement to Issue Bonds and Assignment with Northrim Bank to issue \$8,500,000 of tax-exempt revenue bonds, 2015 (Creekview Plaza 49 Senior Housing Project). The Corporation will issue these bonds to assist Creekview Plaza 49 Limited Partnership with the construction of facilities that will help the Corporation fulfill its mission of making housing affordable for all Alaskans. Neither the Corporation nor the State is obligated in any manner for repayment of the bonds. Accordingly, the bonds and any related assets will not be reported as assets or liabilities in the Corporation's financial statements.

23 RISK MANAGEMENT

The Corporation is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by various commercial insurance policies and contractual risk transfers. When the Corporation enters into agreements, contracts or grants, it requires insurance from the party 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.

NOTES TO FINANCIAL STATEMENTS

24 FIVE YEAR FINANCIAL INFORMATION

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

	June 30,				
	2014	2013	2012	2011	2010
Assets					
Cash	\$ 77,026	\$ 59,207	\$ 64,631	\$ 73,411	\$ 59,218
Investments	1,063,200	1,218,693	1,231,890	1,362,107	1,389,605
Accrued interest receivable	12,357	11,559	12,423	13,305	14,647
Mortgage loans, notes and other loans	2,536,596	2,305,667	2,525,004	2,759,511	2,971,253
Net investment in direct financing lease	44,664	48,777	53,192	57,476	61,222
Unamortized bond issuance costs	-	10,855	14,110	16,880	19,751
Capital assets, net	120,248	125,483	125,366	121,968	112,759
Other assets	44,533	64,919	46,275	36,446	40,463
Derivative instrument - interest rate swaps	-	-	-	-	-
Total Assets	3,898,624	3,845,160	4,072,891	4,441,104	4,668,918
Deferred Outflow of Resources					
	156,579	136,070	215,757	100,936	127,899
Liabilities					
Bonds and notes payable	2,308,710	2,257,875	2,407,864	2,721,113	2,832,647
Short term debt	64,993	28,388	68,685	86,976	149,890
Accrued interest payable	10,147	9,947	11,323	12,688	12,770
Other liabilities	21,079	20,857	27,153	24,549	47,252
Derivative instrument - interest rate swaps	140,366	138,635	219,480	102,895	130,267
Total Liabilities	2,545,295	2,455,702	2,734,505	2,948,221	3,172,826
Deferred Inflow of Resources					
	-	-	-	-	-
Total Net Position	\$ 1,509,908	\$ 1,525,528	* \$ 1,554,143	\$ 1,593,819	\$ 1,623,991
Operating Revenues					
Mortgage and loans revenue	\$ 120,740	\$ 125,059	\$ 147,078	\$ 164,242	\$ 177,855
Investment interest	6,532	6,385	6,793	8,454	11,605
Net change in fair value of investments	2,450	1,545	7,667	7,766	6,317
Net change of hedge termination	37	1,158	(1,765)	410	(794)
Total Investment Revenue	9,019	9,088	12,695	16,630	17,128
Externally funded programs	163,739	168,152	179,704	194,411	191,968
Rental	8,951	8,701	8,554	7,996	8,697
Other	5,637	4,325	3,147	2,416	1,610
Total Operating Revenues	308,086	315,325	351,178	385,695	397,258
Operating Expenses					
Interest	81,184	94,409	111,558	122,138	130,789
Mortgage and loan costs	9,442	10,098	11,131	11,587	12,709
Operations and administration	58,771	56,663	57,126	54,100	49,678
Financing expenses	4,415	12,419	7,807	8,692	7,456
Provision for loan loss	(5,688)	(4,753)	(1,542)	(6,673)	515
Housing grants and subsidies	149,188	150,460	179,194	196,168	194,883
Rental housing operating expenses	14,159	13,924	16,373	12,594	11,002
Total Operating Expenses	311,471	333,220	381,647	398,606	407,032
Operating Income (Loss)	(3,385)	(17,895)	(30,469)	(12,911)	(9,774)
Non-Operating & Special Item					
Contribution to State or State agency	(1,380)	(10,720)	(9,207)	(20,349)	(36,772)
Special item	-	-	-	3,088	-
Change in Net Position	\$ (4,765)	\$ (28,615)	\$ (39,676)	\$ (30,172)	\$ (46,546)

*Does not reflect the FY14 cumulative effect of accounting change.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

COMBINED - ALL FUNDS

As of March 31, 2015

(in thousands of dollars)

	Combined Revolving Funds	Combined Mortgage Revenue Bonds	Combined Home Mortgage Revenue Bonds	Combined Veterans Mortgage Program Bonds
ASSETS				
Cash	36,797	-	-	-
Investments	590,098	42,749	54,286	11,157
Accrued interest receivable	2,343	925	2,867	486
Inter-fund due to/from	(21,653)	3,235	14,566	1,480
Mortgage loans, notes and other loans	147,226	304,024	777,119	81,355
Net investment in direct financing lease	-	-	-	-
Capital assets, non-depreciable	139	-	-	-
Capital assets - depreciable, net	6,042	-	-	-
Other assets	9,725	-	-	-
Derivative instrument - interest rate swaps	-	-	-	-
Intergovernmental receivable	110	-	-	-
Total Assets	770,827	350,933	848,838	94,478
DEFERRED OUTFLOW OF RESOURCES				
	-	-	164,644	-
LIABILITIES				
Bonds payable	-	294,695	588,542	60,420
Short term debt	13,097	-	-	-
Accrued interest payable	2,104	2,900	7,092	1,006
Other liabilities	9,895	86	274	36
Derivative instrument - interest rate swaps	-	-	156,363	-
Intergovernmental payable	615	-	-	-
Total Liabilities	25,711	297,681	752,271	61,462
DEFERRED INFLOW OF RESOURCES				
	-	-	-	-
NET POSITION				
Net investment in capital assets	6,181	-	-	-
Restricted by bond resolutions	-	53,252	261,211	33,016
Restricted by contractual or statutory agreements	66,092	-	-	-
Unrestricted or (deficit)	672,843	-	-	-
Total Net Position	745,116	53,252	261,211	33,016

Schedule 1

Combined Other Housing Bonds	Combined Non-Housing Bonds	Combined Other Programs	Combined Total
-	149	29,846	66,792
91,269	92,568	-	882,127
1,691	4,177	-	12,489
6,131	13,443	(17,202)	-
438,766	885,509	-	2,633,999
-	39,734	-	39,734
-	2,401	17,490	20,030
-	9,945	80,828	96,815
-	-	11,557	21,282
-	-	-	-
-	-	10,617	10,727
537,857	1,047,926	133,136	3,783,995
21,830	13,267	-	199,741
257,641	1,037,106	-	2,238,404
-	-	-	13,097
2,811	10,955	-	26,868
603	673	2,971	14,538
20,509	8,445	-	185,317
-	149	-	764
281,564	1,057,328	2,971	2,478,988
-	-	-	-
-	12,346	98,318	116,845
249,165	-	-	596,644
28,958	-	35,684	130,734
-	(8,481)	(3,837)	660,525
278,123	3,865	130,165	1,504,748

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ALASKA HOUSING FINANCE CORPORATION

Schedule 2

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

REVOLVING FUNDS

As of March 31, 2015

(in thousands of dollars)

	Administrative Fund	Home Ownership Fund	Combined Total
ASSETS			
Cash	36,797	-	36,797
Investments	578,567	11,531	590,098
Accrued interest receivable	2,240	103	2,343
Inter-fund due to/from	(21,653)	-	(21,653)
Mortgage loans, notes and other loans	147,226	-	147,226
Net investment in direct financing lease	-	-	-
Capital assets - non-depreciable	139	-	139
Capital assets - depreciable, net	6,042	-	6,042
Other assets	9,725	-	9,725
Derivative instrument - interest rate swaps	-	-	-
Intergovernmental receivable	110	-	110
Total Assets	759,193	11,634	770,827
DEFERRED OUTFLOW OF RESOURCES			
	-	-	-
LIABILITIES			
Bonds payable	-	-	-
Short term debt	13,097	-	13,097
Accrued interest payable	2,104	-	2,104
Other liabilities	9,895	-	9,895
Derivative instrument - interest rate swaps	-	-	-
Intergovernmental payable	615	-	615
Total Liabilities	25,711	-	25,711
DEFERRED INFLOW OF RESOURCES			
	-	-	-
NET POSITION			
Net investment in capital assets	6,181	-	6,181
Restricted by bond resolutions	-	-	-
Restricted by contractual or statutory agreements	54,458	11,634	66,092
Unrestricted or (deficit)	672,843	-	672,843
Total Net Position	733,482	11,634	745,116

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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 March 31, 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	18,960	23,789	42,749
Accrued interest receivable	374	551	925
Inter-fund due to/from	831	2,404	3,235
Mortgage loans, notes and other loans	112,170	191,854	304,024
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	132,335	218,598	350,933
DEFERRED OUTFLOW OF RESOURCES			
	-	-	-
LIABILITIES			
Bonds payable	121,205	173,490	294,695
Short term debt	-	-	-
Accrued interest payable	1,388	1,512	2,900
Other liabilities	34	52	86
Derivative instrument - interest rate swaps	-	-	-
Intergovernmental payable	-	-	-
Total Liabilities	122,627	175,054	297,681
DEFERRED INFLOW OF RESOURCES			
	-	-	-
NET POSITION			
Net investment in capital assets	-	-	-
Restricted by bond resolutions	9,708	43,544	53,252
Restricted by contractual or statutory agreements	-	-	-
Unrestricted or (deficit)	-	-	-
Total Net Position	9,708	43,544	53,252

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 March 31, 2015

(in thousands of dollars)

	Bonds 2002 A,B	Bonds 2006 A	Bonds 2007 A	Bonds 2007 B
ASSETS				
Cash	-	-	-	-
Investments	9,801	1,839	6,366	5,055
Accrued interest receivable	518	91	267	362
Inter-fund due to/from	2,084	437	1,521	1,382
Mortgage loans, notes and other loans	121,691	19,936	82,320	83,939
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	134,094	22,303	90,474	90,738
DEFERRED OUTFLOW OF RESOURCES				
	9,219	-	24,114	24,092
LIABILITIES				
Bonds payable	90,359	16,183	75,000	75,000
Short term debt	-	-	-	-
Accrued interest payable	1,013	253	916	917
Other liabilities	45	7	24	39
Derivative instrument - interest rate swaps	9,220	-	22,626	22,604
Intergovernmental payable	-	-	-	-
Total Liabilities	100,637	16,443	98,566	98,560
DEFERRED INFLOW OF RESOURCES				
	-	-	-	-
NET POSITION				
Net investment in capital assets	-	-	-	-
Restricted by bond resolutions	42,676	5,860	16,022	16,270
Restricted by contractual or statutory agreements	-	-	-	-
Unrestricted or (deficit)	-	-	-	-
Total Net Position	42,676	5,860	16,022	16,270

Schedule 4

Bonds 2007 D	Bonds 2009 A	Bonds 2009 B	Bonds 2009 D	Home Mortgage Revenue Bonds Combined Total
-	-	-	-	-
7,321	7,348	7,532	9,024	54,286
405	371	348	505	2,867
2,609	1,817	2,024	2,692	14,566
104,965	115,263	123,359	125,646	777,119
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
115,300	124,799	133,263	137,867	848,838
28,482	26,407	26,349	25,981	164,644
89,370	80,880	80,880	80,870	588,542
-	-	-	-	-
1,084	874	872	1,163	7,092
47	30	28	54	274
26,658	25,232	25,174	24,849	156,363
-	-	-	-	-
117,159	107,016	106,954	106,936	752,271
-	-	-	-	-
-	-	-	-	-
26,623	44,190	52,658	56,912	261,211
-	-	-	-	-
-	-	-	-	-
26,623	44,190	52,658	56,912	261,211

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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 March 31, 2015

(in thousands of dollars)

	Collateralized Bonds 2006 First Series	Collateralized Bonds 2007 & 2008 First Series	Combined Total
ASSETS			
Cash	-	-	-
Investments	8,873	2,284	11,157
Accrued interest receivable	374	112	486
Inter-fund due to/from	1,357	123	1,480
Mortgage loans, notes and other loans	62,183	19,172	81,355
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	72,787	21,691	94,478
DEFERRED OUTFLOW OF RESOURCES			
	-	-	-
LIABILITIES			
Bonds payable	45,110	15,310	60,420
Short term debt	-	-	-
Accrued interest payable	749	257	1,006
Other liabilities	28	8	36
Derivative instrument - interest rate swaps	-	-	-
Intergovernmental payable	-	-	-
Total Liabilities	45,887	15,575	61,462
DEFERRED INFLOW OF RESOURCES			
	-	-	-
NET POSITION			
Net investment in capital assets	-	-	-
Restricted by bond resolutions	26,900	6,116	33,016
Restricted by contractual or statutory agreements	-	-	-
Unrestricted or (deficit)	-	-	-
Total Net Position	26,900	6,116	33,016

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

OTHER HOUSING BONDS

As of March 31, 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	24,006	1,529	19,971	9,773
Accrued interest receivable	185	131	402	19
Inter-fund due to/from	92	340	2,994	-
Mortgage loans, notes and other loans	4,676	39,221	184,872	12,398
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	28,959	41,221	208,239	22,190
DEFERRED OUTFLOW OF RESOURCES				
	-	-	1,321	-
LIABILITIES				
Bonds payable	-	100	132,963	14,600
Short term debt	-	-	-	-
Accrued interest payable	-	2	1,537	-
Other liabilities	1	2	38	3
Derivative instrument - interest rate swaps	-	-	-	-
Intergovernmental payable	-	-	-	-
Total Liabilities	1	104	134,538	14,603
DEFERRED INFLOW OF RESOURCES				
	-	-	-	-
NET POSITION				
Net investment in capital assets	-	-	-	-
Restricted by bond resolutions	-	41,117	75,022	7,587
Restricted by contractual or statutory agreements	28,958	-	-	-
Unrestricted or (deficit)	-	-	-	-
Total Net Position	28,958	41,117	75,022	7,587

Schedule 6

Governmental Purpose Bonds 2001 A-D	Combined Total
-	-
35,990	91,269
954	1,691
2,705	6,131
197,599	438,766
-	-
-	-
-	-
-	-
-	-
237,248	537,857
20,509	21,830
109,978	257,641
-	-
1,272	2,811
559	603
20,509	20,509
-	-
132,318	281,564
-	-
-	-
125,439	249,165
-	28,958
-	-
125,439	278,123

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

NON-HOUSING BONDS

As of March 31, 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	-	-	96	-	-
Investments	2,036	4,592	2,065	4,038	2,631
Accrued interest receivable	227	380	231	294	396
Inter-fund due to/from	841	1,699	560	1,502	808
Mortgage loans, notes and other loans	47,565	85,763	45,757	74,027	88,868
Net investment in direct financing lease	-	-	33,169	-	-
Capital assets - non-depreciable	-	-	-	2,401	-
Capital assets - depreciable, net	-	-	-	9,945	-
Other assets	-	-	-	-	-
Derivative instrument - interest rate swaps	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-
Total Assets	50,669	92,434	81,878	92,207	92,703
DEFERRED OUTFLOW OF RESOURCES					
	5,553	-	2,095	-	-
LIABILITIES					
Bonds payable	45,700	88,431	75,648	78,295	98,682
Short term debt	-	-	-	-	-
Accrued interest payable	610	1,333	1,199	1,265	1,328
Other liabilities	24	28	15	23	18
Derivative instrument - interest rate swaps	8,445	-	-	-	-
Intergovernmental payable	-	-	96	-	-
Total Liabilities	54,779	89,792	76,958	79,583	100,028
DEFERRED INFLOW OF RESOURCES					
	-	-	-	-	-
NET POSITION					
Net investment in capital assets	-	-	-	12,346	-
Restricted by bond resolutions	-	-	-	-	-
Restricted by contractual or statutory agreements	-	-	-	-	-
Unrestricted or (deficit)	1,443	2,642	7,015	278	(7,325)
Total Net Position	1,443	2,642	7,015	12,624	(7,325)

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	General Housing Purpose Bonds 2005 A	General Housing Purpose Bonds 2005 B & C	Combined Total
-	-	-	-	-	-	-	53	149
5,830	3,479	1,877	3,215	48,172	4,870	-	9,763	92,568
707	890	125	368	109	430	-	20	4,177
1,103	2,269	560	1,596	243	2,239	-	23	13,443
133,749	92,297	30,619	135,155	44,463	104,918	-	2,328	885,509
-	-	-	-	-	-	-	6,565	39,734
-	-	-	-	-	-	-	-	2,401
-	-	-	-	-	-	-	-	9,945
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
141,389	98,935	33,181	140,334	92,987	112,457	-	18,752	1,047,926
-	-	-	-	-	5,619	-	-	13,267
147,157	103,611	33,558	140,000	92,339	129,835	-	3,850	1,037,106
-	-	-	-	-	-	-	-	-
1,375	1,531	484	314	1,300	150	-	66	10,955
18	26	11	34	11	126	-	339	673
-	-	-	-	-	-	-	-	8,445
-	-	-	-	-	-	-	53	149
148,550	105,168	34,053	140,348	93,650	130,111	-	4,308	1,057,328
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	12,346
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
(7,161)	(6,233)	(872)	(14)	(663)	(12,035)	-	14,444	(8,481)
(7,161)	(6,233)	(872)	(14)	(663)	(12,035)	-	14,444	3,865

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

OTHER PROGRAM FUNDS

As of March 31, 2015

(in thousands of dollars)

	Energy Programs	Low Rent Program	Market Rate Rental Housing Programs	Section 8 Vouchers Programs
ASSETS				
Cash	1,201	9,974	10,495	3,238
Investments	-	-	-	-
Accrued interest receivable	-	-	-	-
Inter-fund due to/from	(4,382)	(3,508)	(877)	(1,839)
Mortgage loans, notes and other loans	-	-	-	-
Net investment in direct financing lease	-	-	-	-
Capital assets - non-depreciable	-	12,691	1,132	-
Capital assets - depreciable, net	-	61,528	19,259	41
Other assets	4,588	870	132	290
Derivative instrument - interest rate swaps	-	-	-	-
Intergovernmental receivable	4,871	47	-	141
Total Assets	6,278	81,602	30,141	1,871
DEFERRED OUTFLOW OF RESOURCES				
	-	-	-	-
LIABILITIES				
Bonds payable	-	-	-	-
Short term debt	-	-	-	-
Accrued interest payable	-	-	-	-
Other liabilities	692	1,171	270	45
Derivative instrument - interest rate swaps	-	-	-	-
Intergovernmental payable	-	-	-	-
Total Liabilities	692	1,171	270	45
DEFERRED INFLOW OF RESOURCES				
	-	-	-	-
NET POSITION				
Net investment in capital assets	-	74,219	20,391	41
Restricted by bond resolutions	-	-	-	-
Restricted by contractual or statutory agreements	7,229	6,530	9,485	2,232
Unrestricted or (deficit)	(1,643)	(318)	(5)	(447)
Total Net Position	5,586	80,431	29,871	1,826

Schedule 8

Other Grants	Alaska Corporation for Affordable Housing	Combined Total
3	4,935	29,846
-	-	-
-	-	-
(358)	(6,238)	(17,202)
-	-	-
-	-	-
-	3,667	17,490
-	-	80,828
5,677	-	11,557
-	-	-
5,558	-	10,617
10,880	2,364	133,136
-	-	-
-	-	-
-	-	-
768	25	2,971
-	-	-
-	-	-
768	25	2,971
-	-	-
-	-	-
-	-	-
-	3,667	98,318
-	-	-
10,208	-	35,684
(96)	(1,328)	(3,837)
10,112	2,339	130,165

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 Nine Months Ended March 31, 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	6,921	10,000	27,112	3,726
Investment interest	379	67	126	20
Net change in the fair value of investments	1,226	15	22	4
Net change of hedge termination	-	-	-	-
Total Investment Revenue	1,605	82	148	24
Externally funded program	1,349	-	-	-
Rental	-	-	-	-
Other	7,303	-	-	-
Total Operating Revenues	17,178	10,082	27,260	3,750
OPERATING EXPENSES				
Interest	48	6,670	17,820	2,417
Mortgage and loan costs	992	933	2,292	292
Financing expenses	391	24	2,125	5
Provision for loan loss	731	(1,283)	(1,693)	(528)
Operations and administration	21,494	367	915	102
Rental housing operating expenses	15	-	-	-
Housing grants and subsidies	-	-	-	-
Total Operating Expenses	23,671	6,711	21,459	2,288
Operating Income (Loss)	(6,493)	3,371	5,801	1,462
NONOPERATING EXPENSES, SPECIAL ITEMS & TRANSFERS				
Contributions to the State of Alaska or other State agencies	(3,754)	-	-	-
Special Items	-	-	-	-
Transfers - Internal	(35,204)	390	1,039	108
Change in Net Position	(45,451)	3,761	6,840	1,570
Net position at beginning of year	790,567	49,491	254,371	31,446
Cumulative effect of accounting change	-	-	-	-
Revised net position at beginning of year	790,567	49,491	254,371	31,446
Net Position at End of Period	745,116	53,252	261,211	33,016

Schedule 9

Combined Other Housing Bonds	Combined Non-Housing Bonds	Combined Other Programs	Combined Total
14,154	32,606	-	94,519
1,160	1,934	11	3,697
(369)	477	-	1,375
-	(366)	-	(366)
791	2,045	11	4,706
-	-	99,953	101,302
-	-	6,765	6,765
-	-	425	7,728
14,945	34,651	107,154	215,020
6,646	24,061	-	57,662
1,130	2,086	-	7,725
147	1,188	-	3,880
(858)	(3,883)	-	(7,514)
517	1,406	21,145	45,946
-	-	12,809	12,824
-	-	95,903	95,903
7,582	24,858	129,857	216,426
7,363	9,793	(22,703)	(1,406)
-	-	-	(3,754)
-	-	-	-
9,269	4,613	19,785	-
16,632	14,406	(2,918)	(5,160)
261,491	(10,541)	133,083	1,509,908
-	-	-	-
261,491	(10,541)	133,083	1,509,908
278,123	3,865	130,165	1,504,748

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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 Nine Months Ended March 31, 2015

(in thousands of dollars)

	Administrative Fund	Home Ownership Fund	Combined Total
OPERATING REVENUES			
Mortgage and loans revenue	6,921	-	6,921
Investment interest	175	204	379
Net change in the fair value of investments	1,387	(161)	1,226
Net change of hedge termination	-	-	-
Total Investment Revenue	1,562	43	1,605
Externally funded program	1,349	-	1,349
Rental	-	-	-
Other	7,303	-	7,303
Total Operating Revenues	17,135	43	17,178
OPERATING EXPENSES			
Interest	48	-	48
Mortgage and loan costs	992	-	992
Financing expenses	391	-	391
Provision for loan loss	731	-	731
Operations and administration	21,494	-	21,494
Rental housing operating expenses	15	-	15
Housing grants and subsidies	-	-	-
Total Operating Expenses	23,671	-	23,671
Operating Income (Loss)	(6,536)	43	(6,493)
NONOPERATING EXPENSES, SPECIAL ITEMS & TRANSFERS			
Contributions to the State of Alaska or other State agencies	(3,754)	-	(3,754)
Special Items	-	-	-
Transfers - Internal	(35,240)	36	(35,204)
Change in Net Position	(45,530)	79	(45,451)
Net position at beginning of year	779,012	11,555	790,567
Cumulative effect of accounting change	-	-	-
Revised net position at beginning of year	779,012	11,555	790,567
Net Position at End of Period	733,482	11,634	745,116

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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 Nine Months Ended March 31, 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	4,031	5,969	10,000
Investment interest	29	38	67
Net change in the fair value of investments	6	9	15
Net change of hedge termination	-	-	-
Total Investment Revenue	35	47	82
Externally funded program	-	-	-
Rental	-	-	-
Other	-	-	-
Total Operating Revenues	4,066	6,016	10,082
OPERATING EXPENSES			
Interest	3,182	3,488	6,670
Mortgage and loan costs	365	568	933
Financing expenses	10	14	24
Provision for loan loss	(531)	(752)	(1,283)
Operations and administration	136	231	367
Rental housing operating expenses	-	-	-
Housing grants and subsidies	-	-	-
Total Operating Expenses	3,162	3,549	6,711
Operating Income (Loss)	904	2,467	3,371
NONOPERATING EXPENSES, SPECIAL ITEMS & TRANSFERS			
Contributions to the State of Alaska or other State agencies	-	-	-
Special Items	-	-	-
Transfers - Internal	145	245	390
Change in Net Position	1,049	2,712	3,761
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	9,708	43,544	53,252

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 Nine Months Ended March 31, 2015

(in thousands of dollars)

	Bonds 2002 A,B	Bonds 2006 A	Bonds 2007 A	Bonds 2007 B
OPERATING REVENUES				
Mortgage and loans revenue	5,231	872	2,946	3,051
Investment interest	17	5	14	14
Net change in the fair value of investments	4	1	3	2
Net change of hedge termination	-	-	-	-
Total Investment Revenue	21	6	17	16
Externally funded program	-	-	-	-
Rental	-	-	-	-
Other	-	-	-	-
Total Operating Revenues	5,252	878	2,963	3,067
OPERATING EXPENSES				
Interest	3,752	602	2,126	2,128
Mortgage and loan costs	472	62	263	256
Financing expenses	857	4	105	113
Provision for loan loss	(372)	(119)	(157)	(114)
Operations and administration	145	24	97	98
Rental housing operating expenses	-	-	-	-
Housing grants and subsidies	-	-	-	-
Total Operating Expenses	4,854	573	2,434	2,481
Operating Income (Loss)	398	305	529	586
NONOPERATING EXPENSES, SPECIAL ITEMS & TRANSFERS				
Contributions to the State of Alaska or other State agencies	-	-	-	-
Special Items	-	-	-	-
Transfers - Internal	(605)	29	150	251
Change in Net Position	(207)	334	679	837
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	42,676	5,860	16,022	16,270

Schedule 12

Bonds 2007 D	Bonds 2009 A	Bonds 2009 B	Bonds 2009 D	Home Mortgage Revenue Bonds Combined Total
3,842	3,366	3,658	4,146	27,112
19	17	18	22	126
3	3	3	3	22
-	-	-	-	-
22	20	21	25	148
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
3,864	3,386	3,679	4,171	27,260
2,533	2,155	2,153	2,371	17,820
325	276	297	341	2,292
141	506	83	316	2,125
(253)	(139)	(173)	(366)	(1,693)
124	134	144	149	915
-	-	-	-	-
-	-	-	-	-
2,870	2,932	2,504	2,811	21,459
994	454	1,175	1,360	5,801
-	-	-	-	-
-	-	-	-	-
315	379	(123)	643	1,039
1,309	833	1,052	2,003	6,840
25,314	43,357	51,606	54,909	254,371
-	-	-	-	-
25,314	43,357	51,606	54,909	254,371
26,623	44,190	52,658	56,912	261,211

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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 Nine Months Ended March 31, 2015

(in thousands of dollars)

	Collateralized Bonds 2006 First Series	Collateralized Bonds 2007 & 2008 First Series	Combined Total
OPERATING REVENUES			
Mortgage and loans revenue	2,847	879	3,726
Investment interest	17	3	20
Net change in the fair value of investments	3	1	4
Net change of hedge termination	-	-	-
Total Investment Revenue	20	4	24
Externally funded program	-	-	-
Rental	-	-	-
Other	-	-	-
Total Operating Revenues	2,867	883	3,750
OPERATING EXPENSES			
Interest	1,801	616	2,417
Mortgage and loan costs	223	69	292
Financing expenses	4	1	5
Provision for loan loss	(418)	(110)	(528)
Operations and administration	79	23	102
Rental housing operating expenses	-	-	-
Housing grants and subsidies	-	-	-
Total Operating Expenses	1,689	599	2,288
Operating Income (Loss)	1,178	284	1,462
NONOPERATING EXPENSES, SPECIAL ITEMS & TRANSFERS			
Contributions to the State of Alaska or other State agencies	-	-	-
Special Items	-	-	-
Transfers - Internal	83	25	108
Change in Net Position	1,261	309	1,570
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	26,900	6,116	33,016

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 Nine Months Ended March 31, 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	272	1,183	5,320	159
Investment interest	431	7	29	10
Net change in the fair value of investments	(381)	-	7	3
Net change of hedge termination	-	-	-	-
Total Investment Revenue	50	7	36	13
Externally funded program	-	-	-	-
Rental	-	-	-	-
Other	-	-	-	-
Total Operating Revenues	322	1,190	5,356	172
OPERATING EXPENSES				
Interest	-	4	3,429	3
Mortgage and loan costs	13	22	455	-
Financing expenses	-	1	25	34
Provision for loan loss	(37)	(27)	(329)	-
Operations and administration	6	36	223	15
Rental housing operating expenses	-	-	-	-
Housing grants and subsidies	-	-	-	-
Total Operating Expenses	(18)	36	3,803	52
Operating Income (Loss)	340	1,154	1,553	120
NONOPERATING EXPENSES, SPECIAL ITEMS & TRANSFERS				
Contributions to the State of Alaska or other State agencies	-	-	-	-
Special Items	-	-	-	-
Transfers - Internal	6	11,842	(2,714)	45
Change in Net Position	346	12,996	(1,161)	165
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	28,958	41,117	75,022	7,587

Schedule 14

Governmental Purpose Bonds 2001 A-D	Combined Total
7,220	14,154
683	1,160
2	(369)
-	-
685	791
-	-
-	-
-	-
7,905	14,945
3,210	6,646
640	1,130
87	147
(465)	(858)
237	517
-	-
-	-
3,709	7,582
4,196	7,363
-	-
-	-
90	9,269
4,286	16,632
121,153	261,491
-	-
121,153	261,491
125,439	278,123

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 Nine Months Ended March 31, 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	1,945	3,485	2,083	2,762	4,599
Investment interest	6	16	1,402	15	12
Net change in the fair value of investments	-	1	-	1	1
Net change of hedge termination	(366)	-	-	-	-
Total Investment Revenue	(360)	17	1,402	16	13
Externally funded program	-	-	-	-	-
Rental	-	-	-	-	-
Other	-	-	-	-	-
Total Operating Revenues	1,585	3,502	3,485	2,778	4,612
OPERATING EXPENSES					
Interest	1,889	2,996	2,702	2,647	1,949
Mortgage and loan costs	155	268	139	216	218
Financing expenses	57	6	28	4	7
Provision for loan loss	(112)	(235)	(133)	(13)	(582)
Operations and administration	57	101	55	439	106
Rental housing operating expenses	-	-	-	-	-
Housing grants and subsidies	-	-	-	-	-
Total Operating Expenses	2,046	3,136	2,791	3,293	1,698
Operating Income (Loss)	(461)	366	694	(515)	2,914
NONOPERATING EXPENSES, SPECIAL ITEMS & TRANSFERS					
Contributions to the State of Alaska or other State agencies	-	-	-	-	-
Special Items	-	-	-	-	-
Transfers - Internal	5,797	539	3,103	11,883	(303)
Change in Net Position	5,336	905	3,797	11,368	2,611
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	1,443	2,642	7,015	12,624	(7,325)

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	General Housing Purpose Bonds 2005 A	General Housing Purpose Bonds 2005 B & C	Combined Total
6,482	1,550	535	2,304	20	183	2,754	3,904	32,606
15	6	3	6	-	1	10	442	1,934
1	114	38	112	206	-	-	3	477
-	-	-	-	-	-	-	-	(366)
16	120	41	118	206	1	10	445	2,045
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
6,498	1,670	576	2,422	226	184	2,764	4,349	34,651
2,300	2,480	621	559	669	91	170	4,988	24,061
168	110	49	206	2	15	214	326	2,086
9	20	47	132	418	425	4	31	1,188
(461)	932	309	458	449	1,060	(4,336)	(1,219)	(3,883)
157	108	35	129	48	41	46	84	1,406
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
2,173	3,650	1,061	1,484	1,586	1,632	(3,902)	4,210	24,858
4,325	(1,980)	(485)	938	(1,360)	(1,448)	6,666	139	9,793
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
(13,294)	(2,143)	(315)	(952)	697	(10,587)	(10,913)	21,101	4,613
(8,969)	(4,123)	(800)	(14)	(663)	(12,035)	(4,247)	21,240	14,406
1,808	(2,110)	(72)	-	-	-	4,247	(6,796)	(10,541)
-	-	-	-	-	-	-	-	-
1,808	(2,110)	(72)	-	-	-	4,247	(6,796)	(10,541)
(7,161)	(6,233)	(872)	(14)	(663)	(12,035)	-	14,444	3,865

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 Nine Months Ended March 31, 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	1	1	1	5
Net change in the fair value of investments	-	-	-	-
Net change of hedge termination	-	-	-	-
Total Investment Revenue	1	1	1	5
Externally funded program	40,914	10,962	1,620	26,935
Rental	-	5,040	1,704	-
Other	2	12	9	43
Total Operating Revenues	40,917	16,015	3,334	26,983
OPERATING EXPENSES				
Interest	-	-	-	-
Mortgage and loan costs	-	-	-	-
Financing expenses	-	-	-	-
Provision for loan loss	-	-	-	-
Operations and administration	2,974	9,641	2,409	3,604
Rental housing operating expenses	401	10,422	1,817	98
Housing grants and subsidies	39,129	24	-	25,204
Total Operating Expenses	42,504	20,087	4,226	28,906
Operating Income (Loss)	(1,587)	(4,072)	(892)	(1,923)
NONOPERATING EXPENSES, SPECIAL ITEMS & TRANSFERS				
Contributions to the State of Alaska or other State agencies	-	-	-	-
Special Items	-	-	-	-
Transfers - Internal	3,619	1,557	818	528
Change in Net Position	2,032	(2,515)	(74)	(1,395)
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	5,586	80,431	29,871	1,826

Schedule 16

Other Grants	Alaska Corporation for Affordable Housing	Combined Total
-	-	-
-	3	11
-	-	-
-	-	-
-	3	11
19,522	-	99,953
-	21	6,765
359	-	425
19,881	24	107,154
-	-	-
-	-	-
-	-	-
-	-	-
2,389	128	21,145
66	5	12,809
22,950	8,596	95,903
25,405	8,729	129,857
(5,524)	(8,705)	(22,703)
-	-	-
-	-	-
5,511	7,752	19,785
(13)	(953)	(2,918)
10,125	3,292	133,083
-	-	-
10,125	3,292	133,083
10,112	2,339	130,165

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

COMBINED - ALL FUNDS

For the Nine Months Ended March 31, 2015

(in thousands of dollars)

	Combined Revolving Funds	Combined Mortgage Revenue Bonds	Combined Home Mortgage Revenue Bonds	Combined Veterans Mortgage Program Bonds
<u>Cash flows from operating activities:</u>				
Interest income on mortgages and loans	3,901	9,172	25,120	3,442
Principal payments received on mortgages and loans	3,901	28,985	81,681	14,560
Disbursements to fund mortgages and loans	(333,426)	-	-	-
Receipt (payment) for loan transfers between funds	245,600	1,164	(61,871)	1,873
Mortgage and loan proceeds	311,013	-	-	-
Payment of mortgage and loan proceeds to funds	(307,213)	-	-	-
Payments to employees and other payroll disbursements	(19,700)	-	-	-
Payments for goods and services	(12,341)	-	(400)	-
Cash received for externally funded programs	25,551	-	-	-
Cash received for Federal HAP subsidies	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-
Interfund receipts (payments)	(15,213)	-	-	-
Grant payments to other agencies	(6,637)	-	-	-
Other operating cash receipts	18,005	-	-	-
Other operating cash payments	(1,402)	-	-	-
Net cash provided by (used for) operating activities	(87,961)	39,321	44,530	19,875
<u>Cash flows from noncapital financing activities:</u>				
Proceeds from the issuance of bonds	-	-	-	-
Principal paid on bonds	-	(13,995)	(24,950)	(13,035)
Payment to defease bonds	-	-	-	-
Payment of bond issuance costs	(1,098)	-	-	-
Interest paid	(53)	(4,509)	(10,956)	(1,703)
Proceeds from issuance of short term debt	308,656	-	-	-
Payment of short term debt	(360,547)	-	-	-
Contributions to the State of Alaska or other State agencies	(3,296)	-	-	-
Transfers (to) from other funds	13,169	-	(6,525)	-
Other cash payments	-	-	-	-
Net cash provided by (used for) noncapital financing activities	(43,169)	(18,504)	(42,431)	(14,738)
<u>Cash flows from capital financing activities:</u>				
Acquisition of capital assets	(2,702)	-	-	-
Proceeds from the disposal of capital assets	4	-	-	-
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	(2,727)	-	-	-
<u>Cash flows from investing activities:</u>				
Purchase of investments	(3,511,556)	(148,151)	(251,723)	(41,116)
Proceeds from maturity of investments	3,640,367	127,267	249,499	35,959
Interest received from investments	428	67	125	20
Net cash provided by (used for) investing activities	129,239	(20,817)	(2,099)	(5,137)
Net Increase (decrease) in cash	(4,618)	-	-	-
Cash at the beginning of year	41,415	-	-	-
Cash at the end of period	36,797	-	-	-
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	(6,493)	3,371	5,801	1,462
<i>Adjustments:</i>				
Depreciation expense	356	-	-	-
Provision for loan losses	731	(1,283)	(1,693)	(528)
Net change in the fair value of investments	(1,226)	(15)	(22)	(4)
Transfers between funds for operating activity	(23,214)	390	3,023	107
Interest received from investments	(428)	(67)	(125)	(20)
Interest paid	53	4,509	10,956	1,703
<i>Changes in assets, liabilities and deferred resources:</i>				
Net increase (decrease) in mortgages and loans	(83,925)	30,149	19,810	16,433
Net increase (decrease) in assets, liabilities and deferred resources	26,185	2,267	6,780	722
Net cash provided by (used for) operating activities	(87,961)	39,321	44,530	19,875

Schedule 17

Combined Other Housing Bonds	Combined Non-Housing Bonds	Combined Other Programs	Combined Total
13,247	30,425	-	85,307
36,285	65,557	-	230,969
-	-	-	(333,426)
(47,715)	(139,051)	-	-
-	-	-	311,013
-	-	-	(307,213)
-	-	(9,917)	(29,617)
-	-	(9,158)	(21,899)
-	-	61,101	86,652
-	-	22,899	22,899
-	-	(25,315)	(25,315)
-	-	15,213	-
-	-	(69,529)	(76,166)
-	150	7,834	25,989
-	(228)	(395)	(2,025)
1,817	(43,147)	(7,267)	(32,832)
-	243,400	-	243,400
(56,245)	(187,245)	-	(295,470)
-	-	-	-
-	-	-	(1,098)
(4,337)	(20,046)	-	(41,604)
-	-	-	308,656
-	-	-	(360,547)
-	-	-	(3,296)
48,069	(56,560)	1,847	-
-	-	-	-
(12,513)	(20,451)	1,847	(149,959)
-	-	(147)	(2,849)
-	-	18	22
-	-	-	-
-	(12,990)	-	(12,990)
-	-	-	-
-	(2,629)	-	(2,629)
-	6,771	-	6,771
-	-	-	(29)
-	(8,848)	(129)	(11,704)
(268,758)	(597,367)	-	(4,818,671)
278,415	669,616	-	5,001,123
1,039	119	11	1,809
10,696	72,368	11	184,261
-	(78)	(5,538)	(10,234)
-	227	35,384	77,026
-	149	29,846	66,792
7,363	9,793	(22,703)	(1,406)
-	357	4,921	5,634
(858)	(3,883)	-	(7,514)
369	(477)	-	(1,375)
427	1,745	17,522	-
(1,039)	(119)	(11)	(1,809)
4,337	22,675	-	44,233
(11,430)	(73,494)	-	(102,457)
2,648	256	(6,996)	31,862
1,817	(43,147)	(7,267)	(32,832)

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ALASKA HOUSING FINANCE CORPORATION

Schedule 18

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

REVOLVING FUNDS

For the Nine Months Ended March 31, 2015

(in thousands of dollars)

	Administrative Fund	Home Ownership Fund	Combined Total
<u>Cash flows from operating activities:</u>			
Interest income on mortgages and loans	3,901	-	3,901
Principal payments received on mortgages and loans	3,901	-	3,901
Disbursements to fund mortgages and loans	(333,426)	-	(333,426)
Receipt (payment) for loan transfers between funds	245,600	-	245,600
Mortgage and loan proceeds	311,013	-	311,013
Payment of mortgage and loan proceeds to funds	(307,213)	-	(307,213)
Payments to employees and other payroll disbursements	(19,700)	-	(19,700)
Payments for goods and services	(12,341)	-	(12,341)
Cash received for externally funded programs	25,551	-	25,551
Cash received for Federal HAP subsidies	-	-	-
Payments for Federal HAP subsidies	-	-	-
Interfund receipts (payments)	(15,213)	-	(15,213)
Grant payments to other agencies	(6,637)	-	(6,637)
Other operating cash receipts	18,005	-	18,005
Other operating cash payments	(1,402)	-	(1,402)
Net cash provided by (used for) operating activities	(87,961)	-	(87,961)
<u>Cash flows from noncapital financing activities:</u>			
Proceeds from the issuance of bonds	-	-	-
Principal paid on bonds	-	-	-
Payment to defease bonds	-	-	-
Payment of bond issuance costs	(1,098)	-	(1,098)
Interest paid	(53)	-	(53)
Proceeds from issuance of short term debt	308,656	-	308,656
Payment of short term debt	(360,547)	-	(360,547)
Contributions to the State of Alaska or other State agencies	(3,296)	-	(3,296)
Transfers (to) from other funds	13,133	36	13,169
Other cash payments	-	-	-
Net cash provided by (used for) noncapital financing activities	(43,205)	36	(43,169)
<u>Cash flows from capital financing activities:</u>			
Acquisition of capital assets	(2,702)	-	(2,702)
Proceeds from the disposal of capital assets	4	-	4
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	(2,727)	-	(2,727)
<u>Cash flows from investing activities:</u>			
Purchase of investments	(3,489,914)	(21,642)	(3,511,556)
Proceeds from maturity of investments	3,619,339	21,028	3,640,367
Interest received from investments	233	195	428
Net cash provided by (used for) investing activities	129,658	(419)	129,239
Net Increase (decrease) in cash	(4,235)	(383)	(4,618)
Cash at the beginning of year	41,032	383	41,415
Cash at the end of period	36,797	-	36,797
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities			
Operating income (loss)	(6,536)	43	(6,493)
<i>Adjustments:</i>			
Depreciation expense	356	-	356
Provision for loan losses	731	-	731
Net change in the fair value of investments	(1,387)	161	(1,226)
Transfers between funds for operating activity	(23,214)	-	(23,214)
Interest received from investments	(233)	(195)	(428)
Interest paid	53	-	53
<i>Changes in assets, liabilities and deferred resources:</i>			
Net increase (decrease) in mortgages and loans	(83,925)	-	(83,925)
Net increase (decrease) in assets, liabilities and deferred resources	26,194	(9)	26,185
Net cash provided by (used for) operating activities	(87,961)	-	(87,961)

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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 Nine Months Ended March 31, 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	3,703	5,469	9,172
Principal payments received on mortgages and loans	12,307	16,678	28,985
Disbursements to fund mortgages and loans	-	-	-
Receipt (payment) for loan transfers between funds	529	635	1,164
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	16,539	22,782	39,321
Cash flows from noncapital financing activities:			
Proceeds from the issuance of bonds	-	-	-
Principal paid on bonds	(4,465)	(9,530)	(13,995)
Payment to defease bonds	-	-	-
Payment of bond issuance costs	-	-	-
Interest paid	(2,138)	(2,371)	(4,509)
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	(6,603)	(11,901)	(18,504)
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	(67,660)	(80,491)	(148,151)
Proceeds from maturity of investments	57,695	69,572	127,267
Interest received from investments	29	38	67
Net cash provided by (used for) investing activities	(9,936)	(10,881)	(20,817)
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)	904	2,467	3,371
<i>Adjustments:</i>			
Depreciation expense	-	-	-
Provision for loan losses	(531)	(752)	(1,283)
Net change in the fair value of investments	(6)	(9)	(15)
Transfers between funds for operating activity	145	245	390
Interest received from investments	(29)	(38)	(67)
Interest paid	2,138	2,371	4,509
<i>Changes in assets, liabilities and deferred resources:</i>			
Net increase (decrease) in mortgages and loans	12,836	17,313	30,149
Net increase (decrease) in assets, liabilities and deferred resources	1,082	1,185	2,267
Net cash provided by (used for) operating activities	16,539	22,782	39,321

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 Nine Months Ended March 31, 2015

(in thousands of dollars)

	Bonds 2002 A,B	Bonds 2006 A	Bonds 2007 A	Bonds 2007 B
<u>Cash flows from operating activities:</u>				
Interest income on mortgages and loans	4,794	835	2,727	2,814
Principal payments received on mortgages and loans	11,864	3,572	8,847	8,085
Disbursements to fund mortgages and loans	-	-	-	-
Receipt (payment) for loan transfers between funds	(3,575)	309	(7,600)	(7,704)
Mortgage and loan proceeds	-	-	-	-
Payment of mortgage and loan proceeds to funds	-	-	-	-
Payments to employees and other payroll disbursements	-	-	-	-
Payments for goods and services	(400)	-	-	-
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	12,683	4,716	3,974	3,195
<u>Cash flows from noncapital financing activities:</u>				
Proceeds from the issuance of bonds	-	-	-	-
Principal paid on bonds	(21,240)	(3,710)	-	-
Payment to defease bonds	-	-	-	-
Payment of bond issuance costs	-	-	-	-
Interest paid	(1,624)	(467)	(1,394)	(1,396)
Proceeds from issuance of short term debt	-	-	-	-
Payment of short term debt	-	-	-	-
Contributions to the State of Alaska or other State agencies	-	-	-	-
Transfers (to) from other funds	(981)	1	(209)	(898)
Other cash payments	-	-	-	-
Net cash provided by (used for) noncapital financing activities	(23,845)	(4,176)	(1,603)	(2,294)
<u>Cash flows from capital financing activities:</u>				
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	-	-	-	-
<u>Cash flows from investing activities:</u>				
Purchase of investments	(37,895)	(9,475)	(24,712)	(24,894)
Proceeds from maturity of investments	49,040	8,930	22,327	23,979
Interest received from investments	17	5	14	14
Net cash provided by (used for) investing activities	11,162	(540)	(2,371)	(901)
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)	398	305	529	586
<i>Adjustments:</i>				
Depreciation expense	-	-	-	-
Provision for loan losses	(372)	(119)	(157)	(114)
Net change in the fair value of investments	(4)	(1)	(3)	(2)
Transfers between funds for operating activity	603	29	255	251
Interest received from investments	(17)	(5)	(14)	(14)
Interest paid	1,624	467	1,394	1,396
<i>Changes in assets, liabilities and deferred resources:</i>				
Net increase (decrease) in mortgages and loans	8,289	3,881	1,247	381
Net increase (decrease) in assets, liabilities and deferred resources	2,162	159	723	711
Net cash provided by (used for) operating activities	12,683	4,716	3,974	3,195

Schedule 20

Bonds 2007 D	Bonds 2009 A	Bonds 2009 B	Bonds 2009 D	Home Mortgage Revenue Bonds Combined Total
3,560	3,142	3,414	3,834	25,120
10,537	12,071	11,547	15,158	81,681
-	-	-	-	-
(9,202)	(10,461)	(10,540)	(13,098)	(61,871)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	(400)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
4,895	4,752	4,421	5,894	44,530
-	-	-	-	-
-	-	-	-	(24,950)
-	-	-	-	-
-	-	-	-	-
(1,668)	(1,469)	(1,467)	(1,471)	(10,956)
-	-	-	-	-
-	-	-	-	-
(1,197)	(870)	(974)	(1,397)	(6,525)
-	-	-	-	-
(2,865)	(2,339)	(2,441)	(2,868)	(42,431)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(48,445)	(31,441)	(33,866)	(40,995)	(251,723)
46,397	29,011	31,868	37,947	249,499
18	17	18	22	125
(2,030)	(2,413)	(1,980)	(3,026)	(2,099)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
994	454	1,175	1,360	5,801
-	-	-	-	-
(253)	(139)	(173)	(366)	(1,693)
(3)	(3)	(3)	(3)	(22)
315	641	286	643	3,023
(18)	(17)	(18)	(22)	(125)
1,668	1,469	1,467	1,471	10,956
1,335	1,610	1,007	2,060	19,810
857	737	680	751	6,780
4,895	4,752	4,421	5,894	44,530

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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 Nine Months Ended March 31, 2015

(in thousands of dollars)

	Collateralized Bonds 2006 First Series	Collateralized Bonds 2007 & 2008 First Series	Combined Total
<u>Cash flows from operating activities:</u>			
Interest income on mortgages and loans	2,639	803	3,442
Principal payments received on mortgages and loans	11,627	2,933	14,560
Disbursements to fund mortgages and loans	-	-	-
Receipt (payment) for loan transfers between funds	1,670	203	1,873
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	15,936	3,939	19,875
<u>Cash flows from noncapital financing activities:</u>			
Proceeds from the issuance of bonds	-	-	-
Principal paid on bonds	(11,110)	(1,925)	(13,035)
Payment to defease bonds	-	-	-
Payment of bond issuance costs	-	-	-
Interest paid	(1,272)	(431)	(1,703)
Proceeds from issuance of short term debt	-	-	-
Payment of short term debt	-	-	-
Contributions to the State of Alaska or other State agencies	-	-	-
Transfers (to) from other funds	-	-	-
Other cash payments	-	-	-
Net cash provided by (used for) noncapital financing activities	(12,382)	(2,356)	(14,738)
<u>Cash flows from capital financing activities:</u>			
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	-	-	-
<u>Cash flows from investing activities:</u>			
Purchase of investments	(33,252)	(7,864)	(41,116)
Proceeds from maturity of investments	29,682	6,277	35,959
Interest received from investments	16	4	20
Net cash provided by (used for) investing activities	(3,554)	(1,583)	(5,137)
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)	1,178	284	1,462
<i>Adjustments:</i>			
Depreciation expense	-	-	-
Provision for loan losses	(418)	(110)	(528)
Net change in the fair value of investments	(3)	(1)	(4)
Transfers between funds for operating activity	82	25	107
Interest received from investments	(16)	(4)	(20)
Interest paid	1,272	431	1,703
<i>Changes in assets, liabilities and deferred resources:</i>			
Net increase (decrease) in mortgages and loans	13,297	3,136	16,433
Net increase (decrease) in assets, liabilities and deferred resources	544	178	722
Net cash provided by (used for) operating activities	15,936	3,939	19,875

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

OTHER HOUSING BONDS

For the Nine Months Ended March 31, 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
<u>Cash flows from operating activities:</u>				
Interest income on mortgages and loans	277	1,184	4,907	244
Principal payments received on mortgages and loans	2,027	2,433	15,910	1,256
Disbursements to fund mortgages and loans	-	-	-	-
Receipt (payment) for loan transfers between funds	-	(4,312)	326	-
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	2,304	(695)	21,143	1,500
<u>Cash flows from noncapital financing activities:</u>				
Proceeds from the issuance of bonds	-	-	-	-
Principal paid on bonds	-	-	(53,670)	-
Payment to defease bonds	-	-	-	-
Payment of bond issuance costs	-	-	-	-
Interest paid	-	(2)	(2,360)	(4)
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	-	-	48,069	-
Other cash payments	-	-	-	-
Net cash provided by (used for) noncapital financing activities	-	(2)	(7,961)	(4)
<u>Cash flows from capital financing activities:</u>				
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	-	-	-	-
<u>Cash flows from investing activities:</u>				
Purchase of investments	(35,080)	(10,008)	(158,151)	(20,388)
Proceeds from maturity of investments	32,294	10,699	144,941	18,882
Interest received from investments	482	6	28	10
Net cash provided by (used for) investing activities	(2,304)	697	(13,182)	(1,496)
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)	340	1,154	1,553	120
<i>Adjustments:</i>				
Depreciation expense	-	-	-	-
Provision for loan losses	(37)	(27)	(329)	-
Net change in the fair value of investments	381	-	(7)	(3)
Transfers between funds for operating activity	6	54	(189)	46
Interest received from investments	(482)	(6)	(28)	(10)
Interest paid	-	2	2,360	4
<i>Changes in assets, liabilities and deferred resources:</i>				
Net increase (decrease) in mortgages and loans	2,027	(1,879)	16,236	1,256
Net increase (decrease) in assets, liabilities and deferred resources	69	7	1,547	87
Net cash provided by (used for) operating activities	2,304	(695)	21,143	1,500

Schedule 22

Governmental Purpose Bonds 2001 A-D	Combined Total
6,635	13,247
14,659	36,285
-	-
(43,729)	(47,715)
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
(22,435)	1,817
-	-
(2,575)	(56,245)
-	-
-	-
(1,971)	(4,337)
-	-
-	-
-	48,069
-	-
(4,546)	(12,513)
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
(45,131)	(268,758)
71,599	278,415
513	1,039
26,981	10,696
-	-
-	-
-	-
4,196	7,363
-	-
(465)	(858)
(2)	369
510	427
(513)	(1,039)
1,971	4,337
(29,070)	(11,430)
938	2,648
(22,435)	1,817

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

NON-HOUSING BONDS

For the Nine Months Ended March 31, 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
<u>Cash flows from operating activities:</u>					
Interest income on mortgages and loans	1,798	3,252	1,928	2,603	4,597
Principal payments received on mortgages and loans	4,426	10,235	3,900	8,125	5,158
Disbursements to fund mortgages and loans	-	-	-	-	-
Receipt (payment) for loan transfers between funds	(555)	(10,033)	(2,470)	(6,954)	(2,984)
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	-	-	97	-	-
Other operating cash payments	-	-	(137)	-	-
Net cash provided by (used for) operating activities	5,669	3,454	3,318	3,774	6,771
<u>Cash flows from noncapital financing activities:</u>					
Proceeds from the issuance of bonds	-	-	-	-	-
Principal paid on bonds	(354)	-	(3,685)	(1,688)	(51,925)
Payment to defease bonds	-	-	-	-	-
Payment of bond issuance costs	-	-	-	-	-
Interest paid	(436)	(1,999)	(1,874)	(1,693)	(2,041)
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	-	341	-	477	47,278
Other cash payments	-	-	-	-	-
Net cash provided by (used for) noncapital financing activities	(790)	(1,658)	(5,559)	(2,904)	(6,688)
<u>Cash flows from capital financing activities:</u>					
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	(2,171)	-	-	(253)	-
Proceeds from direct financing leases	-	-	3,304	-	-
Other cash payments	-	-	-	-	-
Net cash provided by (used for) capital financing activities	(6,877)	-	3,304	(505)	-
<u>Cash flows from investing activities:</u>					
Purchase of investments	(14,817)	(38,885)	(19,652)	(38,415)	(81,140)
Proceeds from maturity of investments	16,808	37,073	18,542	38,035	81,045
Interest received from investments	7	16	7	15	12
Net cash provided by (used for) investing activities	1,998	(1,796)	(1,103)	(365)	(83)
Net Increase (decrease) in cash	-	-	(40)	-	-
Cash at the beginning of year	-	-	136	-	-
Cash at the end of period	-	-	96	-	-
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities					
Operating income (loss)	(461)	366	694	(515)	2,914
<i>Adjustments:</i>					
Depreciation expense	-	-	-	357	-
Provision for loan losses	(112)	(235)	(133)	(13)	(582)
Net change in the fair value of investments	-	(1)	-	(1)	(1)
Transfers between funds for operating activity	180	237	222	151	(616)
Interest received from investments	(7)	(16)	(7)	(15)	(12)
Interest paid	2,607	1,999	1,874	1,946	2,041
<i>Changes in assets, liabilities and deferred resources:</i>					
Net increase (decrease) in mortgages and loans	3,871	202	1,430	1,171	2,174
Net increase (decrease) in assets, liabilities and deferred resources	(409)	902	(762)	693	853
Net cash provided by (used for) operating activities	5,669	3,454	3,318	3,774	6,771

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	General Housing Purpose Bonds 2005 A	General Housing Purpose Bonds 2005 B & C	Combined Total
6,176	1,413	492	1,854	-	-	2,531	3,781	30,425
6,255	2,814	1,352	4,616	-	-	7,901	10,775	65,557
-	-	-	-	-	-	-	-	-
(9,738)	(3,746)	(1,306)	(43,128)	(45,003)	-	(2,902)	(10,232)	(139,051)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	53	150
-	-	-	-	-	-	-	(91)	(228)
2,693	481	538	(36,658)	(45,003)	-	7,530	4,286	(43,147)
-	-	-	140,000	92,970	10,430	-	-	243,400
-	-	-	-	-	-	(125,838)	(3,755)	(187,245)
-	-	-	-	-	-	-	-	-
(2,364)	(2,297)	(682)	(245)	-	-	(3,216)	(3,199)	(20,046)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
957	(97,675)	(32,100)	(100,000)	-	(5,560)	129,722	-	(56,560)
-	-	-	-	-	-	-	-	-
(1,407)	(99,972)	(32,782)	39,755	92,970	4,870	668	(6,954)	(20,451)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	(8,032)	-	(12,990)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	(205)	-	(2,629)
-	-	-	-	-	-	-	3,467	6,771
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	(8,237)	3,467	(8,848)
(36,939)	(113,585)	(39,173)	(48,798)	(92,970)	(4,870)	(20,847)	(47,276)	(597,367)
35,638	213,071	71,415	45,696	45,003	-	20,876	46,414	669,616
15	5	2	5	-	-	10	25	119
(1,286)	99,491	32,244	(3,097)	(47,967)	(4,870)	39	(837)	72,368
-	-	-	-	-	-	-	(38)	(78)
-	-	-	-	-	-	-	91	227
-	-	-	-	-	-	-	53	149
4,325	(1,980)	(485)	938	(1,360)	(1,448)	6,666	139	9,793
-	-	-	-	-	-	-	-	357
(461)	932	309	458	449	1,060	(4,336)	(1,219)	(3,883)
(1)	(114)	(38)	(112)	(206)	-	-	(3)	(477)
85	1,902	485	682	281	688	(2,226)	(326)	1,745
(15)	(5)	(2)	(5)	-	-	(10)	(25)	(119)
2,364	2,297	682	245	-	-	3,421	3,199	22,675
(3,483)	(932)	46	(38,512)	(45,003)	-	4,999	543	(73,494)
(121)	(1,619)	(459)	(352)	836	(300)	(984)	1,978	256
2,693	481	538	(36,658)	(45,003)	-	7,530	4,286	(43,147)

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

OTHER PROGRAM FUNDS

For the Nine Months Ended March 31, 2015

(in thousands of dollars)

	Energy Programs	Low Rent Program	Market Rate Rental Housing Programs	Section 8 Vouchers Programs
<u>Cash flows from operating activities:</u>				
Interest income on mortgages and loans	-	-	-	-
Principal payments received on mortgages and loans	-	-	-	-
Disbursements to fund mortgages and loans	-	-	-	-
Receipt (payment) for loan transfers between funds	-	-	-	-
Mortgage and loan proceeds	-	-	-	-
Payment of mortgage and loan proceeds to funds	-	-	-	-
Payments to employees and other payroll disbursements	(810)	(5,233)	(1,214)	(2,240)
Payments for goods and services	(1,274)	(5,792)	(1,231)	(293)
Cash received for externally funded programs	29,644	11,635	1,616	3,402
Cash received for Federal HAP subsidies	-	-	-	22,899
Payments for Federal HAP subsidies	-	-	-	(25,315)
Interfund receipts (payments)	14,300	(8,686)	341	(2,458)
Grant payments to other agencies	(42,052)	-	-	(23)
Other operating cash receipts	31	5,202	1,741	408
Other operating cash payments	-	(125)	(3)	(266)
Net cash provided by (used for) operating activities	(161)	(2,999)	1,250	(3,886)
<u>Cash flows from noncapital financing activities:</u>				
Proceeds from the issuance of bonds	-	-	-	-
Principal paid on bonds	-	-	-	-
Payment to defease bonds	-	-	-	-
Payment of bond issuance costs	-	-	-	-
Interest paid	-	-	-	-
Proceeds from issuance of short term debt	-	-	-	-
Payment of short term debt	-	-	-	-
Contributions to the State of Alaska or other State agencies	-	-	-	-
Transfers (to) from other funds	-	(3,384)	(1)	116
Other cash payments	-	-	-	-
Net cash provided by (used for) noncapital financing activities	-	(3,384)	(1)	116
<u>Cash flows from capital financing activities:</u>				
Acquisition of capital assets	-	(40)	(80)	(27)
Proceeds from the disposal of capital assets	-	10	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)	(27)
<u>Cash flows from investing activities:</u>				
Purchase of investments	-	-	-	-
Proceeds from maturity of investments	-	-	-	-
Interest received from investments	1	1	1	5
Net cash provided by (used for) investing activities	1	1	1	5
Net Increase (decrease) in cash	(160)	(6,412)	1,178	(3,792)
Cash at the beginning of year	1,361	16,386	9,317	7,030
Cash at the end of period	1,201	9,974	10,495	3,238
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	(1,587)	(4,072)	(892)	(1,923)
<i>Adjustments:</i>				
Depreciation expense	-	3,985	924	12
Provision for loan losses	-	-	-	-
Net change in the fair value of investments	-	-	-	-
Transfers between funds for operating activity	3,619	4,709	636	412
Interest received from investments	(1)	(1)	(1)	(5)
Interest paid	-	-	-	-
<i>Changes in assets, liabilities and deferred resources:</i>				
Net increase (decrease) in mortgages and loans	-	-	-	-
Net increase (decrease) in assets, liabilities and deferred resources	(2,192)	(7,620)	583	(2,382)
Net cash provided by (used for) operating activities	(161)	(2,999)	1,250	(3,886)

Schedule 24

Other Grants	Alaska Corporation for Affordable Housing	Combined Total
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
(420)	-	(9,917)
(560)	(8)	(9,158)
14,804	-	61,101
-	-	22,899
-	-	(25,315)
5,701	6,015	15,213
(19,823)	(7,631)	(69,529)
430	22	7,834
-	(1)	(395)
132	(1,603)	(7,267)
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
(132)	5,248	1,847
-	-	-
(132)	5,248	1,847
-	-	(147)
-	-	18
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	(129)
-	-	-
-	-	-
-	3	11
-	3	11
-	3,648	(5,538)
3	1,287	35,384
3	4,935	29,846
(5,524)	(8,705)	(22,703)
-	-	4,921
-	-	-
-	-	-
5,643	2,503	17,522
-	(3)	(11)
-	-	-
-	-	-
13	4,602	(6,996)
132	(1,603)	(7,267)

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