



*a component unit of the State of Alaska*

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

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# ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

## STATEMENT OF NET POSITION

As of December 31, 2015

(in thousands of dollars)

	Administrative Fund	Grant Programs	Mortgage or Bond Funds	Other Funds or Programs
<b>ASSETS</b>				
Cash	36,131	5,912	689	22,218
Investments	502,510	-	175,518	6,177
Accrued interest receivable	2,536	-	9,131	26
Inter-fund due to/from	(11,095)	(16,398)	33,488	(2,824)
Mortgage loans, notes and other loans	207,211	-	2,543,320	5,424
Net investment in direct financing lease	-	-	36,175	-
Capital assets - non-depreciable	82	-	2,401	14,054
Capital assets - depreciable, net	4,038	52	12,657	76,283
Other assets	10,863	11,353	-	730
Derivative instrument - interest rate swaps	-	-	-	-
Intergovernmental receivable	223	19,370	-	276
<b>Total Assets</b>	<b>752,499</b>	<b>20,289</b>	<b>2,813,379</b>	<b>122,364</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
	2,685	-	182,397	-
<b>LIABILITIES</b>				
Bonds payable	-	-	2,172,115	-
Short term debt	23,999	-	-	-
Accrued interest payable	2,227	-	7,348	-
Other liabilities	36,597	434	1,707	1,432
Derivative instrument - interest rate swaps	-	-	162,699	-
Intergovernmental payable	-	-	57	-
<b>Total Liabilities</b>	<b>62,823</b>	<b>434</b>	<b>2,343,926</b>	<b>1,432</b>
<b>DEFERRED INFLOW OF RESOURCES</b>				
	3,277	-	-	-
<b>NET POSITION</b>				
Net investment in capital assets	4,120	52	15,058	90,337
Restricted by bond resolutions	-	-	569,667	-
Restricted by contractual or statutory agreements	74,643	21,362	29,377	31,167
Unrestricted or (deficit)	610,321	(1,559)	37,748	(572)
<b>Total Net Position</b>	<b>689,084</b>	<b>19,855</b>	<b>651,850</b>	<b>120,932</b>

See accompanying notes to the financial statements.

Exhibit A

Total Programs and Funds	Alaska Corporation for Affordable Housing	Total December 31, 2015
64,950	147	65,097
684,205	-	684,205
11,693	-	11,693
3,171	(3,171)	-
2,755,955	9,540	2,765,495
36,175	-	36,175
16,537	3,667	20,204
93,030	-	93,030
22,946	-	22,946
-	-	-
19,869	-	19,869
<u>3,708,531</u>	<u>10,183</u>	<u>3,718,714</u>
185,082	-	185,082
2,172,115	-	2,172,115
23,999	-	23,999
9,575	-	9,575
40,170	1	40,171
162,699	-	162,699
57	-	57
<u>2,408,615</u>	<u>1</u>	<u>2,408,616</u>
3,277	-	3,277
109,567	3,667	113,234
569,667	-	569,667
156,549	7,767	164,316
645,938	(1,252)	644,686
<u>1,481,721</u>	<u>10,182</u>	<u>1,491,903</u>

# ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

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

For the Six Months Ended December 31, 2015

(in thousands of dollars)

	Administrative Fund	Grant Programs	Mortgage or Bond Funds	Other Funds or Programs
<b>OPERATING REVENUES</b>				
Mortgage and loans revenue	5,557	-	58,410	42
Investment interest	106	5	2,390	78
Net change in the fair value of investments	188	-	(42)	(54)
Net change of hedge termination	-	-	(72)	-
Total Investment Revenue	294	5	2,276	24
Externally funded programs	1,035	52,039	-	6,716
Rental	259	-	-	4,889
Other	735	422	-	19
<b>Total Operating Revenues</b>	<b>7,880</b>	<b>52,466</b>	<b>60,686</b>	<b>11,690</b>
<b>OPERATING EXPENSES</b>				
Interest	17	-	35,627	-
Mortgage and loan costs	858	-	4,647	4
Financing expenses	132	-	1,789	-
Provision for loan loss	495	-	(3,514)	55
Operations and administration	10,266	5,831	2,139	8,440
Rental housing operating expenses	6	236	-	8,259
Housing grants and subsidies	-	50,946	-	3
<b>Total Operating Expenses</b>	<b>11,774</b>	<b>57,013</b>	<b>40,688</b>	<b>16,761</b>
<b>Operating Income (Loss)</b>	<b>(3,894)</b>	<b>(4,547)</b>	<b>19,998</b>	<b>(5,071)</b>
<b>NONOPERATING EXPENSES, SPECIAL ITEM &amp; TRANSFERS</b>				
Contributions to the State of Alaska or other State agencies	(3)	-	-	-
Special Item	-	-	-	-
Transfers - Internal	(56,283)	4,615	48,169	3,499
Change in Net Position	(60,180)	68	68,167	(1,572)
Net position at beginning of year	749,264	19,787	583,683	122,504
Cumulative effect of accounting change	-	-	-	-
Revised net position at beginning of year	749,264	19,787	583,683	122,504
<b>Net Position at End of Period</b>	<b>689,084</b>	<b>19,855</b>	<b>651,850</b>	<b>120,932</b>

See accompanying notes to the financial statements.

**Exhibit B**

<b>Total Programs and Funds</b>	<b>Alaska Corporation for Affordable Housing</b>	<b>Total December 31, 2015</b>
64,009	-	64,009
2,579	1	2,580
92	-	92
(72)	-	(72)
2,599	1	2,600
59,790	-	59,790
5,148	21	5,169
1,176	-	1,176
132,722	22	132,744
35,644	-	35,644
5,509	-	5,509
1,921	-	1,921
(2,964)	70	(2,894)
26,676	9	26,685
8,501	4	8,505
50,949	-	50,949
126,236	83	126,319
6,486	(61)	6,425
(3)	-	(3)
-	-	-
-	-	-
6,483	(61)	6,422
1,475,238	10,243	1,485,481
-	-	-
1,475,238	10,243	1,485,481
1,481,721	10,182	1,491,903

**ALASKA HOUSING FINANCE CORPORATION**

(A Component Unit of the State of Alaska)

**STATEMENT OF CASH FLOWS**

For the Six Months Ended December 31, 2015

(in thousands of dollars)

	Administrative Fund	Grant Programs	Mortgage or Bond Funds	Other Funds or Programs
<b>Cash flows from operating activities:</b>				
Interest income on mortgages and loans	3,148	-	54,522	32
Principal payments received on mortgages and loans	5,115	-	170,017	19
Disbursements to fund mortgages and loans	(270,787)	-	-	-
Receipt (payment) for loan transfers between funds	130,796	-	(125,289)	(5,507)
Mortgage and loan proceeds	216,704	-	-	-
Payment of mortgage and loan proceeds to funds	(224,757)	-	-	-
Payments to employees and other payroll disbursements	(13,628)	(2,492)	-	(4,375)
Payments for goods and services	(7,328)	(1,255)	(140)	(5,012)
Cash received for externally funded programs	1,020	39,722	-	6,077
Cash received for Federal HAP subsidies	-	16,315	-	-
Payments for Federal HAP subsidies	-	(17,507)	-	-
Interfund receipts (payments)	(726)	(169)	-	1,970
Grant payments to other agencies	(2,689)	(34,802)	-	-
Other operating cash receipts	5,585	664	33	4,998
Other operating cash payments	(645)	(42)	(148)	(26)
<b>Net cash provided by (used for) operating activities</b>	<b>(158,192)</b>	<b>434</b>	<b>98,995</b>	<b>(1,824)</b>
<b>Cash flows from noncapital financing activities:</b>				
Proceeds from the issuance of bonds	-	-	22,156	-
Principal paid on bonds	-	-	(46,411)	-
Payment to defease bonds	-	-	-	-
Payment of bond issuance costs	(215)	-	-	-
Interest paid	(15)	-	(37,882)	-
Proceeds from issuance of short term debt	123,988	-	-	-
Payment of short term debt	(116,891)	-	-	-
Contributions to the State of Alaska or other State agencies	(3)	-	-	-
Transfers (to) from other funds	18,753	-	(20,061)	(199)
Other cash payments	-	-	-	-
<b>Net cash provided by (used for) noncapital financing activities</b>	<b>25,617</b>	<b>-</b>	<b>(82,198)</b>	<b>(199)</b>
<b>Cash flows from capital financing activities:</b>				
Acquisition of capital assets	(889)	(23)	-	(90)
Proceeds from the disposal of capital assets	53	-	-	3
Proceeds from the issuance of capital notes	-	-	-	-
Principal paid on capital notes	-	-	(2,734)	-
Payment of bond issuance costs	-	-	-	-
Interest paid on capital notes	-	-	(1,374)	-
Proceeds from direct financing leases	-	-	5,038	-
Other cash payments	-	-	-	-
<b>Net cash provided by (used for) capital financing activities</b>	<b>(836)</b>	<b>(23)</b>	<b>930</b>	<b>(87)</b>
<b>Cash flows from investing activities:</b>				
Purchase of investments	(1,327,238)	-	(728,071)	(9,319)
Proceeds from maturity of investments	1,472,304	-	709,806	14,652
Interest received from investments	134	6	1,053	125
<b>Net cash provided by (used for) investing activities</b>	<b>145,200</b>	<b>6</b>	<b>(17,212)</b>	<b>5,458</b>
Net Increase (decrease) in cash	11,789	417	515	3,348
Cash at the beginning of year	24,342	5,495	174	18,870
<b>Cash at the end of period</b>	<b>36,131</b>	<b>5,912</b>	<b>689</b>	<b>22,218</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</b>				
Operating income (loss)	(3,894)	(4,547)	19,998	(5,071)
<i>Adjustments:</i>				
Depreciation expense	226	8	299	3,182
Provision for loan losses	495	-	(3,514)	55
Net change in the fair value of investments	(188)	-	42	54
Transfers between funds for operating activity	(10,246)	4,615	3,828	3,310
Interest received from investments	(134)	(6)	(1,053)	(125)
Interest paid	15	-	39,256	-
<i>Changes in assets, liabilities and deferred resources:</i>				
Net increase (decrease) in mortgages and loans	(134,876)	-	44,728	(5,488)
Net increase (decrease) in assets, liabilities, and deferred resources	(9,590)	364	(4,589)	2,259
<b>Net cash provided by (used for) operating activities</b>	<b>(158,192)</b>	<b>434</b>	<b>98,995</b>	<b>(1,824)</b>
<b>Noncash investing, capital and financing activities:</b>				
Deferred outflow of resources-derivatives	-	-	(12,428)	-
Derivative instruments liability	-	-	12,500	-
Net change of hedge termination	-	-	(72)	-
Transfer of direct financing lease between mortgage or bond funds	-	-	(6,173)	-
Transfer of direct financing lease between mortgage or bond funds	-	-	6,173	-

See accompanying notes to the financial statements.

Exhibit C

Total Programs and Funds	Alaska Corporation for Affordable Housing	Total December 31, 2015
57,702	-	57,702
175,151	-	175,151
(270,787)	(1,773)	(272,560)
-	-	-
216,704	-	216,704
(224,757)	-	(224,757)
(20,495)	-	(20,495)
(13,735)	(4)	(13,739)
46,819	-	46,819
16,315	-	16,315
(17,507)	-	(17,507)
1,075	(1,075)	-
(37,491)	-	(37,491)
11,280	24	11,304
(861)	-	(861)
(60,587)	(2,828)	(63,415)
22,156	-	22,156
(46,411)	-	(46,411)
-	-	-
(215)	-	(215)
(37,897)	-	(37,897)
123,988	-	123,988
(116,891)	-	(116,891)
(3)	-	(3)
(1,507)	1,507	-
-	-	-
(56,780)	1,507	(55,273)
(1,002)	-	(1,002)
56	-	56
-	-	-
(2,734)	-	(2,734)
-	-	-
(1,374)	-	(1,374)
5,038	-	5,038
-	-	-
(16)	-	(16)
(2,064,628)	-	(2,064,628)
2,196,762	-	2,196,762
1,318	1	1,319
133,452	1	133,453
16,069	(1,320)	14,749
48,881	1,467	50,348
64,950	147	65,097
6,486	(61)	6,425
3,715	-	3,715
(2,964)	70	(2,894)
(92)	-	(92)
1,507	(1,507)	-
(1,318)	(1)	(1,319)
39,271	-	39,271
(95,636)	(1,773)	(97,409)
(11,556)	444	(11,112)
(60,587)	(2,828)	(63,415)

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NOTES TO FINANCIAL STATEMENTS

**FOOTNOTE INDEX**

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NOTES TO FINANCIAL STATEMENTS

**FOR THE SIX MONTHS ENDED DECEMBER 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, not accounted for in other funds.

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

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

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

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

### **Restricted Net Position**

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

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

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

### **Use of Estimates**

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

### **Investments**

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

### **Accrued Interest Receivable on Loans and Real Estate Owned**

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

### **Loans and Allowances for Estimated Loan Losses**

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

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.

**Pensions**

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

**Derivative Instruments-Interest Rate Swaps**

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

**Operating Revenues and Expenses**

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

**Income Taxes**

The Corporation is exempt from federal and state income taxes.

**New Accounting Pronouncements**

GASB Statement 72, Fair Value Measurement and Application, will be effective for AHFC'S fiscal year 2016. This Statement provides guidance for determining a fair value measurement for financial reporting purposes.

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):

	<b>December 31, 2015</b>
Restricted cash	\$ 28,966
Unrestricted	36,131
Carrying amount	<u>\$ 65,097</u>
Bank Balance	<u>\$ 66,707</u>

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.

	<b>Investment Maturities (In Years)</b>				<b>December 31, 2015</b>
	<b>Less Than 1</b>	<b>1-5</b>	<b>6-10</b>	<b>More Than 10</b>	
Bank investment contracts					\$ -
U. S. Treasury securities	576	269	-	-	845
Securities of U. S. Government agencies and corporations	-	80	-	-	80
Certificates of deposit	-	1,000	-	-	1,000
Negotiable Certificates of Deposit	-		-	-	-
Commercial paper & medium-term notes	188,755	-	-	-	188,755
Money market funds	127,923	-	-	-	127,923
Subtotal	<u>\$ 317,254</u>	<u>\$ 1,349</u>	<u>\$ -</u>	<u>\$ -</u>	<u>318,603</u>
GeFONSI pool					365,602
Total AHFC Portfolio					<u>\$ 684,205</u>

#### Restricted Investments

A large portion of the Corporation's investments, \$243,232,000, are restricted by bond resolutions, contractual agreements, and statutory agreements, and the remainder, \$440,973,000, 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):

	<b>December 31, 2015</b>
Ending unrealized holding gain	\$ 27,721
Beginning unrealized holding gain	27,310
Net change in unrealized holding gain	411
Net realized gain (loss)	(92)
Net increase (decrease) in fair value	<u>\$ 319</u>

#### 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.

NOTES TO FINANCIAL STATEMENTS

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

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

**Credit Risk**

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

The credit quality ratings for the Corporation's investment in the GeFONSI pool are not available at this time.

NOTES TO FINANCIAL STATEMENTS

The credit quality ratings of the Corporation's investments as of December 31, 2015, as determined by nationally recognized statistical rating organizations, are shown below (in thousands). The Corporation's investments included \$845,000 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.

	<b>S &amp; P</b>	<b>Moody's</b>	<b>Investment Fair Value</b>
Securities of U. S. Government agencies and Corporations:	AAA	Aaa	\$ 80
Certificates of deposit:	A+	Aa2	1,000
Commercial paper, medium-term notes:	AAA	Aaa	501
	AA+	Aa1	620
	AA+	A1	598
	AA	Aa2	305
	AA	Aa3	250
	AA	A1	645
	AA-	A1	1,224
	AA-	Aa1	1,504
	AA-	--	501
	AA-	Aa3	3,113
	A+	A1	1,749
	A+	Aa2	1,000
	--	Aa3	200
	A	A1	600
	A	A2	4,156
	A-	A3	1,402
	A-	Baa1	1,236
	A--1+	P-1	129,293
	A--1	P-1	39,357
			<u>188,254</u>
Money market funds:	AAAm	--	<u>127,923</u>
Unrated investments:			
Commercial paper, medium term notes	--	--	<u>501</u>
			<u>\$ 317,758</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 December 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	\$ 365,602	53.43 %
Goldman Sachs	127,923	18.70
Toyota Motor Credit	100,227	14.65

**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 \$66,707,000 bank balance at December 31, 2015, cash deposits in the amount of \$685,000 were uninsured and uncollateralized. Additional cash deposits in the amount of \$43,360,000 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 December 31, 2015:

	Investment Fair Value	Modified Duration
U. S. Treasury securities:		
Treasury coupon securities	\$ 845	0.670
Securities of U. S. Government agencies and corporations:		
Federal agency coupon securities		
Federal agency pass through securities	80	1.315
Certificates of deposit	1,000	2.729
Commercial paper & medium-term notes:		
Commercial paper discounts	168,650	0.163
Corporate bonds	4,641	0.164
Medium-term notes	15,464	0.290
Money market funds	127,923	
	<u>\$ 318,603</u>	
Portfolio modified duration		0.053

**4 INTERFUND RECEIVABLE/PAYABLE**

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

	Due From					Total
	Administrative Fund	Grant Programs	Mortgage or Bond Programs	Other Funds or Programs	Alaska Corporation for Affordable Housing	
Administrative Fund	\$ -	\$ 17,823	\$ -	\$ 2,824	\$ 1,746	\$ 22,393
Grant Programs	-	-	-	-	1,425	1,425
Mortgage or Bond Programs	33,488	-	-	-	-	33,488
Other Funds or Programs	-	-	-	-	-	-
Alaska Corporation for Affordable Housing	-	-	-	-	-	-
Total	<u>\$ 33,488</u>	<u>\$ 17,823</u>	<u>\$ -</u>	<u>\$ 2,824</u>	<u>\$ 3,171</u>	<u>\$ 57,306</u>

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

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

The balance due to the Administrative Fund from ACAH resulted primarily from cash advanced by the Administrative Fund to ACAH.

The balance due to the Grant Programs from ACAH resulted from a 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):

	<b>December 31, 2015</b>
Mortgage loans	\$ 2,406,746
Multifamily loans	338,414
Other notes receivable	89,338
	<u>2,834,498</u>
Less:	
Allowance for losses	(69,003)
Net Mortgage loans, notes and other loans	<u>\$ 2,765,495</u>

Other notes receivable include monies due to AHFC for various unconventional loan programs, monies that weren't expended by grant recipients and notes receivable (net of allowance for losses) due to ACAH of \$9,540,000.

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

	<b>December 31, 2015</b>
<u>Delinquencies and foreclosures:</u>	
Loans delinquent 30 days or more	\$ 89,454
Foreclosures during period	3,721
Loans in foreclosure process	10,895
<u>Mortgage-related commitments:</u>	
To purchase mortgage loans	91,063

## 6 INSURANCE AGREEMENTS

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

## 7 DIRECT FINANCING LEASES

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

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

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 December 31,	Future Minimum Payments Due		
	Parking Garage	Building	Total
2016	\$ 3,304	\$ 3,467	\$ 6,771
2017	3,304	1,734	5,038
2018	3,304	-	3,304
2019	3,304	-	3,304
2020	3,304	-	3,304
Thereafter	23,122	-	23,122
Gross payments due	39,642	5,201	44,843
Less: Unearned revenue	(8,452)	(216)	(8,668)
Net investment in direct financing lease	\$ 31,190	\$ 4,985	\$ 36,175

## 8 CAPITAL ASSETS

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

	June 30, 2015	Additions	Reductions	December 31, 2015
<b>Non-Depreciable Capital Assets:</b>				
Land	\$ 19,687	\$ -	\$ (9)	\$ 19,678
Construction in progress	156	370	-	526
Total Non-Depreciable	19,843	370	(9)	20,204
<b>Depreciable Capital Assets:</b>				
Buildings	242,359	292	-	242,651
Computers & Equipment	2,266	126	(237)	2,155
Vehicles	1,983	113	(21)	2,075
Less: Accumulated depreciation				
Buildings	(146,844)	(3,518)	-	(150,362)
Computers & Equipment	(1,850)	(137)	237	(1,750)
Vehicles	(1,700)	(60)	21	(1,739)
Total Depreciable, Net	96,214	(3,184)	-	93,030
<b>Total Capital Assets, Net</b>	<b>\$ 116,057</b>	<b>\$ (2,814)</b>	<b>\$ (9)</b>	<b>\$ 113,234</b>

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 \$3,715,000 for the six months ended December 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 \$3,413,000 at December 31, 2015.

## 9 DEFERRED OUTFLOWS OF RESOURCES

The Government Accounting Standards Board has defined deferred outflows of resources as the consumption of resources that are applicable to a future period. AHFC's deferred outflows of resources at December 31, 2015, were interest rate swap derivatives of \$160,110,000, deferred debt refunding expense of \$22,287,000, and pension deferred outflows of \$2,685,000.

## 10 BONDS PAYABLE

The Corporation's obligations are not a debt of the State, and the State is not directly liable thereon except for the Veterans Mortgage Program Bonds. The Veterans Mortgage Program Bonds are backed by the full faith and credit of the State. In the event that the Corporation cannot make the Veterans Mortgage Program Bond payments, the State will pay the principal and interest payments.

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 December 31, 2015, there were no draw down bonds outstanding, and the Corporation does not anticipate issuing any additional draw down bonds in the future.

Bonds outstanding are shown below (in thousands):

	Original Amount	December 31, 2015
<b>First-Time Home Buyer Program</b>		
<b>Mortgage Revenue Bonds, Tax-Exempt:</b>		
• 2009 Series A-1; 3.07%, due 2027-2041	\$ 64,350	\$ 50,440
• 2009 Series A-2; 2.32%, due 2026-2041	128,750	94,310
• 2010 Series A; 2.15% to 4.00%, due 2016-2027 Unamortized discount	43,130	31,685 (151)
• 2010 Series B; 2.15% to 4.625%, due 2016-2040	35,680	31,865
• 2011 Series B; 2.10% to 4.05%, due 2016-2026	71,360	52,280
<b>Mortgage Revenue Bonds, Taxable:</b>		
• 2011 Series A; 2.80% due 2016-2026	28,945	6,635
Total Mortgage Revenue Bonds	<u>372,215</u>	<u>267,064</u>
<b>Home Mortgage Revenue Bonds, Tax-Exempt:</b>		
• 2002 Series A; Floating Rate*; 0.02% at December 31, 2015, due 2032-2036 Unamortized swap termination penalty	170,000	79,060 (4,838)
• 2007 Series A; Floating Rate*; 0.05% at December 31, 2015, due 2017-2041	75,000	75,000
• 2007 Series B; Floating Rate*; 0.05% at December 31, 2015, due 2017-2041	75,000	75,000
• 2007 Series D; Floating Rate*; 0.05% at December 31, 2015, due 2017-2041	89,370	89,370
• 2009 Series A; Floating Rate*; 0.01% at December 31, 2015, due 2020-2040	80,880	80,880
• 2009 Series B; Floating Rate*; 0.01% at December 31, 2015, due 2020-2040	80,880	80,880
• 2009 Series D; Floating Rate*; 0.01% at December 31, 2015, due 2020-2040	80,870	80,870
Total Home Mortgage Revenue Bonds	<u>652,000</u>	<u>556,222</u>
<b>Veterans Mortgage Program Bonds:</b>		
<b>Collateralized State Guaranteed Bonds, Tax-Exempt:</b>		
• 2006 First Series; 4.15% to 4.90%, due 2016-2037	190,000	36,400
• 2007 & 2008 First Series; 3.875% to 5.25%, due 2016-2038	57,885	12,885
Total Veterans Mortgage Program Bonds	<u>247,885</u>	<u>49,285</u>
<b>Other Housing Bonds:</b>		
<b>General Mortgage Revenue Bonds, Tax-Exempt:</b>		
• 2012 Series A; 1.15% to 4.30%, due 2016-2040 Unamortized discount Unamortized premium	145,890	125,300 (632) 548
<b>Governmental Purpose Bonds, Tax-Exempt:</b>		
• 1997 Series A; Floating Rate*, monthly payments, 0.01% at December 31, 2015, due 2027	33,000	14,600
• 2001 Series A; Floating Rate*; 0.01% at December 31, 2015, due 2016-2030 Unamortized swap termination penalty	76,580	49,910 (5,924)
• 2001 Series B; Floating Rate*; 0.01% at December 31, 2015, due 2016-2030	93,590	60,985
Total Other Housing Bonds	<u>349,060</u>	<u>244,787</u>

NOTES TO FINANCIAL STATEMENTS

	Original Amount	December 31, 2015
<b>Non-Housing Bonds:</b>		
<b>State Capital Project Bonds, Tax-Exempt:</b>		
● 2002 Series C; Floating Rate*, 0.01% at December 31, 2015, due 2016-2022	60,250	43,090
● 2006 Series A; 3.50% to 5.00%, due 2016-2040 Unamortized premium	100,890	1,985 4
● 2007 Series A & B; 4.00% to 5.25%, due 2016-2029 Unamortized discount Unamortized premium	95,525	32,470 (36) 427
● 2011 Series A; 4.25% to 5.00%, due 2016-2027 Unamortized discount Unamortized premium	105,185	74,670 (74) 1,121
● 2012 Series A; 3.00% to 5.00%, due 2016-2032 Unamortized discount Unamortized premium	99,360	85,310 (113) 8,445
● 2013 Series A; 4.00% to 5.00%, due 2017-2032 Unamortized premium	86,765	86,765 9,322
● 2014 Series A; 3.00% to 5.00%, due 2016-2033 Unamortized discount Unamortized premium	95,115	95,115 (65) 7,591
● 2014 Series B; 4.00% to 5.00%, due 2016-2029 Unamortized premium	29,285	29,085 3,799
● 2014 Series D; 2.00% to 5.00%, due 2016-2029 Unamortized premium	78,105	78,105 13,033
● 2015 Series A; 2.00% to 5.00%, due 2016-2030 Unamortized premium	111,535	111,535 16,646
● 2015 Series B; 3.00% to 5.00%, due 2016-2036 Unamortized discount Unamortized premium	93,365	93,365 (235) 8,876
● 2015 Series C; 2.00% to 5.00%, due 2016-2035 Unamortized premium	55,620	55,620 8,901
<b>State Capital Project Bonds, Taxable:</b>		
● 2013 Series B; Indexed Floating Rate*, monthly payments 1.04% at December 31, 2015, due 2043	50,000	50,000
● 2014 Series C; Indexed Floating Rate*, 0.74% at December 31, 2015, due 2029	140,000	140,000
Total Non-Housing Bonds	1,201,000	1,054,757
<b>Total Bonds Payable</b>	<b>\$ 2,822,160</b>	<b>\$ 2,172,115</b>

Note: Debt service payments on the above mentioned bonds are semi-annual unless otherwise mentioned.  
\*Interest rates on the annotated variable-rate bonds are established by the Remarketing Agents on each Rate Determination Date.

**Redemption Provisions**

The bonds are generally subject to certain early-redemption provisions, both mandatory and at the option of the Corporation. The Corporation redeems debt, pursuant to the provisions of the related agreements which permit surplus revenues, resulting primarily from mortgage loan prepayments, to be used to retire the obligations at par. The Corporation also issues new debt whose proceeds are used to redeem previously issued debt, called current refundings. The related discounts and costs of issuance of the old debt are classified as a deferred outflow of resources and amortized as interest expense. The Corporation may call some bonds at a premium using any monies once bonds reach a certain age and may also use a clean-up call to redeem certain bonds once the outstanding amount falls below 15% of the total issuance.

NOTES TO FINANCIAL STATEMENTS

During the six months ended December 31, 2015, the Corporation made \$28,845,000 special revenue redemptions and no current refundings.

**Advance Refundings**

In December 2015, AHFC issued \$55,620,000 in State Capital Projects Bonds II, 2015 Series C (the "Bonds"). The Bonds were issued mainly to refund \$37,420,000 of State Capital Project Bonds, 2006 Series A and \$3,765,000 of State Capital Bonds 2007 Series B (the "Refunded Bonds"). Net proceeds of the Bonds totaled \$64,566,000, including a premium of \$8,946,000. \$42,335,000 of the proceeds was deposited into an irrevocable trust with an escrow agent to completely pay off the Refunded Bonds on the first optional redemption dates in June 2016, and December 2017. The Refunded Bonds have been legally defeased, and the trust account assets and the liability for the Refunded Bonds have been removed from the Statement of Net Position. This advance refunding decreases debt service payments by \$10,425,000 over the next 25 years, resulting in Net Present Value savings of \$4,310,000.

In the fiscal year ended June 30, 2015, the Corporation also effected an advanced refunding where the proceeds of issued bonds were used to defease outstanding debt of the Corporation.

A summary of all defeased debt follows (in thousands):

	Defeased Date	December 31, 2015
State Capital Project Bonds, 2006 Series A	June 2015	\$ 47,270
State Capital Project Bonds, 2007 Series A and B	June 2015	34,230
State Capital Project Bonds, 2006 Series A	December 2015	37,420
State Capital Project Bonds, 2007 Series B	December 2015	3,765
		\$ 122,685

**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 Ended December 31,	Total Debt Service		
	Principal	Interest*	Total
2016	\$ 48,290	\$ 76,462	\$ 124,752
2017	59,910	75,276	135,186
2018	57,055	73,089	130,144
2019	65,440	70,787	136,227
2020	111,075	67,936	179,011
2021-2025	441,065	277,782	718,847
2026-2030	633,830	176,273	810,103
2031-2035	339,405	88,352	427,757
2036-2040	274,680	31,196	305,876
2041-2043	74,720	1,927	76,647
	\$ 2,105,470	\$ 939,080	\$ 3,044,550

\* Interest requirements for variable-rate bonds have been computed using the effective interest rate at December 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), up to \$14,682,018 of Tax Exempt Direct Purchase Bonds (ANC MV Phase I Limited Partnership Project), Series 2014, and up to \$8,500,000 of Tax Exempt Revenue Bonds 2015 (Creekview Plaza 49 Senior Housing Project). As of December 31, 2015, the outstanding bonds were \$3,422,000, \$8,454,000, and \$1,119,000 respectively.

NOTES TO FINANCIAL STATEMENTS

## 11 DERIVATIVES

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

The swaps are recorded and disclosed as either hedging derivatives or investment derivatives. The synthetic instrument method was used to determine whether the derivative was hedgeable or not. The fair values of the hedgeable derivatives and investment derivatives are presented in the Statement of Net Position, either as a derivative liability (negative fair value amount) or as a derivative asset (positive fair value amount). If a swap changes from a hedgeable derivative to an investment derivative, the hedge is considered terminated and the accumulated change in fair value is no longer deferred but recognized as a revenue item.

The fair value amounts, obtained from mark to market statements from the respective counterparties and reconciled to present value calculations done by the Corporation, represent mid-market valuations that approximate the current economic value using market averages, reference rates, and/or mathematical models. Actual trade prices may vary significantly from these estimates as a result of various factors, which may include (but are not limited to) portfolio composition, current trading intentions, prevailing credit spreads, market liquidity, hedging costs and risks, position size, transaction and financing costs, and the use of capital profit. The fair value represents the current price to settle swap assets or liabilities in the marketplace if a swap were to be terminated.

The Corporation's interest rate swaps require that if the ratings on the associated bonds fall to BBB+/Baa1, the Corporation would have to post collateral of up to 100 percent of the swap's fair value. As of December 31, 2015, the Corporation had not posted any collateral and was not required to post any collateral.

### Hedging Derivatives

The significant terms and credit ratings of the Corporation's hedging derivatives as of December 31, 2015, are shown below:

Related Bond Issue	Effective Date	Fixed Rate Paid	Variable Rate Received	Swap Termination Date	Counterparty Credit Rating <sup>7</sup>
GP01A <sup>1</sup>	12/01/08	2.4530	67% of 1M LIBOR <sup>4</sup>	12/01/30	BBB+/A3
GP01B	08/02/01	4.1427	67% of 1M LIBOR	12/01/30	AA-/Aa3
E021A1 <sup>2</sup>	10/09/08	2.9800	70% of 3M LIBOR <sup>5</sup>	06/01/32	AA+/AA2
E021A2	10/09/08	3.4480	70% of 1M LIBOR	12/01/36	AA-/AA3
SC02C <sup>3</sup>	12/05/02	4.3030	SIFMA <sup>6</sup> +0.115%	07/01/22	A+/Aa2
E071AB	05/31/07	3.7345	70% of 3M LIBOR	12/01/41	AA+/Aa2
E071BD	05/31/07	3.7200	70% of 3M LIBOR	12/01/41	A+/Aa2
E091A	05/28/09	3.7610	70% of 3M LIBOR	12/01/40	A/A1
E091B	05/28/09	3.7610	70% of 3M LIBOR	12/01/40	AA+/Aa2
E091ABD	05/28/09	3.7400	70% of 3M LIBOR	12/01/40	A+/Aa2

1. Governmental Purpose Bonds

2. Home Mortgage Revenue Bonds

3. State Capital Project Bonds

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

5. London Interbank Offered Rate 3 month

6. Securities Industry and Financial Markets Municipal Swap Index

7. Standard & Poor's/Moody's

The change in fair value and ending balance of the hedging derivatives as of December 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
			December 31, 2015	June 30, 2015	
GP01A	\$ 49,910	\$ 54,145	\$ (4,235)	\$ (3,732)	\$ (503)
GP01B	60,985	73,912	(12,927)	(12,810)	(117)
E021A1	39,800	44,753	(4,953)	(4,501)	(452)
E021A2	39,260	41,086	(1,826)	(2,508)	682
SC02C	43,090	47,677	(4,587)	(5,085)	498
E071AB	143,622	182,307	(38,685)	(35,022)	(3,663)
E071BD	95,748	121,211	(25,463)	(23,039)	(2,424)
E091A	72,789	93,185	(20,396)	(18,478)	(1,918)
E091B	72,789	93,131	(20,342)	(18,392)	(1,950)
E091ABD	97,052	123,748	(26,696)	(24,115)	(2,581)
Total	\$ 715,045	\$ 875,155	\$ (160,110)	\$ (147,682)	\$ (12,428)

NOTES TO FINANCIAL STATEMENTS

As of December 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
2016	\$ 6,580	\$ 87	\$ 11,774	\$ 18,441
2017	15,990	174	23,239	39,403
2018	19,235	170	22,681	42,086
2019	20,110	166	22,021	42,297
2020	24,320	162	21,379	45,861
2021-2025	141,380	726	93,161	235,267
2026-2030	157,375	570	70,478	228,423
2031-2035	142,185	387	45,665	188,237
2036-2040	154,595	187	21,875	176,657
2041-2046	33,275	13	1,413	34,701
	<u>\$ 715,045</u>	<u>\$ 2,642</u>	<u>\$ 333,686</u>	<u>\$ 1,051,373</u>

**Credit Risk**

As of December 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 35.8% of the total notional amount of the swaps is held with one counterparty rated "AA+/Aa2". Another 33.0% of the total notional amount of the swaps is held with another counterparty rated "A+/Aa2". Of the remaining swaps, one counterparty is rated "AA-/Aa3", another counterparty is rated "A/A1", and the remaining counterparty is rated "BBB+/A3", approximating 14.0%, 10.2%, and 7.0% respectively, of the total notional amount of the swaps.

**Interest Rate Risk**

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

**Basis Risk**

All of the Corporation's variable-rate bond interest payments related to interest rate swaps are based on the tax-exempt SIFMA index. Therefore, the Corporation is exposed to basis risk on swaps where the variable payment received on the swaps is based on a taxable LIBOR index and does not fully offset the variable rate paid on the bonds, which is based on the SIFMA index. The SC02C swap is based on the SIFMA index and thus is not exposed to any basis risk. As of December 31, 2015, SIFMA was 0.01% and 1-month LIBOR was 0.4275%, resulting in a SIFMA/LIBOR ratio of 2.3%. The 3-month LIBOR was 0.61%, resulting in a SIFMA/LIBOR ratio of 1.6%. 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 is no longer a hedging derivative and is accounted for as an investment derivative.

The significant terms and credit ratings of the Corporation's investment derivative as of December 31, 2015, are shown below:

Related Bond Issue	Effective Date	Fixed Rate Paid	Variable Rate Received	Swap Termination Date	Counterparty Credit Rating
SC02B	12/05/02	3.77%	70% of 1M LIBOR	07/01/24	A+/Aa2

The change in fair value of the investment derivatives as of December 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
			December 31, 2015	June 30, 2015	
SC02B	\$ 14,555	\$ 17,143	\$ (2,589)	\$ (2,517)	\$ (72)

**Credit Risk**

As of December 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+/Aa2".

**12 LONG TERM LIABILITIES**

The activity for the six months ended December 31, 2015 is summarized in the following schedule (in thousands):

	June 30, 2015	Additions	Reductions	December 31, 2015	Due Within One Year
Total bonds and notes payable	\$ 2,201,527	\$ 64,565	\$ (93,977)	\$ 2,172,115	\$ 48,290
Pension liability	28,368	-	-	28,368	-
Compensated absences	4,631	1,431	(1,598)	4,464	2,571
Other liabilities	858	58	-	916	-
Total long-term liabilities	\$ 2,235,384	\$ 66,054	\$ (95,575)	\$ 2,205,863	\$ 50,861

**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 six months ended December 31, 2015, was 0.12% and the highest was 0.35%.

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

	June 30, 2015	Additions	Reductions	December 31, 2015
Commercial paper	\$ 16,900	\$ 124,006	\$ (116,906)	\$ 24,000
Unamortized discount	(1)	(16)	16	(1)
Commercial paper, net	\$ 16,899	\$ 123,990	\$ (116,890)	\$ 23,999

NOTES TO FINANCIAL STATEMENTS

**14 DEFERRED INFLOWS OF RESOURCES**

The Government Accounting Standards Board has defined deferred inflows of resources as the acquisition of resources that are applicable to a future period. AHFC's deferred inflows of resources at December 31, 2015, represent the difference between projected and actual investment earnings in State of Alaska's Public Employees' Retirement System Defined Benefit Retirement Plan of \$3,277,000.

**15 TRANSFERS**

Transfers for the six months ended December 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		\$ 36,055	\$ 21,206	\$ 5,217	\$ 1,308	\$ 63,786
u	Grant Programs	40,690	-	-	-	-	40,690
e	Mortgage or Bond Programs	69,375	-	3	-	-	69,378
	Other Funds or Programs	8,696	20	-	-	199	8,915
T	Alaska Corporation for						
o	Affordable Housing	1,308	-	-	199	-	1,507
	Total	\$ 120,069	\$ 36,075	\$ 21,209	\$ 5,416	\$ 1,507	\$ 184,276

Transfers are used to:

- (1) move cash between the Administrative Fund and the Mortgage or Bond Programs to subsidize debt service payments or satisfy bond indenture requirements;
- (2) move mortgages between the Administrative Fund and the Mortgage or Bond Programs;
- (3) record expenditures paid on behalf of the Grant Programs, the Mortgage or Bond Programs, and the Other Funds or Programs by the Administrative Fund;
- (4) move cash and mortgages between various Mortgage or Bond Programs; or
- (5) record any unreimbursable expenditures paid by the Administrative Fund on behalf of ACAH and cash transferred between the Administrative Fund and ACAH.

**16 OTHER CREDIT ARRANGEMENTS**

The Corporation currently has certain outstanding debt obligations with which it has entered into standby bond purchase agreements to provide liquidity in the event of unremarketed tenders and/or bond insurance contracts to guarantee the payment of debt service. At December 31, 2015, the Corporation had unused standby bond purchase agreements of \$480,180,000 and bond insurance of \$34,455,000.

**17 YIELD RESTRICTION AND ARBITRAGE REBATE**

Most mortgages purchased with the proceeds of tax-exempt mortgage revenue bonds issued by the Corporation are subject to interest-rate yield restrictions of 1.125% to 1.500% over the yield of the bonds. These restrictions are in effect over the lives of the bonds. Most of the non-mortgage investments made under the Corporation's tax-exempt mortgage revenue bond programs are subject to rebate provisions or restricted as to yields. The rebate provisions require that a calculation be performed every five years and upon full retirement of the bonds to determine the amount, if any, of excess yield earned and owed to the Internal Revenue Service. The amount of excess earning arbitrage expensed for the six months ended December 31, 2015 was \$57,000. No arbitrage was paid for the six months ended December 31, 2015.

NOTES TO FINANCIAL STATEMENTS

**18 STATE AUTHORIZATIONS AND COMMITMENTS**

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

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

The projected amounts stated in the legislative intent language were based on the Corporation’s financial operating plan and represent the total amount of anticipated State transfers and capital expenditures rather than projected “net income”. Following are the details of AHFC’s dividend to the State as of December 31, 2015, (in thousands):

	<b>Dividend Due</b>		<b>Remaining</b>	
	<b>to State</b>	<b>Expenditures</b>	<b>Commitments</b>	
State General Fund Transfers	\$ 788,948	\$ (788,948)	\$	-
State Capital Projects Debt Service	434,866	(417,162)		17,704
State of Alaska Capital Projects	253,761	(249,014)		4,747
AHFC Capital Projects	479,608	(440,523)		39,085
Total	<u>\$ 1,957,183</u>	<u>\$ (1,895,647)</u>	<u>\$</u>	<u>61,536</u>

**Transfer Plan with the State**

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

**19 HOUSING GRANTS AND SUBSIDIES EXPENSES**

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

	<b>December 31, 2015</b>
▪ Beneficiaries and Special Needs Housing	\$ 792
▪ Continuum of Care Homeless Assistance	938
▪ Domestic Violence	779
▪ Drug Elimination	13
▪ Emergency Shelter Grant (ESG)	11
▪ Energy Efficiency Monitoring Research	367
▪ Energy Efficient Home Program	5,322
▪ HOME Investment Partnership	1,146
▪ Homeless Assistance Program	2,246
▪ Housing Choice Vouchers	15,138
▪ Housing Loan Program	4,458
▪ Housing Opportunities for Persons with AIDS	237
▪ Low Income Weatherization Assistance	11,088
▪ Non-Elderly Disabled (NED)	119
▪ Parolees (TBRA)	275
▪ Section 8 Rehabilitaton	211
▪ Senior Citizen Housing Development Grant	3,171
▪ Supplemental Housing Grant	3,703
▪ Technical Assistance Grant	15
▪ Utility Allowance Payments for Low Rent	3
▪ Veterans Affairs Supportive Housing	843
▪ Youth (TBRA)	74
<b>Total Housing Grants and Subsidies Expenses</b>	<u><u>\$ 50,949</u></u>

In addition to grant payments made, the Corporation had advanced grant funds of \$10,373,000 and committed to third parties a sum of \$82,603,000 in grant awards as of December 31, 2015.

**20 OTHER FUNDS OR PROGRAMS**

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

**Other Funds and Programs**

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

- Low Rent Management
- Modernization/Capital Fund Programs

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

- Project Based Section 8
- Market Rate Rental

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

- Homeowner Assistance Program

NOTES TO FINANCIAL STATEMENTS

## 21 PENSION AND POST EMPLOYMENT HEALTHCARE PLANS

### Description of Plans

As of December 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.

PERS audited financial statements are available at [www.doa.alaska.gov/drb](http://www.doa.alaska.gov/drb).

### Defined Benefit Pension and Post Employment Health Care Plans (*Employees hired prior to July 1, 2006*)

#### *Employee Benefits:*

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

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

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

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

#### *Funding Policy:*

Under State law, covered employees are required to contribute 6¾% of their annual covered salary to the pension plan and are not required to contribute to the Post Employment Healthcare Plan.

Under State law the Corporation is required to contribute 22% of annual covered salary. For fiscal year 2016, 13.25% of covered salary is for the pension plan and 8.75% of covered salary is for the Post Employment Healthcare Plan.

Under AS39.35.255, the difference between the actuarial required contribution of 27.19% for fiscal year 2016 and the employer rate of 22% is funded by the State.

The Corporation's contributions to the defined benefit post-employment healthcare plan for the six months ended December 31, 2015, totaled \$677,000 and for the years ended June 30, 2015, and June 30, 2014, totaled \$1,543,000 and \$1,953,000, respectively.

NOTES TO FINANCIAL STATEMENTS

*Pension Liabilities:*

The pension liability for the six months ended December 31, 2015 is not available at this time.

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

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

*Pension Expense:*

The pension expense for the six months ended December 31, 2015 is not available at this time.

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

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

The deferred outflows of resources and deferred inflows of resources related to pensions for the six months ended December 31, 2015 is not available at this time.

As of June 30, 2015, the Corporation's deferred outflows of resources related to pensions of \$2,685,000 were due to a change in its proportionate share of contributions to the pension plan of \$282,000 and contributions to the pension plan subsequent to the measurement date of \$2,403,000.. The Corporation's deferred inflows of resources related to pension of \$3,277,000 were due to a difference between expected versus actual investment returns.

The amounts recognized as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows (in thousands):

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
2016	\$ 2,620	\$ (819)	\$ 1,801
2017	65	(819)	(754)
2018	-	(819)	(819)
2019	-	(820)	(820)
	\$ 2,685	\$ (3,277)	\$ (592)

*Actuarial Assumptions:*

The total pension liability as of June 30, 2015, was determined by an actuarial valuation as of June 30, 2013, rolled forward to June 30, 2014. The valuation was prepared assuming an inflation rate of 3.12%. Salary increases were determined by grading by age and service to range from 3.62% to 9.60%. Investment rate of return was calculated at 8.00%, net of pension plan investment expenses, based on an average inflation rate of 3.12% and a real rate of return of 4.88%.

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

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

*Discount rate:*

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

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

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

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

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

*Employee Benefits*

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

*Funding Policy*

Under State law, covered employees are required to contribute 8% of their annual covered salary. For fiscal year 2016, 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 fiscal year 2016, the Corporation is required to contribute 1.68% of the annual covered salary plus an annual flat dollar amount of \$2,004.52 for each covered employee.

If the total amount that the Corporation has contributed for the defined contribution pension and post-employment healthcare plans is less than 22% of covered payroll, the Corporation must pay that additional amount. This additional amount is used to reduce the defined benefit plan's unfunded liability. For the six months ended December 31, 2015, the Corporation paid additional contributions of \$359,000. These contributions equal \$216,000 for the defined benefit pension and \$143,000 for the defined benefit post-employment healthcare plans.

The contributions to the pension plan for the six months ended December 31, 2015, by the employees totaled \$242,000 and by the Corporation totaled \$158,000.

The Corporation contributed \$149,000 to a health reimbursement arrangement for the six months ended December 31, 2015.

NOTES TO FINANCIAL STATEMENTS

## **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 \$1,936,000 as of December 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.

### **Subsequent Event**

The Corporation executed a Standby Bond Purchase Agreement in January, 2016 for the Home Mortgage Revenue Bonds 2009 Series B, thereby switching from self-liquidity to external liquidity. This required the mandatory tender and remarketing of these bonds in the amount of \$80,880,000.

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

REQUIRED SUPPLEMENTARY INFORMATION

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

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

Information regarding the Corporation's proportionate share of the net pension liability for the three months ended September 30, 2015, is not available at this time.

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

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

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

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

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REQUIRED SUPPLEMENTARY INFORMATION

**Schedule of the Corporation's Contributions (in thousands)**

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

Information regarding the Corporation's contributions for the three months ended September 30, 2015, is not available at this time.

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

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

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

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

# ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

## STATEMENT OF NET POSITION

COMBINED - ALL FUNDS

As of December 31, 2015

(in thousands of dollars)

	Combined Revolving Funds	Combined Mortgage Revenue Bonds	Combined Home Mortgage Revenue Bonds	Combined Veterans Mortgage Program Bonds
<b>ASSETS</b>				
Cash	36,131	501	131	-
Investments	508,687	49,355	34,163	14,623
Accrued interest receivable	2,562	810	2,683	376
Inter-fund due to/from	(11,070)	4,013	9,875	1,258
Mortgage loans, notes and other loans	212,635	269,606	764,357	67,755
Net investment in direct financing lease	-	-	-	-
Capital assets, non-depreciable	82	-	-	-
Capital assets - depreciable, net	4,038	-	-	-
Other assets	10,863	-	-	-
Derivative instrument - interest rate swaps	-	-	-	-
Intergovernmental receivable	223	-	-	-
<b>Total Assets</b>	<b>764,151</b>	<b>324,285</b>	<b>811,209</b>	<b>84,012</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>	<b>2,685</b>	<b>-</b>	<b>146,378</b>	<b>-</b>
<b>LIABILITIES</b>				
Bonds payable	-	267,064	556,222	49,285
Short term debt	23,999	-	-	-
Accrued interest payable	2,227	671	1,616	203
Other liabilities	36,598	75	266	29
Derivative instrument - interest rate swaps	-	-	138,361	-
Intergovernmental payable	-	-	-	-
<b>Total Liabilities</b>	<b>62,824</b>	<b>267,810</b>	<b>696,465</b>	<b>49,517</b>
<b>DEFERRED INFLOW OF RESOURCES</b>	<b>3,277</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET POSITION</b>				
Net investment in capital assets	4,120	-	-	-
Restricted by bond resolutions	-	56,475	261,122	34,495
Restricted by contractual or statutory agreements	86,294	-	-	-
Unrestricted or (deficit)	610,321	-	-	-
<b>Total Net Position</b>	<b>700,735</b>	<b>56,475</b>	<b>261,122</b>	<b>34,495</b>

Schedule 1

Combined Other Housing Bonds	Combined Non-Housing Bonds	Combined Other Programs	Combined Total
-	57	28,277	65,097
57,165	20,212	-	684,205
1,309	3,953	-	11,693
5,152	13,190	(22,418)	-
428,176	1,013,426	9,540	2,765,495
-	36,175	-	36,175
-	2,401	17,721	20,204
-	12,657	76,335	93,030
-	-	12,083	22,946
-	-	-	-
-	-	19,646	19,869
491,802	1,102,071	141,184	3,718,714
18,443	17,576	-	185,082
244,787	1,054,757	-	2,172,115
-	-	-	23,999
660	4,198	-	9,575
683	654	1,866	40,171
17,163	7,175	-	162,699
-	57	-	57
263,293	1,066,841	1,866	2,408,616
-	-	-	3,277
-	15,058	94,056	113,234
217,575	-	-	569,667
29,377	-	48,645	164,316
-	37,748	(3,383)	644,686
246,952	52,806	139,318	1,491,903

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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 December 31, 2015

*(in thousands of dollars)*

	Administrative Fund	Home Ownership Fund	Combined Total
<b>ASSETS</b>			
Cash	36,131	-	36,131
Investments	502,510	6,177	508,687
Accrued interest receivable	2,536	26	2,562
Inter-fund due to/from	(11,095)	25	(11,070)
Mortgage loans, notes and other loans	207,211	5,424	212,635
Net investment in direct financing lease	-	-	-
Capital assets - non-depreciable	82	-	82
Capital assets - depreciable, net	4,038	-	4,038
Other assets	10,863	-	10,863
Derivative instrument - interest rate swaps	-	-	-
Intergovernmental receivable	223	-	223
<b>Total Assets</b>	<b>752,499</b>	<b>11,652</b>	<b>764,151</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
	2,685	-	2,685
<b>LIABILITIES</b>			
Bonds payable	-	-	-
Short term debt	23,999	-	23,999
Accrued interest payable	2,227	-	2,227
Other liabilities	36,597	1	36,598
Derivative instrument - interest rate swaps	-	-	-
Intergovernmental payable	-	-	-
<b>Total Liabilities</b>	<b>62,823</b>	<b>1</b>	<b>62,824</b>
<b>DEFERRED INFLOW OF RESOURCES</b>			
	3,277	-	3,277
<b>NET POSITION</b>			
Net investment in capital assets	4,120	-	4,120
Restricted by bond resolutions	-	-	-
Restricted by contractual or statutory agreements	74,643	11,651	86,294
Unrestricted or (deficit)	610,321	-	610,321
<b>Total Net Position</b>	<b>689,084</b>	<b>11,651</b>	<b>700,735</b>

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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 December 31, 2015

*(in thousands of dollars)*

	<b>Bonds 2009 A-1 2010 A, B</b>	<b>Bonds 2009 A-2 2011 A, B</b>	<b>Mortgage Revenue Bonds Combined Total</b>
<b>ASSETS</b>			
Cash	336	165	501
Investments	23,193	26,162	49,355
Accrued interest receivable	321	489	810
Inter-fund due to/from	1,437	2,576	4,013
Mortgage loans, notes and other loans	99,433	170,173	269,606
Net investment in direct financing lease	-	-	-
Capital assets - non-depreciable	-	-	-
Capital assets - depreciable, net	-	-	-
Other assets	-	-	-
Derivative instrument - interest rate swaps	-	-	-
Intergovernmental receivable	-	-	-
<b>Total Assets</b>	<u>124,720</u>	<u>199,565</u>	<u>324,285</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
	-	-	-
<b>LIABILITIES</b>			
Bonds payable	113,839	153,225	267,064
Short term debt	-	-	-
Accrued interest payable	331	340	671
Other liabilities	29	46	75
Derivative instrument - interest rate swaps	-	-	-
Intergovernmental payable	-	-	-
<b>Total Liabilities</b>	<u>114,199</u>	<u>153,611</u>	<u>267,810</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
	-	-	-
<b>NET POSITION</b>			
Net investment in capital assets	-	-	-
Restricted by bond resolutions	10,521	45,954	56,475
Restricted by contractual or statutory agreements	-	-	-
Unrestricted or (deficit)	-	-	-
<b>Total Net Position</b>	<u>10,521</u>	<u>45,954</u>	<u>56,475</u>

**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 December 31, 2015

*(in thousands of dollars)*

	<b>Bonds 2002 A,B</b>	<b>Bonds 2007 A</b>	<b>Bonds 2007 B</b>	<b>Bonds 2007 D</b>
<b>ASSETS</b>				
Cash	-	-	-	-
Investments	12,021	2,897	3,077	3,823
Accrued interest receivable	416	270	296	408
Inter-fund due to/from	1,104	1,572	1,293	1,636
Mortgage loans, notes and other loans	103,352	85,838	84,897	109,951
Net investment in direct financing lease	-	-	-	-
Capital assets - non-depreciable	-	-	-	-
Capital assets - depreciable, net	-	-	-	-
Other assets	-	-	-	-
Derivative instrument - interest rate swaps	-	-	-	-
Intergovernmental receivable	-	-	-	-
<b>Total Assets</b>	<b>116,893</b>	<b>90,577</b>	<b>89,563</b>	<b>115,818</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>	<b>6,779</b>	<b>21,639</b>	<b>21,617</b>	<b>25,529</b>
<b>LIABILITIES</b>				
Bonds payable	74,222	75,000	75,000	89,370
Short term debt	-	-	-	-
Accrued interest payable	197	221	221	264
Other liabilities	36	25	38	47
Derivative instrument - interest rate swaps	6,779	20,201	20,180	23,767
Intergovernmental payable	-	-	-	-
<b>Total Liabilities</b>	<b>81,234</b>	<b>95,447</b>	<b>95,439</b>	<b>113,448</b>
<b>DEFERRED INFLOW OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET POSITION</b>				
Net investment in capital assets	-	-	-	-
Restricted by bond resolutions	42,438	16,769	15,741	27,899
Restricted by contractual or statutory agreements	-	-	-	-
Unrestricted or (deficit)	-	-	-	-
<b>Total Net Position</b>	<b>42,438</b>	<b>16,769</b>	<b>15,741</b>	<b>27,899</b>

Schedule 4

Bonds 2009 A	Bonds 2009 B	Bonds 2009 D	Home Mortgage Revenue Bonds Combined Total
131	-	-	131
4,075	4,148	4,122	34,163
383	362	548	2,683
1,313	955	2,002	9,875
119,321	128,475	132,523	764,357
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
125,223	133,940	139,195	811,209
23,763	23,708	23,343	146,378
80,880	80,880	80,870	556,222
-	-	-	-
214	214	285	1,616
47	30	43	266
22,622	22,567	22,245	138,361
-	-	-	-
103,763	103,691	103,443	696,465
-	-	-	-
-	-	-	-
45,223	53,957	59,095	261,122
-	-	-	-
-	-	-	-
45,223	53,957	59,095	261,122

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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 December 31, 2015

*(in thousands of dollars)*

	<b>Collateralized Bonds 2006 First Series</b>	<b>Collateralized Bonds 2007 &amp; 2008 First Series</b>	<b>Combined Total</b>
<b>ASSETS</b>			
Cash	-	-	-
Investments	11,216	3,407	14,623
Accrued interest receivable	310	66	376
Inter-fund due to/from	791	467	1,258
Mortgage loans, notes and other loans	52,344	15,411	67,755
Net investment in direct financing lease	-	-	-
Capital assets - non-depreciable	-	-	-
Capital assets - depreciable, net	-	-	-
Other assets	-	-	-
Derivative instrument - interest rate swaps	-	-	-
Intergovernmental receivable	-	-	-
<b>Total Assets</b>	<b>64,661</b>	<b>19,351</b>	<b>84,012</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
	-	-	-
<b>LIABILITIES</b>			
Bonds payable	36,400	12,885	49,285
Short term debt	-	-	-
Accrued interest payable	149	54	203
Other liabilities	23	6	29
Derivative instrument - interest rate swaps	-	-	-
Intergovernmental payable	-	-	-
<b>Total Liabilities</b>	<b>36,572</b>	<b>12,945</b>	<b>49,517</b>
<b>DEFERRED INFLOW OF RESOURCES</b>			
	-	-	-
<b>NET POSITION</b>			
Net investment in capital assets	-	-	-
Restricted by bond resolutions	28,089	6,406	34,495
Restricted by contractual or statutory agreements	-	-	-
Unrestricted or (deficit)	-	-	-
<b>Total Net Position</b>	<b>28,089</b>	<b>6,406</b>	<b>34,495</b>

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**ALASKA HOUSING FINANCE CORPORATION**

Schedule 6

(A Component Unit of the State of Alaska)

**STATEMENT OF NET POSITION**

OTHER HOUSING BONDS

As of December 31, 2015

(in thousands of dollars)

	Senior Housing Revolving Loan Fund	General Mortgage Revenue Bonds II 2012 A & B	Governmental Purpose Bonds 1997 A	Governmental Purpose Bonds 2001 A-D	Combined Total
<b>ASSETS</b>					
Cash	-	-	-	-	-
Investments	6,661	4,888	8,038	37,578	57,165
Accrued interest receivable	100	445	181	583	1,309
Inter-fund due to/from	238	2,639	-	2,275	5,152
Mortgage loans, notes and other loans	22,383	197,789	14,090	193,914	428,176
Net investment in direct financing lease	-	-	-	-	-
Capital assets - non-depreciable	-	-	-	-	-
Capital assets - depreciable, net	-	-	-	-	-
Other assets	-	-	-	-	-
Derivative instrument - interest rate swaps	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-
<b>Total Assets</b>	<b>29,382</b>	<b>205,761</b>	<b>22,309</b>	<b>234,350</b>	<b>491,802</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>					
	-	1,280	-	17,163	18,443
<b>LIABILITIES</b>					
Bonds payable	-	125,216	14,600	104,971	244,787
Short term debt	-	-	-	-	-
Accrued interest payable	-	367	-	293	660
Other liabilities	5	42	-	636	683
Derivative instrument - interest rate swaps	-	-	-	17,163	17,163
Intergovernmental payable	-	-	-	-	-
<b>Total Liabilities</b>	<b>5</b>	<b>125,625</b>	<b>14,600</b>	<b>123,063</b>	<b>263,293</b>
<b>DEFERRED INFLOW OF RESOURCES</b>					
	-	-	-	-	-
<b>NET POSITION</b>					
Net investment in capital assets	-	-	-	-	-
Restricted by bond resolutions	-	81,416	7,709	128,450	217,575
Restricted by contractual or statutory agreements	29,377	-	-	-	29,377
Unrestricted or (deficit)	-	-	-	-	-
<b>Total Net Position</b>	<b>29,377</b>	<b>81,416</b>	<b>7,709</b>	<b>128,450</b>	<b>246,952</b>

# ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

## STATEMENT OF NET POSITION

NON-HOUSING BONDS

As of December 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
<b>ASSETS</b>					
Cash	-	-	57	-	-
Investments	2,315	1,689	565	1,211	671
Accrued interest receivable	219	3	37	320	385
Inter-fund due to/from	864	16	40	1,470	918
Mortgage loans, notes and other loans	47,769	1,059	3,786	79,416	90,847
Net investment in direct financing lease	-	-	31,190	-	-
Capital assets - non-depreciable	-	-	-	2,401	-
Capital assets - depreciable, net	-	-	-	12,657	-
Other assets	-	-	-	-	-
Derivative instrument - interest rate swaps	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-
<b>Total Assets</b>	<b>51,167</b>	<b>2,767</b>	<b>35,675</b>	<b>97,475</b>	<b>92,821</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>					
	4,587	-	965	-	-
<b>LIABILITIES</b>					
Bonds payable	43,090	1,989	32,861	75,717	93,642
Short term debt	-	-	-	-	-
Accrued interest payable	1,193	7	125	306	322
Other liabilities	37	-	3	25	19
Derivative instrument - interest rate swaps	7,175	-	-	-	-
Intergovernmental payable	-	-	57	-	-
<b>Total Liabilities</b>	<b>51,495</b>	<b>1,996</b>	<b>33,046</b>	<b>76,048</b>	<b>93,983</b>
<b>DEFERRED INFLOW OF RESOURCES</b>					
	-	-	-	-	-
<b>NET POSITION</b>					
Net investment in capital assets	-	-	-	15,058	-
Restricted by bond resolutions	-	-	-	-	-
Restricted by contractual or statutory agreements	-	-	-	-	-
Unrestricted or (deficit)	4,259	771	3,594	6,369	(1,162)
<b>Total Net Position</b>	<b>4,259</b>	<b>771</b>	<b>3,594</b>	<b>21,427</b>	<b>(1,162)</b>

State Capital Project Bonds II 2013 A & B	State Capital Project Bonds II 2014 A	State Capital Project Bonds II 2014 B	State Capital Project Bonds II 2014 C	State Capital Project Bonds II 2014 D	State Capital Project Bonds II 2015 A	State Capital Project Bonds II 2015 B	State Capital Project Bonds II 2015 C	General Housing Purpose Bonds 2005 B & C	Combined Total
-	-	-	-	-	-	-	-	-	57
1,223	1,115	413	1,117	628	1,214	1,491	6,560	-	20,212
781	356	135	385	265	458	411	198	-	3,953
952	1,033	261	1,608	861	2,182	2,416	569	-	13,190
144,640	100,844	30,776	148,214	91,242	113,275	100,119	61,439	-	1,013,426
-	-	-	-	-	4,985	-	-	-	36,175
-	-	-	-	-	-	-	-	-	2,401
-	-	-	-	-	-	-	-	-	12,657
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
147,596	103,348	31,585	151,324	92,996	122,114	104,437	68,766	-	1,102,071
-	-	-	-	-	5,352	4,812	1,860	-	17,576
146,087	102,641	32,884	140,000	91,138	128,181	102,006	64,521	-	1,054,757
-	-	-	-	-	-	-	-	-	-
383	383	121	90	325	410	421	112	-	4,198
23	26	12	36	26	376	30	41	-	654
-	-	-	-	-	-	-	-	-	7,175
-	-	-	-	-	-	-	-	-	57
146,493	103,050	33,017	140,126	91,489	128,967	102,457	64,674	-	1,066,841
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	15,058
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
1,103	298	(1,432)	11,198	1,507	(1,501)	6,792	5,952	-	37,748
1,103	298	(1,432)	11,198	1,507	(1,501)	6,792	5,952	-	52,806

**ALASKA HOUSING FINANCE CORPORATION**

(A Component Unit of the State of Alaska)

**STATEMENT OF NET POSITION**

OTHER PROGRAM FUNDS

As of December 31, 2015

*(in thousands of dollars)*

	<b>Energy Programs</b>	<b>Low Rent Program</b>	<b>Market Rate Rental Housing Programs</b>	<b>Section 8 Vouchers Programs</b>
<b>ASSETS</b>				
Cash	1,063	11,000	11,218	4,846
Investments	-	-	-	-
Accrued interest receivable	-	-	-	-
Inter-fund due to/from	(7,948)	(1,891)	(958)	(2,028)
Mortgage loans, notes and other loans	-	-	-	-
Net investment in direct financing lease	-	-	-	-
Capital assets - non-depreciable	-	12,554	1,500	-
Capital assets - depreciable, net	-	57,944	18,339	52
Other assets	2,905	725	5	369
Derivative instrument - interest rate swaps	-	-	-	-
Intergovernmental receivable	10,231	276	-	174
<b>Total Assets</b>	<b>6,251</b>	<b>80,608</b>	<b>30,104</b>	<b>3,413</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
	-	-	-	-
<b>LIABILITIES</b>				
Bonds payable	-	-	-	-
Short term debt	-	-	-	-
Accrued interest payable	-	-	-	-
Other liabilities	203	1,144	287	110
Derivative instrument - interest rate swaps	-	-	-	-
Intergovernmental payable	-	-	-	-
<b>Total Liabilities</b>	<b>203</b>	<b>1,144</b>	<b>287</b>	<b>110</b>
<b>DEFERRED INFLOW OF RESOURCES</b>				
	-	-	-	-
<b>NET POSITION</b>				
Net investment in capital assets	-	70,498	19,839	52
Restricted by bond resolutions	-	-	-	-
Restricted by contractual or statutory agreements	7,286	9,538	9,978	3,482
Unrestricted or (deficit)	(1,238)	(572)	-	(231)
<b>Total Net Position</b>	<b>6,048</b>	<b>79,464</b>	<b>29,817</b>	<b>3,303</b>

Schedule 8

Other Grants	Alaska Corporation for Affordable Housing	Combined Total
3	147	28,277
-	-	-
-	-	-
(6,422)	(3,171)	(22,418)
-	9,540	9,540
-	-	-
-	3,667	17,721
-	-	76,335
8,079	-	12,083
-	-	-
8,965	-	19,646
10,625	10,183	141,184
-	-	-
-	-	-
-	-	-
121	1	1,866
-	-	-
-	-	-
121	1	1,866
-	-	-
-	3,667	94,056
-	-	-
10,594	7,767	48,645
(90)	(1,252)	(3,383)
10,504	10,182	139,318

# 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 Six Months Ended December 31, 2015

(in thousands of dollars)

	Combined Revolving Funds	Combined Mortgage Revenue Bonds	Combined Home Mortgage Revenue Bonds	Combined Veterans Mortgage Program Bonds
<b>OPERATING REVENUES</b>				
Mortgage and loans revenue	5,599	5,846	16,859	1,993
Investment interest	182	69	93	23
Net change in the fair value of investments	134	12	16	4
Net change of hedge termination	-	-	-	-
Total Investment Revenue	316	81	109	27
Externally funded program	1,035	-	-	-
Rental	259	-	-	-
Other	735	-	-	-
<b>Total Operating Revenues</b>	<b>7,944</b>	<b>5,927</b>	<b>16,968</b>	<b>2,020</b>
<b>OPERATING EXPENSES</b>				
Interest	17	4,195	10,595	1,266
Mortgage and loan costs	862	546	1,467	158
Financing expenses	132	14	1,134	4
Provision for loan loss	550	(877)	(1,026)	(337)
Operations and administration	10,268	222	717	41
Rental housing operating expenses	6	-	-	-
Housing grants and subsidies	-	-	-	-
<b>Total Operating Expenses</b>	<b>11,835</b>	<b>4,100</b>	<b>12,887</b>	<b>1,132</b>
<b>Operating Income (Loss)</b>	<b>(3,891)</b>	<b>1,827</b>	<b>4,081</b>	<b>888</b>
<b>NONOPERATING EXPENSES, SPECIAL ITEMS &amp; TRANSFERS</b>				
Contributions to the State of Alaska or other State agencies	(3)	-	-	-
Special Items	-	-	-	-
Transfers - Internal	(56,257)	410	233	43
Change in Net Position	(60,151)	2,237	4,314	931
Net position at beginning of year	760,886	54,238	256,808	33,564
Cumulative effect of accounting change	-	-	-	-
Revised net position at beginning of year	760,886	54,238	256,808	33,564
<b>Net Position at End of Period</b>	<b>700,735</b>	<b>56,475</b>	<b>261,122</b>	<b>34,495</b>

Schedule 9

Combined Other Housing Bonds	Combined Non-Housing Bonds	Combined Other Programs	Combined Total
8,288	25,424	-	64,009
617	1,588	8	2,580
(75)	1	-	92
-	(72)	-	(72)
542	1,517	8	2,600
-	-	58,755	59,790
-	-	4,910	5,169
-	-	441	1,176
8,830	26,941	64,114	132,744
4,200	15,371	-	35,644
702	1,774	-	5,509
152	485	-	1,921
(477)	(797)	70	(2,894)
306	853	14,278	26,685
-	-	8,499	8,505
-	-	50,949	50,949
4,883	17,686	73,796	126,319
3,947	9,255	(9,682)	6,425
-	-	-	(3)
-	-	-	-
3,737	43,746	8,088	-
7,684	53,001	(1,594)	6,422
239,268	(195)	140,912	1,485,481
-	-	-	-
239,268	(195)	140,912	1,485,481
246,952	52,806	139,318	1,491,903

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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 Six Months Ended December 31, 2015

*(in thousands of dollars)*

	Administrative Fund	Home Ownership Fund	Combined Total
<b>OPERATING REVENUES</b>			
Mortgage and loans revenue	5,557	42	5,599
Investment interest	106	76	182
Net change in the fair value of investments	188	(54)	134
Net change of hedge termination	-	-	-
Total Investment Revenue	294	22	316
Externally funded program	1,035	-	1,035
Rental	259	-	259
Other	735	-	735
<b>Total Operating Revenues</b>	<b>7,880</b>	<b>64</b>	<b>7,944</b>
<b>OPERATING EXPENSES</b>			
Interest	17	-	17
Mortgage and loan costs	858	4	862
Financing expenses	132	-	132
Provision for loan loss	495	55	550
Operations and administration	10,266	2	10,268
Rental housing operating expenses	6	-	6
Housing grants and subsidies	-	-	-
<b>Total Operating Expenses</b>	<b>11,774</b>	<b>61</b>	<b>11,835</b>
<b>Operating Income (Loss)</b>	<b>(3,894)</b>	<b>3</b>	<b>(3,891)</b>
<b>NONOPERATING EXPENSES, SPECIAL ITEMS &amp; TRANSFERS</b>			
Contributions to the State of Alaska or other State agencies	(3)	-	(3)
Special Items	-	-	-
Transfers - Internal	(56,283)	26	(56,257)
Change in Net Position	(60,180)	29	(60,151)
Net position at beginning of year	749,264	11,622	760,886
Cumulative effect of accounting change	-	-	-
Revised net position at beginning of year	749,264	11,622	760,886
<b>Net Position at End of Period</b>	<b>689,084</b>	<b>11,651</b>	<b>700,735</b>

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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 Six Months Ended December 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
<b>OPERATING REVENUES</b>			
Mortgage and loans revenue	2,377	3,469	5,846
Investment interest	28	41	69
Net change in the fair value of investments	5	7	12
Net change of hedge termination	-	-	-
Total Investment Revenue	33	48	81
Externally funded program	-	-	-
Rental	-	-	-
Other	-	-	-
<b>Total Operating Revenues</b>	<b>2,410</b>	<b>3,517</b>	<b>5,927</b>
<b>OPERATING EXPENSES</b>			
Interest	2,048	2,147	4,195
Mortgage and loan costs	215	331	546
Financing expenses	6	8	14
Provision for loan loss	(354)	(523)	(877)
Operations and administration	71	151	222
Rental housing operating expenses	-	-	-
Housing grants and subsidies	-	-	-
<b>Total Operating Expenses</b>	<b>1,986</b>	<b>2,114</b>	<b>4,100</b>
<b>Operating Income (Loss)</b>	<b>424</b>	<b>1,403</b>	<b>1,827</b>
<b>NONOPERATING EXPENSES, SPECIAL ITEMS &amp; TRANSFERS</b>			
Contributions to the State of Alaska or other State agencies	-	-	-
Special Items	-	-	-
Transfers - Internal	199	211	410
Change in Net Position	623	1,614	2,237
Net position at beginning of year	9,898	44,340	54,238
Cumulative effect of accounting change	-	-	-
Revised net position at beginning of year	9,898	44,340	54,238
<b>Net Position at End of Period</b>	<b>10,521</b>	<b>45,954</b>	<b>56,475</b>

# 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 Six Months Ended December 31, 2015

(in thousands of dollars)

	Bonds 2002 A,B	Bonds 2007 A	Bonds 2007 B	Bonds 2007 D
<b>OPERATING REVENUES</b>				
Mortgage and loans revenue	2,787	1,956	2,006	2,530
Investment interest	20	9	11	13
Net change in the fair value of investments	6	1	1	2
Net change of hedge termination	-	-	-	-
Total Investment Revenue	26	10	12	15
Externally funded program	-	-	-	-
Rental	-	-	-	-
Other	-	-	-	-
<b>Total Operating Revenues</b>	<b>2,813</b>	<b>1,966</b>	<b>2,018</b>	<b>2,545</b>
<b>OPERATING EXPENSES</b>				
Interest	1,846	1,372	1,372	1,636
Mortgage and loan costs	245	183	176	217
Financing expenses	404	70	83	92
Provision for loan loss	(239)	(100)	(91)	(161)
Operations and administration	114	72	60	74
Rental housing operating expenses	-	-	-	-
Housing grants and subsidies	-	-	-	-
<b>Total Operating Expenses</b>	<b>2,370</b>	<b>1,597</b>	<b>1,600</b>	<b>1,858</b>
<b>Operating Income (Loss)</b>	<b>443</b>	<b>369</b>	<b>418</b>	<b>687</b>
<b>NONOPERATING EXPENSES, SPECIAL ITEMS &amp; TRANSFERS</b>				
Contributions to the State of Alaska or other State agencies	-	-	-	-
Special Items	-	-	-	-
Transfers - Internal	(787)	170	(390)	193
Change in Net Position	(344)	539	28	880
Net position at beginning of year	42,782	16,230	15,713	27,019
Cumulative effect of accounting change	-	-	-	-
Revised net position at beginning of year	42,782	16,230	15,713	27,019
<b>Net Position at End of Period</b>	<b>42,438</b>	<b>16,769</b>	<b>15,741</b>	<b>27,899</b>

Schedule 12

Bonds 2009 A	Bonds 2009 B	Bonds 2009 D	Home Mortgage Revenue Bonds Combined Total
2,309	2,452	2,819	16,859
13	15	12	93
2	2	2	16
-	-	-	-
15	17	14	109
-	-	-	-
-	-	-	-
-	-	-	-
2,324	2,469	2,833	16,968
1,458	1,457	1,454	10,595
196	208	242	1,467
150	52	283	1,134
(93)	(100)	(242)	(1,026)
128	126	143	717
-	-	-	-
-	-	-	-
1,839	1,743	1,880	12,887
485	726	953	4,081
-	-	-	-
-	-	-	-
366	221	460	233
851	947	1,413	4,314
44,372	53,010	57,682	256,808
-	-	-	-
44,372	53,010	57,682	256,808
45,223	53,957	59,095	261,122

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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 Six Months Ended December 31, 2015

(in thousands of dollars)

	Collateralized Bonds 2006 First Series	Collateralized Bonds 2007 & 2008 First Series	Combined Total
<b>OPERATING REVENUES</b>			
Mortgage and loans revenue	1,511	482	1,993
Investment interest	19	4	23
Net change in the fair value of investments	3	1	4
Net change of hedge termination	-	-	-
Total Investment Revenue	22	5	27
Externally funded program	-	-	-
Rental	-	-	-
Other	-	-	-
<b>Total Operating Revenues</b>	<b>1,533</b>	<b>487</b>	<b>2,020</b>
<b>OPERATING EXPENSES</b>			
Interest	924	342	1,266
Mortgage and loan costs	122	36	158
Financing expenses	3	1	4
Provision for loan loss	(259)	(78)	(337)
Operations and administration	31	10	41
Rental housing operating expenses	-	-	-
Housing grants and subsidies	-	-	-
<b>Total Operating Expenses</b>	<b>821</b>	<b>311</b>	<b>1,132</b>
<b>Operating Income (Loss)</b>	<b>712</b>	<b>176</b>	<b>888</b>
<b>NONOPERATING EXPENSES, SPECIAL ITEMS &amp; TRANSFERS</b>			
Contributions to the State of Alaska or other State agencies	-	-	-
Special Items	-	-	-
Transfers - Internal	33	10	43
Change in Net Position	745	186	931
Net position at beginning of year	27,344	6,220	33,564
Cumulative effect of accounting change	-	-	-
Revised net position at beginning of year	27,344	6,220	33,564
<b>Net Position at End of Period</b>	<b>28,089</b>	<b>6,406</b>	<b>34,495</b>

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**ALASKA HOUSING FINANCE CORPORATION**

Schedule 14

(A Component Unit of the State of Alaska)

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**
**OTHER HOUSING BONDS**

For the Six Months Ended December 31, 2015

(in thousands of dollars)

	Senior Housing Revolving Loan Fund	General Mortgage Revenue Bonds II 2012 A & B	Governmental Purpose Bonds 1997 A	Governmental Purpose Bonds 2001 A-D	Combined Total
<b>OPERATING REVENUES</b>					
Mortgage and loans revenue	374	3,330	223	4,361	8,288
Investment interest	115	25	10	467	617
Net change in the fair value of investments	(84)	2	4	3	(75)
Net change of hedge termination	-	-	-	-	-
Total Investment Revenue	31	27	14	470	542
Externally funded program	-	-	-	-	-
Rental	-	-	-	-	-
Other	-	-	-	-	-
<b>Total Operating Revenues</b>	<b>405</b>	<b>3,357</b>	<b>237</b>	<b>4,831</b>	<b>8,830</b>
<b>OPERATING EXPENSES</b>					
Interest	-	2,165	-	2,035	4,200
Mortgage and loan costs	32	279	-	391	702
Financing expenses	-	5	25	122	152
Provision for loan loss	94	(119)	(7)	(445)	(477)
Operations and administration	10	109	-	187	306
Rental housing operating expenses	-	-	-	-	-
Housing grants and subsidies	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>136</b>	<b>2,439</b>	<b>18</b>	<b>2,290</b>	<b>4,883</b>
<b>Operating Income (Loss)</b>	<b>269</b>	<b>918</b>	<b>219</b>	<b>2,541</b>	<b>3,947</b>
<b>NONOPERATING EXPENSES, SPECIAL ITEMS &amp; TRANSFERS</b>					
Contributions to the State of Alaska or other State agencies	-	-	-	-	-
Special Items	-	-	-	-	-
Transfers - Internal	53	3,626	25	33	3,737
Change in Net Position	322	4,544	244	2,574	7,684
Net position at beginning of year	29,055	76,872	7,465	125,876	239,268
Cumulative effect of accounting change	-	-	-	-	-
Revised net position at beginning of year	29,055	76,872	7,465	125,876	239,268
<b>Net Position at End of Period</b>	<b>29,377</b>	<b>81,416</b>	<b>7,709</b>	<b>128,450</b>	<b>246,952</b>

# 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 Six Months Ended December 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
<b>OPERATING REVENUES</b>					
Mortgage and loans revenue	1,184	953	260	2,058	2,567
Investment interest	9	8	1,330	9	8
Net change in the fair value of investments	-	-	-	-	-
Net change of hedge termination	(72)	-	-	-	-
Total Investment Revenue	(63)	8	1,330	9	8
Externally funded program	-	-	-	-	-
Rental	-	-	-	-	-
Other	-	-	-	-	-
<b>Total Operating Revenues</b>	<b>1,121</b>	<b>961</b>	<b>1,590</b>	<b>2,067</b>	<b>2,575</b>
<b>OPERATING EXPENSES</b>					
Interest	1,182	753	877	1,747	1,279
Mortgage and loan costs	93	64	21	162	138
Financing expenses	38	3	14	2	3
Provision for loan loss	(38)	(528)	(140)	(39)	(261)
Operations and administration	40	15	7	377	28
Rental housing operating expenses	-	-	-	-	-
Housing grants and subsidies	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>1,315</b>	<b>307</b>	<b>779</b>	<b>2,249</b>	<b>1,187</b>
<b>Operating Income (Loss)</b>	<b>(194)</b>	<b>654</b>	<b>811</b>	<b>(182)</b>	<b>1,388</b>
<b>NONOPERATING EXPENSES, SPECIAL ITEMS &amp; TRANSFERS</b>					
Contributions to the State of Alaska or other State agencies	-	-	-	-	-
Special Items	-	-	-	-	-
Transfers - Internal	2,693	(2,896)	(883)	6,240	4,058
Change in Net Position	2,499	(2,242)	(72)	6,058	5,446
Net position at beginning of year	1,760	3,013	3,666	15,369	(6,608)
Cumulative effect of accounting change	-	-	-	-	-
Revised net position at beginning of year	1,760	3,013	3,666	15,369	(6,608)
<b>Net Position at End of Period</b>	<b>4,259</b>	<b>771</b>	<b>3,594</b>	<b>21,427</b>	<b>(1,162)</b>

Schedule 15

State Capital Project Bonds II 2013 A & B	State Capital Project Bonds II 2014 A	State Capital Project Bonds II 2014 B	State Capital Project Bonds II 2014 C	State Capital Project Bonds II 2014 D	State Capital Project Bonds II 2015 A	State Capital Project Bonds II 2015 B	State Capital Project Bonds II 2015 C	General Housing Purpose Bonds 2005 B & C	Combined Total
4,613	2,428	773	3,011	1,948	2,779	2,721	129	-	25,424
9	14	5	11	7	169	9	-	-	1,588
-	-	-	-	-	-	-	1	-	1
-	-	-	-	-	-	-	-	-	(72)
9	14	5	11	7	169	9	1	-	1,517
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
4,622	2,442	778	3,022	1,955	2,948	2,730	130	-	26,941
1,546	1,648	408	502	1,145	2,521	1,692	71	-	15,371
137	179	70	280	190	229	201	10	-	1,774
4	2	1	3	2	4	147	262	-	485
(225)	(122)	(41)	7	20	(64)	13	621	-	(797)
29	35	29	70	47	79	75	22	-	853
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
1,491	1,742	467	862	1,404	2,769	2,128	986	-	17,686
3,131	700	311	2,160	551	179	602	(856)	-	9,255
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
4,073	7,896	2,060	7,908	(6,046)	11,237	651	6,808	(53)	43,746
7,204	8,596	2,371	10,068	(5,495)	11,416	1,253	5,952	(53)	53,001
(6,101)	(8,298)	(3,803)	1,130	7,002	(12,917)	5,539	-	53	(195)
-	-	-	-	-	-	-	-	-	-
(6,101)	(8,298)	(3,803)	1,130	7,002	(12,917)	5,539	-	53	(195)
1,103	298	(1,432)	11,198	1,507	(1,501)	6,792	5,952	-	52,806

# 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 Six Months Ended December 31, 2015

(in thousands of dollars)

	Energy Programs	Low Rent Program	Market Rate Rental Housing Programs	Section 8 Vouchers Programs
<b>OPERATING REVENUES</b>				
Mortgage and loans revenue	-	-	-	-
Investment interest	1	1	1	4
Net change in the fair value of investments	-	-	-	-
Net change of hedge termination	-	-	-	-
Total Investment Revenue	1	1	1	4
Externally funded program	17,734	5,653	1,063	19,338
Rental	-	3,721	1,168	-
Other	2	17	2	2
<b>Total Operating Revenues</b>	<b>17,737</b>	<b>9,392</b>	<b>2,234</b>	<b>19,344</b>
<b>OPERATING EXPENSES</b>				
Interest	-	-	-	-
Mortgage and loan costs	-	-	-	-
Financing expenses	-	-	-	-
Provision for loan loss	-	-	-	-
Operations and administration	1,970	6,787	1,651	2,536
Rental housing operating expenses	55	6,680	1,579	101
Housing grants and subsidies	16,778	3	-	17,438
<b>Total Operating Expenses</b>	<b>18,803</b>	<b>13,470</b>	<b>3,230</b>	<b>20,075</b>
<b>Operating Income (Loss)</b>	<b>(1,066)</b>	<b>(4,078)</b>	<b>(996)</b>	<b>(731)</b>
<b>NONOPERATING EXPENSES, SPECIAL ITEMS &amp; TRANSFERS</b>				
Contributions to the State of Alaska or other State agencies	-	-	-	-
Special Items	-	-	-	-
Transfers - Internal	1,374	2,393	1,080	317
Change in Net Position	308	(1,685)	84	(414)
Net position at beginning of year	5,740	81,149	29,733	3,717
Cumulative effect of accounting change	-	-	-	-
Revised net position at beginning of year	5,740	81,149	29,733	3,717
<b>Net Position at End of Period</b>	<b>6,048</b>	<b>79,464</b>	<b>29,817</b>	<b>3,303</b>

Schedule 16

Other Grants	Alaska Corporation for Affordable Housing	Combined Total
-	-	-
-	1	8
-	-	-
-	-	-
-	1	8
14,967	-	58,755
-	21	4,910
418	-	441
15,385	22	64,114
-	-	-
-	-	-
-	-	-
-	70	70
1,325	9	14,278
80	4	8,499
16,730	-	50,949
18,135	83	73,796
(2,750)	(61)	(9,682)
-	-	-
-	-	-
2,924	-	8,088
174	(61)	(1,594)
10,330	10,243	140,912
-	-	-
10,330	10,243	140,912
10,504	10,182	139,318

**ALASKA HOUSING FINANCE CORPORATION**

(A Component Unit of the State of Alaska)

**STATEMENT OF CASH FLOWS**

COMBINED - ALL FUNDS

For the Six Months Ended December 31, 2015

(in thousands of dollars)

	Combined Revolving Funds	Combined Mortgage Revenue Bonds	Combined Home Mortgage Revenue Bonds	Combined Veterans Mortgage Program Bonds
<b>Cash flows from operating activities:</b>				
Interest income on mortgages and loans	3,180	5,409	15,719	1,891
Principal payments received on mortgages and loans	5,134	21,487	55,687	9,120
Disbursements to fund mortgages and loans	(270,787)	-	-	-
Receipt (payment) for loan transfers between funds	125,289	1,550	(41,788)	735
Mortgage and loan proceeds	216,704	-	-	-
Payment of mortgage and loan proceeds to funds	(224,757)	-	-	-
Payments to employees and other payroll disbursements	(13,628)	-	-	-
Payments for goods and services	(7,328)	-	(140)	-
Cash received for externally funded programs	1,020	-	-	-
Cash received for Federal HAP subsidies	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-
Interfund receipts (payments)	(726)	-	-	-
Grant payments to other agencies	(2,689)	-	-	-
Other operating cash receipts	5,585	-	-	-
Other operating cash payments	(645)	-	-	-
<b>Net cash provided by (used for) operating activities</b>	<b>(163,648)</b>	<b>28,446</b>	<b>29,478</b>	<b>11,746</b>
<b>Cash flows from noncapital financing activities:</b>				
Proceeds from the issuance of bonds	-	-	-	-
Principal paid on bonds	-	(16,065)	(8,135)	(7,570)
Payment to defease bonds	-	-	-	-
Payment of bond issuance costs	(215)	-	-	-
Interest paid	(15)	(4,218)	(9,889)	(1,291)
Proceeds from issuance of short term debt	123,988	-	-	-
Payment of short term debt	(116,891)	-	-	-
Contributions to the State of Alaska or other State agencies	(3)	-	-	-
Transfers (to) from other funds	18,753	-	(4,457)	-
Other cash payments	-	-	-	-
<b>Net cash provided by (used for) noncapital financing activities</b>	<b>25,617</b>	<b>(20,283)</b>	<b>(22,481)</b>	<b>(8,861)</b>
<b>Cash flows from capital financing activities:</b>				
Acquisition of capital assets	(889)	-	-	-
Proceeds from the disposal of capital assets	53	-	-	-
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	-	-	-	-
<b>Net cash provided by (used for) capital financing activities</b>	<b>(836)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash flows from investing activities:</b>				
Purchase of investments	(1,336,557)	(176,156)	(163,290)	(38,222)
Proceeds from maturity of investments	1,486,956	168,419	156,316	35,313
Interest received from investments	257	75	108	24
<b>Net cash provided by (used for) investing activities</b>	<b>150,656</b>	<b>(7,662)</b>	<b>(6,866)</b>	<b>(2,885)</b>
Net Increase (decrease) in cash	11,789	501	131	-
Cash at the beginning of year	24,342	-	-	-
<b>Cash at the end of period</b>	<b>36,131</b>	<b>501</b>	<b>131</b>	<b>-</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</b>				
Operating income (loss)	(3,891)	1,827	4,081	888
<i>Adjustments:</i>				
Depreciation expense	226	-	-	-
Provision for loan losses	550	(877)	(1,026)	(337)
Net change in the fair value of investments	(134)	(12)	(16)	(4)
Transfers between funds for operating activity	(10,220)	236	1,894	43
Interest received from investments	(257)	(75)	(108)	(24)
Interest paid	15	4,218	9,889	1,291
<i>Changes in assets, liabilities and deferred resources:</i>				
Net increase (decrease) in mortgages and loans	(140,364)	23,037	13,899	9,855
Net increase (decrease) in assets, liabilities and deferred resources	(9,573)	92	865	34
<b>Net cash provided by (used for) operating activities</b>	<b>(163,648)</b>	<b>28,446</b>	<b>29,478</b>	<b>11,746</b>

Schedule 17

Combined Other Housing Bonds	Combined Non-Housing Bonds	Combined Other Programs	Combined Total
7,612	23,891	-	57,702
29,618	54,105	-	175,151
-	-	(1,773)	(272,560)
(23,632)	(62,154)	-	-
-	-	-	216,704
-	-	-	(224,757)
-	-	(6,867)	(20,495)
-	-	(6,271)	(13,739)
-	-	45,799	46,819
-	-	16,315	16,315
-	-	(17,507)	(17,507)
-	-	726	-
-	-	(34,802)	(37,491)
1	32	5,686	11,304
-	(148)	(68)	(861)
13,599	15,726	1,238	(63,415)
-	22,156	-	22,156
(6,440)	(8,201)	-	(46,411)
-	-	-	-
-	-	-	(215)
(4,113)	(18,371)	-	(37,897)
-	-	-	123,988
-	-	-	(116,891)
-	-	-	(3)
(7)	(15,597)	1,308	-
-	-	-	-
(10,560)	(20,013)	1,308	(55,273)
-	-	(113)	(1,002)
-	-	3	56
-	-	-	-
-	(2,734)	-	(2,734)
-	-	-	-
-	(1,374)	-	(1,374)
-	5,038	-	5,038
-	-	-	-
-	930	(110)	(16)
(128,311)	(222,092)	-	(2,064,628)
124,547	225,211	-	2,196,762
725	121	9	1,319
(3,039)	3,240	9	133,453
-	(117)	2,445	14,749
-	174	25,832	50,348
-	57	28,277	65,097
3,947	9,255	(9,682)	6,425
-	299	3,190	3,715
(477)	(797)	70	(2,894)
75	(1)	-	(92)
503	1,152	6,392	-
(725)	(121)	(9)	(1,319)
4,113	19,745	-	39,271
5,986	(8,049)	(1,773)	(97,409)
177	(5,757)	3,050	(11,112)
13,599	15,726	1,238	(63,415)

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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 Six Months Ended December 31, 2015

(in thousands of dollars)

	Administrative Fund	Home Ownership Fund	Combined Total
<b><u>Cash flows from operating activities:</u></b>			
Interest income on mortgages and loans	3,148	32	3,180
Principal payments received on mortgages and loans	5,115	19	5,134
Disbursements to fund mortgages and loans	(270,787)	-	(270,787)
Receipt (payment) for loan transfers between funds	130,796	(5,507)	125,289
Mortgage and loan proceeds	216,704	-	216,704
Payment of mortgage and loan proceeds to funds	(224,757)	-	(224,757)
Payments to employees and other payroll disbursements	(13,628)	-	(13,628)
Payments for goods and services	(7,328)	-	(7,328)
Cash received for externally funded programs	1,020	-	1,020
Cash received for Federal HAP subsidies	-	-	-
Payments for Federal HAP subsidies	-	-	-
Interfund receipts (payments)	(726)	-	(726)
Grant payments to other agencies	(2,689)	-	(2,689)
Other operating cash receipts	5,585	-	5,585
Other operating cash payments	(645)	-	(645)
<b>Net cash provided by (used for) operating activities</b>	<b>(158,192)</b>	<b>(5,456)</b>	<b>(163,648)</b>
<b><u>Cash flows from noncapital financing activities:</u></b>			
Proceeds from the issuance of bonds	-	-	-
Principal paid on bonds	-	-	-
Payment to defease bonds	-	-	-
Payment of bond issuance costs	(215)	-	(215)
Interest paid	(15)	-	(15)
Proceeds from issuance of short term debt	123,988	-	123,988
Payment of short term debt	(116,891)	-	(116,891)
Contributions to the State of Alaska or other State agencies	(3)	-	(3)
Transfers (to) from other funds	18,753	-	18,753
Other cash payments	-	-	-
<b>Net cash provided by (used for) noncapital financing activities</b>	<b>25,617</b>	<b>-</b>	<b>25,617</b>
<b><u>Cash flows from capital financing activities:</u></b>			
Acquisition of capital assets	(889)	-	(889)
Proceeds from the disposal of capital assets	53	-	53
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	-	-	-
<b>Net cash provided by (used for) capital financing activities</b>	<b>(836)</b>	<b>-</b>	<b>(836)</b>
<b><u>Cash flows from investing activities:</u></b>			
Purchase of investments	(1,327,238)	(9,319)	(1,336,557)
Proceeds from maturity of investments	1,472,304	14,652	1,486,956
Interest received from investments	134	123	257
<b>Net cash provided by (used for) investing activities</b>	<b>145,200</b>	<b>5,456</b>	<b>150,656</b>
Net Increase (decrease) in cash	11,789	-	11,789
Cash at the beginning of year	24,342	-	24,342
<b>Cash at the end of period</b>	<b>36,131</b>	<b>-</b>	<b>36,131</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</b>			
Operating income (loss)	(3,894)	3	(3,891)
<i>Adjustments:</i>			
Depreciation expense	226	-	226
Provision for loan losses	495	55	550
Net change in the fair value of investments	(188)	54	(134)
Transfers between funds for operating activity	(10,246)	26	(10,220)
Interest received from investments	(134)	(123)	(257)
Interest paid	15	-	15
<i>Changes in assets, liabilities and deferred resources:</i>			
Net increase (decrease) in mortgages and loans	(134,876)	(5,488)	(140,364)
Net increase (decrease) in assets, liabilities and deferred resources	(9,590)	17	(9,573)
<b>Net cash provided by (used for) operating activities</b>	<b>(158,192)</b>	<b>(5,456)</b>	<b>(163,648)</b>

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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 Six Months Ended December 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
<b>Cash flows from operating activities:</b>			
Interest income on mortgages and loans	2,210	3,199	5,409
Principal payments received on mortgages and loans	7,613	13,874	21,487
Disbursements to fund mortgages and loans	-	-	-
Receipt (payment) for loan transfers between funds	695	855	1,550
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	-	-	-
<b>Net cash provided by (used for) operating activities</b>	<b>10,518</b>	<b>17,928</b>	<b>28,446</b>
<b>Cash flows from noncapital financing activities:</b>			
Proceeds from the issuance of bonds	-	-	-
Principal paid on bonds	(4,605)	(11,460)	(16,065)
Payment to defease bonds	-	-	-
Payment of bond issuance costs	-	-	-
Interest paid	(2,049)	(2,169)	(4,218)
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	-	-	-
<b>Net cash provided by (used for) noncapital financing activities</b>	<b>(6,654)</b>	<b>(13,629)</b>	<b>(20,283)</b>
<b>Cash flows from capital financing activities:</b>			
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	-	-	-
<b>Net cash provided by (used for) capital financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash flows from investing activities:</b>			
Purchase of investments	(74,407)	(101,749)	(176,156)
Proceeds from maturity of investments	70,848	97,571	168,419
Interest received from investments	31	44	75
<b>Net cash provided by (used for) investing activities</b>	<b>(3,528)</b>	<b>(4,134)</b>	<b>(7,662)</b>
Net Increase (decrease) in cash	336	165	501
Cash at the beginning of year	-	-	-
<b>Cash at the end of period</b>	<b>336</b>	<b>165</b>	<b>501</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</b>			
Operating income (loss)	424	1,403	1,827
<i>Adjustments:</i>			
Depreciation expense	-	-	-
Provision for loan losses	(354)	(523)	(877)
Net change in the fair value of investments	(5)	(7)	(12)
Transfers between funds for operating activity	77	159	236
Interest received from investments	(31)	(44)	(75)
Interest paid	2,049	2,169	4,218
<i>Changes in assets, liabilities and deferred resources:</i>			
Net increase (decrease) in mortgages and loans	8,308	14,729	23,037
Net increase (decrease) in assets, liabilities and deferred resources	50	42	92
<b>Net cash provided by (used for) operating activities</b>	<b>10,518</b>	<b>17,928</b>	<b>28,446</b>

**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 Six Months Ended December 31, 2015

(in thousands of dollars)

	Bonds 2002 A,B	Bonds 2007 A	Bonds 2007 B	Bonds 2007 D
<b><u>Cash flows from operating activities:</u></b>				
Interest income on mortgages and loans	2,592	1,815	1,879	2,370
Principal payments received on mortgages and loans	8,937	6,645	6,365	8,664
Disbursements to fund mortgages and loans	-	-	-	-
Receipt (payment) for loan transfers between funds	(3,032)	(5,455)	(4,772)	(7,776)
Mortgage and loan proceeds	-	-	-	-
Payment of mortgage and loan proceeds to funds	-	-	-	-
Payments to employees and other payroll disbursements	-	-	-	-
Payments for goods and services	(140)	-	-	-
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	-	-	-	-
<b>Net cash provided by (used for) operating activities</b>	<b>8,357</b>	<b>3,005</b>	<b>3,472</b>	<b>3,258</b>
<b><u>Cash flows from noncapital financing activities:</u></b>				
Proceeds from the issuance of bonds	-	-	-	-
Principal paid on bonds	(8,135)	-	-	-
Payment to defease bonds	-	-	-	-
Payment of bond issuance costs	-	-	-	-
Interest paid	(1,273)	(1,346)	(1,345)	(1,604)
Proceeds from issuance of short term debt	-	-	-	-
Payment of short term debt	-	-	-	-
Contributions to the State of Alaska or other State agencies	-	-	-	-
Transfers (to) from other funds	(1,180)	(446)	(681)	(202)
Other cash payments	-	-	-	-
<b>Net cash provided by (used for) noncapital financing activities</b>	<b>(10,588)</b>	<b>(1,792)</b>	<b>(2,026)</b>	<b>(1,806)</b>
<b><u>Cash flows from capital financing activities:</u></b>				
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	-	-	-	-
<b>Net cash provided by (used for) capital financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>Cash flows from investing activities:</u></b>				
Purchase of investments	(39,346)	(16,793)	(16,531)	(23,767)
Proceeds from maturity of investments	41,556	15,569	15,073	22,299
Interest received from investments	21	11	12	16
<b>Net cash provided by (used for) investing activities</b>	<b>2,231</b>	<b>(1,213)</b>	<b>(1,446)</b>	<b>(1,452)</b>
Net Increase (decrease) in cash	-	-	-	-
Cash at the beginning of year	-	-	-	-
<b>Cash at the end of period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</b>				
Operating income (loss)	443	369	418	687
<i>Adjustments:</i>				
Depreciation expense	-	-	-	-
Provision for loan losses	(239)	(100)	(91)	(161)
Net change in the fair value of investments	(6)	(1)	(1)	(2)
Transfers between funds for operating activity	393	170	155	193
Interest received from investments	(21)	(11)	(12)	(16)
Interest paid	1,273	1,346	1,345	1,604
<i>Changes in assets, liabilities and deferred resources:</i>				
Net increase (decrease) in mortgages and loans	5,905	1,190	1,593	888
Net increase (decrease) in assets, liabilities and deferred resources	609	42	65	65
<b>Net cash provided by (used for) operating activities</b>	<b>8,357</b>	<b>3,005</b>	<b>3,472</b>	<b>3,258</b>

Schedule 20

Bonds 2009 A	Bonds 2009 B	Bonds 2009 D	Home Mortgage Revenue Bonds Combined Total
2,154	2,296	2,613	15,719
7,995	9,828	7,253	55,687
-	-	-	-
(6,481)	(7,956)	(6,316)	(41,788)
-	-	-	-
-	-	-	-
-	-	-	(140)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
3,668	4,168	3,550	29,478
-	-	-	-
-	-	-	(8,135)
-	-	-	-
-	-	-	-
(1,442)	(1,440)	(1,439)	(9,889)
-	-	-	-
-	-	-	-
(345)	(1,054)	(549)	(4,457)
-	-	-	-
(1,787)	(2,494)	(1,988)	(22,481)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
(21,624)	(24,295)	(20,934)	(163,290)
19,859	22,603	19,357	156,316
15	18	15	108
(1,750)	(1,674)	(1,562)	(6,866)
131	-	-	131
-	-	-	-
131	-	-	131
485	726	953	4,081
-	-	-	-
(93)	(100)	(242)	(1,026)
(2)	(2)	(2)	(16)
302	221	460	1,894
(15)	(18)	(15)	(108)
1,442	1,440	1,439	9,889
1,514	1,872	937	13,899
35	29	20	865
3,668	4,168	3,550	29,478

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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 Six Months Ended December 31, 2015

(in thousands of dollars)

	Collateralized Bonds 2006 First Series	Collateralized Bonds 2007 & 2008 First Series	Combined Total
<b><u>Cash flows from operating activities:</u></b>			
Interest income on mortgages and loans	1,436	455	1,891
Principal payments received on mortgages and loans	6,980	2,140	9,120
Disbursements to fund mortgages and loans	-	-	-
Receipt (payment) for loan transfers between funds	338	397	735
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	-	-	-
<b>Net cash provided by (used for) operating activities</b>	<b>8,754</b>	<b>2,992</b>	<b>11,746</b>
<b><u>Cash flows from noncapital financing activities:</u></b>			
Proceeds from the issuance of bonds	-	-	-
Principal paid on bonds	(5,670)	(1,900)	(7,570)
Payment to defease bonds	-	-	-
Payment of bond issuance costs	-	-	-
Interest paid	(941)	(350)	(1,291)
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	-	-	-
<b>Net cash provided by (used for) noncapital financing activities</b>	<b>(6,611)</b>	<b>(2,250)</b>	<b>(8,861)</b>
<b><u>Cash flows from capital financing activities:</u></b>			
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	-	-	-
<b>Net cash provided by (used for) capital financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>Cash flows from investing activities:</u></b>			
Purchase of investments	(29,649)	(8,573)	(38,222)
Proceeds from maturity of investments	27,487	7,826	35,313
Interest received from investments	19	5	24
<b>Net cash provided by (used for) investing activities</b>	<b>(2,143)</b>	<b>(742)</b>	<b>(2,885)</b>
Net Increase (decrease) in cash	-	-	-
Cash at the beginning of year	-	-	-
<b>Cash at the end of period</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</b>			
Operating income (loss)	712	176	888
<i>Adjustments:</i>			
Depreciation expense	-	-	-
Provision for loan losses	(259)	(78)	(337)
Net change in the fair value of investments	(3)	(1)	(4)
Transfers between funds for operating activity	33	10	43
Interest received from investments	(19)	(5)	(24)
Interest paid	941	350	1,291
<i>Changes in assets, liabilities and deferred resources:</i>			
Net increase (decrease) in mortgages and loans	7,318	2,537	9,855
Net increase (decrease) in assets, liabilities and deferred resources	31	3	34
<b>Net cash provided by (used for) operating activities</b>	<b>8,754</b>	<b>2,992</b>	<b>11,746</b>

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## ALASKA HOUSING FINANCE CORPORATION

Schedule 22

(A Component Unit of the State of Alaska)

## STATEMENT OF CASH FLOWS

## OTHER HOUSING BONDS

For the Six Months Ended December 31, 2015

(in thousands of dollars)

	Senior Housing Revolving Loan Fund	General Mortgage Revenue Bonds II 2012 A, B	Governmental Purpose Bonds 1997 A	Governmental Purpose Bonds 2001 A-D	Combined Total
<b>Cash flows from operating activities:</b>					
Interest income on mortgages and loans	333	3,123	84	4,072	7,612
Principal payments received on mortgages and loans	744	14,727	666	13,481	29,618
Disbursements to fund mortgages and loans	-	-	-	-	-
Receipt (payment) for loan transfers between funds	(11,555)	(12,077)	-	-	(23,632)
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	-	1	-	-	1
Other operating cash payments	-	-	-	-	-
<b>Net cash provided by (used for) operating activities</b>	<b>(10,478)</b>	<b>5,774</b>	<b>750</b>	<b>17,553</b>	<b>13,599</b>
<b>Cash flows from noncapital financing activities:</b>					
Proceeds from the issuance of bonds	-	-	-	-	-
Principal paid on bonds	-	(3,760)	-	(2,680)	(6,440)
Payment to defease bonds	-	-	-	-	-
Payment of bond issuance costs	-	-	-	-	-
Interest paid	-	(2,253)	(2)	(1,858)	(4,113)
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	-	-	-	(7)	(7)
Other cash payments	-	-	-	-	-
<b>Net cash provided by (used for) noncapital financing activities</b>	<b>-</b>	<b>(6,013)</b>	<b>(2)</b>	<b>(4,545)</b>	<b>(10,560)</b>
<b>Cash flows from capital financing activities:</b>					
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	-	-	-	-	-
<b>Net cash provided by (used for) capital financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash flows from investing activities:</b>					
Purchase of investments	(11,421)	(34,484)	(17,348)	(65,058)	(128,311)
Proceeds from maturity of investments	21,750	34,698	16,589	51,510	124,547
Interest received from investments	149	25	11	540	725
<b>Net cash provided by (used for) investing activities</b>	<b>10,478</b>	<b>239</b>	<b>(748)</b>	<b>(13,008)</b>	<b>(3,039)</b>
Net Increase (decrease) in cash	-	-	-	-	-
Cash at the beginning of year	-	-	-	-	-
<b>Cash at the end of period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</b>					
Operating income (loss)	269	918	219	2,541	3,947
<i>Adjustments:</i>					
Depreciation expense	-	-	-	-	-
Provision for loan losses	94	(119)	(7)	(445)	(477)
Net change in the fair value of investments	84	(2)	(4)	(3)	75
Transfers between funds for operating activity	54	198	25	226	503
Interest received from investments	(149)	(25)	(11)	(540)	(725)
Interest paid	-	2,253	2	1,858	4,113
<i>Changes in assets, liabilities and deferred resources:</i>					
Net increase (decrease) in mortgages and loans	(10,811)	2,650	666	13,481	5,986
Net increase (decrease) in assets, liabilities and deferred resources	(19)	(99)	(140)	435	177
<b>Net cash provided by (used for) operating activities</b>	<b>(10,478)</b>	<b>5,774</b>	<b>750</b>	<b>17,553</b>	<b>13,599</b>

# ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

## STATEMENT OF CASH FLOWS

### NON-HOUSING BONDS

For the Six Months Ended December 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
<b>Cash flows from operating activities:</b>					
Interest income on mortgages and loans	1,119	985	258	1,931	2,445
Principal payments received on mortgages and loans	4,419	3,076	1,086	5,240	3,745
Disbursements to fund mortgages and loans	-	-	-	-	-
Receipt (payment) for loan transfers between funds	(6,467)	(4,117)	-	(2,943)	(3,384)
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	-	-	32	-	-
Other operating cash payments	-	-	(95)	-	-
<b>Net cash provided by (used for) operating activities</b>	<b>(929)</b>	<b>(56)</b>	<b>1,281</b>	<b>4,228</b>	<b>2,806</b>
<b>Cash flows from noncapital financing activities:</b>					
Proceeds from the issuance of bonds	-	-	-	-	-
Principal paid on bonds	(183)	-	(3,845)	(2,058)	(2,015)
Payment to defease bonds	-	-	-	-	-
Payment of bond issuance costs	-	-	-	-	-
Interest paid	(85)	(816)	(923)	(1,651)	(1,972)
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	2,610	-	-	-	-
Other cash payments	-	-	-	-	-
<b>Net cash provided by (used for) noncapital financing activities</b>	<b>2,342</b>	<b>(816)</b>	<b>(4,768)</b>	<b>(3,709)</b>	<b>(3,987)</b>
<b>Cash flows from capital financing activities:</b>					
Acquisition of capital assets	-	-	-	-	-
Proceeds from the disposal of capital assets	-	-	-	-	-
Proceeds from the issuance of capital notes	-	-	-	-	-
Principal paid on capital notes	(2,427)	-	-	(307)	-
Payment of bond issuance costs	-	-	-	-	-
Interest paid on capital notes	(1,127)	-	-	(247)	-
Proceeds from direct financing leases	-	-	3,304	-	-
Other cash payments	-	-	-	-	-
<b>Net cash provided by (used for) capital financing activities</b>	<b>(3,554)</b>	<b>-</b>	<b>3,304</b>	<b>(554)</b>	<b>-</b>
<b>Cash flows from investing activities:</b>					
Purchase of investments	(18,502)	(11,412)	(9,547)	(16,637)	(13,022)
Proceeds from maturity of investments	20,633	12,275	9,662	16,662	14,194
Interest received from investments	10	9	4	10	9
<b>Net cash provided by (used for) investing activities</b>	<b>2,141</b>	<b>872</b>	<b>119</b>	<b>35</b>	<b>1,181</b>
Net Increase (decrease) in cash	-	-	(64)	-	-
Cash at the beginning of year	-	-	121	-	-
<b>Cash at the end of period</b>	<b>-</b>	<b>-</b>	<b>57</b>	<b>-</b>	<b>-</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</b>					
Operating income (loss)	(194)	654	811	(182)	1,388
<i>Adjustments:</i>					
Depreciation expense	-	-	-	299	-
Provision for loan losses	(38)	(528)	(140)	(39)	(261)
Net change in the fair value of investments	-	-	-	-	-
Transfers between funds for operating activity	83	(181)	(5)	113	61
Interest received from investments	(10)	(9)	(4)	(10)	(9)
Interest paid	1,212	816	923	1,898	1,972
<i>Changes in assets, liabilities and deferred resources:</i>					
Net increase (decrease) in mortgages and loans	(2,048)	(1,041)	1,086	2,297	361
Net increase (decrease) in assets, liabilities and deferred resources	66	233	(1,390)	(148)	(706)
<b>Net cash provided by (used for) operating activities</b>	<b>(929)</b>	<b>(56)</b>	<b>1,281</b>	<b>4,228</b>	<b>2,806</b>

State Capital Project Bonds II 2013 A & B	State Capital Project Bonds II 2014 A	State Capital Project Bonds II 2014 B	State Capital Project Bonds II 2014 C	State Capital Project Bonds II 2014 D	State Capital Project Bonds II 2015 A	State Capital Project Bonds II 2015 B	State Capital Project Bonds II 2015 C	General Housing Purpose Bonds 2005 B & C	Combined Total
4,461	2,320	712	2,752	1,764	2,589	2,555	-	-	23,891
2,113	8,055	2,525	5,948	2,347	8,705	6,846	-	-	54,105
-	-	-	-	-	-	-	-	-	-
(4,628)	(8,358)	(2,987)	(8,459)	(4,264)	(10,387)	(6,160)	-	-	(62,154)
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	32
-	-	-	-	-	(53)	-	-	-	(148)
1,946	2,017	250	241	(153)	854	3,241	-	-	15,726
-	-	-	-	-	-	-	22,156	-	22,156
-	-	(100)	-	-	-	-	-	-	(8,201)
-	-	-	-	-	-	-	-	-	-
(2,253)	(2,297)	(725)	(492)	(1,949)	(3,446)	(1,762)	-	-	(18,371)
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	53	(2,610)	(15,597)	(53)	(15,597)
-	-	-	-	-	-	-	-	-	-
(2,253)	(2,297)	(825)	(492)	(1,949)	(3,393)	(4,372)	6,559	(53)	(20,013)
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	(2,734)
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	(1,374)
-	-	-	-	-	1,734	-	-	-	5,038
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	1,734	-	-	-	930
(15,919)	(26,044)	(7,697)	(21,286)	(13,109)	(32,753)	(19,325)	(16,838)	(1)	(222,092)
16,216	26,309	8,267	21,524	15,203	33,541	20,445	10,279	1	225,211
10	15	5	13	8	17	11	-	-	121
307	280	575	251	2,102	805	1,131	(6,559)	-	3,240
-	-	-	-	-	-	-	-	(53)	(117)
-	-	-	-	-	-	-	-	53	174
-	-	-	-	-	-	-	-	-	57
3,131	700	311	2,160	551	179	602	(856)	-	9,255
-	-	-	-	-	-	-	-	-	299
(225)	(122)	(41)	7	20	(64)	13	621	-	(797)
-	-	-	-	-	-	-	(1)	-	(1)
73	106	58	122	518	(248)	117	335	-	1,152
(10)	(15)	(5)	(13)	(8)	(17)	(11)	-	-	(121)
2,253	2,297	725	492	1,949	3,446	1,762	-	-	19,745
(2,515)	(303)	(462)	(2,511)	(1,917)	(1,682)	686	-	-	(8,049)
(761)	(646)	(336)	(16)	(1,266)	(760)	72	(99)	-	(5,757)
1,946	2,017	250	241	(153)	854	3,241	-	-	15,726

**ALASKA HOUSING FINANCE CORPORATION**

(A Component Unit of the State of Alaska)

**STATEMENT OF CASH FLOWS**
**OTHER PROGRAM FUNDS**

For the Six Months Ended December 31, 2015

(in thousands of dollars)

			Market Rate	
	Energy	Low Rent	Rental	Section 8
	Programs	Program	Housing	Vouchers
			Programs	Programs
<b><u>Cash flows from operating activities:</u></b>				
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	(524)	(3,552)	(823)	(1,838)
Payments for goods and services	(852)	(4,197)	(815)	(188)
Cash received for externally funded programs	20,116	5,014	1,063	4,802
Cash received for Federal HAP subsidies	-	-	-	16,315
Payments for Federal HAP subsidies	-	-	-	(17,507)
Interfund receipts (payments)	(696)	2,085	(115)	(998)
Grant payments to other agencies	(18,189)	-	-	(29)
Other operating cash receipts	5	3,806	1,192	236
Other operating cash payments	-	(23)	(3)	(29)
<b>Net cash provided by (used for) operating activities</b>	<b>(140)</b>	<b>3,133</b>	<b>499</b>	<b>764</b>
<b><u>Cash flows from noncapital financing activities:</u></b>				
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	-	(199)	-	-
Other cash payments	-	-	-	-
<b>Net cash provided by (used for) noncapital financing activities</b>	<b>-</b>	<b>(199)</b>	<b>-</b>	<b>-</b>
<b><u>Cash flows from capital financing activities:</u></b>				
Acquisition of capital assets	-	(90)	-	(23)
Proceeds from the disposal of capital assets	-	3	-	-
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	-	-	-	-
<b>Net cash provided by (used for) capital financing activities</b>	<b>-</b>	<b>(87)</b>	<b>-</b>	<b>(23)</b>
<b><u>Cash flows from investing activities:</u></b>				
Purchase of investments	-	-	-	-
Proceeds from maturity of investments	-	-	-	-
Interest received from investments	1	1	1	5
<b>Net cash provided by (used for) investing activities</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>5</b>
Net Increase (decrease) in cash	(139)	2,848	500	746
Cash at the beginning of year	1,202	8,152	10,718	4,100
<b>Cash at the end of period</b>	<b>1,063</b>	<b>11,000</b>	<b>11,218</b>	<b>4,846</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</b>				
Operating income (loss)	(1,066)	(4,078)	(996)	(731)
<i>Adjustments:</i>				
Depreciation expense	-	2,570	612	8
Provision for loan losses	-	-	-	-
Net change in the fair value of investments	-	-	-	-
Transfers between funds for operating activity	1,374	2,575	709	317
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	(447)	2,067	175	1,175
<b>Net cash provided by (used for) operating activities</b>	<b>(140)</b>	<b>3,133</b>	<b>499</b>	<b>764</b>

Schedule 24

Other Grants	Alaska Corporation for Affordable Housing	Combined Total
-	-	-
-	-	-
-	(1,773)	(1,773)
-	-	-
-	-	-
(130)	-	(6,867)
(215)	(4)	(6,271)
14,804	-	45,799
-	-	16,315
-	-	(17,507)
1,525	(1,075)	726
(16,584)	-	(34,802)
423	24	5,686
(13)	-	(68)
(190)	(2,828)	1,238

-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	1,507	1,308
-	-	-
-	1,507	1,308

-	-	(113)
-	-	3
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	(110)

-	-	-
-	-	-
-	1	9
-	1	9

(190)	(1,320)	2,445
193	1,467	25,832
3	147	28,277

(2,750)	(61)	(9,682)
-	-	3,190
-	70	70
-	-	-
2,924	(1,507)	6,392
-	(1)	(9)
-	-	-
-	(1,773)	(1,773)
(364)	444	3,050
(190)	(2,828)	1,238

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