



a component unit of the State of Alaska

**Quarterly Unaudited
Financial Statements
March 31, 2016**

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ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

As of March 31, 2016

(in thousands of dollars)

	Administrative Fund	Grant Programs	Mortgage or Bond Funds	Other Funds or Programs
ASSETS				
Cash	39,912	5,351	97	22,747
Investments	481,475	-	186,198	300
Accrued interest receivable	2,754	-	8,949	91
Inter-fund due to/from	(16,614)	(10,698)	37,649	(1,298)
Mortgage loans, notes and other loans	222,275	-	2,524,579	34,274
Net investment in direct financing lease	-	-	34,555	-
Capital assets - non-depreciable	82	-	2,401	14,193
Capital assets - depreciable, net	4,029	48	12,537	74,688
Other assets	13,384	8,871	-	404
Derivative instrument - interest rate swaps	-	-	-	-
Intergovernmental receivable	412	16,841	-	197
Total Assets	747,709	20,413	2,806,965	145,596
DEFERRED OUTFLOW OF RESOURCES				
	2,685	-	213,114	-
LIABILITIES				
Bonds payable	-	-	2,164,365	-
Short term debt	23,985	-	-	-
Accrued interest payable	2,349	-	25,071	-
Other liabilities	36,435	517	1,547	1,279
Derivative instrument - interest rate swaps	-	-	194,064	-
Intergovernmental payable	31	-	97	-
Total Liabilities	62,800	517	2,385,144	1,279
DEFERRED INFLOW OF RESOURCES				
	3,277	-	-	-
NET POSITION				
Net investment in capital assets	4,111	48	14,938	88,881
Restricted by bond resolutions	-	-	576,830	-
Restricted by contractual or statutory agreements	62,431	21,781	-	56,139
Unrestricted or (deficit)	617,775	(1,933)	43,167	(703)
Total Net Position	684,317	19,896	634,935	144,317

See accompanying notes to the financial statements.

Exhibit A

Total Programs and Funds	Alaska Corporation for Affordable Housing	Total March 31, 2016
68,107	2,255	70,362
667,973	-	667,973
11,794	28	11,822
9,039	(9,039)	-
2,781,128	18,185	2,799,313
34,555	-	34,555
16,676	3,667	20,343
91,302	-	91,302
22,659	238	22,897
-	-	-
17,450	-	17,450
<u>3,720,683</u>	<u>15,334</u>	<u>3,736,017</u>
215,799	-	215,799
2,164,365	-	2,164,365
23,985	-	23,985
27,420	-	27,420
39,778	5	39,783
194,064	-	194,064
128	-	128
<u>2,449,740</u>	<u>5</u>	<u>2,449,745</u>
3,277	-	3,277
107,978	3,667	111,645
576,830	-	576,830
140,351	12,883	153,234
658,306	(1,221)	657,085
<u>1,483,465</u>	<u>15,329</u>	<u>1,498,794</u>

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Nine Months Ended March 31, 2016

(in thousands of dollars)

	Administrative Fund	Grant Programs	Mortgage or Bond Funds	Other Funds or Programs
OPERATING REVENUES				
Mortgage and loans revenue	8,536	-	87,201	741
Investment interest	189	7	2,608	227
Net change in the fair value of investments	1,827	-	150	(157)
Net change of hedge termination	-	-	(431)	-
Total Investment Revenue	2,016	7	2,327	70
Externally funded programs	1,319	80,843	-	9,875
Rental	308	-	-	7,404
Other	1,117	585	-	22
Total Operating Revenues	13,296	81,435	89,528	18,112
OPERATING EXPENSES				
Interest	42	-	52,415	-
Mortgage and loan costs	1,587	-	6,959	66
Financing expenses	194	-	2,640	(1)
Provision for loan loss	545	-	(5,378)	209
Operations and administration	15,298	8,792	3,368	11,908
Rental housing operating expenses	11	352	-	11,414
Housing grants and subsidies	-	78,195	-	5
Total Operating Expenses	17,677	87,339	60,004	23,601
Operating Income (Loss)	(4,381)	(5,904)	29,524	(5,489)
NONOPERATING EXPENSES, SPECIAL ITEM & TRANSFERS				
Contributions to the State of Alaska or other State agencies	(34)	-	-	-
Special Item	-	-	-	-
Transfers - Internal	(60,532)	6,013	50,783	(1,753)
Change in Net Position	(64,947)	109	80,307	(7,242)
Net position at beginning of year	749,264	19,787	554,628	151,559
Cumulative effect of accounting change	-	-	-	-
Revised net position at beginning of year	749,264	19,787	554,628	151,559
Net Position at End of Period	684,317	19,896	634,935	144,317

See accompanying notes to the financial statements.

Exhibit B

Total Programs and Funds	Alaska Corporation for Affordable Housing	Total March 31, 2016
96,478	28	96,506
3,031	2	3,033
1,820	-	1,820
(431)	-	(431)
4,420	2	4,422
92,037	1	92,038
7,712	45	7,757
1,724	-	1,724
202,371	76	202,447
52,457	-	52,457
8,612	-	8,612
2,833	-	2,833
(4,624)	470	(4,154)
39,366	3	39,369
11,777	6	11,783
78,200	-	78,200
188,621	479	189,100
13,750	(403)	13,347
(34)	-	(34)
-	-	-
(5,489)	5,489	-
8,227	5,086	13,313
1,475,238	10,243	1,485,481
-	-	-
1,475,238	10,243	1,485,481
1,483,465	15,329	1,498,794

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

For the Nine Months Ended March 31, 2016

(in thousands of dollars)

	Administrative Fund	Grant Programs	Mortgage or Bond Funds	Other Funds or Programs
Cash flows from operating activities:				
Interest income on mortgages and loans	5,033	-	81,277	645
Principal payments received on mortgages and loans	5,683	-	236,149	1,156
Disbursements to fund mortgages and loans	(369,752)	-	-	-
Receipt (payment) for loan transfers between funds	214,982	-	(184,638)	(30,344)
Mortgage and loan proceeds	312,984	-	-	-
Payment of mortgage and loan proceeds to funds	(318,706)	-	-	-
Payments to employees and other payroll disbursements	(19,265)	(4,161)	-	(6,857)
Payments for goods and services	(7,034)	(1,765)	(140)	(10,185)
Cash received for externally funded programs	1,319	62,179	-	9,697
Cash received for Federal HAP subsidies	-	24,606	-	-
Payments for Federal HAP subsidies	-	(26,612)	-	-
Interfund receipts (payments)	(7,322)	(3,201)	-	4,322
Grant payments to other agencies	(655)	(52,034)	-	-
Other operating cash receipts	8,640	1,004	71	7,518
Other operating cash payments	(898)	(60)	(147)	(27)
Net cash provided by (used for) operating activities	(174,991)	(44)	132,572	(24,075)
Cash flows from noncapital financing activities:				
Proceeds from the issuance of bonds	-	-	103,037	-
Principal paid on bonds	-	-	(129,979)	-
Payment to defease bonds	-	-	-	-
Payment of bond issuance costs	(319)	-	-	-
Interest paid	(37)	-	(38,132)	-
Proceeds from issuance of short term debt	195,950	-	-	-
Payment of short term debt	(188,869)	-	-	-
Contributions to the State of Alaska or other State agencies	(3)	-	-	-
Transfers (to) from other funds	16,392	(84)	(21,908)	-
Other cash payments	-	-	-	-
Net cash provided by (used for) noncapital financing activities	23,114	(84)	(86,982)	-
Cash flows from capital financing activities:				
Acquisition of capital assets	(598)	(23)	-	(599)
Proceeds from the disposal of capital assets	53	-	-	6
Proceeds from the issuance of capital notes	-	-	-	-
Principal paid on capital notes	-	-	(5,217)	-
Payment of bond issuance costs	-	-	-	-
Interest paid on capital notes	-	-	(2,477)	-
Proceeds from direct financing leases	-	-	6,771	-
Other cash payments	-	-	-	-
Net cash provided by (used for) capital financing activities	(545)	(23)	(923)	(593)
Cash flows from investing activities:				
Purchase of investments	(1,809,483)	-	(1,058,139)	(28,110)
Proceeds from maturity of investments	1,977,222	-	1,012,306	56,292
Interest received from investments	253	7	1,089	363
Net cash provided by (used for) investing activities	167,992	7	(44,744)	28,545
Net Increase (decrease) in cash	15,570	(144)	(77)	3,877
Cash at the beginning of year	24,342	5,495	174	18,870
Cash at the end of period	39,912	5,351	97	22,747
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	(4,381)	(5,904)	29,524	(5,489)
<i>Adjustments:</i>				
Depreciation expense	340	12	450	4,776
Provision for loan losses	545	-	(5,378)	209
Net change in the fair value of investments	(1,827)	-	(150)	157
Transfers between funds for operating activity	(16,277)	6,096	5,865	4,427
Interest received from investments	(253)	(7)	(1,089)	(363)
Interest paid	37	-	40,609	-
<i>Changes in assets, liabilities and deferred resources:</i>				
Net increase (decrease) in mortgages and loans	(149,087)	-	51,511	(29,188)
Net increase (decrease) in assets, liabilities, and deferred resources	(4,088)	(241)	11,230	1,396
Net cash provided by (used for) operating activities	(174,991)	(44)	132,572	(24,075)
Noncash investing, capital and financing activities:				
Deferred outflow of resources-derivatives	-	-	(43,434)	-
Derivative instruments liability	-	-	43,865	-
Net change of hedge termination	-	-	(431)	-
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 March 31. 2016
86,955	-	86,955
242,988	-	242,988
(369,752)	(10,819)	(380,571)
-	-	-
312,984	-	312,984
(318,706)	-	(318,706)
(30,283)	-	(30,283)
(19,124)	(18)	(19,142)
73,195	-	73,195
24,606	-	24,606
(26,612)	-	(26,612)
(6,201)	6,201	-
(52,689)	-	(52,689)
17,233	53	17,286
(1,132)	(231)	(1,363)
(66,538)	(4,814)	(71,352)
103,037	-	103,037
(129,979)	-	(129,979)
-	-	-
(319)	-	(319)
(38,169)	-	(38,169)
195,950	-	195,950
(188,869)	-	(188,869)
(3)	-	(3)
(5,600)	5,600	-
-	-	-
(63,952)	5,600	(58,352)
(1,220)	-	(1,220)
59	-	59
-	-	-
(5,217)	-	(5,217)
-	-	-
(2,477)	-	(2,477)
6,771	-	6,771
-	-	-
(2,084)	-	(2,084)
(2,895,732)	-	(2,895,732)
3,045,820	-	3,045,820
1,712	2	1,714
151,800	2	151,802
19,226	788	20,014
48,881	1,467	50,348
68,107	2,255	70,362
13,750	(403)	13,347
5,578	-	5,578
(4,624)	470	(4,154)
(1,820)	-	(1,820)
111	(111)	-
(1,712)	(2)	(1,714)
40,646	-	40,646
(126,764)	(10,819)	(137,583)
8,297	6,051	14,348
(66,538)	(4,814)	(71,352)

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NOTES TO FINANCIAL STATEMENTS

FOOTNOTE INDEX

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NOTES TO FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED MARCH 31, 2016

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

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

Restricted Net Position

The restricted net position of the Administrative Fund consists of the Corporation's remaining commitments to the State (refer to Footnote No. 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 threshold is \$5,000.

Bonds

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

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):

	March 31, 2016	
Restricted cash	\$	30,450
Unrestricted		39,912
Carrying amount	\$	70,362
Bank Balance	\$	71,658

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

	Investment Maturities (In Years)				March 31, 2016
	Less Than			More Than	
	1	1-5	6-10	10	
U. S. Treasury securities	291	130	-	-	421
Securities of U. S. Government agencies and corporations	-	66	-	-	66
Certificates of deposit	-	-	-	-	-
Negotiable Certificates of Deposit	-	-	-	-	-
Commercial paper & medium-term notes	185,438	-	-	-	185,438
Money market funds	114,783	-	-	-	114,783
Subtotal	<u>\$ 300,512</u>	<u>\$ 196</u>	<u>\$ -</u>	<u>\$ -</u>	<u>300,708</u>
GeFONSI pool					367,265
Total AHFC Portfolio				<u>\$</u>	<u>667,973</u>

Restricted Investments

A large portion of the Corporation's investments, \$235,534,000, are restricted by bond resolutions, contractual agreements, and statutory agreements, and the remainder, \$432,439,000, is unrestricted.

Realized Gains and Losses

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

	March 31, 2016	
Ending unrealized holding gain	\$	29,660
Beginning unrealized holding gain		27,310
Net change in unrealized holding gain		2,350
Net realized gain (loss)		(530)
Net increase (decrease) in fair value	\$	1,820

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 March 31, 2016, as determined by nationally recognized statistical rating organizations, are shown below (in thousands). The Corporation's investments included \$421,000 of U.S. Treasury securities and securities of agencies and corporations which are explicitly guaranteed by the U.S. Government are not considered to have credit risk and therefore, are not included in the summary.

	S & P	Moody's	Investment Fair Value
Securities of U. S. Government agencies and Corporations:			
	AAA	Aaa	\$ 66
Commercial paper, medium-term notes:			
	AA+	Aa1	620
	AA+	A1	598
	AA	Aa2	710
	AA	Aa3	250
	AA	A1	275
	AA-	A1	1,545
	AA-	--	501
	AA-	Aa3	1,150
	A+	A1	1,507
	--	Aa3	200
	A	A1	600
	A	A2	2,485
	--	A1e	500
	A--1+	P-1	120,552
	A--1	P-1	50,945
	A-2	A2	501
			<u>182,939</u>
Money market funds:			
	AAAm	--	<u>114,783</u>
Unrated investments:			
Commercial paper, medium term notes	--	--	<u>2,499</u>
			<u>\$ 300,287</u>

Concentration Risk

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

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

NOTES TO FINANCIAL STATEMENTS

Investment Holdings Greater than Five Percent of Total Portfolio

The following investment holdings, summarized by issuer, include both investments that are governed by the maximum concentration limits of the Corporation's Fiscal Policies and trusted investments which have no established concentration limits. As of March 31, 2016, 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	\$ 367,265	54.98 %
Goldman Sachs	114,778	17.18
Toyota Motor Credit	97,988	14.67

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 \$71,658,000 bank balance at March 31, 2016, cash deposits in the amount of \$737,000 were uninsured and uncollateralized. Additional cash deposits in the amount of \$47,576,000 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.

Modified Duration

Modified duration estimates the sensitivity of an investment to interest rate changes. The following table shows the Corporation's trusted and non-trusted investments (in thousands) with their modified duration as of March 31, 2016:

	Investment Fair Value	Modified Duration
U. S. Treasury securities:		
Treasury coupon securities	\$ 421	1.190
Securities of U. S. Government agencies and corporations:		
Federal agency coupon securities		
Federal agency pass through securities	66	1.297
Certificates of deposit		
Commercial paper & medium-term notes:		
Commercial paper discounts	171,339	0.086
Corporate bonds	-	
Medium-term notes	14,099	0.465
Money market funds	114,783	
	\$ 300,708	
Portfolio modified duration		0.033

NOTES TO FINANCIAL STATEMENTS

4 INTERFUND RECEIVABLE/PAYABLE

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

D u e T o	Due From						Total
	Administrative Fund	Grant Programs	Mortgage or Bond Programs	Other Funds or Programs	Alaska Corporation for Affordable Housing		
Administrative Fund	\$ -	\$ 12,123	\$ -	\$ 1,298	\$ 7,614	\$ 21,035	
Grant Programs	-	-	-	-	1,425	1,425	
Mortgage or Bond Programs	37,649	-	-	-	-	37,649	
Other Funds or Programs	-	-	-	-	-	-	
Alaska Corporation for Affordable Housing	-	-	-	-	-	-	
Total	\$ 37,649	\$ 12,123	\$ -	\$ 1,298	\$ 9,039	\$ 60,109	

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.

5 MORTGAGE LOANS, NOTES AND OTHER LOANS

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

	March 31, 2016
Mortgage loans	\$ 2,428,846
Multifamily loans	339,543
Other notes receivable	98,630
	<u>2,867,019</u>
Less:	
Allowance for losses	(67,706)
Net Mortgage loans, notes and other loans	\$ <u>2,799,313</u>

Of the \$2,867,019,000 mortgage loans, notes, and other loans, \$85,746,000 is due within a year.

Other notes receivable include monies due to AHFC for various unconventional loan programs, monies that weren't expended by grant recipients and notes receivable due to ACAH of \$19,430,000. Included in the allowance for losses is \$1,245,000 for ACAH's notes receivable bringing ACAH's net notes receivable to \$18,185,000.

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

	March 31, 2016
<u>Delinquencies and foreclosures:</u>	
Loans delinquent 30 days or more	\$ 80,013
Foreclosures during period	5,969
Loans in foreclosure process	14,283
<u>Mortgage-related commitments:</u>	
To purchase mortgage loans	79,179

NOTES TO FINANCIAL STATEMENTS

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, and 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.

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

12 Months Ending March 31,	Future Minimum Payments Due		
	Parking Garage	Building	Total
2017	\$ 3,304	\$ 3,467	\$ 6,771
2018	3,304	-	3,304
2019	3,304	-	3,304
2020	3,304	-	3,304
2021	3,304	-	3,304
Thereafter	23,122	-	23,122
Gross payments due	39,642	3,467	43,109
Less: Unearned revenue	(8,452)	(102)	(8,554)
Net investment in direct financing lease	\$ 31,190	\$ 3,365	\$ 34,555

NOTES TO FINANCIAL STATEMENTS

8 CAPITAL ASSETS

Capital assets activity for the nine months ended March 31, 2016, and a summary of balances are shown below (in thousands):

	June 30, 2015	Additions	Reductions	March 31, 2016
Non-Depreciable Capital Assets:				
Land	\$ 19,687		\$ (9)	\$ 19,678
Construction in progress	156	509		665
Total Non-Depreciable	19,843	509	(9)	20,343
Depreciable Capital Assets:				
Buildings	242,359	323	-	242,682
Computers & Equipment	2,266	230	(245)	2,251
Vehicles	1,983	113	(33)	2,063
Less: Accumulated depreciation				
Buildings	(146,844)	(5,278)		(152,122)
Computers & Equipment	(1,850)	(207)	245	(1,812)
Vehicles	(1,700)	(93)	33	(1,760)
Total Depreciable, Net	96,214	(4,912)	-	91,302
Total Capital Assets, Net	\$ 116,057	\$ (4,403)	\$ (9)	\$ 111,645

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

The depreciation expense charged by the Corporation was \$5,578,000 for the nine months ended March 31, 2016.

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 March 31, 2016.

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 March 31, 2016, were interest rate swap derivatives of \$191,116,000, deferred debt refunding expense of \$21,998,000, and pension deferred outflows of \$2,685,000.

10 BONDS PAYABLE

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

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

The Corporation has authorization to issue Draw Down bonds in the amount of \$900,000,000 for the purpose of preserving private activity bond volume capacity and to refund certain outstanding obligations of the Corporation. Only \$300,000,000 of these bonds can be outstanding at any one time. As of March 31, 2016, there were no draw down bonds outstanding, and the Corporation does not anticipate issuing any additional draw down bonds in the future.

NOTES TO FINANCIAL STATEMENTS

Bonds outstanding are shown below (in thousands):

	Original Amount	March 31, 2016
First-Time Home Buyer Program		
Mortgage Revenue Bonds, Tax-Exempt:		
• 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 (146)
• 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
Mortgage Revenue Bonds, Taxable:		
• 2011 Series A; 2.80% due 2016-2026	28,945	6,635
Total Mortgage Revenue Bonds	372,215	267,069
Home Mortgage Revenue Bonds, Tax-Exempt:		
• 2002 Series A; Floating Rate*; 0.43% at March 31, 2016, due 2032-2036 Unamortized swap termination penalty	170,000	79,060 (4,772)
• 2007 Series A; Floating Rate*; 0.45% at March 31, 2016, due 2017-2041	75,000	75,000
• 2007 Series B; Floating Rate*; 0.41% at March 31, 2016, due 2017-2041	75,000	75,000
• 2007 Series D; Floating Rate*; 0.41% at March 31, 2016, due 2017-2041	89,370	89,370
• 2009 Series A; Floating Rate*; 0.48% at March 31, 2016, due 2020-2040	80,880	80,880
• 2009 Series B; Floating Rate*, 0.41% at March 31, 2016, due 2020-2040	80,880	80,880
• 2009 Series D; Floating Rate*; 0.38% at March 31, 2016, due 2020-2040	80,870	80,870
Total Home Mortgage Revenue Bonds	652,000	556,288
Veterans Mortgage Program Bonds:		
Collateralized State Guaranteed Bonds, Tax-Exempt:		
• 2006 First Series; 4.15% to 4.90%, due 2016-2037	190,000	34,350
• 2007 & 2008 First Series; 3.875% to 5.25%, due 2016-2038	57,885	12,435
Total Veterans Mortgage Program Bonds	247,885	46,785
Other Housing Bonds:		
General Mortgage Revenue Bonds, Tax-Exempt:		
• 2012 Series A; 1.15% to 4.30%, due 2016-2040 Unamortized discount Unamortized premium	145,890	125,300 (622) 541
Governmental Purpose Bonds, Tax-Exempt:		
• 1997 Series A; Floating Rate*, monthly payments, 0.39% at March 31, 2016, due 2027	33,000	14,600
• 2001 Series A; Floating Rate*; 0.40% at March 31, 2016, due 2016-2030 Unamortized swap termination penalty	76,580	49,910 (5,825)
• 2001 Series B; Floating Rate*; 0.38% at March 31, 2016, due 2016-2030	93,590	60,985
Total Other Housing Bonds	349,060	244,889

NOTES TO FINANCIAL STATEMENTS

	Original Amount	March 31, 2016
Non-Housing Bonds:		
State Capital Project Bonds, Tax-Exempt:		
• 2002 Series C; Floating Rate*, 0.39% at March 31, 2016, due 2016-2022	60,250	40,420
• 2006 Series A; 3.50% to 5.00%, due 2016-2040	100,890	1,987
• 2007 Series A & B; 4.00% to 5.25%, due 2016-2029	95,525	32,470
Unamortized discount		(35)
Unamortized premium		405
• 2011 Series A; 4.25% to 5.00%, due 2016-2027	105,185	74,670
Unamortized discount		(71)
Unamortized premium		1,060
• 2012 Series A; 3.00% to 5.00%, due 2016-2032	99,360	85,310
Unamortized discount		(111)
Unamortized premium		8,117
• 2013 Series A; 4.00% to 5.00%, due 2017-2032	86,765	86,765
Unamortized premium		8,968
• 2014 Series A; 3.00% to 5.00%, due 2016-2033	95,115	95,115
Unamortized discount		(64)
Unamortized premium		7,269
• 2014 Series B; 4.00% to 5.00%, due 2016-2029	29,285	29,085
Unamortized premium		3,643
• 2014 Series D; 2.00% to 5.00%, due 2016-2029	78,105	78,105
Unamortized premium		12,635
• 2015 Series A; 2.00% to 5.00%, due 2016-2030	111,535	111,535
Unamortized premium		16,100
• 2015 Series B; 3.00% to 5.00%, due 2016-2036	93,365	93,365
Unamortized discount		(231)
Unamortized premium		8,572
• 2015 Series C; 2.00% to 5.00%, due 2016-2035	55,620	55,620
Unamortized premium		8,630
State Capital Project Bonds, Taxable:		
• 2013 Series B; Indexed Floating Rate*, monthly payments 1.24% at March 31, 2016, due 2043	50,000	50,000
• 2014 Series C; Indexed Floating Rate*, 0.94% at March 31, 2016, due 2029	140,000	140,000
Total Non-Housing Bonds	1,201,000	1,049,334
Total Bonds Payable	\$ 2,822,160	\$ 2,164,365

Note: Debt service payments on the above mentioned bonds are semi-annual unless otherwise mentioned.

*Interest rates on the annotated variable-rate bonds are established by the Remarketing Agents on each Rate Determination Date.

NOTES TO FINANCIAL STATEMENTS

Redemption Provisions

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

During the nine months ended March 31, 2016, the Corporation made \$31,345,000 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	March 31, 2016
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 March 31	Total Debt Service		
	Principal	Interest*	Total
2017	\$ 48,335	\$ 76,844	\$ 125,179
2018	59,950	75,194	135,144
2019	57,115	73,005	130,120
2020	65,500	70,702	136,202
2021	111,135	67,847	178,982
2022-2026	437,320	277,794	715,114
2027-2031	633,240	176,520	809,760
2032-2036	338,680	88,658	427,338
2037-2041	274,305	31,671	305,976
2042-2044	74,720	2,023	76,743
	\$ 2,100,300	\$ 940,258	\$ 3,040,558

* Interest requirements for variable-rate bonds have been computed using the effective interest rate at March 31, 2016

** 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.

NOTES TO FINANCIAL STATEMENTS

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

	Maximum Issue Amount	Balance at March 31, 2016
Tax Exempt Direct Purchase Bonds (ANC MV Phase I Limited Partnership Project), Series 2014	\$14,682	\$8,575
Tax Exempt Revenue Bonds 2015 (Creekview Plaza 49 Senior Housing Project)	8,500	2,678
Tax Exempt Direct Purchase Bonds (325 E. 3rd Limited Partnership), Series 2016	4,000	639

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 March 31, 2016, 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 March 31, 2016, are shown below:

Related Bond Issue	Effective Date	Fixed Rate Paid	Variable Rate Received	Swap Termination Date	Counterparty Credit Rating ⁷
GP01A ¹	12/01/08	2.4530	67% of 1M LIBOR ⁴	12/01/30	BBB+/A3
GP01B	08/02/01	4.1427	67% of 1M LIBOR	12/01/30	AA-/Aa3
E021A1 ²	10/09/08	2.9800	70% of 3M LIBOR ⁵	06/01/32	AA+/Aa2
E021A2	10/09/08	3.4480	70% of 1M LIBOR	12/01/36	AA-/Aa3
SC02C ³	12/05/02	4.3030	SIFMA ⁶ +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

NOTES TO FINANCIAL STATEMENTS

The change in fair value and ending balance of the hedging derivatives as of March 31, 2016, is shown below (in thousands). The fair value is reported as a deferred outflow / inflow of resources in the Statement of Net Position.

Related Bond Issue	Notional Amounts	Present Values	Fair Values		Change in Fair Value
			March 31, 2016	June 30, 2015	
GP01A	\$ 49,910	\$ 55,366	\$ (5,456)	\$ (3,732)	\$ (1,724)
GP01B	60,985	75,468	(14,483)	(12,810)	(1,673)
E021A1	39,800	46,020	(6,220)	(4,501)	(1,719)
E021A2	39,260	40,883	(1,623)	(2,508)	885
SC02C	40,420	45,031	(4,611)	(5,085)	474
E071AB	143,622	190,203	(46,581)	(35,022)	(11,559)
E071BD	95,748	126,568	(30,820)	(23,039)	(7,781)
E091A	72,789	97,344	(24,555)	(18,478)	(6,077)
E091B	72,789	97,261	(24,472)	(18,392)	(6,080)
E091ABD	97,052	129,347	(32,295)	(24,115)	(8,180)
Total	\$ 712,375	\$ 903,491	\$ (191,116)	\$ (147,682)	\$ (43,434)

As of March 31, 2016, 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	\$ 3,910	\$ 1,385	\$ 10,790	\$ 16,085
2017	15,990	2,900	22,883	41,773
2018	19,235	2,831	22,307	44,373
2019	20,110	2,754	21,663	44,527
2020	24,320	2,673	20,991	47,984
2021-2025	141,380	11,666	91,119	244,165
2026-2030	157,375	8,737	68,170	234,282
2031-2035	142,185	5,573	43,589	191,347
2036-2040	154,595	2,521	19,677	176,793
2041-2045	33,275	122	951	34,348
	\$ 712,375	\$ 41,162	\$ 322,140	\$ 1,075,677

Credit Risk

As of March 31, 2016, 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 36.0% of the total notional amount of the swaps is held with one counterparty rated "AA+/Aa2". Another 32.7% 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+/A2", approximating 14.1%, 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 March 31, 2016, SIFMA was 0.4% and 1-month LIBOR was 0.43725%, resulting in a SIFMA/LIBOR ratio of 91.5%. The 3-month LIBOR was 0.6286%, resulting in a SIFMA/LIBOR ratio of 63.6%. The SIFMA/LIBOR ratios have fluctuated since the agreements became effective but the anticipated cost savings from the swaps increases as the ratios decrease.

NOTES TO FINANCIAL STATEMENTS

Termination Risk

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

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

Rollover Risk

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

Investment Derivative

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

The significant terms and credit ratings of the Corporation's investment derivative as of March 31, 2016, 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 1MLIBOR	07/01/24	A+/Aa2

The change in fair value of the investment derivatives as of March 31, 2016, is shown below (in thousands) and is presented on the net change of hedge termination line in the Statement of Revenues, Expenses, and Changes in Net Position.

Related Bond Issue	Notional Amounts	Present Values	Fair Values		Change in Fair Value
			March 31, 2016	June 30, 2015	
SC02B	\$ 14,555	\$ 17,503	\$ (2,948)	\$ (2,517)	\$ (431)

Credit Risk

As of March 31, 2016, 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 nine months ended March 31, 2016 is summarized in the following schedule (in thousands):

	June 30, 2015	Additions	Reductions	March 31, 2016	Due Within One Year
Total bonds and notes payable	\$ 2,201,527	\$ 64,565	\$ (101,727)	\$ 2,164,365	\$ 48,335
Pension liability	28,368	-	-	28,368	-
Compensated absences	4,631	2,220	(2,184)	4,667	1,846
Other liabilities	858	-	(9)	849	-
Total long-term liabilities	\$ 2,235,384	\$ 66,785	\$ (103,920)	\$ 2,198,249	\$ 50,181

NOTES TO FINANCIAL STATEMENTS

13 SHORT TERM DEBT

The Corporation has a taxable commercial paper program. Commercial paper is used to refund certain tax-exempt debt until new debt replaces it. Individual maturities range up to 270 days from date of issuance. The maximum aggregate outstanding principal balance authorized by the Corporation's Board of Directors is \$150,000,000. The lowest yield during the nine months ended March 31, 2016, was 0.12% and the highest was 0.48%.

Short term debt activity for the nine months ended March 31, 2016, is summarized in the following schedule (in thousands):

	June 30, 2015	Additions	Reductions	March 31, 2016
Commercial paper	\$ 16,900	\$ 196,006	\$ (188,906)	\$ 24,000
Unamortized discount	(1)	(51)	37	(15)
Commercial paper, net	\$ 16,899	\$ 195,955	\$ (188,869)	\$ 23,985

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 March 31, 2016, 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 nine months ended March 31, 2016, are summarized in the following schedule (in thousands):

	Due From					Total
	Administrative Fund	Grant Programs	Mortgage or Bond Programs	Other Funds or Programs	Alaska Corporation for Affordable Housing	
D Administrative Fund	\$ -	\$ 106	\$ 24,524	\$ 6,828	\$ 3,557	\$ 35,015
u Grant Programs	6,150	-	-	-	-	6,150
e Mortgage or Bond Programs	75,307	-	5,404	-	-	80,711
Other Funds or Programs	5,044	31	-	-	-	5,075
T Alaska Corporation for						
o Affordable Housing	9,046	-	-	-	-	9,046
Total	\$ 95,547	\$ 137	\$ 29,928	\$ 6,828	\$ 3,557	\$ 135,997

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 March 31, 2016, the Corporation had unused standby bond purchase agreements of \$561,060,000 and bond insurance of \$34,455,000.

NOTES TO FINANCIAL STATEMENTS

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 nine months ended March 31, 2016 was (\$9,000). No arbitrage was paid for the nine months ended March 31, 2016.

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 March 31, 2016, (in thousands):

	Dividend Due to State	Expenditures	Remaining Commitments
State General Fund Transfers	\$ 788,948	\$ (788,948)	\$ -
State Capital Projects Debt Service	434,866	(421,026)	13,840
State of Alaska Capital Projects	253,761	(249,045)	4,716
AHFC Capital Projects	479,608	(449,128)	30,480
Total	<u>\$ 1,957,183</u>	<u>\$ (1,908,147)</u>	<u>\$ 49,036</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.

NOTES TO FINANCIAL STATEMENTS

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

19 HOUSING GRANTS AND SUBSIDIES EXPENSES

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

	March 31, 2016
▪ Beneficiaries and Special Needs Housing	\$ 990
▪ Continuum of Care Homeless Assistance	1,456
▪ Domestic Violence	1,185
▪ Drug Elimination	13
▪ Emergency Shelter Grant (ESG)	87
▪ Energy Efficiency Monitoring Research	504
▪ Energy Efficient Home Program	10,046
▪ HOME Investment Partnership	1,484
▪ Homeless Assistance Program	5,201
▪ Housing Choice Vouchers	23,062
▪ Housing Loan Program	4,907
▪ Housing Opportunities for Persons with AIDS	420
▪ Low Income Weatherization Assistance	17,013
▪ Non-Elderly Disabled (NED)	181
▪ Parolees (TBRA)	430
▪ Section 8 Rehabilitaton	320
▪ Senior Citizen Housing Development Grant	3,571
▪ Supplemental Housing Grant	5,916
▪ Technical Assistance Grant	15
▪ Utility Allowance Payments for Low Rent	5
▪ Veterans Affairs Supportive Housing	1,281
▪ Youth (TBRA)	113
Total Housing Grants and Subsidies Expenses	\$ 78,200

In addition to grant payments made, the Corporation had advanced grant funds of \$7,484,000 and committed to third parties a sum of \$68,700,000 in grant awards as of March 31, 2016.

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

NOTES TO FINANCIAL STATEMENTS

21 PENSION AND POST EMPLOYMENT HEALTHCARE PLANS

Description of Plans

As of March 31, 2016, all regular employees of the Corporation who work more than fifteen hours per week participate in the Alaska Public Employees' Retirement System ("PERS"). PERS administers the State of Alaska Public Employees' Retirement System Defined Benefit Retirement Plan which includes both pension and post-employment healthcare plans for all employees hired prior to July 1, 2006. The defined benefit plan was an agent multiple-employer, statewide plan until July 1, 2008, when Senate Bill 125 converted the plan to a multiple-employer cost-sharing plan.

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

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

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

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

Employee Benefits:

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

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

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

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

Funding Policy:

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

Under State law the Corporation is required to contribute 22% of annual covered salary. For 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 nine months ended March 31, 2016, totaled \$1,009,000 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 nine months ended March 31, 2016 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 in 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 nine months ended March 31, 2016 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 nine months ended March 31, 2016 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 July 1, 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).

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

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

Employee Benefits

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

Funding Policy

Under State law, covered employees are required to contribute 8% of their annual covered salary. For 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 nine months ended March 31, 2016, the Corporation paid additional contributions of \$555,000. These contributions equal \$334,000 for the defined benefit pension and \$221,000 for the defined benefit post-employment healthcare plans.

The contributions to the pension plan for the nine months ended March 31, 2016, by the employees totaled \$375,000 and by the Corporation totaled \$245,000.

The Corporation contributed \$233,000 to a health reimbursement arrangement for the nine months ended March 31, 2016.

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 \$1,296,000 as of March 31, 2016.

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.

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

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
Total	\$ 51,012	\$ 57,874
The Corporation's covered employee payroll	\$ 16,314	\$ 17,189
The Corporation's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	138.80%	153.78%
Plan fiduciary net position as a percentage of the total pension liability	62.37%	56.04%

Information 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)

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

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 March 31, 2016

(in thousands of dollars)

	Combined Revolving Funds	Combined Mortgage Revenue Bonds	Combined Home Mortgage Revenue Bonds	Combined Veterans Mortgage Program Bonds
ASSETS				
Cash	39,912	-	-	-
Investments	481,775	23,932	62,621	16,069
Accrued interest receivable	2,845	905	2,600	375
Inter-fund due to/from	(16,193)	3,700	14,455	1,604
Mortgage loans, notes and other loans	256,549	298,802	739,623	64,478
Net investment in direct financing lease	-	-	-	-
Capital assets, non-depreciable	82	-	-	-
Capital assets - depreciable, net	4,029	-	-	-
Other assets	13,384	-	-	-
Derivative instrument - interest rate swaps	-	-	-	-
Intergovernmental receivable	412	-	-	-
Total Assets	782,795	327,339	819,299	82,526
DEFERRED OUTFLOW OF RESOURCES				
	2,685	-	174,498	-
LIABILITIES				
Bonds payable	-	267,069	556,288	46,785
Short term debt	23,985	-	-	-
Accrued interest payable	2,349	2,684	6,311	771
Other liabilities	36,443	85	221	28
Derivative instrument - interest rate swaps	-	-	166,566	-
Intergovernmental payable	31	-	-	-
Total Liabilities	62,808	269,838	729,386	47,584
DEFERRED INFLOW OF RESOURCES				
	3,277	-	-	-
NET POSITION				
Net investment in capital assets	4,111	-	-	-
Restricted by bond resolutions	-	57,501	264,411	34,942
Restricted by contractual or statutory agreements	97,509	-	-	-
Unrestricted or (deficit)	617,775	-	-	-
Total Net Position	719,395	57,501	264,411	34,942

Schedule 1

Combined Other Housing Bonds	Combined Non-Housing Bonds	Combined Other Programs	Combined Total
-	97	30,353	70,362
33,989	49,587	-	667,973
1,118	3,951	28	11,822
4,032	13,858	(21,456)	-
427,703	993,973	18,185	2,799,313
-	34,555	-	34,555
-	2,401	17,860	20,343
-	12,537	74,736	91,302
-	-	9,513	22,897
-	-	-	-
-	-	17,038	17,450
466,842	1,110,959	146,257	3,736,017
21,205	17,411	-	215,799
244,889	1,049,334	-	2,164,365
-	-	-	23,985
2,638	12,667	-	27,420
605	608	1,793	39,783
19,939	7,559	-	194,064
-	97	-	128
268,071	1,070,265	1,793	2,449,745
-	-	-	3,277
-	14,938	92,596	111,645
219,976	-	-	576,830
-	-	55,725	153,234
-	43,167	(3,857)	657,085
219,976	58,105	144,464	1,498,794

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ALASKA HOUSING FINANCE CORPORATION

Schedule 2

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

REVOLVING FUNDS

As of March 31, 2016

(in thousands of dollars)

	Administrative Fund	Home Ownership Fund	Senior Housing Revolving Loan Fund	Combined Total
ASSETS				
Cash	39,912	-	-	39,912
Investments	481,475	60	240	481,775
Accrued interest receivable	2,754	13	78	2,845
Inter-fund due to/from	(16,614)	218	203	(16,193)
Mortgage loans, notes and other loans	222,275	5,206	29,068	256,549
Net investment in direct financing lease	-	-	-	-
Capital assets - non-depreciable	82	-	-	82
Capital assets - depreciable, net	4,029	-	-	4,029
Other assets	13,384	-	-	13,384
Derivative instrument - interest rate swaps	-	-	-	-
Intergovernmental receivable	412	-	-	412
Total Assets	747,709	5,497	29,589	782,795
DEFERRED OUTFLOW OF RESOURCES				
	2,685	-	-	2,685
LIABILITIES				
Bonds payable	-	-	-	-
Short term debt	23,985	-	-	23,985
Accrued interest payable	2,349	-	-	2,349
Other liabilities	36,435	1	7	36,443
Derivative instrument - interest rate swaps	-	-	-	-
Intergovernmental payable	31	-	-	31
Total Liabilities	62,800	1	7	62,808
DEFERRED INFLOW OF RESOURCES				
	3,277	-	-	3,277
NET POSITION				
Net investment in capital assets	4,111	-	-	4,111
Restricted by bond resolutions	-	-	-	-
Restricted by contractual or statutory agreements	62,431	5,496	29,582	97,509
Unrestricted or (deficit)	617,775	-	-	617,775
Total Net Position	684,317	5,496	29,582	719,395

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ALASKA HOUSING FINANCE CORPORATION

Schedule 3

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

FIRST TIME HOMEBUYERS PROGRAM

MORTGAGE REVENUE BONDS

As of March 31, 2016

(in thousands of dollars)

	Bonds 2009 A-1 2010 A, B	Bonds 2009 A-2 2011 A, B	Mortgage Revenue Bonds Combined Total
ASSETS			
Cash	-	-	-
Investments	8,909	15,023	23,932
Accrued interest receivable	372	533	905
Inter-fund due to/from	968	2,732	3,700
Mortgage loans, notes and other loans	115,766	183,036	298,802
Net investment in direct financing lease	-	-	-
Capital assets - non-depreciable	-	-	-
Capital assets - depreciable, net	-	-	-
Other assets	-	-	-
Derivative instrument - interest rate swaps	-	-	-
Intergovernmental receivable	-	-	-
Total Assets	<u>126,015</u>	<u>201,324</u>	<u>327,339</u>
DEFERRED OUTFLOW OF RESOURCES			
	-	-	-
LIABILITIES			
Bonds payable	113,844	153,225	267,069
Short term debt	-	-	-
Accrued interest payable	1,325	1,359	2,684
Other liabilities	34	51	85
Derivative instrument - interest rate swaps	-	-	-
Intergovernmental payable	-	-	-
Total Liabilities	<u>115,203</u>	<u>154,635</u>	<u>269,838</u>
DEFERRED INFLOW OF RESOURCES			
	-	-	-
NET POSITION			
Net investment in capital assets	-	-	-
Restricted by bond resolutions	10,812	46,689	57,501
Restricted by contractual or statutory agreements	-	-	-
Unrestricted or (deficit)	-	-	-
Total Net Position	<u>10,812</u>	<u>46,689</u>	<u>57,501</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 March 31, 2016

(in thousands of dollars)

	Bonds 2002 A,B	Bonds 2007 A	Bonds 2007 B	Bonds 2007 D
ASSETS				
Cash	-	-	-	-
Investments	16,025	7,034	6,060	8,245
Accrued interest receivable	411	273	307	407
Inter-fund due to/from	2,461	1,544	1,905	1,225
Mortgage loans, notes and other loans	99,395	82,692	82,212	107,104
Net investment in direct financing lease	-	-	-	-
Capital assets - non-depreciable	-	-	-	-
Capital assets - depreciable, net	-	-	-	-
Other assets	-	-	-	-
Derivative instrument - interest rate swaps	-	-	-	-
Intergovernmental receivable	-	-	-	-
Total Assets	118,292	91,543	90,484	116,981
DEFERRED OUTFLOW OF RESOURCES	7,843	25,746	25,731	30,510
LIABILITIES				
Bonds payable	74,288	75,000	75,000	89,370
Short term debt	-	-	-	-
Accrued interest payable	775	863	863	1,027
Other liabilities	35	25	27	35
Derivative instrument - interest rate swaps	7,843	24,325	24,310	28,768
Intergovernmental payable	-	-	-	-
Total Liabilities	82,941	100,213	100,200	119,200
DEFERRED INFLOW OF RESOURCES	-	-	-	-
NET POSITION				
Net investment in capital assets	-	-	-	-
Restricted by bond resolutions	43,194	17,076	16,015	28,291
Restricted by contractual or statutory agreements	-	-	-	-
Unrestricted or (deficit)	-	-	-	-
Total Net Position	43,194	17,076	16,015	28,291

Schedule 4

Bonds 2009 A	Bonds 2009 B	Bonds 2009 D	Home Mortgage Revenue Bonds Combined Total
-	-	-	-
7,768	7,850	9,639	62,621
382	363	457	2,600
2,597	2,331	2,392	14,455
115,635	124,660	127,925	739,623
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
126,382	135,204	140,413	819,299
28,377	28,294	27,997	174,498
80,880	80,880	80,870	556,288
-	-	-	-
837	835	1,111	6,311
32	30	37	221
27,247	27,164	26,909	166,566
-	-	-	-
108,996	108,909	108,927	729,386
-	-	-	-
-	-	-	-
-	-	-	-
45,763	54,589	59,483	264,411
-	-	-	-
-	-	-	-
45,763	54,589	59,483	264,411

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ALASKA HOUSING FINANCE CORPORATION

Schedule 5

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

VETERANS MORTGAGE PROGRAM BONDS - STATE GUARANTEED

As of March 31, 2016

(in thousands of dollars)

	Collateralized Bonds 2006 First Series	Collateralized Bonds 2007 & 2008 First Series	Combined Total
ASSETS			
Cash	-	-	-
Investments	12,246	3,823	16,069
Accrued interest receivable	311	64	375
Inter-fund due to/from	1,348	256	1,604
Mortgage loans, notes and other loans	49,488	14,990	64,478
Net investment in direct financing lease	-	-	-
Capital assets - non-depreciable	-	-	-
Capital assets - depreciable, net	-	-	-
Other assets	-	-	-
Derivative instrument - interest rate swaps	-	-	-
Intergovernmental receivable	-	-	-
Total Assets	63,393	19,133	82,526
DEFERRED OUTFLOW OF RESOURCES			
	-	-	-
LIABILITIES			
Bonds payable	34,350	12,435	46,785
Short term debt	-	-	-
Accrued interest payable	561	210	771
Other liabilities	23	5	28
Derivative instrument - interest rate swaps	-	-	-
Intergovernmental payable	-	-	-
Total Liabilities	34,934	12,650	47,584
DEFERRED INFLOW OF RESOURCES			
	-	-	-
NET POSITION			
Net investment in capital assets	-	-	-
Restricted by bond resolutions	28,459	6,483	34,942
Restricted by contractual or statutory agreements	-	-	-
Unrestricted or (deficit)	-	-	-
Total Net Position	28,459	6,483	34,942

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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 March 31, 2016

(in thousands of dollars)

	General Mortgage Revenue Bonds II 2012 A & B	Governmental Purpose Bonds 1997 A	Governmental Purpose Bonds 2001 A-D	Combined Total
ASSETS				
Cash	-	-	-	-
Investments	11,244	8,800	13,945	33,989
Accrued interest receivable	448	76	594	1,118
Inter-fund due to/from	1,571	-	2,461	4,032
Mortgage loans, notes and other loans	194,935	13,586	219,182	427,703
Net investment in direct financing lease	-	-	-	-
Capital assets - non-depreciable	-	-	-	-
Capital assets - depreciable, net	-	-	-	-
Other assets	-	-	-	-
Derivative instrument - interest rate swaps	-	-	-	-
Intergovernmental receivable	-	-	-	-
Total Assets	208,198	22,462	236,182	466,842
DEFERRED OUTFLOW OF RESOURCES				
	1,266	-	19,939	21,205
LIABILITIES				
Bonds payable	125,219	14,600	105,070	244,889
Short term debt	-	-	-	-
Accrued interest payable	1,468	2	1,168	2,638
Other liabilities	42	-	563	605
Derivative instrument - interest rate swaps	-	-	19,939	19,939
Intergovernmental payable	-	-	-	-
Total Liabilities	126,729	14,602	126,740	268,071
DEFERRED INFLOW OF RESOURCES				
	-	-	-	-
NET POSITION				
Net investment in capital assets	-	-	-	-
Restricted by bond resolutions	82,735	7,860	129,381	219,976
Restricted by contractual or statutory agreements	-	-	-	-
Unrestricted or (deficit)	-	-	-	-
Total Net Position	82,735	7,860	129,381	219,976

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

NON-HOUSING BONDS

As of March 31, 2016

(in thousands of dollars)

	State Capital Project Bonds 2002 A, B, C	State Capital Project Bonds 2006 A	State Capital Project Bonds 2007 A & B	State Capital Project Bonds 2011 A	State Capital Project Bonds II 2012 A & B
ASSETS					
Cash	-	-	97	-	-
Investments	3,045	1,734	765	4,547	3,489
Accrued interest receivable	208	4	36	313	379
Inter-fund due to/from	445	15	37	1,282	681
Mortgage loans, notes and other loans	46,719	1,123	3,695	76,815	89,650
Net investment in direct financing lease	-	-	31,190	-	-
Capital assets - non-depreciable	-	-	-	2,401	-
Capital assets - depreciable, net	-	-	-	12,537	-
Other assets	-	-	-	-	-
Derivative instrument - interest rate swaps	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-
Total Assets	50,417	2,876	35,820	97,895	94,199
DEFERRED OUTFLOW OF RESOURCES					
	4,612	-	947	-	-
LIABILITIES					
Bonds payable	40,420	1,987	32,840	75,659	93,316
Short term debt	-	-	-	-	-
Accrued interest payable	544	28	501	1,226	1,288
Other liabilities	16	-	3	24	18
Derivative instrument - interest rate swaps	7,559	-	-	-	-
Intergovernmental payable	-	-	97	-	-
Total Liabilities	48,539	2,015	33,441	76,909	94,622
DEFERRED INFLOW OF RESOURCES					
	-	-	-	-	-
NET POSITION					
Net investment in capital assets	-	-	-	14,938	-
Restricted by bond resolutions	-	-	-	-	-
Restricted by contractual or statutory agreements	-	-	-	-	-
Unrestricted or (deficit)	6,490	861	3,326	6,048	(423)
Total Net Position	6,490	861	3,326	20,986	(423)

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
-	-	-	-	-	-	-	-	-	97
4,176	4,762	1,707	7,420	2,563	6,346	5,568	3,465	-	49,587
754	375	131	390	267	466	419	209	-	3,951
2,168	1,323	460	1,795	1,617	1,778	1,771	486	-	13,858
142,433	100,415	30,445	143,249	89,489	111,668	97,964	60,308	-	993,973
-	-	-	-	-	3,365	-	-	-	34,555
-	-	-	-	-	-	-	-	-	2,401
-	-	-	-	-	-	-	-	-	12,537
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
149,531	106,875	32,743	152,854	93,936	123,623	105,722	64,468	-	1,110,959
-	-	-	-	-	5,263	4,753	1,836	-	17,411
145,733	102,320	32,728	140,000	90,740	127,635	101,706	64,250	-	1,049,334
-	-	-	-	-	-	-	-	-	-
1,387	1,531	482	419	1,300	1,641	1,400	920	-	12,667
21	29	12	36	26	376	31	16	-	608
-	-	-	-	-	-	-	-	-	7,559
-	-	-	-	-	-	-	-	-	97
147,141	103,880	33,222	140,455	92,066	129,652	103,137	65,186	-	1,070,265
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	14,938
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
2,390	2,995	(479)	12,399	1,870	(766)	7,338	1,118	-	43,167
2,390	2,995	(479)	12,399	1,870	(766)	7,338	1,118	-	58,105

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

OTHER PROGRAM FUNDS

As of March 31, 2016

(in thousands of dollars)

	Energy Programs	Low Rent Program	Market Rate Rental Housing Programs	Section 8 Vouchers Programs
ASSETS				
Cash	1,028	11,325	11,422	4,165
Investments	-	-	-	-
Accrued interest receivable	-	-	-	-
Inter-fund due to/from	(7,441)	(837)	(882)	(1,764)
Mortgage loans, notes and other loans	-	-	-	-
Net investment in direct financing lease	-	-	-	-
Capital assets - non-depreciable	-	12,554	1,639	-
Capital assets - depreciable, net	-	56,656	18,032	48
Other assets	2,168	385	19	308
Derivative instrument - interest rate swaps	-	-	-	-
Intergovernmental receivable	10,509	197	-	110
Total Assets	6,264	80,280	30,230	2,867
DEFERRED OUTFLOW OF RESOURCES				
	-	-	-	-
LIABILITIES				
Bonds payable	-	-	-	-
Short term debt	-	-	-	-
Accrued interest payable	-	-	-	-
Other liabilities	384	1,018	253	120
Derivative instrument - interest rate swaps	-	-	-	-
Intergovernmental payable	-	-	-	-
Total Liabilities	384	1,018	253	120
DEFERRED INFLOW OF RESOURCES				
	-	-	-	-
NET POSITION				
Net investment in capital assets	-	69,210	19,671	48
Restricted by bond resolutions	-	-	-	-
Restricted by contractual or statutory agreements	7,368	10,731	10,330	3,112
Unrestricted or (deficit)	(1,488)	(679)	(24)	(413)
Total Net Position	5,880	79,262	29,977	2,747

Schedule 8

Other Grants	Alaska Corporation for Affordable Housing	Combined Total
158	2,255	30,353
-	-	-
-	28	28
(1,493)	(9,039)	(21,456)
-	18,185	18,185
-	-	-
-	3,667	17,860
-	-	74,736
6,395	238	9,513
-	-	-
6,222	-	17,038
<u>11,282</u>	<u>15,334</u>	<u>146,257</u>
-	-	-
-	-	-
-	-	-
13	5	1,793
-	-	-
-	-	-
<u>13</u>	<u>5</u>	<u>1,793</u>
-	-	-
-	3,667	92,596
-	-	-
11,301	12,883	55,725
(32)	(1,221)	(3,857)
<u>11,269</u>	<u>15,329</u>	<u>144,464</u>

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

COMBINED - ALL FUNDS

For the Nine Months Ended March 31, 2016

(in thousands of dollars)

	Combined Revolving Funds	Combined Mortgage Revenue Bonds	Combined Home Mortgage Revenue Bonds	Combined Veterans Mortgage Program Bonds
OPERATING REVENUES				
Mortgage and loans revenue	9,277	8,792	25,277	2,918
Investment interest	414	119	134	46
Net change in the fair value of investments	1,670	18	75	4
Net change of hedge termination	-	-	-	-
Total Investment Revenue	2,084	137	209	50
Externally funded program	1,319	-	-	-
Rental	308	-	-	-
Other	1,117	-	-	-
Total Operating Revenues	14,105	8,929	25,486	2,968
OPERATING EXPENSES				
Interest	42	6,213	15,442	1,855
Mortgage and loan costs	1,653	825	2,199	232
Financing expenses	193	26	1,897	5
Provision for loan loss	754	(916)	(1,764)	(497)
Operations and administration	15,322	388	936	78
Rental housing operating expenses	11	-	-	-
Housing grants and subsidies	-	-	-	-
Total Operating Expenses	17,975	6,536	18,710	1,673
Operating Income (Loss)	(3,870)	2,393	6,776	1,295
NONOPERATING EXPENSES, SPECIAL ITEMS & TRANSFERS				
Contributions to the State of Alaska or other State agencies	(34)	-	-	-
Special Items	-	-	-	-
Transfers - Internal	(66,642)	870	827	83
Change in Net Position	(70,546)	3,263	7,603	1,378
Net position at beginning of year	789,941	54,238	256,808	33,564
Cumulative effect of accounting change	-	-	-	-
Revised net position at beginning of year	789,941	54,238	256,808	33,564
Net Position at End of Period	719,395	57,501	264,411	34,942

Schedule 9

Combined Other Housing Bonds	Combined Non-Housing Bonds	Combined Other Programs	Combined Total
11,756	38,458	28	96,506
532	1,777	11	3,033
42	11	-	1,820
-	(431)	-	(431)
574	1,357	11	4,422
-	-	90,719	92,038
-	-	7,449	7,757
-	-	607	1,724
12,330	39,815	98,814	202,447
6,296	22,609	-	52,457
1,004	2,699	-	8,612
110	602	-	2,833
(468)	(1,733)	470	(4,154)
412	1,554	20,679	39,369
-	-	11,772	11,783
-	-	78,200	78,200
7,354	25,731	111,121	189,100
4,976	14,084	(12,307)	13,347
-	-	-	(34)
-	-	-	-
4,787	44,216	15,859	-
9,763	58,300	3,552	13,313
210,213	(195)	140,912	1,485,481
-	-	-	-
210,213	(195)	140,912	1,485,481
219,976	58,105	144,464	1,498,794

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ALASKA HOUSING FINANCE CORPORATION

Schedule 10

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

REVOLVING FUNDS

For the Nine Months Ended March 31, 2016

(in thousands of dollars)

	Administrative Fund	Home Ownership Fund	Senior Housing Revolving Loan Fund	Combined Total
OPERATING REVENUES				
Mortgage and loans revenue	8,536	117	624	9,277
Investment interest	189	84	141	414
Net change in the fair value of investments	1,827	(59)	(98)	1,670
Net change of hedge termination	-	-	-	-
Total Investment Revenue	2,016	25	43	2,084
Externally funded program	1,319	-	-	1,319
Rental	308	-	-	308
Other	1,117	-	-	1,117
Total Operating Revenues	13,296	142	667	14,105
OPERATING EXPENSES				
Interest	42	-	-	42
Mortgage and loan costs	1,587	12	54	1,653
Financing expenses	194	(1)	-	193
Provision for loan loss	545	53	156	754
Operations and administration	15,298	4	20	15,322
Rental housing operating expenses	11	-	-	11
Housing grants and subsidies	-	-	-	-
Total Operating Expenses	17,677	68	230	17,975
Operating Income (Loss)	(4,381)	74	437	(3,870)
NONOPERATING EXPENSES, SPECIAL ITEMS & TRANSFERS				
Contributions to the State of Alaska or other State agencies	(34)	-	-	(34)
Special Items	-	-	-	-
Transfers - Internal	(60,532)	(6,200)	90	(66,642)
Change in Net Position	(64,947)	(6,126)	527	(70,546)
Net position at beginning of year	749,264	11,622	29,055	789,941
Cumulative effect of accounting change	-	-	-	-
Revised net position at beginning of year	749,264	11,622	29,055	789,941
Net Position at End of Period	684,317	5,496	29,582	719,395

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ALASKA HOUSING FINANCE CORPORATION

Schedule 11

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FIRST TIME HOMEBUYERS PROGRAM

MORTGAGE REVENUE BONDS

For the Nine Months Ended March 31, 2016

(in thousands of dollars)

	Bonds 2009 A-1 2010 A, B	Bonds 2009 A-2 2011 A, B	Mortgage Revenue Bonds Combined Total
OPERATING REVENUES			
Mortgage and loans revenue	3,587	5,205	8,792
Investment interest	50	69	119
Net change in the fair value of investments	7	11	18
Net change of hedge termination	-	-	-
Total Investment Revenue	57	80	137
Externally funded program	-	-	-
Rental	-	-	-
Other	-	-	-
Total Operating Revenues	3,644	5,285	8,929
OPERATING EXPENSES			
Interest	3,047	3,166	6,213
Mortgage and loan costs	327	498	825
Financing expenses	11	15	26
Provision for loan loss	(329)	(587)	(916)
Operations and administration	142	246	388
Rental housing operating expenses	-	-	-
Housing grants and subsidies	-	-	-
Total Operating Expenses	3,198	3,338	6,536
Operating Income (Loss)	446	1,947	2,393
NONOPERATING EXPENSES, SPECIAL ITEMS & TRANSFERS			
Contributions to the State of Alaska or other State agencies	-	-	-
Special Items	-	-	-
Transfers - Internal	468	402	870
Change in Net Position	914	2,349	3,263
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
Net Position at End of Period	10,812	46,689	57,501

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FIRST TIME HOMEBUYERS PROGRAM

HOME MORTGAGE REVENUE BONDS

For the Nine Months Ended March 31, 2016

(in thousands of dollars)

	Bonds 2002 A,B	Bonds 2007 A	Bonds 2007 B	Bonds 2007 D
OPERATING REVENUES				
Mortgage and loans revenue	4,144	2,922	2,993	3,801
Investment interest	28	15	14	19
Net change in the fair value of investments	24	7	7	9
Net change of hedge termination	-	-	-	-
Total Investment Revenue	52	22	21	28
Externally funded program	-	-	-	-
Rental	-	-	-	-
Other	-	-	-	-
Total Operating Revenues	4,196	2,944	3,014	3,829
OPERATING EXPENSES				
Interest	2,490	2,031	2,030	2,420
Mortgage and loan costs	365	274	263	327
Financing expenses	514	93	105	120
Provision for loan loss	(376)	(179)	(159)	(269)
Operations and administration	192	110	103	133
Rental housing operating expenses	-	-	-	-
Housing grants and subsidies	-	-	-	-
Total Operating Expenses	3,185	2,329	2,342	2,731
Operating Income (Loss)	1,011	615	672	1,098
NONOPERATING EXPENSES, SPECIAL ITEMS & TRANSFERS				
Contributions to the State of Alaska or other State agencies	-	-	-	-
Special Items	-	-	-	-
Transfers - Internal	(599)	231	(370)	174
Change in Net Position	412	846	302	1,272
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
Net Position at End of Period	43,194	17,076	16,015	28,291

Schedule 12

Bonds 2009 A	Bonds 2009 B	Bonds 2009 D	Home Mortgage Revenue Bonds Combined Total
3,472	3,714	4,231	25,277
18	20	20	134
9	9	10	75
-	-	-	-
27	29	30	209
-	-	-	-
-	-	-	-
-	-	-	-
3,499	3,743	4,261	25,486
2,091	2,089	2,291	15,442
295	316	359	2,199
358	281	426	1,897
(175)	(197)	(409)	(1,764)
117	130	151	936
-	-	-	-
-	-	-	-
2,686	2,619	2,818	18,710
813	1,124	1,443	6,776
-	-	-	-
-	-	-	-
578	455	358	827
1,391	1,579	1,801	7,603
44,372	53,010	57,682	256,808
-	-	-	-
44,372	53,010	57,682	256,808
45,763	54,589	59,483	264,411

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ALASKA HOUSING FINANCE CORPORATION

Schedule 13

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

VETERANS MORTGAGE PROGRAM BONDS - STATE GUARANTEED

For the Nine Months Ended March 31, 2016

(in thousands of dollars)

	Collateralized Bonds 2006 First Series	Collateralized Bonds 2007 & 2008 First Series	Combined Total
OPERATING REVENUES			
Mortgage and loans revenue	2,219	699	2,918
Investment interest	36	10	46
Net change in the fair value of investments	3	1	4
Net change of hedge termination	-	-	-
Total Investment Revenue	39	11	50
Externally funded program	-	-	-
Rental	-	-	-
Other	-	-	-
Total Operating Revenues	2,258	710	2,968
OPERATING EXPENSES			
Interest	1,353	502	1,855
Mortgage and loan costs	178	54	232
Financing expenses	4	1	5
Provision for loan loss	(387)	(110)	(497)
Operations and administration	58	20	78
Rental housing operating expenses	-	-	-
Housing grants and subsidies	-	-	-
Total Operating Expenses	1,206	467	1,673
Operating Income (Loss)	1,052	243	1,295
NONOPERATING EXPENSES, SPECIAL ITEMS & TRANSFERS			
Contributions to the State of Alaska or other State agencies	-	-	-
Special Items	-	-	-
Transfers - Internal	63	20	83
Change in Net Position	1,115	263	1,378
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
Net Position at End of Period	28,459	6,483	34,942

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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 Nine Months Ended March 31, 2016

(in thousands of dollars)

	General Mortgage Revenue Bonds II 2012 A & B	Governmental Purpose Bonds 1997 A	Governmental Purpose Bonds 2001 A-D	Combined Total
OPERATING REVENUES				
Mortgage and loans revenue	4,956	359	6,441	11,756
Investment interest	32	13	487	532
Net change in the fair value of investments	11	14	17	42
Net change of hedge termination	-	-	-	-
Total Investment Revenue	43	27	504	574
Externally funded program	-	-	-	-
Rental	-	-	-	-
Other	-	-	-	-
Total Operating Revenues	4,999	386	6,945	12,330
OPERATING EXPENSES				
Interest	3,284	3	3,009	6,296
Mortgage and loan costs	426	-	578	1,004
Financing expenses	9	31	70	110
Provision for loan loss	(107)	(12)	(349)	(468)
Operations and administration	173	-	239	412
Rental housing operating expenses	-	-	-	-
Housing grants and subsidies	-	-	-	-
Total Operating Expenses	3,785	22	3,547	7,354
Operating Income (Loss)	1,214	364	3,398	4,976
NONOPERATING EXPENSES, SPECIAL ITEMS & TRANSFERS				
Contributions to the State of Alaska or other State agencies	-	-	-	-
Special Items	-	-	-	-
Transfers - Internal	4,649	31	107	4,787
Change in Net Position	5,863	395	3,505	9,763
Net position at beginning of year	76,872	7,465	125,876	210,213
Cumulative effect of accounting change	-	-	-	-
Revised net position at beginning of year	76,872	7,465	125,876	210,213
Net Position at End of Period	82,735	7,860	129,381	219,976

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

NON-HOUSING BONDS

For the Nine Months Ended March 31, 2016

(in thousands of dollars)

	State Capital Project Bonds 2002 A, B, C	State Capital Project Bonds 2006 A	State Capital Project Bonds 2007 A & B	State Capital Project Bonds 2011 A	State Capital Project Bonds II 2012 A & B
OPERATING REVENUES					
Mortgage and loans revenue	1,781	983	324	3,068	3,851
Investment interest	12	11	1,332	15	13
Net change in the fair value of investments	1	-	-	1	1
Net change of hedge termination	(431)	-	-	-	-
Total Investment Revenue	(418)	11	1,332	16	14
Externally funded program	-	-	-	-	-
Rental	-	-	-	-	-
Other	-	-	-	-	-
Total Operating Revenues	1,363	994	1,656	3,084	3,865
OPERATING EXPENSES					
Interest	1,718	772	1,249	2,608	1,920
Mortgage and loan costs	142	66	26	240	208
Financing expenses	47	3	15	4	5
Provision for loan loss	(78)	(606)	(184)	(101)	(422)
Operations and administration	80	19	13	603	58
Rental housing operating expenses	-	-	-	-	-
Housing grants and subsidies	-	-	-	-	-
Total Operating Expenses	1,909	254	1,119	3,354	1,769
Operating Income (Loss)	(546)	740	537	(270)	2,096
NONOPERATING EXPENSES, SPECIAL ITEMS & TRANSFERS					
Contributions to the State of Alaska or other State agencies	-	-	-	-	-
Special Items	-	-	-	-	-
Transfers - Internal	5,276	(2,892)	(877)	5,887	4,089
Change in Net Position	4,730	(2,152)	(340)	5,617	6,185
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)
Net Position at End of Period	6,490	861	3,326	20,986	(423)

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
6,937	3,672	1,172	4,573	2,964	4,195	4,066	872	-	38,458
17	21	7	22	11	291	19	6	-	1,777
1	1	-	2	1	1	1	1	-	11
-	-	-	-	-	-	-	-	-	(431)
18	22	7	24	12	292	20	7	-	1,357
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
6,955	3,694	1,179	4,597	2,976	4,487	4,086	879	-	39,815
2,342	2,476	614	831	1,722	3,294	2,431	632	-	22,609
207	274	106	426	289	347	300	68	-	2,699
8	6	2	8	5	7	153	339	-	602
(396)	(230)	(80)	(95)	2	(143)	(9)	609	-	(1,733)
58	70	57	140	92	157	149	58	-	1,554
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
2,219	2,596	699	1,310	2,110	3,662	3,024	1,706	-	25,731
4,736	1,098	480	3,287	866	825	1,062	(827)	-	14,084
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
3,755	10,195	2,844	7,982	(5,998)	11,326	737	1,945	(53)	44,216
8,491	11,293	3,324	11,269	(5,132)	12,151	1,799	1,118	(53)	58,300
(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)
2,390	2,995	(479)	12,399	1,870	(766)	7,338	1,118	-	58,105

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

OTHER PROGRAM FUNDS

For the Nine Months Ended March 31, 2016

(in thousands of dollars)

	Energy Programs	Low Rent Program	Market Rate Rental Housing Programs	Section 8 Vouchers Programs
OPERATING REVENUES				
Mortgage and loans revenue	-	-	-	-
Investment interest	1	1	1	6
Net change in the fair value of investments	-	-	-	-
Net change of hedge termination	-	-	-	-
Total Investment Revenue	1	1	1	6
Externally funded program	29,025	8,274	1,601	29,018
Rental	-	5,639	1,765	-
Other	2	20	2	6
Total Operating Revenues	29,028	13,934	3,369	29,030
OPERATING EXPENSES				
Interest	-	-	-	-
Mortgage and loan costs	-	-	-	-
Financing expenses	-	-	-	-
Provision for loan loss	-	-	-	-
Operations and administration	3,015	9,538	2,346	3,770
Rental housing operating expenses	60	9,148	2,266	158
Housing grants and subsidies	27,563	5	-	26,571
Total Operating Expenses	30,638	18,691	4,612	30,499
Operating Income (Loss)	(1,610)	(4,757)	(1,243)	(1,469)
NONOPERATING EXPENSES, SPECIAL ITEMS & TRANSFERS				
Contributions to the State of Alaska or other State agencies	-	-	-	-
Special Items	-	-	-	-
Transfers - Internal	1,750	2,870	1,487	499
Change in Net Position	140	(1,887)	244	(970)
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
Net Position at End of Period	5,880	79,262	29,977	2,747

Schedule 16

Other Grants	Alaska Corporation for Affordable Housing	Combined Total
-	28	28
-	2	11
-	-	-
-	-	-
-	2	11
22,800	1	90,719
-	45	7,449
577	-	607
23,377	76	98,814
-	-	-
-	-	-
-	-	-
-	470	470
2,007	3	20,679
134	6	11,772
24,061	-	78,200
26,202	479	111,121
(2,825)	(403)	(12,307)
-	-	-
-	-	-
3,764	5,489	15,859
939	5,086	3,552
10,330	10,243	140,912
-	-	-
10,330	10,243	140,912
11,269	15,329	144,464

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

COMBINED - ALL FUNDS

For the Nine Months Ended March 31, 2016

(in thousands of dollars)

	Combined Revolving Funds	Combined Mortgage Revenue Bonds	Combined Home Mortgage Revenue Bonds	Combined Veterans Mortgage Program Bonds
<u>Cash flows from operating activities:</u>				
Interest income on mortgages and loans	5,678	8,095	23,434	2,749
Principal payments received on mortgages and loans	6,839	29,983	75,060	11,798
Disbursements to fund mortgages and loans	(369,752)	-	-	-
Receipt (payment) for loan transfers between funds	184,638	(35,679)	(40,634)	1,144
Mortgage and loan proceeds	312,984	-	-	-
Payment of mortgage and loan proceeds to funds	(318,706)	-	-	-
Payments to employees and other payroll disbursements	(19,265)	-	-	-
Payments for goods and services	(7,034)	-	(140)	-
Cash received for externally funded programs	1,319	-	-	-
Cash received for Federal HAP subsidies	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-
Interfund receipts (payments)	(7,322)	-	-	-
Grant payments to other agencies	(655)	-	-	-
Other operating cash receipts	8,640	-	-	-
Other operating cash payments	(898)	-	-	-
Net cash provided by (used for) operating activities	(203,534)	2,399	57,720	15,691
<u>Cash flows from noncapital financing activities:</u>				
Proceeds from the issuance of bonds	-	-	80,881	-
Principal paid on bonds	-	(16,065)	(89,016)	(10,070)
Payment to defease bonds	-	-	-	-
Payment of bond issuance costs	(319)	-	-	-
Interest paid	(37)	(4,218)	(9,889)	(1,312)
Proceeds from issuance of short term debt	195,950	-	-	-
Payment of short term debt	(188,869)	-	-	-
Contributions to the State of Alaska or other State agencies	(3)	-	-	-
Transfers (to) from other funds	16,392	72	(4,458)	-
Other cash payments	-	-	-	-
Net cash provided by (used for) noncapital financing activities	23,114	(20,211)	(22,482)	(11,382)
<u>Cash flows from capital financing activities:</u>				
Acquisition of capital assets	(598)	-	-	-
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	-	-	-	-
Net cash provided by (used for) capital financing activities	(545)	-	-	-
<u>Cash flows from investing activities:</u>				
Purchase of investments	(1,837,593)	(252,606)	(230,264)	(67,110)
Proceeds from maturity of investments	2,033,514	270,296	194,888	62,755
Interest received from investments	614	122	138	46
Net cash provided by (used for) investing activities	196,535	17,812	(35,238)	(4,309)
Net Increase (decrease) in cash	15,570	-	-	-
Cash at the beginning of year	24,342	-	-	-
Cash at the end of period	39,912	-	-	-
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	(3,870)	2,393	6,776	1,295
<i>Adjustments:</i>				
Depreciation expense	340	-	-	-
Provision for loan losses	754	(916)	(1,764)	(497)
Net change in the fair value of investments	(1,670)	(18)	(75)	(4)
Transfers between funds for operating activity	(16,159)	624	2,822	83
Interest received from investments	(614)	(122)	(138)	(46)
Interest paid	37	4,218	9,889	1,312
<i>Changes in assets, liabilities and deferred resources:</i>				
Net increase (decrease) in mortgages and loans	(178,275)	(5,696)	34,426	12,942
Net increase (decrease) in assets, liabilities and deferred resources	(4,077)	1,916	5,784	606
Net cash provided by (used for) operating activities	(203,534)	2,399	57,720	15,691

Schedule 17

Combined Other Housing Bonds	Combined Non-Housing Bonds	Combined Other Programs	Combined Total
10,926	36,073	-	86,955
39,765	79,543	-	242,988
-	-	(10,819)	(380,571)
(43,191)	(66,278)	-	-
-	-	-	312,984
-	-	-	(318,706)
-	-	(11,018)	(30,283)
-	-	(11,968)	(19,142)
-	-	71,876	73,195
-	-	24,606	24,606
-	-	(26,612)	(26,612)
-	-	7,322	-
-	-	(52,034)	(52,689)
-	71	8,575	17,286
-	(147)	(318)	(1,363)
7,500	49,262	(390)	(71,352)
-	22,156	-	103,037
(6,440)	(8,388)	-	(129,979)
-	-	-	-
-	-	-	(319)
(4,113)	(18,600)	-	(38,169)
-	-	-	195,950
-	-	-	(188,869)
-	-	-	(3)
(7)	(17,515)	5,516	-
-	-	-	-
(10,560)	(22,347)	5,516	(58,352)
-	-	(622)	(1,220)
-	-	6	59
-	-	-	-
-	(5,217)	-	(5,217)
-	-	-	-
-	(2,477)	-	(2,477)
-	6,771	-	6,771
-	-	-	-
-	(923)	(616)	(2,084)
(171,114)	(337,045)	-	(2,895,732)
173,568	310,799	-	3,045,820
606	177	11	1,714
3,060	(26,069)	11	151,802
-	(77)	4,521	20,014
-	174	25,832	50,348
-	97	30,353	70,362
4,976	14,084	(12,307)	13,347
-	450	4,788	5,578
(468)	(1,733)	470	(4,154)
(42)	(11)	-	(1,820)
598	1,738	10,294	-
(606)	(177)	(11)	(1,714)
4,113	21,077	-	40,646
(3,426)	13,265	(10,819)	(137,583)
2,355	569	7,195	14,348
7,500	49,262	(390)	(71,352)

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ALASKA HOUSING FINANCE CORPORATION

Schedule 18

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

REVOLVING FUNDS

For the Nine Months Ended March 31, 2016

(in thousands of dollars)

	Administrative Fund	Home Ownership Fund	Senior Housing Revolving Loan Fund	Combined Total
<u>Cash flows from operating activities:</u>				
Interest income on mortgages and loans	5,033	99	546	5,678
Principal payments received on mortgages and loans	5,683	56	1,100	6,839
Disbursements to fund mortgages and loans	(369,752)	-	-	(369,752)
Receipt (payment) for loan transfers between funds	214,982	(11,743)	(18,601)	184,638
Mortgage and loan proceeds	312,984	-	-	312,984
Payment of mortgage and loan proceeds to funds	(318,706)	-	-	(318,706)
Payments to employees and other payroll disbursements	(19,265)	-	-	(19,265)
Payments for goods and services	(7,034)	-	-	(7,034)
Cash received for externally funded programs	1,319	-	-	1,319
Cash received for Federal HAP subsidies	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-
Interfund receipts (payments)	(7,322)	-	-	(7,322)
Grant payments to other agencies	(655)	-	-	(655)
Other operating cash receipts	8,640	-	-	8,640
Other operating cash payments	(898)	-	-	(898)
Net cash provided by (used for) operating activities	(174,991)	(11,588)	(16,955)	(203,534)
<u>Cash flows from noncapital financing activities:</u>				
Proceeds from the issuance of bonds	-	-	-	-
Principal paid on bonds	-	-	-	-
Payment to defease bonds	-	-	-	-
Payment of bond issuance costs	(319)	-	-	(319)
Interest paid	(37)	-	-	(37)
Proceeds from issuance of short term debt	195,950	-	-	195,950
Payment of short term debt	(188,869)	-	-	(188,869)
Contributions to the State of Alaska or other State agencies	(3)	-	-	(3)
Transfers (to) from other funds	16,392	-	-	16,392
Other cash payments	-	-	-	-
Net cash provided by (used for) noncapital financing activities	23,114	-	-	23,114
<u>Cash flows from capital financing activities:</u>				
Acquisition of capital assets	(598)	-	-	(598)
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	-	-	-	-
Net cash provided by (used for) capital financing activities	(545)	-	-	(545)
<u>Cash flows from investing activities:</u>				
Purchase of investments	(1,809,483)	(10,942)	(17,168)	(1,837,593)
Proceeds from maturity of investments	1,977,222	22,388	33,904	2,033,514
Interest received from investments	253	142	219	614
Net cash provided by (used for) investing activities	167,992	11,588	16,955	196,535
Net Increase (decrease) in cash	15,570	-	-	15,570
Cash at the beginning of year	24,342	-	-	24,342
Cash at the end of period	39,912	-	-	39,912
<u>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</u>				
Operating income (loss)	(4,381)	74	437	(3,870)
<i>Adjustments:</i>				
Depreciation expense	340	-	-	340
Provision for loan losses	545	53	156	754
Net change in the fair value of investments	(1,827)	59	98	(1,670)
Transfers between funds for operating activity	(16,277)	29	89	(16,159)
Interest received from investments	(253)	(142)	(219)	(614)
Interest paid	37	-	-	37
<i>Changes in assets, liabilities and deferred resources:</i>				
Net increase (decrease) in mortgages and loans	(149,087)	(11,687)	(17,501)	(178,275)
Net increase (decrease) in assets, liabilities and deferred resources	(4,088)	26	(15)	(4,077)
Net cash provided by (used for) operating activities	(174,991)	(11,588)	(16,955)	(203,534)

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ALASKA HOUSING FINANCE CORPORATION

Schedule 19

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

FIRST TIME HOMEBUYERS PROGRAM

MORTGAGE REVENUE BONDS

For the Nine Months Ended March 31, 2016

(in thousands of dollars)

	Bonds 2009 A-1 2010 A, B	Bonds 2009 A-2 2011 A, B	Mortgage Revenue Bonds Combined Total
<u>Cash flows from operating activities:</u>			
Interest income on mortgages and loans	3,311	4,784	8,095
Principal payments received on mortgages and loans	10,707	19,276	29,983
Disbursements to fund mortgages and loans	-	-	-
Receipt (payment) for loan transfers between funds	(18,233)	(17,446)	(35,679)
Mortgage and loan proceeds	-	-	-
Payment of mortgage and loan proceeds to funds	-	-	-
Payments to employees and other payroll disbursements	-	-	-
Payments for goods and services	-	-	-
Cash received for externally funded programs	-	-	-
Cash received for Federal HAP subsidies	-	-	-
Payments for Federal HAP subsidies	-	-	-
Interfund receipts (payments)	-	-	-
Grant payments to other agencies	-	-	-
Other operating cash receipts	-	-	-
Other operating cash payments	-	-	-
Net cash provided by (used for) operating activities	(4,215)	6,614	2,399
<u>Cash flows from noncapital financing activities:</u>			
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	91	(19)	72
Other cash payments	-	-	-
Net cash provided by (used for) noncapital financing activities	(6,563)	(13,648)	(20,211)
<u>Cash flows from capital financing activities:</u>			
Acquisition of capital assets	-	-	-
Proceeds from the disposal of capital assets	-	-	-
Proceeds from the issuance of capital notes	-	-	-
Principal paid on capital notes	-	-	-
Payment of bond issuance costs	-	-	-
Interest paid on capital notes	-	-	-
Proceeds from direct financing leases	-	-	-
Other cash payments	-	-	-
Net cash provided by (used for) capital financing activities	-	-	-
<u>Cash flows from investing activities:</u>			
Purchase of investments	(107,740)	(144,866)	(252,606)
Proceeds from maturity of investments	118,466	151,830	270,296
Interest received from investments	52	70	122
Net cash provided by (used for) investing activities	10,778	7,034	17,812
Net Increase (decrease) in cash	-	-	-
Cash at the beginning of year	-	-	-
Cash at the end of period	-	-	-
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities			
Operating income (loss)	446	1,947	2,393
<i>Adjustments:</i>			
Depreciation expense	-	-	-
Provision for loan losses	(329)	(587)	(916)
Net change in the fair value of investments	(7)	(11)	(18)
Transfers between funds for operating activity	255	369	624
Interest received from investments	(52)	(70)	(122)
Interest paid	2,049	2,169	4,218
<i>Changes in assets, liabilities and deferred resources:</i>			
Net increase (decrease) in mortgages and loans	(7,526)	1,830	(5,696)
Net increase (decrease) in assets, liabilities and deferred resources	949	967	1,916
Net cash provided by (used for) operating activities	(4,215)	6,614	2,399

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

FIRST TIME HOMEBUYERS PROGRAM

HOME MORTGAGE REVENUE BONDS

For the Nine Months Ended March 31, 2016

(in thousands of dollars)

	Bonds 2002 A,B	Bonds 2007 A	Bonds 2007 B	Bonds 2007 D
<u>Cash flows from operating activities:</u>				
Interest income on mortgages and loans	3,841	2,705	2,788	3,538
Principal payments received on mortgages and loans	11,419	9,871	8,430	11,583
Disbursements to fund mortgages and loans	-	-	-	-
Receipt (payment) for loan transfers between funds	(2,783)	(5,443)	(4,772)	(7,451)
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	-	-	-	-
Net cash provided by (used for) operating activities	12,337	7,133	6,446	7,670
<u>Cash flows from noncapital financing activities:</u>				
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)	(203)
Other cash payments	-	-	-	-
Net cash provided by (used for) noncapital financing activities	(10,588)	(1,792)	(2,026)	(1,807)
<u>Cash flows from capital financing activities:</u>				
Acquisition of capital assets	-	-	-	-
Proceeds from the disposal of capital assets	-	-	-	-
Proceeds from the issuance of capital notes	-	-	-	-
Principal paid on capital notes	-	-	-	-
Payment of bond issuance costs	-	-	-	-
Interest paid on capital notes	-	-	-	-
Proceeds from direct financing leases	-	-	-	-
Other cash payments	-	-	-	-
Net cash provided by (used for) capital financing activities	-	-	-	-
<u>Cash flows from investing activities:</u>				
Purchase of investments	(53,128)	(25,718)	(22,955)	(32,846)
Proceeds from maturity of investments	51,351	20,362	18,521	26,963
Interest received from investments	28	15	14	20
Net cash provided by (used for) investing activities	(1,749)	(5,341)	(4,420)	(5,863)
Net Increase (decrease) in cash	-	-	-	-
Cash at the beginning of year	-	-	-	-
Cash at the end of period	-	-	-	-
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	1,011	615	672	1,098
<i>Adjustments:</i>				
Depreciation expense	-	-	-	-
Provision for loan losses	(376)	(179)	(159)	(269)
Net change in the fair value of investments	(24)	(7)	(7)	(9)
Transfers between funds for operating activity	581	231	234	288
Interest received from investments	(28)	(15)	(14)	(20)
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	8,636	4,428	3,658	4,132
Net increase (decrease) in assets, liabilities and deferred resources	1,264	714	717	846
Net cash provided by (used for) operating activities	12,337	7,133	6,446	7,670

Schedule 20

Bonds 2009 A	Bonds 2009 B	Bonds 2009 D	Home Mortgage Revenue Bonds Combined Total
3,228	3,440	3,894	23,434
10,365	12,246	11,146	75,060
-	-	-	-
(6,373)	(7,827)	(5,985)	(40,634)
-	-	-	-
-	-	-	-
-	-	-	(140)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
7,220	7,859	9,055	57,720
-	80,881	-	80,881
-	(80,881)	-	(89,016)
-	-	-	-
-	-	-	-
(1,442)	(1,440)	(1,439)	(9,889)
-	-	-	-
-	-	-	-
(345)	(1,054)	(549)	(4,458)
-	-	-	-
(1,787)	(2,494)	(1,988)	(22,482)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
(29,884)	(32,908)	(32,825)	(230,264)
24,432	27,521	25,738	194,888
19	22	20	138
(5,433)	(5,365)	(7,067)	(35,238)
-	-	-	-
-	-	-	-
-	-	-	-
813	1,124	1,443	6,776
-	-	-	-
(175)	(197)	(409)	(1,764)
(9)	(9)	(10)	(75)
514	455	519	2,822
(19)	(22)	(20)	(138)
1,442	1,440	1,439	9,889
3,992	4,419	5,161	34,426
662	649	932	5,784
7,220	7,859	9,055	57,720

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ALASKA HOUSING FINANCE CORPORATION
Schedule 21

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS
VETERANS MORTGAGE PROGRAM BONDS - STATE GUARANTEED

For the Nine Months Ended March 31, 2016

(in thousands of dollars)

	Collateralized Bonds 2006 First Series	Collateralized Bonds 2007 & 2008 First Series	Combined Total
<u>Cash flows from operating activities:</u>			
Interest income on mortgages and loans	2,087	662	2,749
Principal payments received on mortgages and loans	8,999	2,799	11,798
Disbursements to fund mortgages and loans	-	-	-
Receipt (payment) for loan transfers between funds	747	397	1,144
Mortgage and loan proceeds	-	-	-
Payment of mortgage and loan proceeds to funds	-	-	-
Payments to employees and other payroll disbursements	-	-	-
Payments for goods and services	-	-	-
Cash received for externally funded programs	-	-	-
Cash received for Federal HAP subsidies	-	-	-
Payments for Federal HAP subsidies	-	-	-
Interfund receipts (payments)	-	-	-
Grant payments to other agencies	-	-	-
Other operating cash receipts	-	-	-
Other operating cash payments	-	-	-
Net cash provided by (used for) operating activities	11,833	3,858	15,691
<u>Cash flows from noncapital financing activities:</u>			
Proceeds from the issuance of bonds	-	-	-
Principal paid on bonds	(7,720)	(2,350)	(10,070)
Payment to defease bonds	-	-	-
Payment of bond issuance costs	-	-	-
Interest paid	(957)	(355)	(1,312)
Proceeds from issuance of short term debt	-	-	-
Payment of short term debt	-	-	-
Contributions to the State of Alaska or other State agencies	-	-	-
Transfers (to) from other funds	-	-	-
Other cash payments	-	-	-
Net cash provided by (used for) noncapital financing activities	(8,677)	(2,705)	(11,382)
<u>Cash flows from capital financing activities:</u>			
Acquisition of capital assets	-	-	-
Proceeds from the disposal of capital assets	-	-	-
Proceeds from the issuance of capital notes	-	-	-
Principal paid on capital notes	-	-	-
Payment of bond issuance costs	-	-	-
Interest paid on capital notes	-	-	-
Proceeds from direct financing leases	-	-	-
Other cash payments	-	-	-
Net cash provided by (used for) capital financing activities	-	-	-
<u>Cash flows from investing activities:</u>			
Purchase of investments	(51,517)	(15,593)	(67,110)
Proceeds from maturity of investments	48,325	14,430	62,755
Interest received from investments	36	10	46
Net cash provided by (used for) investing activities	(3,156)	(1,153)	(4,309)
Net Increase (decrease) in cash	-	-	-
Cash at the beginning of year	-	-	-
Cash at the end of period	-	-	-
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities			
Operating income (loss)	1,052	243	1,295
<i>Adjustments:</i>			
Depreciation expense	-	-	-
Provision for loan losses	(387)	(110)	(497)
Net change in the fair value of investments	(3)	(1)	(4)
Transfers between funds for operating activity	63	20	83
Interest received from investments	(36)	(10)	(46)
Interest paid	957	355	1,312
<i>Changes in assets, liabilities and deferred resources:</i>			
Net increase (decrease) in mortgages and loans	9,746	3,196	12,942
Net increase (decrease) in assets, liabilities and deferred resources	441	165	606
Net cash provided by (used for) operating activities	11,833	3,858	15,691

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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 Nine Months Ended March 31, 2016

(in thousands of dollars)

	General Mortgage Revenue Bonds II 2012 A, B	Governmental Purpose Bonds 1997 A	Governmental Purpose Bonds 2001 A-D	Combined Total
Cash flows from operating activities:				
Interest income on mortgages and loans	4,620	326	5,980	10,926
Principal payments received on mortgages and loans	19,570	1,174	19,021	39,765
Disbursements to fund mortgages and loans	-	-	-	-
Receipt (payment) for loan transfers between funds	(12,077)	-	(31,114)	(43,191)
Mortgage and loan proceeds	-	-	-	-
Payment of mortgage and loan proceeds to funds	-	-	-	-
Payments to employees and other payroll disbursements	-	-	-	-
Payments for goods and services	-	-	-	-
Cash received for externally funded programs	-	-	-	-
Cash received for Federal HAP subsidies	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-
Interfund receipts (payments)	-	-	-	-
Grant payments to other agencies	-	-	-	-
Other operating cash receipts	-	-	-	-
Other operating cash payments	-	-	-	-
Net cash provided by (used for) operating activities	12,113	1,500	(6,113)	7,500
Cash flows from noncapital financing activities:				
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	-	-	-	-
Net cash provided by (used for) noncapital financing activities	(6,013)	(2)	(4,545)	(10,560)
Cash flows from capital financing activities:				
Acquisition of capital assets	-	-	-	-
Proceeds from the disposal of capital assets	-	-	-	-
Proceeds from the issuance of capital notes	-	-	-	-
Principal paid on capital notes	-	-	-	-
Payment of bond issuance costs	-	-	-	-
Interest paid on capital notes	-	-	-	-
Proceeds from direct financing leases	-	-	-	-
Other cash payments	-	-	-	-
Net cash provided by (used for) capital financing activities	-	-	-	-
Cash flows from investing activities:				
Purchase of investments	(50,443)	(23,314)	(97,357)	(171,114)
Proceeds from maturity of investments	44,311	21,802	107,455	173,568
Interest received from investments	32	14	560	606
Net cash provided by (used for) investing activities	(6,100)	(1,498)	10,658	3,060
Net Increase (decrease) in cash	-	-	-	-
Cash at the beginning of year	-	-	-	-
Cash at the end of period	-	-	-	-
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	1,214	364	3,398	4,976
<i>Adjustments:</i>				
Depreciation expense	-	-	-	-
Provision for loan losses	(107)	(12)	(349)	(468)
Net change in the fair value of investments	(11)	(14)	(17)	(42)
Transfers between funds for operating activity	267	31	300	598
Interest received from investments	(32)	(14)	(560)	(606)
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	7,493	1,174	(12,093)	(3,426)
Net increase (decrease) in assets, liabilities and deferred resources	1,036	(31)	1,350	2,355
Net cash provided by (used for) operating activities	12,113	1,500	(6,113)	7,500

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

NON-HOUSING BONDS

For the Nine Months Ended March 31, 2016

(in thousands of dollars)

	State Capital Project Bonds 2002 A,B,C	State Capital Project Bonds 2006 A	State Capital Project Bonds 2007 A & B	State Capital Project Bonds 2011 A	State Capital Project Bonds II 2012 A & B
Cash flows from operating activities:					
Interest income on mortgages and loans	1,665	1,013	320	2,856	3,655
Principal payments received on mortgages and loans	5,784	3,091	1,224	7,645	5,349
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	-	-	71	-	-
Other operating cash payments	-	-	(95)	-	-
Net cash provided by (used for) operating activities	982	(13)	1,520	7,558	5,620
Cash flows from noncapital financing activities:					
Proceeds from the issuance of bonds	-	-	-	-	-
Principal paid on bonds	(370)	-	(3,845)	(2,058)	(2,015)
Payment to defease bonds	-	-	-	-	-
Payment of bond issuance costs	-	-	-	-	-
Interest paid	(168)	(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	5,280	-	-	-	-
Other cash payments	-	-	-	-	-
Net cash provided by (used for) noncapital financing activities	4,742	(816)	(4,768)	(3,709)	(3,987)
Cash flows from capital financing activities:					
Acquisition of capital assets	-	-	-	-	-
Proceeds from the disposal of capital assets	-	-	-	-	-
Proceeds from the issuance of capital notes	-	-	-	-	-
Principal paid on capital notes	(4,910)	-	-	(307)	-
Payment of bond issuance costs	-	-	-	-	-
Interest paid on capital notes	(2,230)	-	-	(247)	-
Proceeds from direct financing leases	-	-	3,304	-	-
Other cash payments	-	-	-	-	-
Net cash provided by (used for) capital financing activities	(7,140)	-	3,304	(554)	-
Cash flows from investing activities:					
Purchase of investments	(30,092)	(13,155)	(11,210)	(26,413)	(20,086)
Proceeds from maturity of investments	31,495	13,972	11,125	23,103	18,441
Interest received from investments	13	12	5	15	12
Net cash provided by (used for) investing activities	1,416	829	(80)	(3,295)	(1,633)
Net Increase (decrease) in cash	-	-	(24)	-	-
Cash at the beginning of year	-	-	121	-	-
Cash at the end of period	-	-	97	-	-
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities					
Operating income (loss)	(546)	740	537	(270)	2,096
<i>Adjustments:</i>					
Depreciation expense	-	-	-	450	-
Provision for loan losses	(78)	(606)	(184)	(101)	(422)
Net change in the fair value of investments	(1)	-	-	(1)	(1)
Transfers between funds for operating activity	144	(177)	1	167	91
Interest received from investments	(13)	(12)	(5)	(15)	(12)
Interest paid	2,398	816	923	1,898	1,972
<i>Changes in assets, liabilities and deferred resources:</i>					
Net increase (decrease) in mortgages and loans	(683)	(1,026)	1,224	4,702	1,965
Net increase (decrease) in assets, liabilities and deferred resources	(239)	252	(976)	728	(69)
Net cash provided by (used for) operating activities	982	(13)	1,520	7,558	5,620

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
6,705	3,472	1,085	4,189	2,690	3,918	3,815	690	-	36,073
3,430	10,543	3,443	10,804	3,353	12,361	11,305	1,211	-	79,543
-	-	-	-	-	-	-	-	-	-
(5,095)	(8,358)	(2,987)	(8,459)	(4,264)	(11,981)	(7,809)	(414)	-	(66,278)
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	71
-	-	-	-	-	(52)	-	-	-	(147)
5,040	5,657	1,541	6,534	1,779	4,246	7,311	1,487	-	49,262
-	-	-	-	-	-	-	22,156	-	22,156
-	-	(100)	-	-	-	-	-	-	(8,388)
-	-	-	-	-	-	-	-	-	-
(2,399)	(2,297)	(725)	(492)	(1,949)	(3,446)	(1,762)	-	-	(18,600)
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	53	(2,610)	(20,185)	(53)	(17,515)
-	-	-	-	-	-	-	-	-	-
(2,399)	(2,297)	(825)	(492)	(1,949)	(3,393)	(4,372)	1,971	(53)	(22,347)
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	(5,217)
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	(2,477)
-	-	-	-	-	3,467	-	-	-	6,771
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	3,467	-	-	-	(923)
(23,878)	(35,755)	(10,719)	(32,960)	(18,696)	(48,549)	(33,695)	(31,836)	(1)	(337,045)
21,222	32,375	9,996	26,897	18,855	44,206	30,738	28,373	1	310,799
15	20	7	21	11	23	18	5	-	177
(2,641)	(3,360)	(716)	(6,042)	170	(4,320)	(2,939)	(3,458)	-	(26,069)
-	-	-	-	-	-	-	-	(53)	(77)
-	-	-	-	-	-	-	-	53	174
-	-	-	-	-	-	-	-	-	97
4,736	1,098	480	3,287	866	825	1,062	(827)	-	14,084
-	-	-	-	-	-	-	-	-	450
(396)	(230)	(80)	(95)	2	(143)	(9)	609	-	(1,733)
(1)	(1)	-	(2)	(1)	(1)	(1)	(1)	-	(11)
89	154	90	196	567	(158)	201	373	-	1,738
(15)	(20)	(7)	(21)	(11)	(23)	(18)	(5)	-	(177)
2,399	2,297	725	492	1,949	3,446	1,762	-	-	21,077
(1,665)	2,185	456	2,345	(911)	380	3,496	797	-	13,265
(107)	174	(123)	332	(682)	(80)	818	541	-	569
5,040	5,657	1,541	6,534	1,779	4,246	7,311	1,487	-	49,262

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

OTHER PROGRAM FUNDS

For the Nine Months Ended March 31, 2016

(in thousands of dollars)

	Energy Programs	Low Rent Program	Market Rate Rental Housing Programs	Section 8 Vouchers Programs
<u>Cash flows from operating activities:</u>				
Interest income on mortgages and loans	-	-	-	-
Principal payments received on mortgages and loans	-	-	-	-
Disbursements to fund mortgages and loans	-	-	-	-
Receipt (payment) for loan transfers between funds	-	-	-	-
Mortgage and loan proceeds	-	-	-	-
Payment of mortgage and loan proceeds to funds	-	-	-	-
Payments to employees and other payroll disbursements	(793)	(5,593)	(1,264)	(2,740)
Payments for goods and services	(1,200)	(8,132)	(2,053)	(249)
Cash received for externally funded programs	30,757	8,097	1,600	6,139
Cash received for Federal HAP subsidies	-	-	-	24,606
Payments for Federal HAP subsidies	-	-	-	(26,612)
Interfund receipts (payments)	(1,002)	3,170	1,152	(1,344)
Grant payments to other agencies	(27,946)	-	-	(43)
Other operating cash receipts	9	5,738	1,780	373
Other operating cash payments	-	(24)	(3)	(48)
Net cash provided by (used for) operating activities	(175)	3,256	1,212	82
<u>Cash flows from noncapital financing activities:</u>				
Proceeds from the issuance of bonds	-	-	-	-
Principal paid on bonds	-	-	-	-
Payment to defease bonds	-	-	-	-
Payment of bond issuance costs	-	-	-	-
Interest paid	-	-	-	-
Proceeds from issuance of short term debt	-	-	-	-
Payment of short term debt	-	-	-	-
Contributions to the State of Alaska or other State agencies	-	-	-	-
Transfers (to) from other funds	-	-	-	-
Other cash payments	-	-	-	-
Net cash provided by (used for) noncapital financing activities	-	-	-	-
<u>Cash flows from capital financing activities:</u>				
Acquisition of capital assets	-	(90)	(509)	(23)
Proceeds from the disposal of capital assets	-	6	-	-
Proceeds from the issuance of capital notes	-	-	-	-
Principal paid on capital notes	-	-	-	-
Payment of bond issuance costs	-	-	-	-
Interest paid on capital notes	-	-	-	-
Proceeds from direct financing leases	-	-	-	-
Other cash payments	-	-	-	-
Net cash provided by (used for) capital financing activities	-	(84)	(509)	(23)
<u>Cash flows from investing activities:</u>				
Purchase of investments	-	-	-	-
Proceeds from maturity of investments	-	-	-	-
Interest received from investments	1	1	1	6
Net cash provided by (used for) investing activities	1	1	1	6
Net Increase (decrease) in cash	(174)	3,173	704	65
Cash at the beginning of year	1,202	8,152	10,718	4,100
Cash at the end of period	1,028	11,325	11,422	4,165
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	(1,610)	(4,757)	(1,243)	(1,469)
<i>Adjustments:</i>				
Depreciation expense	-	3,858	918	12
Provision for loan losses	-	-	-	-
Net change in the fair value of investments	-	-	-	-
Transfers between funds for operating activity	1,750	2,822	1,487	499
Interest received from investments	(1)	(1)	(1)	(6)
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	(314)	1,334	51	1,046
Net cash provided by (used for) operating activities	(175)	3,256	1,212	82

Schedule 24

Other Grants	Alaska Corporation for Affordable Housing	Combined Total
-	-	-
-	-	-
-	(10,819)	(10,819)
-	-	-
-	-	-
-	-	-
(628)	-	(11,018)
(316)	(18)	(11,968)
25,283	-	71,876
-	-	24,606
-	-	(26,612)
(855)	6,201	7,322
(24,045)	-	(52,034)
622	53	8,575
(12)	(231)	(318)
49	(4,814)	(390)

-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
(84)	5,600	5,516
-	-	-
(84)	5,600	5,516

-	-	(622)
-	-	6
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	(616)

-	-	-
-	-	-
-	2	11
-	2	11

(35)	788	4,521
193	1,467	25,832
158	2,255	30,353

(2,825)	(403)	(12,307)
-	-	4,788
-	470	470
-	-	-
3,847	(111)	10,294
-	(2)	(11)
-	-	-
-	(10,819)	(10,819)
(973)	6,051	7,195
49	(4,814)	(390)

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